

CABINET

13 MARCH 2014

| | |
|---|---|
| SUBJECT | REVENUE MONITORING 2013/14 MONTH 10 (JANUARY 2014) |
| WARD/S AFFECTED | ALL |
| REPORT OF | 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 10 (January 2014) and actions to minimise risk.

2 RECOMMENDATIONS

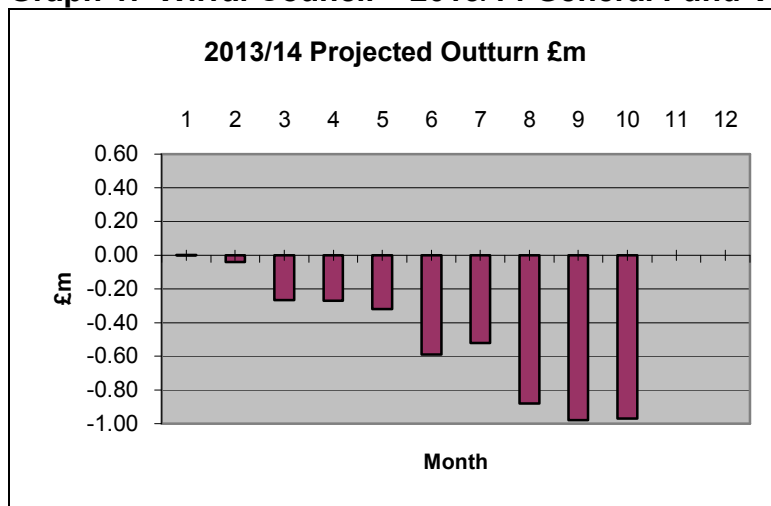
Cabinet is asked to note:

- a) at Month 10 (January 2014), the full year forecast projects a gross General Fund underspend of £966,000, net £197,000. Cabinet previously agreed to earmark £519,000 of any forecast underspend against future Council restructuring costs and a further £250,000 to replenish General Fund Balances used for the clean up and repairs to infrastructure from December's exceptional weather events. The remaining £197,000 available if the forecast is realised at the end of the financial year would be required to either contribute to the restructuring reserve or to raise the level of General Fund Balances to the required level for 2014/15.

3 OVERALL POSITION AT MONTH 10 (JANUARY 2014)

- 3.1 Month 10 shows a projected General Fund underspend of £966,000 (compared to the month 9 position of a £982,000 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 10 | Revised Net Budget |
|-----------------------------------|---------------------|------------------------------------|----------------------------------|--------------------|
| Chief Executive | 8,240 | -4,816 | 166 | 3,590 |
| People - Adult Social Services | 82,951 | -190 | 308 | 83,069 |
| People – Children & YP, & Schools | 91,738 | -6,776 | -166 | 84,796 |
| People – Asset Mgmt & Transport | - | 5,534 | -16 | 5,518 |
| People – Safeguarding | 685 | 1,396 | -29 | 2,052 |
| People – Sports and Recreation | 8,904 | -42 | -83 | 8,779 |
| Places - Environment & Regulation | 79,651 | 39 | -202 | 79,488 |
| Places – Housing & Comm Safety | 15,342 | -551 | -82 | 14,709 |
| Places – Regeneration | 5,134 | -2,005 | -81 | 3,048 |
| Places - Directorate Support | - | 200 | -60 | 140 |
| Places - Invest Strat & Bus Sup | - | 1,936 | -10 | 1,926 |
| Transformation & Resources | 12,424 | 5,275 | -420 | 17,279 |
| Corporate Growth & Savings | -3,252 | - | 675 | -2,577 |
| Net Cost of Services | 301,817 | 0 | 0 | 301,817 |

4.2 A number of in month budget virements are included within the above table. These reflect the allocation to directorates of a number of centrally held budgets. Changes include allocations for terms and conditions savings, market supplements, slippage and constituency committee budgets. These allocations do not alter the net cost of services.

4.3 The main report only comments on large variations (Red and Yellow items). The 'variations' analysis, over 29 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: Departmental Business Area Projected Budget variations

| | Chief Exec | People | Places | Trans & Res | Total | Percent of total |
|-------------------|------------|--------|--------|-------------|-------|------------------|
| Red Overspend | 0 | 1 | 0 | 1 | 0 | 5.80% |
| Yellow Underspend | 0 | 0 | 1 | 1 | 0 | 5.80% |

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

- 4.4 Although no Directorate is currently forecasting an overspend position there are two Business Areas forecast at red. These relate to the following:
 Transformation and Resources Business Processes currently forecast at £665,000 overspent (net of any other compensatory saving measures) due to forecast unachieved savings of £1.3 million relating to court costs income. The £665,000 will be funded from savings within other staffing and Treasury Management budgets within Transformation and Resources.
 The second red rating is in regard to Specialist Services within People – Children & YP & Schools which has a net overspend of £391,000. The overspend in this area relates mainly to agency costs and the demand for semi-residential placements. The over spend will be covered from other areas of the department.

There are, at the moment, two Business Areas forecast at Yellow.

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

The Places yellow rating relates to Environment & Regulation underspend of £370,000. This is for a number of reasons detailed in 4.6 - Places.

- 4.5 The reporting process identifies over or underspends and classifies them into risk bands. The projected forecasts below show two Directorates as yellow:

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

| Directorates | Revised Budget | Forecast Outturn | (Under) Overspend Month 10 | RAGBY Classification | Change from prev mnth |
|-----------------------------------|----------------|------------------|----------------------------|----------------------|-----------------------|
| Chief Executive | 3,590 | 3,519 | -71 | G | 31 |
| People - Adult Social Services | 83,069 | 83,069 | 0 | G | - |
| People – Children & YP, & Schools | 84,796 | 84,796 | 0 | G | - |
| People – Asset Mgmt & Transport | 5,518 | 5,518 | 0 | G | - |
| People – Safeguarding | 2,052 | 2,167 | 115 | G | - |
| People – Sports and Recreation | 8,779 | 8,559 | -220 | B | -59 |
| Places - Environment & Regulation | 79,488 | 79,118 | -370 | Y | - |
| Places – Housing & Comm Safety | 14,709 | 14,709 | 0 | G | - |
| Places – Regeneration | 3,048 | 3,048 | 0 | G | 65 |
| Places - Directorate Support | 140 | 140 | 0 | G | - |
| Places - Invest Strat & Bus Sup | 1,926 | 1,926 | 0 | G | - |
| Transformation & Resources | 17,279 | 16,859 | -420 | Y | -21 |
| Corporate Growth & Savings | -2,577 | -2,577 | 0 | G | - |
| TOTAL | 301,817 | 300,851 | -966 | | 16 |

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

- **Chief Executive's:** Underspend of £71,000 is currently forecast (Month 9 was forecast at £102,000).
- **People:** No overall variance is forecast at present (no change from previous month). Early implementation in 2013/14 of some measures to repay one-off funding, which supports the 2013/14 budget has occurred. These were originally scheduled to commence in 2014/15 and have enabled monies to be used:
 - Adults: As previously reported, reductions in high cost Learning Disabilities packages are not expected to deliver to the level previously assumed in 2013-14. A number of initiatives are being pursued in this area; a significant impact is expected in 2014-15 of -£300,000. Further reductions in older people packages are not now expected to be delivered in 2013-14, albeit substantial progress has already been made (-£300k).

Income from client contributions is increased by £300,000. This reflects the delivery of management actions and the reduction of processing backlogs in the Personal Finance Unit. However there remains a large workload to deal with the historical debt still outstanding and raise current assessment and collection efficiency to an acceptable level. Further work is proceeding to ensure the full value of assessed client contributions is billed by 31st March 2014, and that income recovery in-year is maximised.

Accordingly £1.0m 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 assumed as covered by the corporate savings profiling account. £1.7 million is forecast to be available in the year to contribute towards bridging the 2013/14 loan in 2014/15.

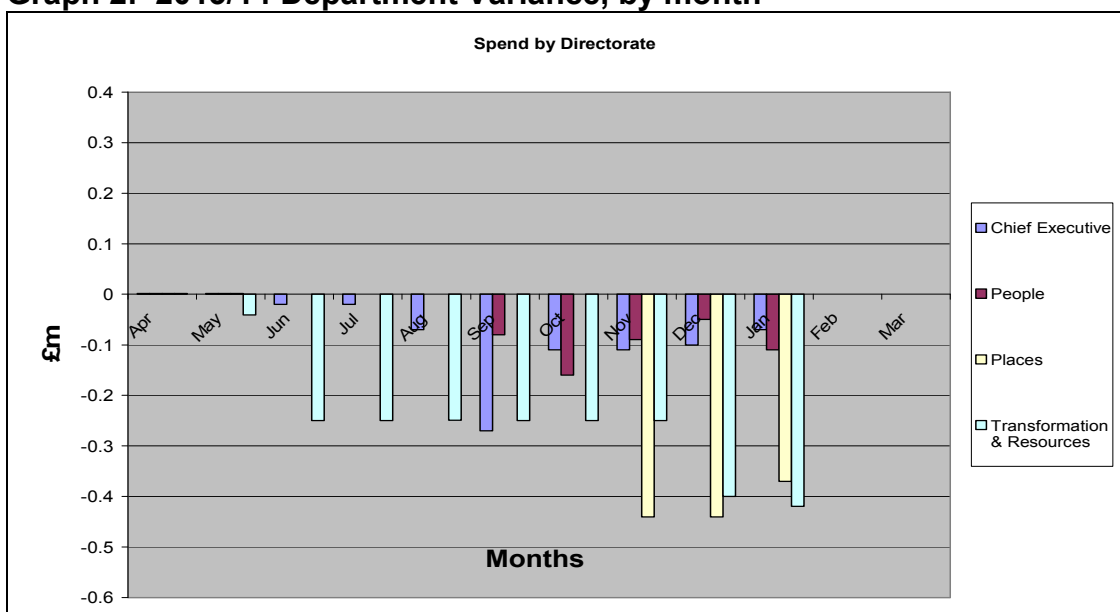
| | Adults | Children | Total |
|----------------------|--------|----------|--------|
| Saving 2013/14 | 1.000 | 1.700 | 2.700 |
| Use in 2013/14 | -1.000 | -0.000 | -1.000 |
| C/forward to 2014/15 | 0.000 | 1.700 | 1.700 |

- **Places:** The net saving forecast is £370,000 (month 9 under spend £435,000). A significant saving has been achieved as a result of the early implementation of savings relating to Supporting People. £1.3 million has been earmarked to resolve a number of annex 12 issues, which cover all directorates.

Within Environment and Regulation there are savings forecast against Environmental Health, Parks & Countryside and Waste & Environment. The Environmental Health savings includes increased income from export certificates. The Waste and Environment savings are derived from increased income from the School waste and garden waste collections combined with a lease rental saving from the wheelie bin lease buyout. The savings with Parks & Countryside are mainly around vacancy savings and the impact of the Council's spending freeze delaying much of the planned works.

- **Transformation & Resources:** A £420,000 under spend is currently forecast (£399,000 under spend in Month 9). This under spend is due to insurance fund contract and capital financing savings plus further savings are now forecast in relation to employee costs.

Graph 2: 2013/14 Department Variance, by month



- 4.7 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 which has reduced this month. This reflects the shortfall in Council Tax court costs income and an adjustment made to reflect that not all income raised will be received 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 |
| Gross Expenditure | | | | | |
| Employees | 137,604 | 136,948 | -656 | Y | 227 |
| Premises | 16,994 | 16,795 | -199 | B | -103 |
| Transport | 7,685 | 7,681 | -4 | G | 49 |
| Supplies and Services | 130,182 | 131,672 | 1,490 | R | 651 |
| Third Party Payments | 122,331 | 121,416 | -915 | Y | 98 |
| Transfer Payments | 140,988 | 140,983 | -5 | G | -5 |
| Support Services | 68,650 | 68,650 | - | G | - |
| Financing Costs | 58,626 | 57,796 | -830 | Y | 251 |
| Schools Expenditure | 178,648 | 178,648 | - | G | - |
| Total Expenditure | 861,708 | 860,589 | -1,119 | | 1168 |
| | | | | | |
| Gross Income | | | | | |
| Schools Income | 176,054 | 176,054 | - | G | - |
| Government Grants | 183,193 | 183,301 | 108 | G | 88 |
| Other Grants and Reimbursements | 36,385 | 38,029 | 1,644 | Y | 385 |
| Customer/Client Receipts | 47,819 | 46,053 | -1,766 | R | 706 |
| Interest | 870 | 640 | -230 | A | - |
| Recharge Other Rev A/c | 115,570 | 115,661 | 91 | G | -27 |
| Total Income | 559,891 | 559,738 | -153 | | 1,152 |
| | | | | | |
| Net Expenditure | 301,817 | 300,851 | -966 | | 16 |

Note: For explanations of red or yellow variances please see [Annex 4](#). Allocations of centrally held budgets made in period 10 impact on monthly movements between expenditure/income lines but not the net expenditure line.

- 4.8 Schools expenditure is funded from the Dedicated Schools Grant, as this grant is ring fenced any over/under spend will not impact on the General Fund.
- 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 | Dec 2013 | Change from prev mnth | Approved Budget Reduction | Amount Delivered at Jan | To be Delivered |
|----------------------------|-------------------|----------|-----------------------|---------------------------|-------------------------|-----------------|
| B - delivered | 42 | 40 | 2 | 22,655 | 22,617 | 38 |
| G – on track | 21 | 23 | -2 | 16,615 | 10,137 | 6,478 |
| A - concerns | 5 | 4 | 1 | 6,346 | 4,786 | 1,560 |
| R - failed | 2 | 3 | -1 | 2,729 | 1,129 | 300 |
| P – replacements for Red | 1 | 1 | 0 | 0 | 1083 | 217 |
| Total at M10 Jan 14 | 71 | | | 48,345 | 39,752 | 8,593 |
| <i>Total at M9 Dec 13</i> | <i>71</i> | | | <i>48,345</i> | <i>37,161</i> | <i>11,184</i> |

Notes: Budget Book page 56-58. Replacement savings cover shortfall in Court costs option M8 to be delivered reduced to reflect replacement for red contribution to savings

- 5.2 There are currently two savings options identified as red rated. They relate to
- Review of Residential Care for Learning Disabilities
 - Council Tax Court Costs
- 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 | 1,017 | 1,017 | 6,758 | 1,690 | 9,465 |
| Children's 4.9 | 7 | 1,700 | 1,700 | 1,500 | 1,800 | 5,000 |
| Use of 2013/14 | | -1,017 | | | | -1,017 |
| Total 13.7 | 37 | 1,700 | 2,717 | 8,258 | 3,490 | 13,448 |

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

5.6 Any detailed freeze request 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 £1.5 million 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. Slippage estimated at £1.6 million relating primarily to phasing of employee release savings in year has been allocated in year from 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. It should be noted that the current forecast underspend represents a small percentage of the total expenditure revenue budget, which is in excess of £865 million.

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. The tables below reflect the assumptions at the time of setting the 2013/14 budget. These will be updated

in the future to reflect any agreed changes and allocations once the 2014/15 budget is agreed.

- 6.2 In preparing for the 2014/15 budget, directorates have provided confirmation of growth required in 2013/14 and supporting evidence for future growth requirements. This will be incorporated in the tables below in the month 11 monitor following agreement by Budget Council.

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 | 2,300 | - | |
| Savings Profiling | 2,000 | 1,600 | - | |
| Price inflation unallocated | | | | 1,000 |
| Growth unallocated | | | 726 | - |
| | 7,700 | 5,600 | 6,626 | 8,900 |

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.

7 INCOME AND DEBT

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

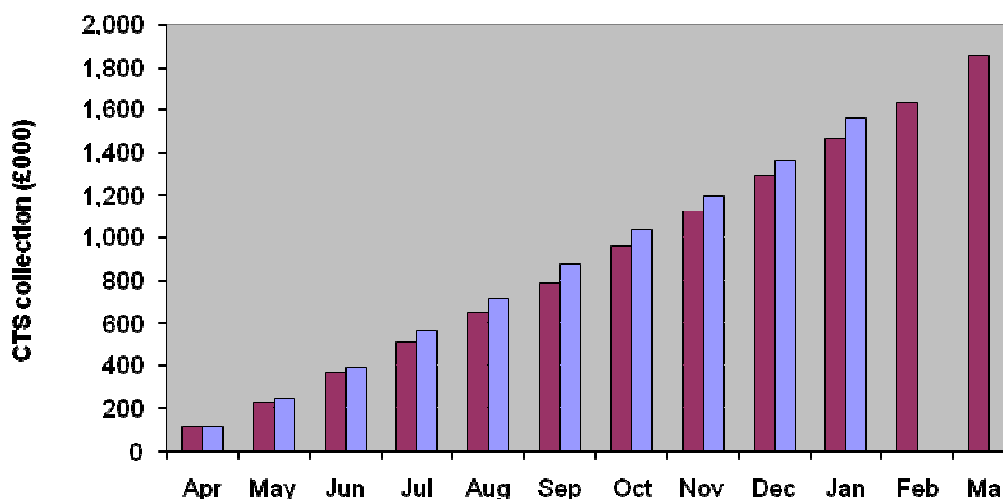
Table 10: Amount to be collected in 2013-14

| | 2013-14 Collectable | 2013-14 Collected | % |
|---------------------------------------|---------------------|-------------------|------|
| | £000 | £000 | |
| Council Tax | 135,524 | 123,929 | 91.4 |
| Business Rates | 69,648 | 65,636 | 94.2 |
| Fees and charges – Adults | 61,687 | 40,889 | 66.3 |
| Fees and charges – all other services | 48,050 | 42,183 | 87.8 |

- 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 13-14



7.4 The Council Tax Support Scheme was introduced in April. This involved 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 £2.25 million has been assumed. The forecast is that £1.98 million (66%) will be collected by 31 March 2014 with recovery actions post 31 March 2014 increasing the collection to the target figure. At 31 January 2014 collection was 50.6%% which equates to £1,560,000

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 6,007 applications for Deduction of Benefits have been made since July, 73% higher than last year. 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 94.2% during January. This is higher than the 92.3% collected at the equivalent period in 2012/13. Comparisons are difficult as large increases/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 eight 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 Group 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 revision 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 is in progress using monthly expenditure and income profiled budgets. 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 was calculated to be £17.7m. This has since been reassessed as part of the 2014/15 budget update process to £17.3m.

Table 10: Summary of the projected General Fund balances

| Details | £m | £m |
|--|-------|--------|
| Projected balance 31 March 2014 when setting the Budget 2013/14 | | +13.60 |
| Add: Estimated increase following completion of 2012/13 revenue accounts | +3.60 | +3.60 |
| Add: Potential underspend, at M10 | +0.97 | |
| Less: Funding of energy increase 2013/14 | -0.18 | |
| Less; Funding for Storm damage and cleansing | -0.25 | |
| Less: Restructuring reserve transfer | -0.52 | 0.02 |
| Projected balance 31 March 2014 | | 17.22 |

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 Jan 2014 £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 | (962) | 28,266 |
| School Balances and Schools Related | <u>14,264</u> | <u>(2)</u> | <u>14,262</u> |
| Total Reserves | 64,776 | (1,969) | 63,061 |

Note: Some reserves will only be applied at year end.

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

| 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 10 |
| 8 | November | Dec 6 | Dec 17 | Jan 16 |
| 9 | December | Jan 8 | Jan 21 | Feb 12 |
| 10 | January | Feb 7 | Feb 25 | Mar 13 |
| 11 | February | Mar 7 | TBC | TBC |
| 12 | Outturn (Provisional) | TBC | TBC | TBC |

AGREED BY COUNCIL ON 5 MARCH 2013

| Directorate/Service Area | 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 Rates 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 10 | Revised Net Budget |
|-----------------------------------|---------------------|------------------------------------|----------------------------------|--------------------|
| Chief Executive | 8,240 | -4,816 | 166 | 3,590 |
| People - Adult Social Services | 82,951 | -190 | 308 | 83,069 |
| People – Children & YP, & Schools | 91,738 | -6,776 | -166 | 84,796 |
| People – Asset Mgmt & Transport | - | 5,534 | -16 | 5,518 |
| People – Safeguarding | 685 | 1,396 | -29 | 2,052 |
| People – Sports and Recreation | 8,904 | -42 | -83 | 8,779 |
| Places - Environment & Regulation | 79,651 | 39 | -202 | 79,488 |
| Places – Housing & Comm Safety | 15,342 | -551 | -82 | 14,709 |
| Places – Regeneration | 5,134 | -2,005 | -81 | 3,048 |
| Places - Directorate Support | - | 200 | -60 | 140 |
| Places - Invest Strat & Bus Sup | - | 1936 | -10 | 1,926 |
| Transformation & Resources | 12,424 | 5,275 | -420 | 17,279 |
| Corporate Growth & Savings | -3,252 | - | 675 | -2,577 |
| 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 |

| | | |
|-----|---|------------|
| 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 Chief Exec Dep. | 0.150 |
| n/a | Transfer of Allotments budget from Asset Management (CYP) to Parks and Countryside (R&E). | 0.090 |
| n/a | Strategic Directors costs moved to People and Places from Chief Exec Dep. | 0.298 |
| n/a | Performance officer transferred from DASS to Chief Exec Dep. | 0.045 |
| | OVERALL IMPACT OF THESE DECISIONS | 0.0 |

Annex 4 - RAGBY FULL DETAILS

| Department | Number of Budget Areas | Red | Amber | Green | Blue | Yellow |
|------------------------------------|------------------------|----------|----------|-----------|----------|----------|
| Chief Executive's | 4 | 0 | 0 | 4 | 0 | 0 |
| Adult Social Services | 2 | 0 | 0 | 2 | 0 | 0 |
| Children & Young People, & Schools | 7 | 1 | 0 | 5 | 1 | 0 |
| Safeguarding | 1 | 0 | 0 | 1 | 0 | 0 |
| Sports & Rec | 1 | 0 | 0 | 0 | 1 | 0 |
| Environment & Regulation | 4 | 0 | 0 | 3 | 0 | 1 |
| Housing & Comm Safety | 1 | 0 | 0 | 1 | 0 | 0 |
| Transformation & Resources | 7 | 1 | 0 | 3 | 2 | 1 |
| Corporate Growth & Savings | 2 | 0 | 0 | 2 | 0 | 0 |
| Total | 29 | 2 | 0 | 21 | 4 | 2 |

RAGBY REPORTING AND OTHER ISSUES

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

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

Business Area Reds

| | Chief Exec | People | Places | Trans & Res | Total | Percent of total |
|--------------------|------------|--------|--------|-------------|-------|------------------|
| Red Overspend | 0 | 1 | 0 | 1 | 0 | 5.8% |
| Value £000s/ % | | 391 | | 665 | | 2.2% |
| Overall Net Budget | | | | | | |

Transformation and Resources: A shortfall on the court costs savings option has resulted in a red rating.

People Childrens: The over spend in this area relates mainly to agency costs and the demand for semi-residential placements. The over spend will be covered from other areas of the department.

Business Area Yellows

| | Chief Exec | People | Places | Trans & Res | Total | Percent of total |
|-----------------------------------|------------|--------|--------|-------------|-------|------------------|
| Yellow underspend | 0 | 0 | 1 | 1 | 0 | 5.8% |
| Value £000s/ % Overall Net Budget | | | 370 | 749 | | 1.5% |

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

Places – Environment & Regulation: A combination of factors are contributing to a yellow rating.

Subjective Area Reds

Expenditure

Customer/Client Receipts: The forecast of £1.77 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.

Supplies and Services: The forecast of £1.49 million above budget in this area is due to a forecasted overspend within Adult community care. This is being compensated for from other subjective areas such as other grants and reimbursements.

Subjective Area Yellows

Expenditure

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

Other Grants and Reimbursements: The forecast of £1.64 million variance is due to expected over recovery of income within Adult Social Services.

Financing Costs: The forecast of £0.8 million under spend is due to capital programme slippage and savings against the Minimum Revenue Provision budget.

Employees: The forecast of £656k under spend is largely due to savings within Transformation and Resources.

Annex 5 SAVINGS TRACKER

1 Summary

| BRAG | Number of Options | Dec 2013 | Change from prev mnth | Approved Budget Reduction | Amount Delivered at Jan | To be Delivered |
|----------------------------|-------------------|----------|-----------------------|---------------------------|-------------------------|-----------------|
| B - delivered | 42 | 40 | 2 | 22,655 | 22,617 | 38 |
| G – on track | 21 | 23 | -2 | 16,615 | 10,137 | 6,478 |
| A - concerns | 5 | 4 | 1 | 6,346 | 4,786 | 1,560 |
| R - failed | 2 | 3 | -1 | 2,729 | 1,129 | 300 |
| P – replacements for Red | 1 | 1 | 0 | 0 | 1,083 | 217 |
| Total at M10 Jan 14 | 71 | | | 48,345 | 39,752 | 8,593 |
| <i>Total at M9 Dec 13</i> | <i>71</i> | | | <i>48,345</i> | <i>37,161</i> | <i>11,184</i> |

Notes: Budget Book page 56-58. Replacement savings cover shortfall in Court costs option M8 to be delivered reduced to reflect replacement for red contribution to savings

2 Detail

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

Families and Well Being – DASS

| Saving | Target £000 | Comments / progress on implementation | BGAR | Amount delivered at M10 Jan 14 £000 | To be delivered £000 |
|--|----------------|--|------|--|-------------------------|
| Review of VCF Sector Grants | 705 | Savings achieved | B | 705 | 0 |
| Community Meals | 169 | Savings achieved | B | 169 | 0 |
| Charging for Non Residential Services | 880 | Savings achieved | B | 880 | 0 |
| Transport Policies | 250 | Savings achieved | B | 250 | 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 |
| Targeted Support through NHS Contracts | 1,828 | - All clients no longer requiring double handling identified contract performance to be monitored (£83k). | G | 1000 | 828 |

| | | | | | |
|--|-----|---|---|-----|-----|
| | | <ul style="list-style-type: none"> - Use of Social Fund Grant Allocation. (£800k). - New contract starts 1.1.2014 (£84k). - Targets implemented for residential placement numbers plus scheme of delegation. (£454k) - Continuing Health Care – correct application of law and policy. (£377k). | <p style="text-align: center;">B</p> <p style="text-align: center;">G</p> <p style="text-align: center;">G</p> <p style="text-align: center;">G</p> | | |
| 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 | <ul style="list-style-type: none"> - Extra Care Housing Provider Negotiations continue. - Revised Respite Policy to be produced and review the feasibility for block contracts for respite | <p style="text-align: center;">G</p> <p style="text-align: center;">G</p> | 200 | 100 |
| Assistive Technology | 150 | Charges now to be introduced in 2014-15. Income budget delivered by a range of other measures in 2013-14. | A | 150 | 0 |
| 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 M10 Jan 14 £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 £76k is anticipated in relation to late vacation of premises and employees not leaving 1st April. | G | 611 | 76 |
| 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

| Saving | Target £000 | Comments / progress on implementation | BGAR | Amount delivered at M10 Jan 14 £000 | To be delivered £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 | Savings achieved | B | 582 | 0 |

Transformation and Resources

| Saving | Target £000 | Comments / progress on implementation | BGAR | Amount delivered at M10 Jan 14 £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 | 3,548 | 1,452 |
| 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 | G G G | 333 | 572 |

| | | | | | |
|--|-------|---|---|-------|-----|
| | | £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. | A | | |
| 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 |
| Reducing the numbers of Agency workers | 500 | Spend up to December is £2.788 with a projection of £3.9M until the end of the year. This shows an overall saving of £600K compared to last year. A significant number of contacts have ended since the beginning of the year. Challenge is around how savings are allocated across the departments | G | 500 | 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 |
| Procurement | 320 | This saving has not progressed as anticipated, but compensatory savings are expected to be made during the year. | A | 320 | 0 |
| 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 | 3,081 | 719 |

| | | | | | |
|--------------------------|-------|---|---|-------|-------|
| 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 13-14 (£000) | Delivered 13-14 (£000) | Proposed 14-15 (£000) | Proposed 15-16 (£000) | Comments / progress on implementation |
|--|-----------------------|------------------------|-----------------------|-----------------------|--|
| No delivery of savings to replace equivalent one-off 2013-14 funding is assumed in 2013-14. However it is expected that £1.376m of these savings will be delivered in 2013-14. | | | | | |
| Savings proposals requiring member approval | | 0.655 | 3.530 | 0.900 | Details of proposals provided as part of the 2014-15 budget consultation |
| Management Action | | 0.362 | 3.328 | 0.790 | Details of proposals provided as part of the 2014-15 budget consultation |
| | | 1.017 | 6.858 | 1.690 | |

Note: 2013/14 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 | 200 | | 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 | 200 | | | Funded by schools' budget. |
| 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 |
| Children's Centres | | | 500 | 1500 | |
| Efficiencies | | | 400 | | |
| Family Parenting | | | 200 | 300 | |
| Partnership Working | | | 200 | | |
| Additional in year underspend identified at month 10 | | 200 | | | |
| Total | 1,500 | 1,700 | 1500 | 1800 | |

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 | 1,700 |
| Change Management Implementation Fund | 4,000 | |
| Savings Profiling | 2,000 | 1,600 |
| Price inflation unallocated | | |
| Growth unallocated | | |
| | 7,700 | 3,300 |

Inflation £000's

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

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

Annex 9 INCOME AND DEBT

Council Tax

The following statement compares the amount collected for **Council Tax** in the period 1 April 2013 to 31 January 2014 with the amount collected in the same period in 2012/13:

| | Actual 2013/14 £ | Actual 2012/13 £ |
|-----------------|---------------------------------|---------------------------------|
| Cash to Collect | 135,524,000 | 125,457,000 |
| Cash Collected | 123,929,000 | 117,563,000 |
| % Collected | 91.4% | 93.7% |

Council Tax benefits has been abolished and replaced by Council Tax support and the numbers and awards as at 31 January 2014 are as follows:

| | |
|---|---------------|
| Number of Council Tax Support recipients | 38,049 |
| Number of pensioners | 16,153 |
| Number of vulnerable | 7,371 |
| Number of working age | 21,896 |

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 of which £6.4m has been collected to date. Council Tax Support claimants of Working Age total 21,896 this includes 7,371 who receive maximum support leaving 14,525 paying at least 22%. This Council Tax Support debt is £3.083m.

A Council Tax Discretionary Relief policy was agreed by Cabinet in October and funded to a maximum of £50,000. An application form has been placed on the web. No awards have been made to date. 96 applications are currently under consideration.

Business Rates

The following statement compares the amount collected for **National Non-Domestic Rates** in the period 1 April 2013 to 31 January 2014 with the amount collected in the same period in 2012/13:

| | Actual 2013/14 £ | Actual 2012/13 £ |
|-----------------|---------------------------------|---------------------------------|
| Cash to Collect | 69,648,000 | 68,213,000 |
| Cash Collected | 65,636,000 | 62,982,000 |
| % Collected | 94.2% | 92.3% |

Accounts Receivable

The table below shows the departments and the amount of debt at each recovery stage:

| Description | Less than 28 days | 1st reminder | 2nd reminder | 3rd reminder | Total at 30.11.13 |
|----------------------------|-------------------|-------------------|-------------------|--------------------|--------------------|
| Chief Executive | £75,240 | £13,298 | £11,736 | £588,373 | £688,647 |
| Neighbourhood | £7,914 | £1,133 | £0 | £21,347 | £30,394 |
| Transformation | £1,830,235 | £914,035 | £21,056 | £895,653 | £3,660,979 |
| Families | £4,975,389 | £1,329,943 | £809,757 | £9,340,523 | £16,455,612 |
| Regeneration & Environment | £847,488 | £52,088 | £169,626 | £631,400 | £1,700,602 |
| Policy and Performance | £0 | £0 | £192,168 | £9,120 | £201,288 |
| Totals | £7,736,266 | £2,310,497 | £1,204,343 | £11,486,416 | £22,737,522 |

The above figures are for invoices in respect of the period up to the end of January 2014. Payments as well as amendments such as write-offs and debts cancellations continue to be made after this date on all these accounts. There is a further deduction of £382,955 to be made for unallocated payments leaving a balance of **£22,354,527**

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 January 2014:

| | 2013/14 | 2012/13 |
|---|---------------------|---------|
| Number of Private Tenant recipients | 32,146 | 31,597 |
| Total rent allowance expenditure | £116,255,399 | |
| Number under the Local Housing Allowance Scheme (<i>included in the above</i>) | 12,389 | 11,972 |
| | £47,407,205 | |
| Number of Council Tax Support recipients | 38,049 | |
| Total Council Tax Support expenditure | £28,047,580 | |
| Total expenditure on benefit to date | £144,302,979 | |

The following statement provides information concerning the breakdown according to client type as at 31 January 2014 and gives the early year numbers to show the shift in sector by benefit claimants during the year.

| | 31.01.14 | 01.05.13 |
|--|---------------|----------|
| Claimants in the Private Rented Sector | 14,821 | 14,451 |
| Claimants in the Social Rented Sector | 17,325 | 16,765 |
| Owner Occupiers | 10,324 | 10,738 |

| | | |
|------------------------------|--------|--------|
| Total claimants by age group | | |
| - under 25 years old | 2,513 | 2,728 |
| - 25 – 60 years old | 22,547 | 21,741 |
| - over 60 years old | 17,410 | 17,623 |

There are **42,470** benefit recipients in Wirral as at 31 January 2014.

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 2,827 households affected;
- Two or more spare bedrooms incurs a 25% reduction – the Wirral average is currently £21 weekly and there are 659 affected;
- Out of a total social sector HB caseload of 17,325 - 3,486 are currently affected by this. Numbers have reduced slightly as the reduction has, in some cases, been overridden due to the claimant's circumstances;
- We are also starting to see a reduction in numbers as we identify and make the necessary adjustments to those exempt tenancies i.e. pre 1996, without a break in claim, following the recent government announcement.

Housing Benefit Fraud and Enquiries – 01 April 2013 to 31 January 2014

| | |
|--|-------|
| New Cases referred to Fraud team in period | 1,134 |
| Cases where fraud found and action taken | 90 |
| Cases investigated, no fraud found and recovery of overpayment may be sought | 433 |
| Cases under current investigation | 227 |
| Surveillance Operations Undertaken | 0 |
| Cases where fraud found and action taken: | |
| Administration penalty | 7 |
| Caution issued and accepted | 11 |
| Successful prosecution | 38 |
| Summons issued for prosecution purposes | 35 |
| Local Welfare Assistance Fraud Prosecution | 1 |

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 83% 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. Over the last two months the work undertaken by officers on these applications has seen the expenditure almost double. £35,000 has been allocated to Housing Options to meet rent deposits to enable people to move into sustainable tenancies and they have allocated £16,198 of this to date.

| Data @ 31/12/13 | | | | | | | | | | |
|-----------------|-------------------|---------|---------|-----------------------|----------------|-----------------------------------|----------------------------------|-----------------------|--------------------|----------------|
| Month | Claims 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 considered | Awarded | 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 |
| November | 371 | 269 | 102 | 1192 | £392,925 | £492,303 | 54% | £733,431 | £917,214 | £424,911 |
| December | 253 | 237 | 16 | 1600 | £547,799 | £670,044 | 73% | £882,910 | £917,214 | £247,170 |
| January | 309 | 269 | 40 | 1847 | £659,790 | £759,723 | 83% | £921,260 | £917,214 | £157,491 |
| Totals | 2,536 | 1,543 | 993 | | | | | Additional | £64,000 | £64,000 |
| | | | | | | | | | £971,214 | £221,491 |

We continue to look at those claims which have been refused, to determine whether or not a full or partial award may now be considered appropriate.

| DHP Payment Type | As at 31.01.14 |
|-----------------------------------|----------------|
| Baby Due | 18 |
| Benefit Cap | 19 |
| Change of Address | 8 |
| Combination of reforms | 10 |
| Disability | 24 |
| Income Tapers | 31 |
| Increase in work related expenses | 3 |
| Legislation change | 48 |
| LHA reforms | 115 |
| NDD | 10 |
| Reduced HB entitlement | 57 |
| Removal Costs | 3 |
| Rent deposit | 38 |
| Rent restrictions | 449 |
| Social Size criteria | 730 |

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 January 2014:

| | | | |
|------------------------------------|-------|-------|----------|
| Number of awards granted for food | 3,068 | value | £144,731 |
| Number of awards granted for fuel | 2,364 | value | £53,477 |
| Number of awards granted for goods | 1,142 | value | £273,041 |

| | | | |
|--|--------------|--------------|-----------------|
| Total number of households receiving an award | 3,819 | value | £471,249 |
|--|--------------|--------------|-----------------|

| | |
|---------------------------------|-------|
| Number of claims not qualifying | 2,519 |
|---------------------------------|-------|

We continue to raise awareness of the scheme, particularly to help people experiencing crisis or financial difficulty over the winter months.

A report on approving the scheme for 2014/15 will be presented to Cabinet in March 2014.

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 the full financial year. | |
| 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 Jan 2014 £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 | (249) | 214 |
| 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 | (100) | 250 |
| Business Improvement Grant | 342 | - | 342 |
| Local Area Agreement Reward | 322 | - | 322 |
| Schools Service IT | 294 | - | 294 |
| Homeless Prevention | 271 | - | 271 |
| Other Reserves | 6,448 | (474) | 5,974 |
| Total Reserves | 64,776 | (1,969) | 62,807 |

Note: Some reserves will only be applied at year end.

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 M7 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 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 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 |
| 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 monitor | M1 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 |
| Current additional resource required from savings | | | 0 | 0 | 0 | 0 | |