

WIRRAL COUNCIL

CABINET

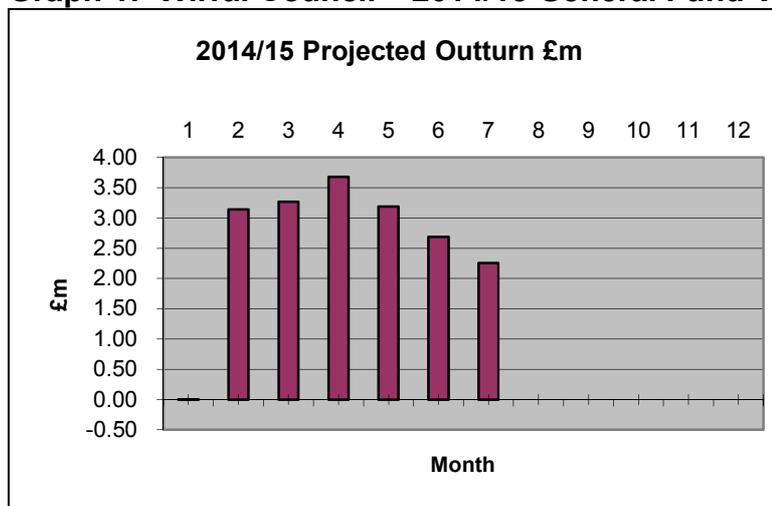
9 DECEMBER 2014

SUBJECT	REVENUE MONITORING 2014/15 MONTH 7 (OCTOBER 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 2014/15, which at Month 7 (October 2014) shows a projected General Fund overspend of £2.25 million (0.8% of the net revenue budget). This shows an improvement compared with a projected overspend reported at month 6 of £2.69 million as shown in graph 1. The improvement is largely a result of an increased projected underspend within Regeneration and Environment. This is due to savings made in advance and efficiencies from supporting people contracts.
- 1.2 The projected overspend originates in the main from the Families and Wellbeing Directorate. Adult Social Services continue to project a £2.7 million overspend. This is mainly due to slippage or non-delivery of in year savings and demand pressures. The Children's area of the Directorate is also forecasting an overspend of £552,000. This is largely due to the non-achievement of in year transport savings as well as costs of external placements. A series of management actions are taking place within the Directorate to help compensate and/or limit any variances.

Graph 1: Wirral Council – 2014/15 General Fund Variance, by month



2 CHANGES TO THE AGREED BUDGET

- 2.1 The 2014/15 Budget was agreed by Council on 25 February 2014 and is detailed in Annex 2; any increase in the Budget has to be agreed by full Council. Any changes to the budget occurring since it was set will be summarised in the table below.

Table 1: 2014/15 Original & Revised Net Budget by Directorate £000's

	Original Net Budget	Approved Budget Changes Prior Mths	Approved Budget Changes Month 7	Revised Net Budget
Chief Executive	10,035	-	-	10,035
FWB - Adult Social Services	74,667	330	-385	74,612
FWB – Children & YP, Schools & Safeguarding	82,877	-	-126	82,751
FWB - Sport & Recreation	8,502	-	-	8,502
Regeneration & Environment	95,190	-93	-529	94,568
Transformation & Resources	20,199	-379	-88	19,732
Corporate Growth & Savings	-15,813	142	1128	-14,543
Net Cost of Services	275,657	0	0	275,657

- 2.2 A number of budget changes occurred during the month. These reflect reductions in Directorate budgets following a review of 2014/15 growth forecasts previously reported to Cabinet and a reduction of staffing budgets linked to Future Council. There is no net bottom line impact to the overall revenue budget of these changes. These adjustments either contribute or mitigate agreed savings held within the Corporate Growth and Savings area. Further adjustments will take place in future months as staffing budgets are reduced reflecting leavers under the Future Council programme.

3 PROJECTIONS AND KEY ISSUES

- 3.1 The outturn position projected as at the end of period 7, key issues emerging and directorate updates are detailed below.

Projections

Table 2: 2014/15 Projected Budget variations by Directorate £000's

Directorates	Revised Budget	Forecast Outturn	(Under) Overspend Month 7	RAGBY Classification	Change from prev mnth
Chief Executive	10,035	9,893	-142	B	-5
FWB - Adult Social Services	74,612	77,329	2,717	R	-
FWB – Children & YP, Schools & Safeguarding	82,751	83,303	552	R	7
FWB - Sport & Recreation	8,502	8,591	89	G	4
Regeneration & Environment	94,568	93,933	-635	Y	-485
Transformation & Resources	19,732	19,400	-332	Y	40
Corporate Growth & Savings	-14,543	-14,543	-	G	-
TOTAL	275,657	277,906	2,249		-439

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)

3.2 Directorate Updates

Significant Directorate Variances and Actions to Address

Families and Wellbeing:

- 3.2.1 **Adults:** A potential overspend of £2.7 million remains forecast at Month 7. This is made up of £2.4m slippage against current year savings and £0.3m demand pressures. Management actions of £3.6m have been identified and are being analysed against new datasets from the recently implemented Adults care management system to provide a further update.
- 3.2.2 Day Services are likely to only achieve in year £370,000 of the £750,000 2014/15 saving, due to part year impact of implementation, with the balance slipping into 2015/16. This shortfall is reflected within the directorate forecast and will continue to be reviewed throughout the year. Whilst progressing, and further actions to accelerate progress are being made, at this stage there remains potential slippage of £400,000 to 2015/16.
- 3.2.3 Targeting support through NHS contracts and targeting Council resources are large 2014/15 savings options. Although the review of current cases remains challenging, revised processes and tightened procedures are now in operation for all new packages and current packages are being picked up through the review process.
- 3.2.4 Demand for Adult Social Care continues to increase and the mix of services provided to individuals continues to vary as a consequence. With changes to assessed requirements as well as the impact of the case reviews the forecasted spend in specific care areas is subject to change. At this stage there remains a £300,000 projected overspend attributable to demand pressures.
- 3.2.5 The review of Continuing Health Care Appeals requires liaison with health colleagues and it is a lengthy 10 stage engagement process. Whilst a number of hurdles have now been cleared the process is taking longer than initially envisaged delaying the achievement of the £500,000 saving.
- 3.2.6 A number of the savings are linked to increased income the main item being the income from the domiciliary care block contracts. The £250,000 target is viewed as achievable but the full target is unlikely to be reached until 2015/16.

3.2.7 Management actions include:-

- The assessment and review of cases is key and a Business Case is being prepared about the potential recruitment of additional temporary support in order to progress the reviews.
- For the high cost placements an additional review is being undertaken by the Head of Service and Director.
- A Transformation Group supported by colleagues from other Directorates is monitoring progress this has given greater focus to ensure that scarce resources are targeted towards achieving the savings.
- Review of other directorate budgets to ascertain if any efficiencies can be identified to mitigate against the projected overspend being forecast. This includes the use of the monies set-aside as a result of the early delivery of savings achieved in 2013/14.

3.2.8 **Children's:** A potential overspend of £552,000 is currently forecast. This is due in the main to non-achievement of savings regarding transport contracts and the transport depot where projected savings have reduced following the Cabinet report dated 7 July 2014 due to various contractors not accepting all contracted routes. Currently there is a £50,000 part year saving against the £556,000 target this year with £104,000 of travel grant monies carried forward from last year leaving a potential shortfall of £412,000. In addition there are also issues within specialist services in respect of higher independent residential sector placements, fostering numbers and costs of agency staff. The Day Nursery saving agreed as part of the 2014/15 budget has slipped as reported elsewhere on this Agenda. The shortfall will be dependent on time taken to reduce or transfer provision in the year and will be compensated for from a combination of vacant posts and use of the early learning reserve.

3.2.9 A number of management actions are being taken with regards to controlling the overspend, these are -

- Restructures across the department are being implemented and are closely managed to minimise the impact on services and staff, whilst keeping slippage on savings targets as low as possible.
- There is a rolling programme of recruitment to Social Work positions. Agency costs and placements are reviewed on a monthly basis.
- Residential Care placements are by a multi agency panel and no decision is made below head of service. Progress and packages of care are closely monitored by the Head of Service in monthly traffic light meetings to ensure that decisions are implemented and overall costs for children entering and leaving care are clearly understood.
- Budget progress is reported and reviewed monthly at DMT with opportunities to maximise grant and external funding are constantly reviewed.

3.2.10 **Sport & Recreation:** An adverse variance of £89,000 is currently forecast on current projections. It is envisaged however that this can be managed in year to bring it back into line within current available resources. If so future reports

will show the overspend figure reducing.

3.3 Other Directorate Variances

3.3.1 **Chief Executive's:** A potential underspend of £142,000 is currently forecast as a result of staffing vacancies and anticipated non-utilisation of the improvement fund for 2014/15.

3.3.2 **Regeneration and Environment:** This area has a forecast underspend of £635,000. This underspend is due to a number of variations.

The largest two being:

- A budget of £200,000, currently set aside for match funding future grant delivery programmes, will not be used in this financial year due to delays in finalising future ERDF & ESF grant programmes.
- A budget of £250,000, savings made in advance plus efficiencies within the supporting people contract area of Housing & Community Safety.

Some of this underspend will be used as compensatory 'one off' saving (£85,000) for the ceased 2014-15 Street Lighting budget saving option, as agreed at the October 9th Cabinet.

The Floral Pavilion budget position continues to be challenging although the Directorate forecast remains an underspend position.

3.3.3 **Transformation & Resources:** An underspend of £332,000 is currently forecast for the directorate. This is mainly due to a predicted reduction in revenue funding required following a review and re-profiling of the 2014/15 capital programme.

3.3.4 For libraries and One Stop Shops a saving of £500,000 was based upon revised opening hours and whilst achieved in the current year through the temporary management of vacancies the original decision to reduce hours has not been implemented and forms part of a current consultation exercise.

3.3.5 In respect of the £300,000 Business Rates Discretionary Relief saving a paper on the options was presented to 6th November Cabinet. Cabinet agreed arrangements for continued funding of reliefs in 2014/15 and 2015/16 with funding coming from the Business Rates Equalisation Reserve. This allows the revenue budget saving to be taken, which will be reflected in the November monitoring report.

3.3.6 **Corporate Wide Budgets:** A number of high value corporate-wide savings options, because of their size and complexity, are currently classed as red or amber. These include savings from Corporate Commissioning where substantial mitigation has already been identified as outlined in previous monitoring reports. Given their strategic importance these projects are being very closely monitored and will be further reported upon during the year. The

Future Council saving for 2014/15 remains rated as amber. Work is progressing in realising the £9.4 million approved in February 2014 for 2014/15 and 2015/16. The £4.9 million relating to 2014/15 is part of the current work in progress including early release voluntary redundancies and restructures being consulted upon. The amber rating relates to the issue that although there is confidence in achieving the overall £9.4m target, there is risk/concern regarding the timing of savings release into 2014/15.

Graph 2: 2014/15 Directorate Variance, by month

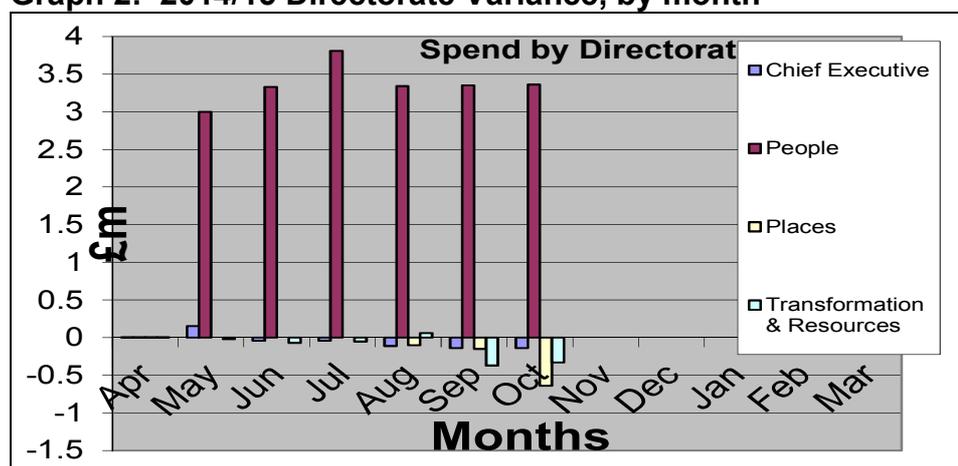


Table 3: Directorate Business Area Projected Budget variations

	Chief Exec	FWB	Rege & Environ	Trans & Res	Total
Red Overspend	0	3	0	1	4
Yellow Underspend	0	2	1	1	4

The full Table is set out at [Annex 3](#)

- 3.4 Directorate budgets are further sub-divided into a number of business areas. Four business areas are currently flagged as red rated.
- 3.4.1 Delivery within Families and Wellbeing (Adult Social Services) – This relates mainly to the delivery of some 2014/15 savings for which management actions are as outlined earlier in the report.
- 3.4.2 Integrated Transport Unit within Families and Wellbeing (Childrens) - Overall against the £556,000 target for both the Children’s (£306,000) and Adult’s (£250,000) provision there is £50,000 shown as being achieved. There is £104,000 of travel grant monies carried forward that will help to offset the savings target leaving a potential shortfall of £412,000. The overspend is also attributable to the Depot savings target of £100,000 only having been partially met by the relocation of the Reeds Lane Depot and the lease of the Salt Barn.
- 3.4.3 Specialist Services within Families and Wellbeing (Children’s) - The main reasons for the projected overspend continues to be in relation to the cost of agency staff (currently 39 in Fieldwork) exceeding the established employee budget however there are contributions from reserves helping to reduce the impact. The forecast for Residential placements exceeds the available budget by £700,000 with 44 in residential and 22 in semi-independent placements

compared to 45 and 34 at the start of the financial year respectively. Fostering is also £0.5m over budget with 37 in non-local authority placements compared to 34 at the start of the year.

- 3.4.4 Business Processes within Transformation & Resources – This overspend is due to increased costs as a result of delayed savings. Based on the 2013/14 outturn position there is a potential shortfall on Summons Costs income.

Four business areas are currently flagged as yellow rated.

- 3.4.5 Targeted Services within Families and Wellbeing (Childrens) – There are budgetary pressures within Youth & Play and, although New Brighton Day Nursery has transferred, the remaining 5 day care nurseries are subject to ongoing discussions. The additional costs to the end of March have been offset by a reserve and a number of vacancies.
- 3.4.6 Universal Services within Families and Wellbeing (Childrens) - Vacant posts within Admin contribute largely towards the under spend together with a projected £150,000 under spend against the redundancy/severance budget relating to teachers.
- 3.4.7 Resources within Transformation & Resources – increased Treasury Management savings have been generated from the re-profiling of expenditure following a capital programme review and the use of internal resources to temporarily fund spend. This results in a reduction in investment income which is outweighed by a greater saving on borrowing costs, the net saving being approximately £410,000. There are also some small underspends within salary budgets.
- 3.4.8 Housing & Community Safety within Regeneration and Environment - This is due to savings made in advance plus efficiencies within the supporting people contract area of Housing & Community Safety.

4 IMPLEMENTATION OF SAVINGS

- 4.1 The delivery of the agreed savings is key to the Council's financial health and is tracked at both Council and Directorate level. The assumption is that, where there is slippage, the Strategic Director will implement replacement savings.

Table 4: Budget Implementation Plan 2014/15 whole Council (£000's)

BRAG	Number of Options	Sep 2014	Change from prev mnth	Approved Budget Reduction	Amount Delivered at Oct	To be Delivered
B - delivered	46	45	1	10,231	10,231	0
G – on track	24	25	-1	5,330	1,151	4,179
A - concerns	25	26	-1	13,609	2,876	10,733
R - high risk/ not achieved	9	8	1	7,089	1,073	5,044
P – mitigation achieved	0	0	0	0	962	0
Total at M7 Oct 14	104			36,259	16,293	19,956
<i>Total at M6 Sept 14</i>	<i>104</i>			<i>36,259</i>	<i>15,357</i>	<i>20,902</i>

Note: For 2014/15 the red rating definition has been amended from that used in 2013/14. Red is now classed as high risk or not achieved (in 2013/14 it was defined as failed)

- 4.2 A number of savings options are currently red rated. The 2014/15 red rating definition has been broadened from that used in 2013/14 to now include high risk rather than only failed options.
- 4.3 The mitigation achieved (purple) category will be used to show mitigating actions taken against savings that have failed or partially failed within 2014/15. This reflects adjustments including a review of corporate growth assumptions and will be updated in future months to reflect directorate actions.
- 4.4 The savings tracker contains an assessment of the 2014/15 savings programme. This shows £7.1 million of savings assessed as red (defined as high risk or not achieved) with a further £13.6 million of options rated at amber (concerns). Please note that a red rating does not mean that no savings will be delivered, but that there is a risk to full delivery in the year. Savings of £4 million have been delivered so far in year relating to options currently rated red or amber. There are also mitigating actions identified against a number of options as outlined below.
- 4.5 The ratings are a result of robust assessment of progress to date against the original proposed budget options and identification of in year slippage against targets. Red rated options include a number relating to Adult Social Services, transport, Floral Pavilion, the library budget, not yet implemented. The corporate commissioning and procurement savings are still to be identified. However mitigation is in place and being developed as set out below
- 4.6 A number of identified mitigating actions are in place to assist the Corporate savings delivery and reduce the risks to the budget. These include continuation of the spending freeze, vacancy management, the voluntary redundancy offer, reviewing growth allocations and identification and control of other underspending directorate budgets.
- 4.7 The impact of the above measures combined with the projections for the overall budget position reduces the forecast overspend to £2.25 million. Projections are updated monthly and further mitigating measures are being identified to cover any potential overspend.

- 4.8 The spending freeze for non-essential spending remains in place until further notice. The purpose being to reduce any projected overspend, which by Section 28 of the Local Government Act 2003, is the duty of the Council.
- 4.9 The 2014/15 Budget includes a number of budget saving options profiled to produce benefits towards the end of the financial year. Details will continue to be provided throughout the year within the report regarding any slippage in savings achievement and actions taken to bring savings back on schedule, or to provide temporary compensatory funding where appropriate.

5 GROWTH

- 5.1 An allowance for the impact of demographic changes, inflation and other risks - that is outcomes that could be worse than assumed - was built into the budget 2014/15 as detailed at Annex 4. The assumptions which totalled £9.2 million have been subject to review resulting in a reduction of £0.9 million. This has been removed from the budget in period 7. These amounts then contribute or mitigate agreed savings held within the Corporate Growth and Savings area.

6 INCOME AND DEBT (in yellow to be updated)

- 6.1 Revenue and Income falls into four broad areas for reporting purposes:

Table 5: Amount to be collected in 2014/15

	2014/15	2014/15	
	Collectable	Collected	%
	£000	£000	
Council Tax	137,319	88,152	64.2%
Business Rates	72,141	46,829	64.9%
Fees and charges – Adults	24,422	20,127	83.3%
Fees and charges – all other services	24,065	23,676	98.4%

Note: fees and charges income includes receipts for invoices raised pre 1 April 2014

COUNCIL TAX

- 6.2 The Council Tax collection after seven months of the year is comparable with the equivalent 2013/14 collection rate. No significant changes to Council Tax apart from the amendment to the Pensioner Discount scheme were implemented for 2014/15. This is now the second year of Local Council Tax Support scheme.
- 6.3 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 on-going. Repayment plans offering weekly/fortnightly instalments were offered to those contacting the Council. 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.

BUSINESS RATES

- 6.4 Following changes implemented recently by central government, businesses can now have the option to pay Business Rates over 12 monthly instalments. Previously payment options had been over 10 instalments. Income collection to the end of October was 64.9%. This was lower than the 68.8% collected at the equivalent period in 2013/14. The most significant factors affecting collection are that the Discretionary Rate Relief policy was only agreed in November so at month end this still showed an inflated debit balance of £600,000 due to the non-awarding of this relief. Added to this the previously mentioned take up of 12 monthly instalment option means that the annual collection rate will not be clarified until March 2015.

DEBTORS

- 6.5 On-going work has continued to improve overall collection and reduce the outstanding debt position. Currently a balance outstanding of £18,171,961 compared to last year which at the end of October 2013 was £33,185,502.

7 RELEVANT RISKS

- 7.1 The possible failure to deliver the Revenue Budget is being mitigated by:
- Tracking system of savings options to ensure delivery;
 - Budget Tracker Officer Group / CESG review savings progress;
 - Future Council Project Governance arrangements including the regular review of in year and future savings by Chief Officers;
 - 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.

8 OTHER OPTIONS CONSIDERED

- 8.1 Any option to improve the monitoring and budget accuracy will be considered.

9 CONSULTATION

- 9.1 No consultation has been carried out in relation to this report.

10 OUTSTANDING PREVIOUSLY APPROVED ACTIONS

- 10.1 There is an on going requirement to identify during the financial year necessary actions to mitigate any forecast overspend.

11 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 11.1 As yet there are no implications for voluntary, community or faith groups.

12 RESOURCE IMPLICATIONS: FINANCIAL, IT, STAFFING AND ASSETS

- 12.1 Cabinet 12 February 2014 agreed a 2014/15 General Fund balance risk calculation of a minimum of £17.3 million. The level of risk is forecast to reduce in future years with the General Fund balance requirement for 2015/16 calculated at £15.4 million. This will be reviewed during the year to reflect changing circumstances and any in year developments.

Table 6: Summary of the projected General Fund balances

Details	£m	£m
Balance 31 March 2015 when setting the Budget 2014/15		+17.3
Less: Potential overspend, at M7		-2.3
Add: Additional New Homes Bonus		+0.2
Projected balance 31 March 2015		+15.2

- 12.2 Earmarked Reserves excluding school balances totalled £66.1 million at 1 April. These include reserves relating to the cost of Council remodelling, mitigation and specific project support and ongoing financial risks. Earmarked reserves will be reviewed during the year.

13 LEGAL IMPLICATIONS

- 13.1 The entire report concerns the duty of the Council to avoid a budget shortfall. The Chief Finance Officer has a personal duty under the Local Government Finance Act 1988 section 114A to make a report to the executive if it appears to them 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.

14 EQUALITIES IMPLICATIONS

- 14.1 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.

15 CARBON REDUCTION AND ENVIRONMENTAL IMPLICATIONS

- 15.1 There are no implications arising directly from this report.

16 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

- 16.1 There are no implications arising directly from this report.

17 RECOMMENDATIONS

- 17.1 Cabinet is asked to note that at Month 7 (October 2014), the full year forecast projects a gross General Fund overspend of £2,249,000.
- 17.2 Cabinet is asked to note the risks relating to non delivery of savings as detailed within the report and the continued requirement for mitigation and actions to be identified.

18 REASONS FOR THE RECOMMENDATIONS

18.1 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 2014/15.
Annex 2 General Fund Revenue Budget for 2014/15 agreed by Council.
Annex 3 Monitoring RAGBY Full Details
Annex 4 Growth and Risk
Annex 5 Income and Debt

BACKGROUND PAPERS/REFERENCE MATERIAL

There are no background papers/reference materials relating to this report.

BRIEFING NOTES HISTORY

Briefing Note	Date
N/A	N/A

SUBJECT HISTORY

Council Meeting	Date
Since September 2012, a monthly Revenue monitoring report has been submitted to Cabinet. Budget Council	25 February 2014

Annex 1

REVENUE MONITORING AND REPORTING TIMETABLE 2014/15

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	N/A	N/A	N/A
2	May	Jun 6	Jun 17	Jul 7
3	June	July 7	Aug 26	Sep 11
4	July	Aug 7	Aug 26	Sep 11
5	August	Sep 5	Sep 22	Oct 9
6	September	Oct 7	Oct 20	Nov 6
7*	October*	Nov 7	Nov 20	Dec 9
8*	November*	Dec 5	Dec 19	Jan 15
9	December	Jan 8	Jan 19	Feb 10
10	January	Feb 6	Feb 23	Mar 12
11	February	Mar 6	TBC	TBC
12	Outturn (Provisional)	TBC	TBC	TBC

* Amended from previously reported as Period 7 and 8 reports have been brought forward to above dates

Annex 2

GENERAL FUND REVENUE BUDGET 2014/15

AGREED BY COUNCIL ON 25 FEBRUARY 2014

Directorate/Service Area	Original Budget	Variances	Revised Budget
	£000	£000	£000
Expenditure			
Chief Executives	10,035	-	10,035
Families and Wellbeing		-	
Children and Young People, Schools and Safeguarding	82,877	-126	82,751
- Adult Social Services	74,667	-55	74,612
- Sports and Recreation	8,502	-	8,502
Regeneration and Environment	95,190	-622	94,568
Transformation and Resources	20,199	-467	19,732
Net Cost of Services	291,470	-	290,200
Corporate Growth	1,016	-	1,016
Corporate Savings	-16,829	1,270	-15,559
Budget Requirement	275,657	-	275,657
Income			
Local Services Support Grant			
New Homes Bonus	1,768	-	1,768
Revenue Support Grant	87,492	-	87,492
Business Rates Baseline	32,036	-	32,036
Top Up	40,513	-	40,513
Council Tax Requirement	112,214	-	112,214
Council Tax Freeze Grant	1,334	-	1,334
Contribution from G Fund Balances	300	-	300
Total Income	275,657	-	275,657
Statement of Balances			
As at 1 April 2014	17,300	-	17,300
Contributions from Balances	-300	-	-300
Forecast Balances 31 March 2015	17,000	-	17,000

Note: This table will be updated for agreed variances during the year

Annex 3

MONITORING FULL DETAILS

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 Areas within Directorates.

Department	Number of Budget Areas	Red	Amber	Green	Blue	Yellow
Chief Executive's	6	0	0	5	1	0
Adult Social Services	2	1	0	1	0	0
Children & Young People, & Schools	5	2	0	1	0	2
Safeguarding	1	0	0	1	0	0
Sports & Rec	1	0	0	1	0	0
Regeneration & Environment	5	0	1	1	2	1
Transformation & Resources	7	1	0	5	0	1
Corporate Growth & Savings	2	0	0	2	0	0
Total	29	4	1	17	3	4

Business Area Reds

	Chief Exec	People	Places	Trans & Res	Total
Red Overspend	0	3	0	1	4
Value £000s		4,410		419	4,829

Business Area Yellows

	Chief Exec	People	Places	Trans & Res	Total
Yellow underspend	0	2	1	1	0
Value £000s		1,260	340	680	2,280

Annex 4

GROWTH AND RISK

DIRECTORATE	OPTION TITLE	2014/15
		£000
FAMILIES		4,626
Demographic Growth	Childrens - Special Guardianship and Adoption numbers	240
	Adults - Demand (Young Adults with Learning Disabilities)	926
	Adults - Increased demand Older People	1,139
	Adults - Ordinary Residence	500
Other Growth	Assets - Leasowe Millennium Centre	76
	Childrens - Youth and Play Services - refocus provision	50
Inflation	Childrens - Increasing Fostering & Adoption Allowances	200
	Childrens - PFI Affordability Gap	190
	Childrens - Teacher Retirement Costs	80
	Childrens - Transport Contracts	80
	Childrens - Energy and CRC Allowances price increases	310
	Adults - Contract inflation	835
REGENERATION		1,784
Demographic Growth	Temporary Accommodation Budget	50
Other Growth	Car Parking Operations Income	350
	Increase to green waste processing gate fee	65
	Economic Strategy Unit	200
	New System for administering Resident Parking Schemes	40
	Parking Income shortfall due to end of income agreement	68
	Biffa Property Uplift	13
	Selective Licensing of Landlords	356
	Homelessness Prevention Grant	221
Inflation	Highway Services Contract	48
	Contract for Parking Enforcement Services	10
	Urban Traffic Control Systems	20
	Biffa Contract Inflation	343

DIRECTORATE	OPTION TITLE	2014/15
		£000
TRANSFORMATION		2,773
Other Growth	Graduate Trainee Programme	88
	Savings Profiling including Business Rates	900
	Council Tax Summonses	1,300
	Council Tax Support Scheme: Uprating in line with Housing Benefit	265
	IT Support	120
	Benefit Advice Services	100

SUMMARY

By Directorate	2014/15
	£000
Families & Wellbeing	4,626
Regeneration	1,784
Transformation	2,773
Total	9,183

By Type Of Growth	2014/15
	£000
Demographic	2,855
Other Growth	4,212
Inflation	2,116
Total Growth	9,183

Since the budget was set a review of growth and assumptions has been undertaken which was reported in the month 2 monitor.

Annex 5

INCOME AND DEBT

The following shows the collection progress for Council Tax, Business Rates, Accounts Receivable and Benefits.

Council Tax

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

	Actual 2014/15 £000s	Actual 2013/14 £000s
Cash to Collect	137,319	135,501
Cash Collected	88,152	86,930
% Collected	64.2%	64.2%

Council Tax benefits have been abolished and replaced by Council Tax Support. £27.65 million is in payment and the numbers as at 30th September 2014 are as follows:

Number of pensioners	15,682
Number of vulnerable (working age)	8,358
Number of working age	13,005
Number of Council Tax Support recipients	<u>37,045</u>

Claimants have dropped from 37,932 to 37,226 (887) since the beginning of the financial year.

Council Tax Discretionary Policy as at 31 October

34 awards granted totalling £6,176

257 cases. Refused reason, requesting payment of 22% after maximum Council Tax Support granted.

9 cases. Reason, moved to 100% CTS from 78%,

7 cases. Reason, other/misc.

10 cases outstanding to be considered by officers.

Business Rates

The following statement compares the amount collected for **National Non-Domestic Rates** for the period 1 April 2014 to 31 October 2014 with the amount collected for the same period in 2013/14:

Actual 2014/15	Actual 2013/14
---------------------------	---------------------------

	£000	£000
Cash to Collect	72,141	70,353
Cash Collected	46,829	48,419
% Collected	64.9%*	68.8%

* 12 instalments introduced and has been adopted by at least 25% of accounts

Accounts Receivable

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

Directorate Description	Less than 10 days	1st reminder	2nd reminder	3rd reminder	Total at 31.10.14
Chief Executive	£66,169	£56,935	£5,184	£655,619	£783,907
Neighbourhood	£4,491	£489	£0	£12,993	£17,973
Transformation & Resources	£302,411	£640,880	£37,782	£1,057,659	£2,038,732
Families & Wellbeing	£3,815,971	£483,404	£315,261	£9,862,678	£14,477,314
Regeneration & Environment	£425,342	£43,554	£134,649	£587,007	£1,190,552
Policy & Performance	£3,105	£0	£0	£0	£3,105
Totals	£4,617,489	£1,225,262	£492,876	£12,175,956	£18,511,583

The above figures are for invoices in respect of the period up to the end of October 2014. Payments as well as amendments such as write-offs and debt cancellations continue to be made after this date on all these accounts. There is a further deduction of £339,622 to be made for unallocated payments leaving a balance of **£18,171,961**.

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 2014:

	2014/15	2013/14
Number of Private Tenant recipients	31,868	31,627
Total rent allowance expenditure	£84,025,294	
Number under the Local Housing Allowance Scheme (<i>included in the above</i>)	12,218	12,243
	£34,023,178	
Number of Council Tax Support recipients	37,046	38,138
Total Council Tax Support expenditure	£27,599,124	
Total expenditure on benefit to date	£111,624,418	

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

	31.10.14	30.4.14
Claimants in the Private Rented Sector	14,435	14,531
Claimants in the Social Rented Sector	17,433	16,906
Owner Occupiers	9,802	10,118
 Total claimants by age group		
- under 25 years old	2,405	2,504
- 25 – 60 years old	22,034	21,548
- over 60 years old	17,231	17,361

There are 41,670 benefit recipients in Wirral as at 31 October 2014.

Under Occupancy regulations

From 1 April 2013 property size criteria was introduced to working age tenants of social landlords (Registered Providers). Where a claimant is deemed to be occupying accommodation larger than they reasonably require Housing Benefit is restricted:-

- By 14% in 2,683 cases
- By 25% in 658 cases

The number of claims affected does fluctuate. The numbers above are a snapshot at 31 October 2014.

Housing Benefit Fraud and Enquiries – 1 April 2014 to 31 October 2014

New Cases referred to Fraud team in period	724
Successful Prosecution/Administration penalty/caution	48
Tenancy Fraud	3

Discretionary Housing Payments

The table below profiles 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. Since the introduction of Welfare Reform and associated impacts, additional funding has been made available.

The Government contribution for 2014/15 is £995,795 with an overall limit of £2,489,487 which the Authority must not exceed. The committed spend of the Government contribution at 87%, compares to 33% at the end October 2013. 62% of awards made are in respect of social sector tenant/claimants whose housing benefit has been reduced on the basis of accommodation size. Whilst the variant is considerable at this point in 2013/2014, spend did increase to 95% at year end. However, the present rate of spend projects a considerable overspend. As such, applications are now subject to increased scrutiny together with necessary limits being imposed around awards. Although managers monitor fund administration /applications closely whilst continuing to ensure that applications are considered in line with Policy, the available remaining fund is unlikely to support as many applicants who would otherwise meet the criteria to secure an award. It is expected that the fund will be exhausted before Year End.

Month	Claims Considered			DHP Awards in Payment	Current Awards	% spent (committed) of total fund	Annual Total Cont. remaining
	Total considered	Awarded	Refused				
April	259	203	56	248	£93,371	10%	£902,424
May	464	361	103	816	£181,503	35%	£814,292
June	501	358	143	1370	£307,503	57%	£426,171
July	401	235	166	1777	£503,465	74%	£256,841
August	248	124	124	1953	£600,280	81%	£192,869
September	203	96	107	2073	£689,039	83%	£165,221
October	255	132	123	2238	£779,946	87%	£129,113
Totals	2331	1509	822				

Local Welfare Assistance

The Local Welfare Assistance Support Scheme (LWA), supported by a £1,345,925 Government Grant, gives assistance to those in immediate crisis or need through the provision of pre-payment cards for food and fuel and direct provision of white goods. The number of applications continues to rise on a week by week basis. The present rate of spend now projects 100% grant spend at year end.

LWA details for period from 07 April 2014 to 31 October 2014:

Number of awards granted for food	1,656	value	£79,166
Number of awards granted for fuel	2,184	value	£35,909
Number of awards granted for goods	4,373	value	£469,715
Total number of awards made	8,214	value	£584,790

This direct grant will be ended on 31 March 2015 and during 2014/15 the Authority is reviewing options for what, if any, provisions are made for 2015/16 in this area which would have to be from its own resources.