

AGENDA FOR

OVERVIEW AND SCRUTINY COMMITTEE

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To: All Members of Overview and Scrutiny Committee

Councillors : M Bailey, S Carter, D Cassidy,
A Cummings, J Daly, L Fitzwalter, M Hankey (Chair),
P Heneghan, M James, S Nuttall, D O'Hanlon and T Tariq

Dear Member/Colleague

Overview and Scrutiny Committee

You are invited to attend a meeting of the Overview and Scrutiny Committee which will be held as follows:-

Date:	Wednesday, 4 September 2013
Place:	Bury Town Hall
Time:	7.00 pm
Briefing Facilities:	If Opposition Members and Co-opted Members require briefing on any particular item on the Agenda, the appropriate Director/Senior Officer originating the related report should be contacted.
Notes:	A pre-meeting will be held at 6.30pm in the Irwell Room

AGENDA

1 APOLOGIES FOR ABSENCE

2 DECLARATIONS OF INTEREST

Members of the Overview and Scrutiny Committee are asked to consider whether they have an interest in any of the matters on the agenda and, if so, to formally declare that interest.

3 MINUTES *(Pages 1 - 8)*

Minutes of the meetings held on 11 June 2013 and 14 August 2013 are attached.

4 PUBLIC QUESTION TIME

A period of 30 minutes has been set aside for members of the public to ask questions on matters considered at the last meeting and set out in the minutes or on the agenda for tonight's meeting.

5 PUBLICATION CORE STRATEGY

A presentation will be given at the meeting. The Draft Publication Strategy and supporting evidence is available through the Council's Website : <http://www.bury.gov.uk/index.aspx?articleid=5302>

6 DRAFT INSPECTION PLAN - CHILDREN'S SAFEGUARDING AND SOCIAL CARE *(Pages 9 - 24)*

Report and draft Action Plan attached.

7 CORPORATE PLAN PROGRESS REPORT *(Pages 25 - 52)*

To consider a report of the Leader of Council

8 REVENUE AND HRA OUTTURN 2012/2013 *(Pages 53 - 78)*

A report from the Deputy Leader and Cabinet Member for Finance and Corporate Affairs is attached.

9 CAPITAL OUTTURN 2012/2013 *(Pages 79 - 94)*

A report from the Deputy Leader and Cabinet Member for Finance and Corporate Affairs is attached.

10 ANNUAL TREASURY MANAGEMENT REPORT 2012/2013 *(Pages 95 - 106)*

A report from the Deputy Leader and Cabinet Member for Finance and Corporate Affairs.

11 CORPORATE FINANCIAL AND PERFORMANCE MONITORING - APRIL 2013 - JUNE 2013 *(Pages 107 - 136)*

To consider a report of the Cabinet Member for Finance and Corporate Affairs.

12 URGENT BUSINESS

Any other business which by reason of special circumstances the Chair agrees may be considered as a matter of urgency.

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Minutes of: **OVERVIEW AND SCRUTINY COMMITTEE**

Date of Meeting: 11 June 2013

Present: Councillor M Hankey(in the Chair);
Councillors M Bailey; D Cassidy; S Carter; A J Cummings; J
Daly; M James; P Heneghan; and T Tariq

Public in attendance: No members of the public were present at the meeting.

Also in attendance: Councillor Campbell– Cabinet Member for Children and Families

Apologies for absence: Councillor Fitzwalter, Councillor Nuttall and Councillor O’Hanlon

OSC.107 DECLARATIONS OF INTEREST

Councillor Heneghan declared a personal and prejudicial interest in Minute OSC.110 below, Ofsted Inspection (SLAC) Action Plan, as the newly appointed Deputy Cabinet Member for Children and Families and took no part in discussions on this item.

OSC.108 PUBLIC QUESTION TIME

There were no members of the public present at the meeting to ask questions under this item.

OSC.109 MINUTES OF THE LAST MEETING

It was agreed:

That the Minutes of the last meeting, held on 26 March 2013, be approved as a correct record and signed by the Chair.

OSC.110 OFSTED INSPECTION (SLAC) ACTION PLAN

Further to Minute OSC.276 of the meeting of this Committee, held on 28 August 2012, the Cabinet Member for Children and Families submitted a report setting out progress against the Action Plan that had been drawn up in response to the Ofsted report published on 13 June 2012.

With regard to the Action Plan, the Executive Director of Children’s Services referred to the implications arising from the revised Multi Agency Inspection Framework due to be implemented in September 2013. It was reported that the Action Plan would be developed and refreshed in light of the changes to the Inspection Framework and the Working Together 2013 guidance issued to social work practitioners.

Overview and Scrutiny Committee, 11 June 2013

Questions and comments were invited and the following issues were raised:

- In response to questions around the inspection process, the Cabinet Member reported that an inspection was imminent and welcomed the new Ofsted emphasis as a means of developing safe and outcome focused services for children.
- In response to a question concerning the consequences if the service was deemed to be inadequate, the Executive Director explained that the Department for Education would set up improvement arrangements and arrange for a re-inspection within a year.
- During discussion of this item, Members acknowledged the new stringent Inspection process, which had resulted in approximately one in three Council's being deemed 'Inadequate'.
- With regard to the difficulties of recruiting to Team Leader positions the Executive Director explained that comparative salary levels had been an issue and that agency staff had been used to ensure posts are filled. The Executive Director reported that the long term aim was to develop staff from within to enable them to take up management level posts.
- In response to a question relating to the adequacy of IT systems, the Executive Director reported that systems had been replaced since the last inspection, but acknowledged there was still capacity to increase the use of management reporting facilities.
- The Executive Director referred to the measures in place to safeguard looked after children and highlighted the overall aim of the Plan for Change which looks to reduce the costs of children looked after by attracting more in house foster carers. The Executive Director stressed the importance of early intervention as a means of reducing the number of looked after children overall.
- The Cabinet Member reported on the work of the Corporate Parenting Panel and explained that the terms of reference for the Panel were currently being looked at with a view to possibly developing a scrutiny function.
- During discussion of issues relating to sexual exploitation, the Executive Director highlighted the multi agency arrangements in place and referred to a piece of scoping work undertaken with Barnardo's to look at the potential for setting up of a specialised specific service or developing a shared service with other authorities.

It was agreed:

1. That this Committee notes the Working Together 2013 Guidance and the revised Ofsted Inspection Framework.
2. That, in light of (1) above, an updated and refreshed Action Plan be submitted to the next meeting of this Committee.

OSC.111 DEVELOPMENT OF A WORK PROGRAMME 2013-2014

Leigh Webb, Principal Democratic Services Officer, submitted a report setting out the terms of reference for the Committee along with a Work Programme Prioritisation Protocol to assist members in the development of a Work Programme for 2013/2014. The report included a brief summary of the new Overview and Scrutiny structures along with the remit of the Committee, which allows for the setting up of task and finish Overview Project Groups to carry out in depth reviews into specific topics.

Members of the Committee suggested and discussed potential items for the coming year. In response to a suggestion from Councillor Daly, concerning the issue of green belt land, Councillor Cummings undertook to raise as a potential issue with the Planning Department. Leigh Webb, Democratic Services Officer, explained that Planning, as a Council function, was outside the remit of the Committee and that any considerations would have to be limited to areas general policy and avoid any issues relating to particular applications.

It was agreed:

1. That the following Performance Monitoring items be included as part of this Committee's Work Programme for 2013/14:
 - Corporate Financial Monitoring Reports
 - Corporate Plan Progress Reports
2. That Task and Finish Scrutiny Overview Project Groups be set up to look at the following topics:
 - Neighbourhood Plans - (outline scope to look at current initiatives; partnership working arrangements; and the implications of upcoming national legislation)
 - Worklessness (outline scope to include a review of the new collection arrangements; examination of problems encountered by residents; and the arrangement for dealing with issues via the customer contact centre)
3. That the following additional issues be considered by the full Committee as part of the Work Programme for 2013/2014:
 - Safeguarding Looked After Children (Action Plan)
 - Plan for Change (Cabinet Update reports)
 - Welfare Reform
 - Anti Social Behaviour – Update on recommendations
 - Recycling – Update on recommendations

COUNCILLOR M HANKEY
Chair

(Note: The meeting started at 7.00 pm and ended at 8.20pm)

Minutes of: OVERVIEW AND SCRUTINY COMMITTEE

Date of Meeting: 14 August 2013

Present: Councillor M Hankey (in the Chair);
Councillors D Cassidy; S Carter; A J Cummings; J Daly; M James; S Nuttall; D O'Hanlon and T Tariq

Public in attendance: 11 members of the public were present at the meeting.

Also in attendance: Councillor Lewis – Cabinet Member for Leisure, Tourism and Culture
Councillor Connolly – Leader of the Council
Councillor J Smith - Deputy Leader of the Council and Cabinet Member for Finance and Corporate Affairs

Apologies for absence: Councillors M Bailey; L Fitzwalter and P Heneghan

OSC.260 DECLARATIONS OF INTEREST

Councillor Connolly declared a personal interest as his partner is employed in Adult Care Services

OSC.261 PUBLIC QUESTION TIME

There were no questions asked from the public present at the meeting under this item.

OSC.262 CALL IN OF CABINET DECISION - PLAN FOR CHANGE REVIEW OF LIBRARIES – PROPOSALS FOLLOWING CONSULTATION

The Chair, Councillor Hankey, reported that the main item of business before the Committee was as a result of a Call-in Notice. The Notice related to the Cabinet decision taken on 10 July 2013 to approve proposals in respect of Libraries across the Borough

The report for decision of the Cabinet Member for Leisure, Tourism and Culture had been submitted which outlined the next steps of the Library Review process and set out revised proposals following on from a report considered by Cabinet in April 2013. The April report, the Phase 2 Consultation report and the Equality Analysis Form were appended to the decision report.

The reasons for the Call-In of the decision were set out within the Notice as follows:

1. The results of the consultation were ignored.
2. There were insufficient financial figures provided in respect of alternative proposals.

The Chair, Councillor Hankey, and Members of the Committee questioned the Cabinet Member for Leisure Tourism and Culture and the following issues were raised:

- The Chair, Councillor Hankey, and Members of the Committee acknowledged and welcomed the fact that all Libraries in the Borough would remain open as a result of the proposals in the report. In response to a question relating to potential further changes, the Cabinet Member stated that no further changes were planned at the present time.
- With regard to the initial Plan for Change programme and the time taken to realise savings from the Library Service, the Executive Director of Communities and Neighbourhoods highlighted that as a statutory service, a process had been followed which had involved detailed consultations and the exploration of different procurement options. The Executive Director also referred to the changing budget position of the Council as a result of further cuts in grant funding and the impact this had on bringing the proposal forward.
- In response to a questions relating to the decision not to proceed with the development of Community Hubs, the Executive Director of Resources explained that, following detailed structural and technical surveys, the substantially higher than expected level of capital investment required had changed the risk profile and viability of the business case. This was further compounded by notification of a further 10% cut to the Council's budget as a result of the latest Comprehensive Spending Review (CSR) in June.
- Councillor Daly expressed concerns that the report to Cabinet in April had asserted that the Community Hub Model could be supported without detailed structural surveys having been undertaken. The Executive Director of Resources explained the importance of not pre-empting the consultation process but highlighted that the report submitted in April did clearly set out that any final proposals would be subject to a viable business case being developed following technical and structural survey work.
- In response to points made by Councillors Carter and Cummings, the Cabinet Member agreed that the probability that there would be further substantial cuts to the Council's overall funding as result of the CSR, and changes to the business rates system, had contributed to the risk profile changing.
- The Cabinet Member acknowledged that it was regrettable that the development of Community Hubs could not be progressed at the moment but stressed that the Council were committed to examining the future viability of the development of this model through ongoing Asset Management Reviews. The Leader of the Council highlighted that Community Hubs did offer a means of providing services in a different way, making a better use of assets and providing accessible services for the future.
- In response to a question concerning job losses, the Cabinet Member confirmed that the number of job losses highlighted in the report to Cabinet in April had not changed as a result of the revised proposals. The Executive Director of Communities and Neighbourhoods explained that

20.25 full time equivalent posts would be lost from the service and reported that a number of employees had already expressed an interest in taking voluntary early retirement/severance.

- With regard to the impact of the job losses on the service the Cabinet Member and Executive Director of Communities and Neighbourhoods highlighted that this had to be looked at in light of changes to the way people use libraries, the increase in the use of electronic books and the introduction of self service technology. It was explained that a range of performance indicators are used to ensure the continued quality of the service.
- Councillor Hankey referred to the duty placed on Council's in relation to libraries as set out in the Public Libraries and Museums Act 1964. The Cabinet Member expressed confidence that the service would continue to provide a comprehensive and efficient service and explained that legal advice had been taken throughout the whole process.
- In response to questions from Councillor Daly and Councillor O'Hanlon concerning the reconfiguration of the Service, it was explained that this could not be meaningfully be drawn up until it was apparent which staff had requested voluntary early retirement/severance. It was explained that any requests would be looked at in light of the future staffing requirements of the service.
- In response to questions from Councillor O'Hanlon, the Executive Director of Communities and Neighbourhoods expressed confidence that thorough research had been undertaken with other authorities in relation to staffing levels and acknowledged that the exact cost of individual severance packages was subject to a number of variables, such as length of service and number of hours worked.
- Councillor O'Hanlon questioned the reasons behind the judgement that the development of community hubs did not offer value for money. The Executive Director of Resources explained that the scale of capital costs identified as a result of detailed survey work meant that a clear business case could not be made. The Executive Director further explained that Members had been advised, and accepted, that funding such a high level of unsupported capital expenditure from prudential borrowing risked breaking the Council's Golden Rules.
- During discussion of the procedural options available to the Committee in respect of the called in decision, Councillor O'Hanlon proposed that comments be submitted to Cabinet requesting further financial data and information supporting other potential options for the library service.

It was agreed:

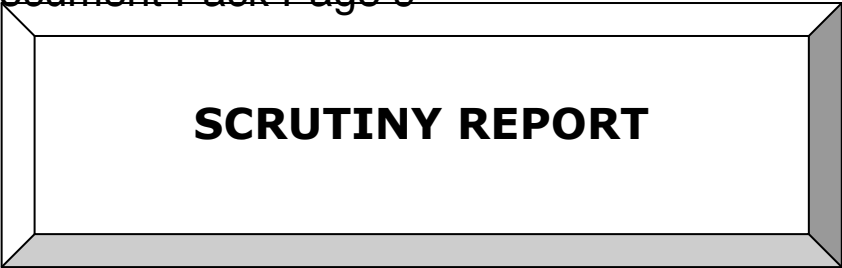
That, having considered all the points raised in the Notice of Call-In, this Committee does not offer any comments to the Cabinet in respect of Minute CA.185, Plan For Change Review Of Libraries – Proposals Following Consultation.

(Note: Councillor O'Hanlon requested that it be recorded that he voted against the decision on the above item)

COUNCILLOR M HANKEY
Chair

(The meeting started at 7.00 pm and ended at 8.25pm)

Agenda Item	
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MEETING: OVERVIEW AND SCRUTINY COMMITTEE

DATE: 4 SEPTEMBER 2013

SUBJECT: DRAFT INSPECTION ACTION PLAN - CHILDREN'S SAFEGUARDING AND SOCIAL CARE.

REPORT FROM: COUNCILLOR CAMPBELL – CABINET MEMBER FOR CHILDREN AND FAMILIES

CONTACT OFFICER: JACKIE GOWER (ASSISTANT DIRECTOR SAFEGUARDING AND SOCIAL CARE)

1.0 Context.

The draft inspection action plan is informed by:

- a) The requirements of Working Together 2013.
 - b) The proposed Ofsted Inspection Framework for Children’s Social Work and Social Care Services (May 2013)
 - c) The Ofsted report on the effectiveness of Independent Reviewing Officers (Tackling Change – June 2013).
 - d) Review and self assessment of the effectiveness of Children’s Social Work and Social Work services initiated February 2013 and ongoing.
- 1.1. The new Ofsted framework for inspection of CSC is due for publication in September 2013 and for implementation from November 2013.
 - 1.2. The draft inspection action plan attached has been constructed against Ofsted’s Consultation document (May 2013). It focuses on the proposed key judgement ‘The experiences and progress of children who need help and protection.’
 - 1.3. The action plan should be viewed as a work in progress – both in terms of content and presentation. A final version will be developed and presented following publication of the final version of the Inspection Framework.
 - 1.4. The plan is informed by the Ofsted descriptors of a child care social work service which might be adjudged ‘Good’ - as opposed to ‘Outstanding;’ ‘Requiring improvement’ or ‘Inadequate’.
 - 1.5. It appears that Ofsted propose three ‘key’ judgements of effectiveness against:
 - i) The experiences and progress of children who need help and protection.
 - ii) The experiences and progress of children looked after and achieving permanence and the experiences and progress of care leavers.
 - iii) Leadership, Management and Governance.

Ofsted propose that a judgement of inadequate in any of these three 'key' areas will lead to an 'overall' judgement of 'inadequate.'

Action plans against each of the three key judgement areas are in development.

- 1.6. Ofsted propose three contributory and graded judgements to describe significant and statutory aspects of provision for adoption and care leavers and the effectiveness of the LSCB. These judgements may be 'limiting' depending on the seriousness and significance of any inadequacy. *There is considerable doubt as to whether the inspection of the LSCB will remain as proposed in the Consultation document.*
- 1.7. The length and detail of the attached draft plan is indicative of the level of scrutiny of practice and effectiveness of services to vulnerable children proposed by Ofsted. In respect of the Key Judgement 'The experiences and progress of children who need help and protection' – there are at least 25 elements which will inform the final Ofsted judgement.
- 1.8. The relevant Strategic Leads will continue to develop the attached draft action plan and a final version will be generated following publication of the final version of the Ofsted Inspection Framework.
- 1.9. In anticipation of a more rigorous inspection regime than previously Children's Services have been proactive in reviewing, remodelling and developing the service. Significant progress has been made over the last 6 months to improve and evidence improvement in the effectiveness of social work/social care services to vulnerable children and families.

2.0. 'The experiences and progress of children who need help and protection'.

Ofsted describe that the quality of service will be judged against whether:

- Children who are at risk or likely to be at risk or about whom there are concerns are identified and protected.
- Help is provided early on emergence of a problem and is co-ordinated through multi-agency arrangements.
- Thresholds between early help and statutory child protection are appropriate, understood and operate effectively.
- Children and young people are listened to and heard.
- Children and young people build effective relationships with professionals in order to assess the capacity and likelihood of change.
- Children receive timely and multi-agency help and protection through risk based assessment, authoritative practice, planning and review that secures change.

List of Background Papers:-

Ofsted Inspection Report
Action Plan

Contact Details:-

Jackie Gower – Assistant Director Safeguarding and Social Care
Tel: 0161 253 5477

Draft Inspection Action Plan. 'The Experience and Progress of Children who Need Help and Protection'.

Services likely to be judged 'Good' if:	Action Required	Timescale Completion	Strategic Lead Officer	Measures of progress Measures of Impact
<p>1.0 Children are listened to and practice is focused on their experiences & influenced by their wishes & feelings.</p> <p>1.1. Children are consistently seen & seen alone by social workers where statutory guidance requires this should happen & professionally judged to be in the best interests of the child.</p>	<p>i) Review of Independent Reviewing Officer (IRO) service against requirements of Care Planning regulations (2011) and the recommendations of Ofsted report 'Tackling Change' - June 2013.</p> <p>ii) Guidance to be issued to social work staff to affirm required visiting frequency to children and expectations of purpose of statutory visits.</p> <p>iii) Guidance to be developed for all staff to establish consistent quality and kind of recording of the wishes and feelings of children; and as to how these wishes and feelings have influenced practice, plans and service provision.</p>	<p>i) Dec 13.</p> <p>ii) Sept 13</p> <p>iii) Oct 13</p>	<p>i) SGU.</p> <p>ii) Placement Service.</p> <p>iii) SGS</p>	<p>Recommendations of Review presented to CMT by December 2013.</p> <p>Implementation of Review by March 2014.</p> <p>Children seen consistently and routinely by IRO's.</p> <p>Children seen at the appropriate frequency by social workers and seen alone at appropriate frequency.</p> <p>The wishes, views and feelings of children are recorded and taken into account in formulation of plans.</p>

Draft Inspection Action Plan. 'The Experience and Progress of Children who Need Help and Protection'.

Likely to be judged 'Good' if:	Action Required	Timescale	Strategic Lead Officer	Measures of progress of plan Measures of Impact of plan
<p>1.2. Children are engaged in all actions & decisions & understand the intentions of the help they receive.</p> <p>1.3. Social workers engage with children and families so that they understand what has to change, what help is offered and what the options are for the future.</p>	<p>As above</p> <p>Review of experience, skills and social work capacity.</p>	<p>March 14</p>	<p>SGU SGS</p> <p>AD</p>	<p>Review of frontline social work capacity to be completed by Jan 2014 and implemented by April 2014.</p> <p>All children are seen regularly and are able to develop a consistent relationship with their social worker.</p> <p>Social workers have the time and skills to undertake the required direct work with children and families and to ensure accurate and timely recording of their direct work with children and families.</p>
<p>1.4. Practice is informed by feedback from children & families about the effectiveness of the help they need from the time it is first needed until it ends.</p>	<p>iv) Review of systems, procedures and services to determine to what extent they support effective engagement and participation of children, young people and families and their feedback on the effectiveness of services is influential of practice, service design and service delivery.</p>	<p>March 14</p>	<p>PP&P</p>	<p>Review to be completed by December 13 and implemented from March 14</p> <p>Systematic collection and collation of feedback on effectiveness of all services and evidence of influence of C&YP on practice, service development and service design.</p>

Draft Inspection Action Plan. 'The Experience and Progress of Children who Need Help and Protection'.

Likely to be judged 'Good' if:	Action Required	Timescale	Strategic Lead Officer	Measures of progress Measure of Impact
<p>1.5. Allegations of abuse, mistreatment or poor practice by professionals or carers are taken seriously. Steps are taken to protect children & young people and the management of allegations is robust & effective.</p>	<p>The management of allegations of poor practice and professional abuse is robust.</p>			

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Draft Inspection Action Plan. 'The Experience and Progress of Children who Need Help and Protection'.

Likely to be judged 'Good' if:	Action Required	Timescale	Strategic Lead Officer	Measures of progress Measures of impact
<p>2.1. C&YP and families are offered help when concerns are first identified and as a consequence children's circumstances improve and the need for targeted services is lessened or avoided.</p>	<p>i) Implementation of MASH.</p> <p>ii) Implementation of EH Offer, EH Team and multi-agency EH Panel.</p> <p>iii) Development of multi-agency Children with Disabilities Services.</p> <p>iv) Development of integrated services for children with special needs (S.END agenda).</p>	<p>Oct 13</p> <p>Sept.13</p> <p>March 14</p> <p>Sept 14</p>	<p>i) Assistant Director (AD)</p> <p>ii) EH/Early Years & Children's Centres</p> <p>iii) Health and Partnerships.</p> <p>iv) Health and Partnerships.</p>	<p>Co-located multi-agency team. Recruitment of staff to EH team. TOR of EH Panel agreed, membership established, first panel by end of Sept 13.</p> <p>More timely and effective response to child welfare concerns. Increase in number of plans through CAF. Reduced number of cases requiring statutory services. High performance against statutory assessment timescales.</p> <p>Establishment of co-located multi-disciplinary CwD service by March 2014. Implementation of pilot of single integrated plans for CwD Aug 2013. Review of pilot March 2014. Implementation of single integrated plans for children with complex needs Sept 14. Improved choice and range of service enabling children to be supported in their own communities. Reduced use of high cost provision.</p>

Draft Inspection Action Plan. 'The Experience and Progress of Children who Need Help and Protection'.

Likely to be judged 'Good' if:	Action Required	Timescale	Strategic Lead Officer	Measures of Progress Measures of Impact
<p>2.2. The interface between early help and statutory child protection work is clearly and effectively differentiated.</p>	<p>Threshold Document to be reviewed, revised and published by the BSCB.</p>	<p>Oct.13</p>	<p>SGU</p>	<p>Document published by BSCB October 13.</p>
<p>2.3. Thresholds for intervention are understood by partners, consistently applied, well embedded, reviewed and updated regularly.</p>	<p>i) Multi-agency training. ii) Implementation of EH Panel. iii) Development and launch of CSC QA framework</p>	<p>i) Nov. 13 ii) Sept.13 iii) Sept. 13</p>	<p>i) SGU ii) EH, Early Years and Children's Centres. iii) AD</p>	<p>Multi – Agency workshops delivered throughout Nov 13. TOR of EH Panel agreed, membership established, first EH panel by end of Sept. Increased number of support plans via CAF. Reduced demand for statutory social work intervention. High conversion rate of referrals to assessments. Reduced re-referral rate to CSC. QA framework embedded during 2013. QA framework includes calendar for review of and regular updating of Threshold Document.</p>

Draft Inspection Action Plan. 'The Experience and Progress of Children who Need Help and Protection'.

Likely to be judged 'Good' if:	Action Required	Timescale	Strategic Lead Officer	Measures of progress Measures of Impact
<p>2.4. Social work expertise is available to advise and support other professionals in determining the best steps to take next.</p>	<p>i) Social work expertise to be available in the Early Help service.</p> <p>ii) Implementation of the MASH</p>	<p>Sept 2013.</p> <p>Sept 13</p>	<p>i) Early Help, Early Years and Children's Centres.</p> <p>ii). AD</p>	<p>Recruitment of social work posts to EH Team to be completed by Sept. 13 Co-located multi-agency team by end Sept 13.</p> <p>Improved management of complex cases 'below' statutory threshold. Increased number of support plans via CAF. Timely identification of risk. Timely assessment of risk – reduced drift/delay in provision of help and services to vulnerable children.</p>
<p>2.5. Information sharing between agencies is timely, specific and effective.</p>	<p>i) Implementation of Multi-Agency Safeguarding Hub (MASH) and Early Help (EH) Panel.</p> <p>ii) Development of integrated pathway and single integrated plans for children with special and complex needs.</p>	<p>Oct. 13</p> <p>Sept.14</p>	<p>i) Assistant Director.</p> <p>EH/Early years and Children's Centres.</p> <p>ii) Health and Partnerships.</p>	<p>Co-located multi-agency team. Establishment of EH Panel</p> <p>Improved timeliness of decision making, service provision and outcomes for children. Increase number of support plans through CAF. Reduced demand of statutory services.</p> <p>Implementation of integrated pathway and plans.</p> <p>Improved accessibility and coherence of services for those with special and complex needs.</p>

Draft Inspection Action Plan. 'The Experience and Progress of Children who Need Help and Protection'.

Likely to be judged 'Good' if:	Action Required	Timescale	Senior Leads	Measures of Progress Measures of Impact
<p>3.0. There is timely & effective response to referrals (including out of office hours). Drift & delay are avoided.</p>	<p>i) Development of MASH. ii) Establishment of new 'Out of Hours (OOH) Team.' iii) Review of frontline management and social work capacity. iv). Establishment of EH Team and EH Panel.</p>	<p>Sept 13 Sept 13 Sept 13 – Jan 14. Sept 13</p>	<p>i) AD ii) SGU iii) AD iv). EH, Early Years and Children's Centres.</p>	<p>Co-located MASH by end of Sept 13. Recruitment to OOH Team completed by Sept 13. Review of management capacity to be completed by Sept 13. Implementation of recommendations of review of management capacity by Nov 13. Review of frontline social work capacity to be completed by Jan 2014 and implemented by April 2014.</p> <p>Optimal size of supervisory groups established. Safe caseloads established. 100% same day response to CSC referrals. Low numbers/zero unallocated CSC cases. High degree of compliance with CSC assessment timescales (80% or above). Timely recognition of risk, timely reduction or removal of risk. More timely provision of effective help.</p>

Draft Inspection Action Plan. 'The Experience and Progress of Children who Need Help and Protection'.

Likely to be judged 'Good' if:	Action Required	Timescale	Strategic Lead Officer	Measure of Progress Measure on Impact
<p>3.1. Children & Young People who are privately fostered are identified by the local authority in conjunction with partners. Once identified the local authority discharges in full its statutory responsibility to ensure that they are safe & that their health & well being are promoted.</p>	<p>i) Develop communication strategy to ensure and raise awareness of Private Fostering of partners and public.</p>	<p>Nov 13</p>	<p>SGU</p>	<p>Communication Strategy to be available to CMT by October 2013 and implemented from November 2013.</p> <p>Increase in the number of known PF arrangements.</p>

Draft Inspection Action Plan. 'The Experience and Progress of Children who Need Help and Protection'.

Likely to be judged 'Good' if:	Action Required	Timescale	Strategic Lead Officer	Measure of Progress Measure of Impact
<p>3.2. Child protection enquiries are thorough and timely and always led by a qualified and suitably experienced social worker. Findings in relation to significant harm are clear.</p>	<p>i) Review capacity, skills and experience of social work staff.</p> <p>ii) Introduce and embed a range of tools to support assessment of risk of significant harm.</p> <p>iii) Introduce and embed a systemised programme of qualitative case audits designed to scrutinise timeliness, thoroughness and quality of child protection enquiries and that the outcomes are clearly recorded in terms of risk of harm.</p> <p>iv) Introduce and embed quality assurance and performance reporting framework which ensures managers are alerted to and can respond to emerging issues and deficiencies in practice and services.</p>	<p>i) Dec 13.</p> <p>ii) Nov 13</p> <p>iii) Sept 13</p> <p>iv) Sept 13</p>	<p>AD</p> <p>SGS</p> <p>AD</p> <p>AD</p>	<p>Review of frontline social work capacity to be completed by Jan 2014 and implemented by April 2014.</p> <p>Tools available to all child protection social workers October 2013.</p> <p>Case Audit tools available from Sept 13.</p> <p>Case audit 'team' established from Sept 13.</p> <p>Calendar for reporting of outcomes of audit activity to be in place from Sept 13.</p> <p>All CP enquiries undertaken by qualified and suitably experienced social workers.</p> <p>High degree of compliance with statutory timescales for CP enquiries.</p> <p>High use of risk assessment tools.</p> <p>Qualitative audits which inform as to the safe and effective practice and workforce and training requirements.</p>

Draft Inspection Action Plan. 'The Experience and Progress of Children who Need Help and Protection'.

Likely to be judged 'Good' if:	Action Required	Timescale	Strategic Lead Officer	Measures of progress Measure of Impact
<p>4.0. Decisions are always undertaken by suitably experienced and qualified social workers and managers with decisions clearly recorded.</p>	<p>i) Review of frontline management and social work capacity.</p> <p>ii) Workload management policy to be established supporting managers in the allocation of work (volume and complexity) to suitably skilled and experienced social workers.</p> <p>ii) Case supervision policy to be reviewed and re-launched including guidance to managers in the production of consistent quality and kind of recording of case decisions and the supporting rationale.</p>	<p>Sept 12 – Jan 14.</p> <p>Nov 13</p> <p>Oct 13</p>	<p>AD</p> <p>SGS</p> <p>SGS</p>	<p>Review of management capacity to be completed by Sept 13.</p> <p>Implementation of recommendations of review of management capacity by Nov 13.</p> <p>Review of frontline social work capacity to be completed by Jan 2014 and implemented by April 2014.</p> <p>Workload Management policy available to CMT by end of Oct 13 for implementation during Nov 13.</p> <p>Review and re-launch of supervision policy and accompanying guidance to be completed by end of October 13.</p> <p>Management capacity is consistent with required levels of management oversight and decision making.</p> <p>Social work caseloads (size and complexity) reflect their experience and skills.</p> <p>Improved recording of decision making and rationale.</p>

Draft Inspection Action Plan. 'The Experience and Progress of Children who Need Help and Protection'.

Likely to be judged 'Good' if:	Action Required	Timescale	Strategic Lead Officer	Measures of progress against plan Measure of Impact of actions
<p>4.1. Assessments (including CAF) are always timely, proportionate to risk, informed by research and learning and by the historical context and significant events and address all domains of the local framework for assessment.</p>	<p>i) See 3.0 above</p> <p>ii) Access to research provided to all SW's.</p> <p>iii). Ongoing training and guidance to be available to social work staff in respect of relevance of historical information.</p> <p>iv). Protocol User Group (PUG) to be established. PUG to work with social work staff to overcome technological barriers to maintenance of chronologies.</p>	<p>ii) Aug 13.</p> <p>iii) October and ongoing</p> <p>iii) Jan 14</p>	<p>AD</p> <p>PP&P</p> <p>PP&P</p>	<p>Online research tool available to all social work staff.</p> <p>Training plan includes module on relevance of historical context to assessment of risk.</p> <p>PUG established and by Nov 13 produces a plan to support social workers maintain chronologies on the electronic database.</p> <p>PUG plan implemented by Jan 14.</p> <p>Assessments informed by research, learning and historical context.</p> <p>High degree of compliance with statutory assessment timescales.</p> <p>High degree of compliance with the statutory requirement that every case record contains an up to date chronology.</p>

Draft Inspection Action Plan. 'The Experience and Progress of Children who Need Help and Protection'.

Likely to be judged 'Good' if:	Action Required	Timescale	Strategic Lead Office	Measures of progress against plan Measure of Impact of actions
<p>5.0. Assessments and plans are dynamic and change in the light of emerging risks.</p> <p>5.1 Plans & services are reviewed & alternative action is taken where the circumstances for children do not change & the risk of harm or actual harm remains.</p> <p>5.2 Authoritative action is taken where change is not secured and the risk to children intensifies or remains the same.</p>	<p>See 1.0 above.</p> <p>Review of Independent Reviewing Officer (IRO) service against requirements of Care Planning regulations (2011) and the recommendations of Ofsted report 'Tackling Change' - June 2013.</p> <p>This review to include the relationship of IRO's with Cafcass and escalation procedures.</p>	<p>March 14</p>	<p>SGU</p>	<p>Recommendations of Review presented to CMT by December 2013.</p> <p>Implementation of Review by March 2014.</p> <p>All children and young people have a plan informed by a current and relevant assessment of need.</p> <p>Reduced number of CP plans of more than 18 months duration.</p> <p>Improvement in achievement of legal permanence for vulnerable children.</p>

Draft Inspection Action Plan. 'The Experience and Progress of Children who Need Help and Protection'.

Likely to be judged 'Good' if:	Action Required	Timescale	Strategic Lead Office	Measures of progress against plan Measure of Impact of actions
<p>6.0. Children in need (CIN) & children in need of protection are subject of either a CIN or CP plan that clearly identifies the help offered; the changes which need to be achieved & the appropriate timescales for the child.</p>	<p>i) Audit of all CIN cases to ascertain that; All have a plan and that Plans clearly identify the help offered and the changes required and the appropriate timescales for the child.</p> <p>ii). Establish systematic process of ongoing Team Manager review of CIN plans.</p> <p>iii). Review of Independent Reviewing Officer (IRO) service against requirements of Care Planning regulations (2011) and the recommendations of Ofsted report 'Tackling Change' - June 2013.</p> <p>Specific consideration to be given to the role of IRO's in ensuring CP plans clearly identify the help offered; the changes to be achieved & the appropriate timescales for the change.</p>	<p>Nov 13</p> <p>Nov 13</p> <p>Dec 13 – March 14</p>	<p>SGS</p>	<p>Report and recommendations of audit of CIN cases to be presented to CMT by end of Oct 13.</p> <p>Process for systematic frontline manager review of CIN plans is established by end of Oct 13 and implemented by Nov 13.</p> <p>Recommendations of review of IRO service presented to CMT by December 2013.</p> <p>Implementation of the IRO review to be achieved by March 2014.</p> <p>All children in receipt of a social work service have a plan and have a plan consistent with an assessment of need which identifies the help to be offered, the changes to be achieved and the timescales for change.</p> <p>See above – 5.0</p>

Draft Inspection Action Plan. 'The Experience and Progress of Children who Need Help and Protection'.

Likely to be judged 'Good' if:	Action Required	Timescale	Strategic Lead Officer	Measures of progress against plan Measures of impact of actions
<p>7.0. Children who live in households where a parent/carer misuses substances or suffers mental ill-health or where there is evidence of DV are helped & protected. Incidents are monitored & multi-agency responses are co-ordinated including through management by MARAC.</p>	<p>To be agreed with partners.</p>	<p>Nov 13</p>	<p>AD</p>	

REPORT FOR DECISION

Agenda Item	
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DECISION OF:	Cabinet Overview and Scrutiny Committee
DATE:	Wednesday : 28 August 2013 Wednesday : 4 September 2013
SUBJECT:	Corporate Plan Progress Report – Quarter 4 2012-13
REPORT FROM:	Leader of the Council
CONTACT OFFICER:	Sarah Marshall, Performance Officer – Adults Planning
TYPE OF DECISION:	Non key decision
FREEDOM OF INFORMATION/STATUS:	This paper is within the public domain
SUMMARY:	The Corporate Plan Progress Report outlines the progress during quarter four 2012-13 for the corporate performance indicators and projects within the Bury Council Corporate Plan. The information is extracted from the Performance Information Management System (PIMS) and provided by the responsible services.
OPTIONS & RECOMMENDED OPTION	The Cabinet and Committee are asked to note the contents of the report.
IMPLICATIONS:	
Corporate Aims/Policy Framework:	Do the proposals accord with the Policy Framework? Yes
Statement by the S151 Officer: Financial Implications and Risk Considerations:	There are no direct financial implications arising from this report, however it is important to note that performance levels are currently being maintained despite reducing resources. Continuous monitoring of performance is

	essential to ensure this is maintained and to monitor the impact of further funding reductions going forward.
Statement by Executive Director of Resources:	There are no other resource implications.
Equality/Diversity implications:	Yes An Equality Analysis was undertaken for the Bury Council Corporate Plan 2012-15 and it was concluded that the Plan has a positive impact by aiming to reduce poverty and inequality. This report provides a summary of the progress made.
Considered by Monitoring Officer:	Yes JH
Wards Affected:	All
Scrutiny Interest:	Overview and Scrutiny Committee

TRACKING/PROCESS**DIRECTOR: Executive Director, ACS**

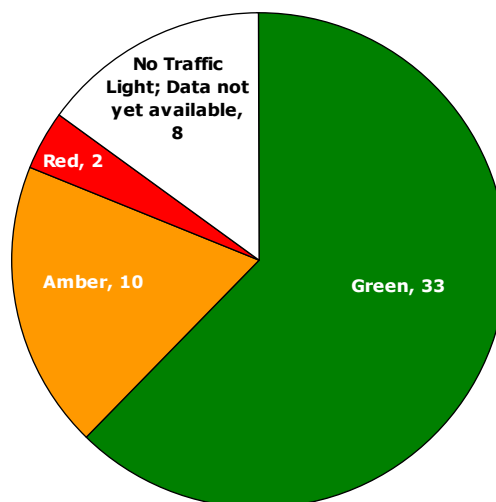
Chief Executive/ Strategic Leadership Team	Cabinet Member/Chair	Ward Members	Partners
22/07/2013			
Scrutiny Committee	Cabinet/Committee	Council	
27/08/2013	21/08/13		

1.0 BACKGROUND

- 1.1 The council publishes a Corporate Plan each year with progress updates reported to Cabinet each quarter. This report outlines performance against the plan for quarter 4 2012-13 and represents an end of year summary of the council's position.

2.0 SUMMARY

- 2.1 There is evidence of good progress in 2012-13:



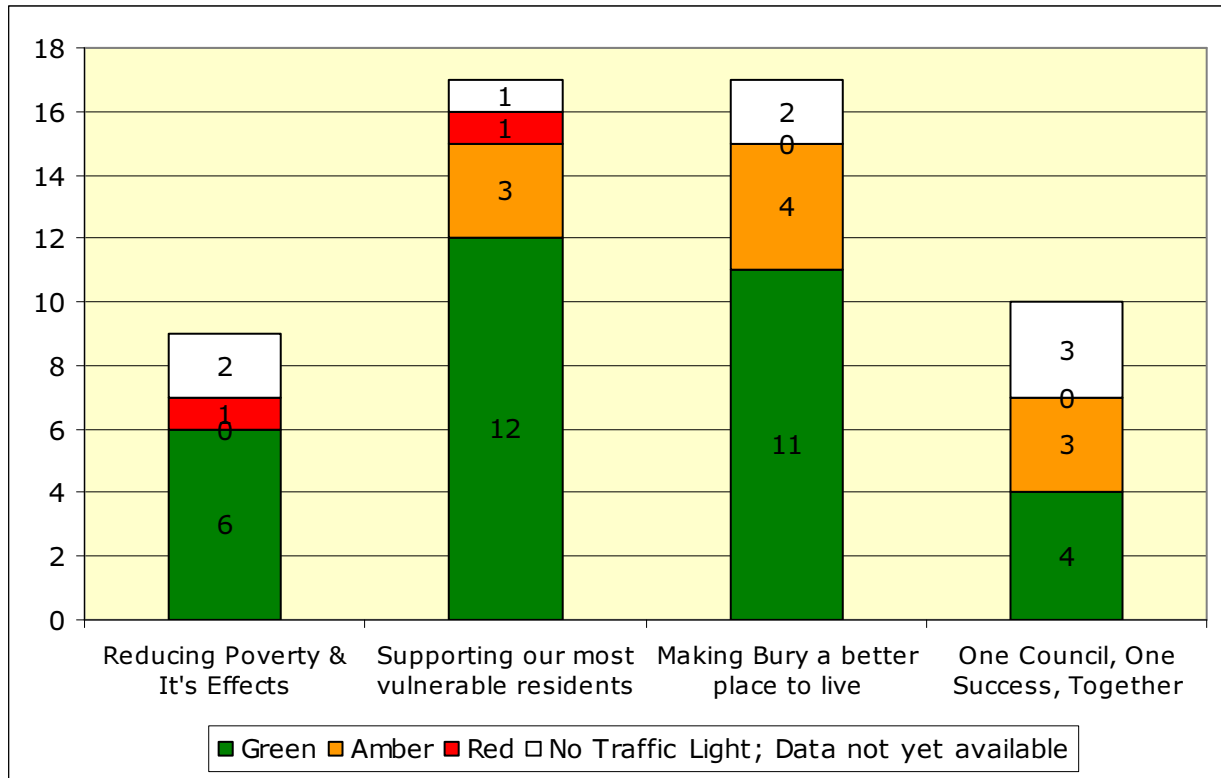
2.2 33 indicators (62% of the total) showed improvement on the previous year's outturn and/or exceeded target whilst a further 19% (the 10 indicators shown amber on the chart) were just off the pace. Given the financial situation and other challenges facing services, this level of performance is positive and demonstrates a strong commitment to service delivery in the Borough.

2.3 2 areas under achieved:

- The gap between Bury and Greater Manchester in relation to the percentage number of people on out of work benefits increased over the year. Plans remain in place through initiatives such as City Deal, Backing Young Bury and Work Programme to bring this indicator back on track
- The percentage of children and young people in care achieving 5 A*-C GCSEs (or equivalent) at key stage 4 (including English and Maths) also fell below target. However this figure is based on a small cohort (of 22 qualifying pupils) where the results of a few individuals can have a major impact on the indicator.

2.4 There are 8 indicators where progress cannot be analysed. 2 of these had no targets set for 2012/13 and data was unavailable for the other 6. Work is ongoing to review the data set for future Corporate Plans so that non-reporting is minimised and the results selected provide a fair and meaningful reflection of the Council's position.

2.5 Analysing the results by the Council's priority outcomes, progress has been made in the three front facing themes:



2.6 The picture however is less positive for 'One Council, One Success, Together'. Despite good finance results, the proportion of immeasurable indicators and 'amber' ratings held back progress. Improving the corporate health indicators of the Council is an area for development in the year ahead.

3.0 CONCLUSION AND RECOMMENDATIONS

3.1 The report provides details of the progress made at quarter four 2012-13 and concludes our position at year end.

3.2 Overall, performance against the corporate plan is good with 33 out of 53 (62%) indicators achieving target and/or performing better than last year. Where we have not performed as expected, the reasons have been identified and in most cases a proactive approach has been adopted to improve these outcomes next year.

3.3 In the context of current pressures and resource limitations, efforts made to maintain performance are to be welcomed.

List of Background Papers:-
Bury Council Corporate Plan 2012-15

Contact Details:- Sarah Marshall, Performance Officer – Adults Planning
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Email: s.marshall@bury.gov.uk

One Council. One Plan.

Quarter Four 2012-13:

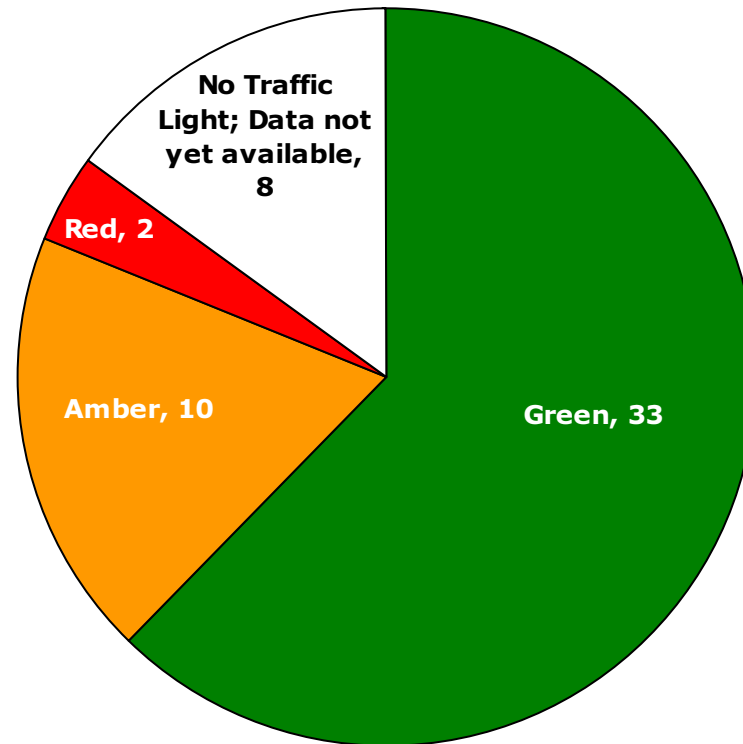
Progress Report

INTRODUCTION

- 1.1 This report outlines progress during quarter four of 2012-13 for the corporate performance indicators and projects within the Bury Council Corporate Plan. The information provided is extracted from the Performance Information Management System (PIMS) and the responsible services.
- 1.2 There are currently 53 performance indicators from PIMS, two performance indicators provided by Public Health and 19 projects within the Corporate Plan. This report provides a summary of the overall performance of all indicators and projects.
- 1.3 Where data are unavailable for Quarter 4 2012-13, the report provides the latest inputted data from previous quarters.
- 1.4 Throughout this report the definitions of the colour-coding are:
 - Green – On target and/or better than 2011-12 performance
 - Amber – Within 15% of achieving target or within 15% of 2011-12 performance
 - Red – Below target or worse than we achieved in 2011-12.
 - No Traffic Light – Information not available due to various reasons.
- 1.5 The detail of this corporate performance report can be viewed or downloaded on the corporate performance information monitoring system (PIMS). If you require copies of the reports or need training on the operation of the monitoring system; *please contact Benjamin Imafidon on Ext 6592.*

SUMMARY

- 2.1 Overall the council currently reports performance against a total of 53 corporate performance indicators. The chart below shows the percentage of these performance indicators that are categorised as Red, Amber and Green using the criteria set out in paragraph 1.4.



- 2.2 The Policy and Improvement Team is working with service managers concerned to ensuring that the delivery plans are robust enough to achieve or better these targets at year-end, and to reduce area where data is unavailable.

Reducing Poverty and Its Effects

Current Performance

Quarterly Reported Performance

Measure	Higher/ lower is better	2011/12 Baseline	2012/13 Q4	Target	Commentary
Overall employment rate for Bury (working age)	Higher	70.7%	75.2% (Green)	70%	Figures provided from Jobcentre Plus Labour Market Bulletin March 2013.
Working age people on out of work benefits	Lower	1.1%	2% (Red)	1.6%	This is due to the recent economic downturn. Funding provisions including; City Deal, Backing Young Bury, Work Programme, Youth Contract and Families/Troubled Families will be used to reduce the gap between Bury and GM back to the baseline of 1.60. <i>Source: Neighbourhood Statistics</i>
Achievement gap between pupils eligible for free school meals and their peers achieving the expected level at Key Stage 2	Lower	22%	16% (Green)	16%	The attainment gap has narrowed by 6% this year due to the results for pupils eligible for free school meals rising by 7% whilst results for pupils not eligible for free school meals rising by 1%. The national figure is equal to the local authority figure.
Achievement gap between pupils eligible for free school meals and their peers achieving the expected level at Key Stage 4	Lower	26.0%	23.2% (Green)	24%	The attainment gap has narrowed by 2.8% this year which is slightly better than our target. We are also performing 3% better than the national attainment gap.
Percentage of 16-18 year olds by academic age who are not in education, employment or training (NEET)	Lower	6.4%	5.5% (Green)	6.4%	Performance against this indicator has improved upon last year when we achieved 6.2% at the end of March 2012. Over the course of 2012-2013 NEET performance was better year on year every month except January. From April 2013 the baseline for measuring NEET performance will change again as young people in the NEET group will no

					longer 'lapse' in to not known after 3 months.
The proportion of children living in families in receipt of out of work (means-tested) benefits or in receipt of tax credits where their reported income is less than 60 per cent of median income	Lower	18.5%	5.15% (Green)	No target	The revised local child poverty measure is defined as the proportion of children living in families in receipt of out of work (means-tested) benefits. Therefore comparisons with previously reported figures are unreliable. At 31st May 2011 there were children living in 4,020 households in receipt of out of work benefits (source DWP) The figure of 5.15 has been calculated using the ONS population statistics from the 2011 Census (source NOMIS).

Annually Reported Performance

Measure	Higher/ lower is better	Quarter	Actual	Annual Target	Commentary
Inequality gap in the achievement of a Level 3 qualification by the age of 19	Lower	Q4	18% (Green)	28%	The figure to be reported annually is the inequality gap between those pupils who were/were not eligible for free school meals at age 15. 64% of pupils who were not eligible for FSM achieved a L3 qualification, whilst 46% of those eligible for FSM achieved L3. Therefore the gap is reported as 18 percentage points.
Proportion of population aged 19-64 for males and 19-59 for females qualified to at least Level 2 or higher	Higher	Q4	Not available	70%	Unable to provide data, statistics do not get recorded by Skills Funding Agency and not readily available. This is to be reviewed.
Percentage of working age people claiming out of work benefits in the worst performing neighbourhoods	Lower	Q4	Not available	32%	Not reported on the Office of National Statistics (NOMIS) at local level anymore. To be reviewed in 2013-14.

Project Updates

Poverty Strategy

The Poverty Strategy was approved by Cabinet on 6th March 2013. It was also agreed that monitoring results and progress would fall under the Welfare Reform Board. Reporting to the board will be done by a representative of the performance team. The board will monitor outcomes and indicators included in the strategy which have an influence on poverty with particular attention to the effect of recent Welfare Reform changes: particularly the bedroom tax, changes to Council Tax Benefit and the localisation of Social Fund.

Homelessness Strategy

The Housing Education and New Opportunities (HEN) Project commenced in February, there are currently 28 people accommodated and there have been a number of successes in terms of service users attending training courses and obtaining employment both paid and voluntary. The service users have also received health screening and there has been an improvement in many of the service user's health and well being.

The Cold Weather provision was again successful over the winter period. A new provider has been commissioned to work with rough sleepers focusing on a street rescue model so that no rough sleeper experiences a second night on the streets.

Affordable Warmth

Continued delivery of the Strategy with internal and external partners as detailed in the Affordable Warmth Strategy Action Plan including:

- **Bury Healthy Homes Scheme**

By March 2013 the scheme had provided 724 packs to residents requesting assistance and 293 referrals were made for further energy efficiency advice or assistance including benefit checks, debt advice, fire safety checks etc. 4 energy awareness training courses were also purchased from National Energy Action which will be delivered in quarter 3, 2013/14 (in readiness for the winter months), to a wide range of front-line staff enabling them to recognise fuel poverty and its effects and provide advice to vulnerable residents around staying warm and well during the winter months.

- **Greater Manchester Energy Advice Service (GMEAS)**

The GMEAS has supported Urban Renewal's Prestwich 'Get Me Toasty' area-based campaign (as below), has attended the Affordable Warmth Meetings and given one-to-one support to the Affordable Warmth Officer. Urban Renewal continues to work with them (like other GM local authorities) to see where further opportunities lie, pre and post the introduction of the Green Deal - officers attend the relevant meetings to be able to pick this up, Bury is now involved in the procurement phase.

- **'Get Me Toasty' Campaign**

The above campaign ended in March 2013. Information provided by GMEAS has shown that during this quarter 422

installations took place which has seen approximately £163, 525 of investment into the borough. This investment in energy efficiency measures and advice will save those assisted a total of £37,520 annual savings and saved the equivalent of 10,701,920 kg of CO2.

- **Fair Energy Campaign**

Successful completion of the first GM wide collective energy switching scheme during quarter 4, saw 1887 Bury residents sign-up to it. An average of £122 was made for those that made the switch.

Backing Young Bury

Backing Young Bury has continued to invest in young people and provided meaningful learning and working opportunities within the council, whilst simultaneously sharing best practice with other organisations to encourage them to provide similar opportunities. In Quarter 4 2012-13 Backing Young Bury has supported over 59 Bury young people to access an apprenticeship through the Greater Manchester Commitment. Backing Young Bury has piloted a way of working on behalf of Greater Manchester. The Connecting Provision activity has assisted 12 unemployed residents into a structured training journey complementing existing activity including Bury Council's Supporting Communities, Improving Lives. A further cohort is planned for September 2013. We continue to build links with our local Businesses through our Offer to Employers. In Quarter 4 we have worked in partnership with JobCentre Plus to deliver a sector based work academy with a company relocating to Bury. This resulted in 20 jobs secured for unemployed residents. The campaign has provided 197 learning and working opportunities across the council, of which, 119 have been work experience placements, 42 extended work experience placements, 15 pre - employment placements and 23 corporate apprenticeships.

Supporting our most vulnerable residents

Current Performance

Quarterly Reported Performance

Measure	Higher/ lower is better	2011/12 Baseline	Q4 Actual	Target	Commentary
Percentage achieving independence: older people through rehabilitation/intermediate care	Higher	86.7%	93.5% (Green)	80%	187 customers came through the service 174 remained at home after 91 days.
Adults with learning disabilities in settled accommodation	Higher	85.7%	85.7% (Green)	80%	Over achieved on this target, which is excellent and has been achieved as a result of only placing customers into temporary or residential accommodation when absolutely necessary due to risk or high level of need. The co-located health and social care Learning Disability teams have worked well together to achieve this target.
Adults with learning disabilities in employment	Higher	36%	40% (Green)	33%	A strong performance by Bury Employment Support and Training (EST) has led to the 2012-2013 target being exceeded. There has been increased joint working with the social work teams to engage customers with a learning disability whom could gain paid employment into Bury EST.
Number of households living in temporary accommodation	Lower	12	12 (Amber)	5	During quarter 4 we had 39 households placed in temporary accommodation, of these 12 did not have an offer of suitable accommodation. There was a large increase in the number of homeless presentations during this period, which resulted in this increase.
Percentage of assessment completed (28 days) -Timeliness	Higher	77.9%	83.6% (Green)	78%	Over achieved on this target due to improved processes and paperwork and management

of social care assessment (all adults)					within the teams. Have also received additional funding from health to increase capacity in teams, which has ensured cases can be allocated for assessment quicker.
Percentage of social care packages in place 28 days after assessment	Higher	74.5%	77.5% (Green)	70%	Overall the service has over achieved on its target. We will continue to monitor this on a local level, working with our colleagues in Finance and Procurement to maintain or improve this.
Social Care clients receiving Self Directed Support (Direct payments and individual budgets)	Higher	23.7%	30.7% (Green)	40%	Percentage achieved in Assessment and Care Management (without Mental Health and Substance Misuse Service) is 52.6% so is well over target set. The percentage is reduced to overall of 30.7% as the figure is based on the total number of customers, not just those that are eligible for a personal budget. This is being addressed at a national and regional level.
Carers receiving needs assessment or review and a specific carer's service, or advice and information	Higher	16.7%	16.6% (Amber)	25%	Overall the target has significantly under achieved, although this in the main is due to significant low numbers of Carers assessed within mental health service at 13.6%. Performance is still under target for Assessment and Care Management at 23.8%. A significant part of this is due to the paperwork and process we have in place to record Carers assessments, which has been addressed within the new electronic system we will introduce, PROTOCOL. This will make it easier to record carers details, we have introduced an initial as well as a formal assessment.
The percentage of children and young people in care adopted during the year who were placed for adoption within 12 months of the decision that they should be	Higher	35.3%	77.3% (Green)	80%	Protocol data is in need of cleansing as some adopted children still show as being looked after. Monitoring performed outside the system shows that, in Quarter 4, three children were adopted. Of the three children, two were

placed for adoption, and who remained in that placement on adoption.					placed within 12 months of decision (66%).
Percentage of children becoming the subject of Child Protection Plan for a second or subsequent time	Lower	20.3%	12.3% (Green)	17%	Of the 51 Bury plans that commenced between January and March inclusive, 5 (9.8%) were repeats. For 2012-2013, 23 out of 187 (12.3%) were repeats.
The Special Educational Needs (SEN)/non SEN gap achieving 5 A* C GCSE inc. English and Maths	Lower	55%	49.2% (Green)	44%	The gap has narrowed by 5% this year and a lot closer to our target. The gap has narrowed because results of SEN pupils have risen at a faster rate than non SEN pupils.
Key Stage 2 attainment for Black and minority ethnic groups: Pakistani Heritage	Lower	1%	4.7% (Amber)	0%	The attainment gap has risen slightly this year to 4.7%. Attainment figures will fluctuate year on year depending on the "make-up" of the cohort.
Key Stage 2 attainment for Black and minority ethnic groups: Mixed White and Black Caribbean	Lower	18%	-10.9% (Green)	10%	90.9% of children in this ethnic group attained Level 4 and above in both English and Maths which is 10.9% above results for their peers. Last year results for this group were 18% below their peers. It is a relatively small group so results will vary from year to year.
Key Stage 2 attainment for Black and minority ethnic groups: White Other	Lower	0%	-1% (Green)	3%	81% of children in this ethnic group attained Level 4 and above in both English and maths which is 1% above results for their peers. It is a relatively small group so results will vary from year to year.

Annually Reported Performance

Measure	Higher/ lower is better	Quarter	Actual	Annual Target	Commentary
The percentage of children and young people in care achieving 5 A*-	Higher	Q4	13.6% (Red)	50%	Total cohort of 28 children, of which 22 qualify. Of the 22, 3 (13.6%) achieved 5 A*-Cs

C GCSEs (or equivalent) at key stage 4 (including English & Maths)					including English and Maths. Seven (31.8%) achieved 5 A*-Cs.
Percentage of permanent exclusions from school	Lower	Q4	0.16% (Green)	0.22%	Schools have worked hard during the last academic year to reduce the number of permanent exclusions. The impact of partnership placement has also helped to reduce the overall figure.
Key Stage 2 attainment for Black and minority ethnic groups: Gypsy Roma	Lower	Q4	Not available	No target	The cohort is too small to report.

Project Updates

Supporting Communities, Improving Lives

The Supporting Communities Improving Lives (SCIL) Programme made its first successful payment by results claim in January. Using data gathered from partners and internal sources six families were identified as meeting the results targets set out in the national Peer Based Review (PBR) framework from Department of Communities and Local Government. A total of £3,500 was claimed on this occasion.

A bespoke Troubled Families database has been purchased for the purpose of identifying and monitoring families' progress. This system will be fully operational for the next PBR claim in July.

In March an action group was established and an action plan to develop operational arrangements was implemented. We are hoping to launch the SCIL Programme and have our Key-Worker team in place by September.

Extra Care Housing

Red Bank is fully occupied. Work has been completed on upgrading the flats at Falcon and Griffin, with further work underway on the communal kitchen areas. Residents are delighted with the changes. Two bids have been submitted to the care and support specialised housing fund and we expect the outcome by July 2013.

Housing Allocation Policy

The new allocations policy has been implemented and in operation since the beginning of May 2013.

Day Opportunities

The day opportunities strategy was completed in January 2013 and was agreed by the Day Opportunities Steering Group.

The future of day opportunities is to be decided in line with a mapping exercise of community assets across Bury. It was agreed that, once this mapping was complete, a decision would be made as to the future steer.

Early Intervention Strategy

A new guide to inter-agency working was published in March 2013, 'Working Together to Safeguard Children' that stresses the importance of Early Help and that Local Authorities are obliged to establish an Early Help Offer which determines how services respond earlier to the needs of children and young people, thus preventing issues escalating later on in life. Providing early help is more effective in promoting the welfare of children than reacting later when difficulties tend towards being more entrenched. Early Help means providing support as soon as a problem emerges, at any point in a child's life from the foundation years through to the teenage years.

A stakeholders event was held on the 23rd May and was well attended by partners from police, probation, health, schools, adult care, housing and third sector. The purpose of the event was to consult on some key strands of an early help offer, and also to gain commitment in moving forwards. The three strands were:

- an Early Help Team
- an Early Help panel
- a multi agency safeguarding hub

Work is now underway to pull together the findings from this event which will form an Early Help Strategy and delivery plan.

New Horizons Programme

The New Horizons Programme continues to support eleven learners with learning difficulties and/or disabilities to further develop their life skills. Six in their first year and five in their second year.

Making Bury a better place to live					
Current Performance					
Quarterly Reported Performance					
Measure	Higher/ lower is better	2011/12 Baseline	2012/13 Q4	Target	Commentary
Visits in person to Galleries/Museum per 1,000 population	Higher	247.37	235.01 (Amber)	241	The primary reason for not reaching the target set is that staff resources were directed toward delivery of the income generating touring exhibition project; in this connection, the reach of Bury's Arts Service grows to audience figures near to 2 million.
Percentage of household waste sent for re use, recycling and composting	Higher	36.85%	44.85% (Green)	44%	The increase in performance from last year is due to the full year effect of the route change, the increase in promotional activity and awareness has had a positive impact on both residual and recycling activities.
Residual household waste - kgs per household	Lower	540kg	450.5kg (Green)	500kg	Recycling performance has improved, following the introduction of fortnightly residual waste collections in Oct 2011. The economic downturn is also thought to be a contributory factor. Full year out turn = 450.5kg
The percentage of urban and countryside parks, based on the ISPAL definition, that have achieved "green flag" status	Higher	85.71%	85.71% (Green)	85.71%	Annual indicator - target achieved in spring 2012. 12 parks mystery shopped during 2012 and 12 parks retained accreditation.
Serious violent crime rate per 1,000 population	Lower	0.58	0.52 (Green)	0.88	13 incidents of serious violent crime were recorded during Jan-March 2013 which equates to 0.07 per 1000 population.
Serious acquisitive crimes rate per 1,000 population	Lower	12.67	11.43 (Green)	12.95	545 incidents of serious acquisitive crime were recorded during the period Jan-March 2013. This equates to 2.96 per 1000 population.

Assault with injury crime rate per 1000 of the population	Lower	5.06	5.78 (Green)	6.25	For the period Jan-March 2013 344 incidents or 1.87 per 1000 population were recorded.
Reduction in the number of incidents of anti-social behaviour as measured by the National Codes for Incidences (NICL) ASB	Lower	43.99	44.52 (Green)	46.2	For the period Jan - March 2013 1973 incidents were recorded. This equates to 10.73 per 1000 population.
Repeat incidents of domestic violence	Lower	23.21	29.26 (Amber)	26	29.82% for Q4 = 17 repeat cases. 29.26% for the period April 2012 - March 2013 = 67 repeat cases.
First-time entrants (FTEs) to the Youth Justice system aged 10-17 (Rate per 100,000)	Lower	Not available	637 (No colour)	No target	The change to the reporting of this data has taken effect with data becoming available annually from the police national computer. This figure relates to March 2011 to March 2012 and will be reported as the number of FTEs per 100,000 10-17 year old population. The number of FTEs in Bury has reduced significantly over the last 3 years (from 1,297 per 100,000 in March 2009). A revised annual target will be provided for March 13-14 performance.

Annually Reported Performance

Measure	Higher/ lower is better	Quarter	Actual	Annual Target	Commentary
Percentage of adults participating in at least 30 minutes moderate intensity sport and active recreation on three or more days a week	Higher	Q4	23.6% (Amber)	25.5%	Slightly short of target as previously reported, but this is reported by Active People Survey (APS) as no significant change from baseline, based on a sample survey of 1000. Locally there has been a small increase in number of participants engaged in Sports and Physical Activity Service (SAPAS) programmes. Sport specific programmes

					have been delivered as well as Physical Activity Programmes including Health Walks, Jogs, Sportivate and Sport Relief Mile.
Visits in person to libraries per thousand population	Higher	Q4	5,384 (Amber)	5,700	Increased accessibility to online services is likely to have reduced physical visits, as virtual access becomes an alternative to services within the libraries, e.g. there have been 44,500 online issues; this shows an ongoing trend towards online issues/renewals. The increase in population figure has also contributed to the reduction. The target for physical visits has not been achieved, partly due to the increase in usage of online resources.
Increased number of tourist visitors (STEAM)	Higher	Q3	5,404,130 (Green) Q4 – not available	5,315,516	Tourism data is generated using Scarborough Tourism Economic Activity Monitor (STEAM). Although a GM wide report will still be available, which includes the Bury visitor data, Bury Council will no longer be funding the Bury specific STEAM Report (2012 info onwards)
CO2 reduction from local authority operations	Higher	Q4	Not available	13	Department of Energy and Climate Change asked for figures to be published by end of July 2013. Data is currently being gathered for 2012/13
Percentage of the local authority principal road network where structural maintenance should be considered	Lower	Q4	3% (Green)	7%	The survey is carried out by contractors annually across the country. This result is at odds with local knowledge and will be checked for accuracy
Percentage of the local authority non principal road network where structural maintenance should be	Lower	Q4	3% (Green)	9%	The survey is carried out by contractors annually across the country. This result is at odds with local knowledge and will

considered					be checked for accuracy
Supply of ready to develop housing sites	Higher	Q4	100% (Green)	100%	The Strategic Housing Land Availability Assessment identifies a housing supply of 2797 dwellings in the next 5 years. Based on the emerging Core Strategy target of 400 dwellings per annum, plus 40 dwellings to take account of a shortfall in 2012/13 spread over the next 5 years, plus 5% flexibility allowance, the 5 year housing requirement is 2142 dwellings. Total supply of 2797 dwellings equates to 131% of the requirement.

Public Health

- Prevalence of breastfeeding at 6 to 8 weeks in Bury was 35.8% in Quarter 3 2012-13 and has increased to 41.2% in Quarter 4 2012-13. This increase in prevalence is due to an increase in the number of babies that received a 6-8 week check (100%).
- The rate of alcohol-related admissions per 100,000 population in Bury was 593 during Quarter 3 2012-13 and was forecast to be a year-end total 2,315 at Quarter 4 2012-13, which would be a reduction from 2,372 in Quarter 4 2011-12. Unfortunately access to this data is currently unavailable.

Project Updates

Health Reform

The Health & Well-Being Strategy has now been signed off. We are drawing together the training programme for the Health & Well-Being Board both for induction and ongoing training for Board Members. Currently looking to recruit to the post of Chair – Healthwatch. The Public Health Transition Project Board won the Partnership Award at the Councils STAR Awards. We are doing a piece of work on looking at the joint strategic needs assessment and the asset approach looking at some linking and some synergy of systems that will help frame the governance infrastructure and informing commissioning strategies in the future.

Increase recycling, reuse and composting

All known flats and apartments have now been provided with access to dry recycling facilities. Food waste recycling from school kitchens and Council buildings continues to be rolled out. Garden waste tonnages were naturally lower at this time of year, particularly with a late Spring. Tonnages across all waste streams were up in January, following Xmas and New Year, creating a monthly high recycling rate of 48%. Very difficult, if not impossible, to quantify how successful the recycling promotional campaign launched in Quarter 3 was, given other variables at play. The campaign should have helped to stabilise performance at the very least.

New health and social care partnership with Bury Football Club

The partnership has focused its approach on inclusion and improving the quality of life for the local community, developing an action plan which focuses on achieving the following outcomes:

- Increasing levels of physical activity
- Engage communities in their own health and develop their capacity to support individual behaviour change for healthier lifestyles
- Engage with socially excluded groups through sport encouraging healthy choices and reduce health inequalities
- Promote a positive and healthy environment

These outcomes will be met through a range of activities including; girl's football, Buggy Boot Camp, Memory Lane – Dementia Café and Healthy Stadia. Number of participants has increased across the activities contributing to these outcomes and the partnership aims to maintain this level of participation in 2013-14.

Housing projects

Good progress is being made on the schemes funded by the £4 million from the HCA's 2011-15 allocations, with all schemes now either complete, on site or have achieved planning permission. The site at Mill View is fully occupied with Otter Drive being the next scheme to receive nominations.

Great Places Housing Group and Six Town Housing have bid for Affordable Housing Programme funding for 2013-17 and are expecting to hear the outcome by July 2013.

Empty properties

• Homes and Communities Agency (HCA) funding for empty properties

By the end of year 1 (quarter 4 2012-14) the delivery programme has seen a total of 6 empty properties brought back into use by Six Town Housing and St Vincent's Housing Association, exceeding the target of 5. The contract between the Homes and Communities Agency (HCA) and AGMA is now signed. Following last years progress 8 empty properties have been identified so far where the owners wish to sell thus potentially exceeding the target of 4 for the second year of delivery. Discussions have taken place with the HCA who are happy for Bury's target to be exceeded in line with the wider AGMA programme. As part of a second AGMA wide bid, Bury has been successful in securing further HCA funding of at least £690,000 to bring a further 13 empty residential properties back into use and 1 commercial premises.

• Radcliffe Empty Property Pilot

Six Town Housing has been confirmed as the sole preferred delivery partner. Meetings have taken place to start to develop the business case which is required to obtain internal sign-off for purchasing the empty properties. The first 5 (very problematic) empty properties have been identified and dialogue has commenced with the owners. Since then a series of further meetings have

taken place with Six Town Housing, Property Services and Legal to further develop the business case and working procedures. The business case for the first 5 empty properties will be complete by the end June for internal sign-off. A further 4 empty properties have already been identified and Urban Renewal has started to put together the business cases for them. A draft Local Economic Benefit report has been produced which sets out how any local supply chains and employment/training opportunities will be developed/managed.

• **Empty property grants**

6 new grants are being developed which have been identified as a result of interest from empty property owners contacted through the Radcliffe Empty Property Pilot. Alternative solutions continue to be considered for the previously cancelled grants in line with available resources. One of the cancelled grants is being pursued for breach of grant conditions.

One Council, One Success, Together
Current Performance

Finance Summary

Department	Budget £000	Outturn £000	Variance £000	Month 9 £000
Adult Care Services	51,655	51,759	+104	+111
Chief Executives	7,298	7,901	+603	+697
Children’s Services	34,653	34,851	+198	+130
Env. & Dev. Services	37,136	37,090	-46	+255
Non-Service Specific	18,237	17,285	-952	-991
TOTAL	148,979	148,886	-93	+202

The final under spend of **£0.093m** represents approximately **0.06%** of the total net budget of £148,979m.

Quarterly Reported Performance

Measure	Higher/ lower is better	2011/12 Baseline	2012/13 Q4	Target	Commentary
Percentage of business rates collected	Higher	94.6	93.93% (Amber)	96%	The target of 96% was not met but an additional £0.35m was collected during 2012/13 than in 2011/12, with £47.98m having been collected. The new debt raised

					during Quarter 4, not paid in Quarter 4, will be collected during 2013/14.
Avg. time for processing new Housing Benefit/Council Tax claims (days)	Lower	22.72	23.67 (Amber)	23	Overall, although just outside a very challenging target it was an excellent years performance, with an increase in workload and also selling our service and working for another Council.
Forecast outturn (Capital) (council -wide) (£million)	Lower	£0.392	£0 (Green)	£0	Achieved a balanced capital budget; some slippage of schemes into 2013/14.
Forecast outturn (Revenue) (council -wide) (£million)	Lower	-£1.299	-£0.093 (Green)	£0	Achieved a balanced revenue outturn; minor under spend (<0.1%)
Governance issues reported (council - wide)	Lower	0	0 (Green)	0	No significant governance issues reported.
Number of FTE days lost due to sickness absence	Lower	9.38	9.42 (Amber)	9.2	The level of sickness absence has been consistent since the start of the financial year and we have not reached the target set for 2012/2013. We will continue to follow the new Managing Attendance toolkit for Employees and Managers and are still aiming to reduce the levels of sickness absence.
Percentage staff turnover (council - wide)	Lower	Not available	2.80 (No colour)	No target	This is a contextual indicator. All leavers are included, both voluntary and involuntary. There were 268 leavers during Quarter 4.
Percentage Council Tax collected	Higher	97.3	97.33% (Green)	97.75%	Although just outside of target, this is excellent performance in a very difficult economic climate.

Annually Reported Performance

Measure	Higher/ lower is better	Quarter	Actual	Annual Target	Commentary
Percentage satisfaction with council services	Higher	Q4	Not available	No target	It was planned that this data was to be collected via a local survey but a decision has yet to be made if this will happen.

Percentage of employees satisfied with Bury Council as an employer	Higher	Q4	Not available	73%	There has been no full survey this year to measure this. Although we have run 6 engagers surveys this specific question is only asked on the three yearly survey
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Project Updates

Plan for Change

We are currently assessing the future demand and needs of our residents and how, building on the energies and commitment and skills and abilities of our staff, we can continue to ensure services are delivered in a changing world. We have now reviewed a range of services to help us to understand why we do what we currently do and how we may need to change. Many of these recommendations are now being implemented across the council. For example, proposals for a new Destination Management function for the council was considered by Cabinet in February 2013. A further package of savings proposals for 2013-14 and 2014-15 was launched on 28 November 2012 and consulted upon until 31 January 2013, views expressed in this consultation helped inform the Budget which was approved by Council in 20 February 2013. A range of proposals outlined in the Budget Report and Plan for Change 2 are currently being implemented across the organisation.

Accommodation Review

Despite the short timescales, the vacation of Athenaeum House and Castle Buildings remains on target to be achieved by the end of August. The rationalisation of accommodation used by staff within the Chief Executive's department has now been completed and the first of the teams within Adult Care Services are to relocate to the Town Hall in the week commencing 17th June. Similarly, Department of Communities and Neighbourhoods staff moves within 3 Knowsley Place have now been completed and Children's Services are due to commence the relocation to this building on 6th August.

People Strategy

During 2012-13 the people strategy has worked towards attaining a workforce that is competent, multi-skilled, highly engaged, proud to work for us and reflective of the local community.

6 Engager mini surveys have been carried out across the Council's 4 Departments. We now have the results for all 4 Departments, which all show a general improvement on the 2010 Staff Survey and, in the main, score above the Local Government Benchmark. Employees have been briefed on the findings, and managers tasked with tackling any concerns that have been highlighted.

The Employee Achievement Awards took place in June 2012 and the process has been reviewed and re- launched as the S.T.A.R awards (Special Thanks and Recognition).

Our employer brand has been supported by recognition in the Stonewall Workplace Equality Index 2013. The Council came 37th, out of 376 entrants. We were also the top local authority in the North West and 4th nationally. Our Lesbian Gay Bisexual and

Transgender (LGBT) Employee Group was awarded Star Performer Status, and Cllr Trevor Holt was awarded North West Individual Champion of the Year. We have successfully undertaken Investors in People (IiP) 'Strategic Review' enabling us to retain our current accreditation against the IiP Standard until the end of March 2014. An action plan has been agreed - in partnership with the Departments - to drive collaborative preparatory initiatives and reviews of processes prior to 2014 full reassessment.

We have expanded our range of learning interventions and begun integrating them with the forthcoming competency framework. The Corporate Organisation Development Programme of Learning and Development interventions continue to be very popular with most tutor-led courses oversubscribed. Across the full range of online and tutor led courses over 4500 learning events have been allocated to staff, and our range of materials available for loan is being expanded.

As part of an Association of Greater Manchester Authorities (AGMA) collaboration, we have implemented a new system for procuring agency workers which should lead to service improvements and cost savings.

We have implemented cohort in our occupational health unit and are currently working on expanding the use of functionality and reducing DNAs (do not attend).

We continue to improve our emergency response command and control structure to enable us to respond to incidents in the borough including the introduction of First Incident Officers and the review of Initial Responder documentation.

Risk

Risk management is a systematic approach to assessing risks and opportunities surrounding achievement of core strategic, departmental and operational objectives. The council has a well established approach to risk management which assesses the likelihood and potential impact of a wide range of risks & opportunities. Risk Registers are compiled for all activities and projects, and are subject to review on a quarterly. Risk Registers are reported to all levels of management, and to elected members.

The following risks / opportunities have been identified that it faces in meeting its own priorities and in contributing towards the council's corporate priorities and community ambitions:

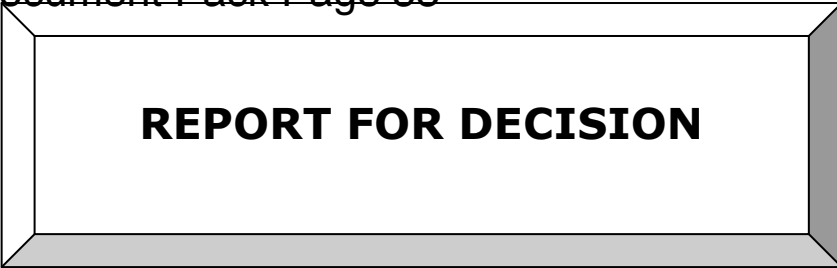
Ref	Risk Event	SLT Member	Impact (New)	Likelihood (New)	Quarter 3 Status	Quarter 4 Status
1	The <u>potential</u> liability facing the Council in respect of Equal Pay significantly weakens the Council's financial position	Mike Owen/Steve Kenyon	1	2	2	2
2	There is no robust financial strategy or change management strategy to address effectively the significant funding reductions that the Council faces over the next 3 years and beyond in order to ensure there is a sustainable and balanced budget	Steve Kenyon	3	2	6	6
3	The budget strategy fails to address the Council's priorities and emerging issues, e.g. demographic and legislative changes.	Mike Owen/Steve Kenyon	3	2	6	6
4	The budget strategy does not reflect, or respond to, national policy developments, e.g. Local Government Finance Review / potential changes to the Business Rates regime.	Mike Owen/Steve Kenyon	4	3	12	12
5	The Council's Workforce Development Plan does not ensure appropriately qualified / experienced staff are in the "right place at the right time". Particularly relevant in a time when large numbers of staff are leaving the authority as a result of VER exercise.	Guy Berry	2	1	4	2

6	The Council's asset base is not operated to its maximum effect to deliver efficiency savings and ensure priorities are fulfilled. Ineffective use of assets presents both a financial and a performance risk.	Mike Owen	2	3	6	6
7	The Council needs to be prepared for the impact of the Localism Act; this presents both opportunities, e.g. power of competency, and risks e.g. referenda	Jayne Hammond	2	1	3	2
8	The amount of money received from the NHS to manage public health is insufficient to meet the performance outcomes expected by Government	Pat Jones-Greenhalgh	3	3	9	9
9	The Council fails to manage the expectations of residents and service users in light of funding reductions.	Dionne Brandon	3	1	6	3
10	Transferring and movement of asylum seekers to the new provider Serco.	Pat Jones-Greenhalgh	1	1	1	Risk Removed
11	The Government's proposed changes to Council Tax Benefit impact adversely upon the Public / Vulnerable People. Also budgetary risk to the Council in the event of claimant numbers rise.	Mike Owen	3	3	9	9
12	Changes resulting from the wider Welfare reform agenda impact adversely upon the public / vulnerable people.	Mike Owen	3	3	9	9
13	That the scale and pace of Public Sector reform impacts adversely upon key Council Services, compounded by the loss of capacity following staff leaving the Council (420+ since 2010)	Mike Kelly	4	2	8	8

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Agenda Item	
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MEETING: CABINET
OVERVIEW & SCRUTINY COMMITTEE

DATE: 10 JULY 2013
4 SEPTEMBER 2013

SUBJECT: REVENUE AND HRA OUTTURN 2012/13

REPORT FROM: DEPUTY LEADER AND CABINET MEMBER FOR
FINANCE & CORPORATE AFFAIRS

CONTACT OFFICER: STEVE KENYON, ASSISTANT DIRECTOR OF
RESOURCES (FINANCE AND EFFICIENCY)

ANDREW BALDWIN, HEAD OF FINANCIAL
MANAGEMENT

TYPE OF DECISION: CABINET (KEY DECISION)

FREEDOM OF INFORMATION/STATUS: This paper is within the public domain

SUMMARY: **PURPOSE/SUMMARY:**

This report provides Members with details of:

- the revenue outturn figures in respect of the last financial year, 2012/2013, detailing specific carry-forward requests and the proposed application of the carry-forward rules;
- major variances between the revised estimate and the outturn;
- the level of school balances;
- transfers to / from reserves;
- HRA outturn for the year;
- The minimum level of balances in the light of risk assessments

The figures in the report are consistent with the figures included within the Statement of Accounts which were both approved by the Responsible Finance Officer and presented to Audit Committee on 25 June 2013. The figures in this report mirror the figures in the Accounts but are presented in a format consistent with the

Revenue Budget approved by Council on 22 February 2012.

**OPTIONS &
RECOMMENDED OPTION**

Members are asked to:

- a) Note the final outturn for 2012/13, and explanations for major variances (Appendix A, B and C)
- b) Consider the earmarked carry forward requests in 2012/13 (Paragraph 3.3);
- c) Consider the application of the 1% rule (Paragraph 3.3);
- d) Consider the transfers to / from reserves (Paragraph 5.2);
- e) Endorse the recommendations of the Assistant Director of Resources (Finance and Efficiency) for the minimum level of balances in light of the review of the corporate risk assessments and the newly completed departmental risk assessments (Paragraphs 5.3 & 6.9)

Recommended Option:

In view of the Council’s financial situation and the budget pressures faced in 2013/14 and future years it is recommended that the normal cash ceiling rules governing the carry forward of over and underspendings should be suspended and that:

- a) The final revenue outturn and HRA outturn for 2012/13 be noted along with explanations for major variances;
- b) The 2 carry forward requests be approved;
- c) Requests to carry forward underspendings under the 1% rule be refused;
- d) Overspendings of the Children’s Services, Adult Care Services and Chief Executive’s departments not to be carried forward;
- e) Transfers to / from reserves be approved;
- f) The level of the General Fund balances be noted.

IMPLICATIONS:

Corporate Aims/Policy Framework:

Do the proposals accord with the Policy Framework? Yes

Financial Implications and Risk Considerations (statement by s151 officer):

Revenue expenditure has been incurred in accordance with the agreed Revenue Budget.

In considering requests to carry forward underspendings Members must be mindful of the level of General Fund balances and of the current and longer term budget position.

In order to strengthen the General Fund balances in anticipation of future pressures it

would be prudent to suspend the normal cash ceiling rules and to retain uncommitted underspendings centrally.

As far as overspendings are concerned, it is accepted that it would be unhelpful to carry forward the overspendings in view of the pressures faced by services in 2013/14.

Statement by Executive Director of Resources:

There are no other resource implications.

Equality/Diversity implications:

No (see paragraph 9.1, page 11).

Considered by Monitoring Officer:

Yes. The presentation of an annual report on the Revenue and HRA Outturn is a requirement of the Council's Financial Regulations, as part of Council's Financial Procedure Rules. The report accords with the Council's Policy and Budget Framework and has been prepared in accordance with all Statutory Guidance and Codes of Practice.

Are there any legal implications?

No

Wards Affected:

All

Scrutiny Interest:

Overview & Scrutiny Committee

TRACKING/PROCESS

DIRECTOR: MIKE OWEN

Chief Executive/ Strategic Leadership Team	Cabinet Member/Chair	Ward Members	Partners
28/5/13	Yes		
Overview & Scrutiny Committee	Cabinet	Committee	Council
27/8/13	10/7/13		

1.0 BACKGROUND

- 1.1 This report details the major variances between the Revised Estimate and the Outturn in respect of the Council's Revenue and HRA budgets for 2012/13.
- 1.2 Work on the closure of the 2012/13 Accounts is complete and the Responsible Finance Officer approved the accounts for 2012/13 on 25 June 2013. The figures in this report are consistent with the Statement of Accounts, though they are presented differently due to different reporting requirements required as part of CIPFA's Accounting Code of Practice.
- 1.3 The report also sets out the implications of the application of the cash ceiling rules; details of the General Fund balances position at 31st March 2013 and proposals for the continued strengthening of the budget monitoring arrangements.

2.0 REVENUE OUTTURN 2012/13

- 2.1 As the table shows, there was a total underspend against the Revised Estimate of **£0.093 million** compared to the forecasted overspend at month 9 of £0.202m.

	£000's
2012/2013 Revised Estimate	140,265
2012/2013 Outturn	140,172
Underspend	(93)

- 2.2 The revenue outturn and details of the major variations service by service are shown at Appendix A (pages 13 to 22) and are summarised below:

Department	Budget	Outturn	Variance
	£000s	£000s	£000s
Communities and Neighbourhoods	37,136	37,090	(46)
Children's Services	26,848	27,046	198
Adult Care Services	51,655	51,758	103
Chief Executive's	7,297	7,901	604
Non Service Specific	17,329	16,377	(952)
TOTAL	140,265	140,172	(93)

- 2.3 All other things being equal, the outturn reported above will leave General Fund balances standing at **£10.730m** at 31st March 2013. However the final level of balances will depend on decisions made around the application of the cash ceiling scheme (see section 3).

3.0 OPERATION OF THE CASH CEILING SCHEME

- 3.1 The cash ceiling scheme allows for under and overspendings to be carried forward into the following financial year. The Council's Financial Regulation 4.3 states:

'Any overall underspendings at year end may be carried forward to the following year subject to assessment of the corporate financial position of the Council but in any case allowing a carry-forward of 1% of net budget or £50,000 whichever is the greater.'

3.2 Normal operation of the scheme also requires all overspendings to be carried forward and it allows for certain items of underspending to be earmarked and carried forward in their entirety. **Underspendings which are carried forward are funded directly from the General Fund balances.**

3.3 The process for considering carry-forwards involves three distinct stages:

(i) Cash ceilings are adjusted to reflect items of expenditure that services have no direct control over. Cash Ceiling requests are taken into account before the application of the carry-forward rules, and whilst they do not impact directly on the overall level of balances retained by the Council they do influence the calculation of the underspendings against which the 1% rule applies. In 2012/13 as part of the closure of accounts process **no requests have been received from Departments for cash ceiling adjustments** to the revised estimate.

(ii) Departments are asked to identify any earmarked carry forward requests that should be considered prior to the application of the '1% or £50,000 rule'. The following requests have been made:

Earmarked Carry Forward Requests		£000's
Chief Executive's – Democratic Services - Be A Councillor Project – money awarded by Local Government Association in order to help recruit councillors		10
Chief Executive's – Legal Services – Voluntary registration – ongoing work with Land Registry Office to ensure all the Council's land holding records are digitised and accessible electronically		16
Total		26

(iii) Members then consider whether to apply the '1% or £50,000' rule. Any underspendings that are carried forward will reduce the level of balances carried into the current financial year and so the application of the '1% rule' should be considered alongside the need for a responsible and prudent use of balances highlighted in the budget strategy report previously considered by Council and the Council's current financial position. Based on the outturn figures shown in Appendix A the table below shows the level of underspendings that Departments would be able to carry-forward under the application of the 1% rule:

	Application of '1% or £50,000' rule
	£000
Communities and Neighbourhoods	46
Housing General	182
Total	228

- 3.4 The table above assumes that Members would not wish Children's Services, Adult Care Services or Chief Executive's Department to carry forward their overspendings in view of the pressures faced by the services in the current year. This is also consistent with policies that have been applied to previous years overspendings.
- 3.5 If approved, this would increase the in-year contribution from General Fund balances (and the reduce overall level of balances) by **£0.135m** (in-year £0.093m underspend plus £0.228m).
- 3.6 In view of this, and in view of the budget pressures facing the Council in the short to medium term it is felt prudent **to recommend that the 2 earmarked carry forward requests from Chief Executive's be allowed and that no underspendings or overspendings be carried forward** under the terms of the 1% rule .

4.0 SCHOOLS POSITION

- 4.1 The Dedicated Schools grant is ring fenced and these externally provided monies can only be spent on schools and associated areas as specified by the Department for Education in various Statutory Instruments. In accordance with these statutory requirements, balances of each school are carried forward into the next financial year for the benefit of the relevant school.
- 4.2 The level of school balances at 31st March 2013 is **£6.188m**. This includes a deficit of £664,000 relating to central spend within the schools block (see para. 4.8 below). In total this represents a decrease of **£1.617m** from the opening balance of **£7.805m**.
- 4.3 Changes to funding, especially the Pupil Premium Grant, coupled with increased pupil numbers meant that the available monies in 2012/13 for schools increased by almost £5 million to £140 million when compared to 2011/12.
- 4.4 As at 31st March 2013, schools have accumulated a surplus balance of £7.363m across the schools in Bury. This is a decrease of approx £0.667m when compared to 31st March 2012, with 78 out of 80 schools showing surplus balances. There are two schools reporting deficits of just over £½ million.
- 4.5 Eight schools are reporting balances which are deemed "excessive" as defined by the "Scheme for Financing Schools" and as such will be subject to a balance control review by the Executive Director of Children's Services, who will take into account the views of the Schools Forum.
- 4.6 Schools' surpluses at 31st March 2013 represented 5.2% of the total Schools Budget of £134m.
- 4.7 Any balances within the Central Spend are also carried forward into the following financial year and subsequently allocated to services and schools funded by the DSG. Some three years ago, several Primary schools did not complete their pupil numbers return to the Department for Education properly, which resulted in a significant reduction in the amount of external funding available to schools.
- 4.8 This substantially contributed to the Central Spend having a deficit of £2.422m at the end of 2009/10. This overspending was lowered to £1.547m in 2010/11 and to £855,000 at the end of 2011/12.

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4.9 Currently the deficit stands at £663,571 at the end of 2012/13 and should be cleared by the end of 2014/15. This will involve budget transfers from the Schools Block to the High Needs Block and Early Years Block.

4.10 The main variations are:

	Revised Estimate £000's	Out-turn £000's	2012/13 Variation £000's
Termination of Employment	0	138	138
Home/Hospital Tuition	166	116	(50)
Additional Needs Team	832	756	(76)
Support for Inclusion	122	93	(29)
Behaviour Support	142	178	36
Pupil Referral Units	2,720	2,814	94
Early Years PVI's – 3 year olds	2,556	2,621	65
Pupils with Statements	272	617	345
Independent Special Schools	3,709	3,757	48
Inter-authority recoupment	(810)	(996)	(186)
Maternity Supply Cover	289	490	201
Suspensions Supply Cover	87	33	(54)
LSC/YPLA/EFA SEN 6 th Form Funding	(1,311)	(1,206)	105
Other	3,484	3,511	27
Total Central Spend	12,258	12,922	664

4.11 Termination of Employment costs of £138,000 are due to early retirements and voluntary severances, which occurred because of the re-modelling of some support services. These are one-off costs in 2012/13, while the re-modelling savings are on-going and have already been included in the 2013/14 budgets.

4.12 The Pupil Learning Centre overspent its £2.7m budget by £94,000, mainly because of additional spending on courses for pupils. As the PLC is entitled to have a delegated budget from 2013/14 onwards, any surplus or deficit is not automatically carried forward into the next financial year.

4.13 More 3 year olds amounting to £65,000 attended Private, Voluntary and Independent providers than was originally budgeted for. It is assumed that this level of participation will continue in 2013/14, and is more than likely to increase, thereby putting more pressure on the budget.

4.14 The much higher numbers of pupils with Statements has been explained previously and is fully expected to continue in 2013/14 and beyond. The £345,000 additional spending is funding the extra costs within schools' delegated budgets.

4.15 Other local authorities have contributed more for their SEN pupils attending Bury schools through the Recoupment mechanism. The School Funding Reforms being introduced in 2013/14 mean that inter-authority recoupment disappears with the budget being subsumed into the total Dedicated Schools Grant funding.

4.16 The level of maternity supply cover continues to be much higher than the Central Spend budget, generally being more than £200,000 above budget.

4.17 The cost of suspensions is much lower than originally budgeted for, resulting in a £54,000 underspending.

- 4.18 The former Learning & Skills Council (LSC), Young People's Learning Agency (YPLA) and the Education Funding Agency (EFA) provided funds for 16-19 year old pupils in Bury schools through a funding formula mechanism. These funds supported pupils at Elms Bank and St Monica's High schools as well as pupils in independent special schools. The level of funding provided by the agencies for 2012/13 was lower by more than £100,000 than the original figures that were based on the 2011/12 amounts.
- 4.19 All these variations mean that the amount of the overspend on the Central Spend is much higher than originally budgeted for and will require further contributions from the Schools Block to fund the amounts being carried forward and various on-going commitments.
- 4.20 The overall level of school balances masks some of the trends in individual schools. Appendix B shows an analysis of movements on school balances, to allow Members to consider the spread of school balances around the Borough. Schools are currently being asked to identify the committed usage of their balances. These figures will be included in the Consistent Financial Reporting return and the Section 251 Outturn Statements which are published nationally.

5.0 RESERVE MOVEMENTS

- 5.1 The 2012/13 Budget and Outturn includes a number of transfers to and from earmarked reserves. Members should note that IAS20 *Government Grants* states that where grant income has been received that has no conditions attached to it, but where the grant has yet to be applied and there are no restrictions as to how the monies are to be applied, then Authorities may earmark such grant income until it is applied. This is achieved by setting the amounts aside in earmarked reserves to provide financing to meet the requirements of the grant.
- 5.2 Movements to/from earmarked reserves are undertaken to optimise the Authority's financial position. The figures show transfers to/from earmarked reserves as shown in the Statement of Accounts. Members are asked to approve the transfers to and from reserves.

	<u>Transfers Out</u>	<u>Transfers In</u>	<u>Total</u>
	<u>£000's</u>	<u>£000's</u>	<u>£000's</u>
Adult Care Services	(2,885)	2,247	(638)
Arts & Libraries Reserve	(25)	2	(23)
BCCI Reserve	(56)	0	(56)
Chief Executives	(238)	857	619
Children's Services	(784)	177	(607)
EDS	(853)	1,321	468
Energy Conservation	(47)	106	59
Environmental Services	(15)	0	(15)
GM Connexions Partnership	(4)	0	(4)
Leisure	(58)	35	(23)
NNDR Appeals Reserve	0	108	108
Outwood & Kirklees Viaducts	0	9	9
Pay And Grading Reserve	0	1,711	1,711
Performance Reward Reserves	(170)	0	(170)
School Catering Reserve	(18)	98	80
Transformation Reserve	(778)	2,409	1,631
Commuted Sums	(1,123)	1,192	69

TOTALS	(7,054)	10,272	3,218
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- 5.3 On the assumption that the recommendations made in paragraph 3.6 are approved then the level of General Fund balances will be as follows:

	£m
General Fund Balance 31 March 2013	10.730
Less : Minimum balances to be retained in 2013/14	-4.400
Less: Earmarked to fund Equal Pay Settlements	-1.500
Available balances at 1 April 2013	4.830

6.0 RISK MANAGEMENT

- 6.1 In determining the minimum level of balances, a key aspect of the assessment of the Assistant Director of Resources (Finance & Efficiency) is the level of risk faced by the authority that may impact on the financial situation.
- 6.2 For 2013/14 the Council accepted the Assistant Director's recommendation that the minimum level of balances should be increased to **£4.4m**, £0.6m above the amount indicated by the 'Golden Rules'. In coming to this recommendation the Assistant Director considered the assessment of corporate risks that had been undertaken in February 2013.
- 6.3 As a result provision of £1.2m was made for unpredictable and demand led expenditure, £0.6m as a budget strategy risk cushion and £0.5m to cover the potential costs of minor emergencies.
- 6.4 It was also indicated that the minimum level of balances would be kept under regular review, and this will happen quarterly as part of the budget and risk monitoring process. However it is felt appropriate to also consider the balances position at this stage.
- 6.5 Departmental strategic risk assessments have also been completed and at this stage there are no issues that are anticipated to impact directly on balances over and above provision that has already been made around systems, demand levels, workforce development and changing structures as a result of the corporate risk assessments. Departments will be setting out risk mitigation measures within their individual Medium Term Financial Strategies.
- 6.6 Effective budget monitoring is vital and various risk management techniques have been applied to budget monitoring throughout the year. These include the traffic light process which is used to assess budgets in terms of forecast over and underspending and secondly the identification of 'hot spots' based on risk factors that are inherent in individual budget areas. Reports containing this information were provided on a regular basis to the Strategic Leadership Team, the Overview & Scrutiny Committee, the Cabinet, Audit Committee and Star Chambers.
- 6.8 The use of this methodology will continue in 2013/14 and reports will be presented to the Cabinet meetings.
- 6.9 At this stage it is felt that no change is required to the minimum level of balances.

7.0 HOUSING REVENUE ACCOUNT OUTTURN 2012/13

- 7.1 The Housing Revenue Account (HRA) for 2012/13 is attached at Appendix C. The HRA is a ring-fenced account funded principally through Housing Rents. Any surplus or deficit is required to be carried forward between financial years. Councils cannot budget for a cumulative deficit on the HRA. The final outturn shows an operating surplus of **£0.433m** at the end of 2012/13.
- 7.2 There are a number of variations that have contributed to this overall result however the variances only exceed 10% / £50k in the following areas:
- Increase in provision for bad debts – the budget contained two provisions, £0.151m for uncollectable debts and £0.101m to reflect the potential impact that welfare benefit changes could have on the level of rent arrears; the contribution for the year, calculated with reference to the type of arrear, the amount outstanding on each individual case and the balance remaining in the provision following write off of debts, was £0.061m less than the budget which suggests that the initial impact on rent arrears of the benefit reforms introduced in 2012/13 was not as great as had been anticipated.
 - Depreciation/impairment of fixed assets - the increased charges are reversed back out of the HRA (Appropriation relevant to impairment) so have no impact on the 'bottom line' of the account.
 - Revenue contributions to capital – the increased expenditure relates in the main to:
 - £0.150m increased expenditure due to a contribution from Six Town Housing's reserves (included within the Repairs and Maintenance budget line) being used to part fund a Capital Scheme to replace old/inefficient boilers.
 - £0.050m was included in the budget to fund the potential costs of procuring capital 'partner' contractors; due to timing and the chosen procurement route most of this budget was not required.
- 7.3 There are a number of factors that can impact on the HRA year-end balance but the main ones are normally void levels, the level of rent arrears and the levels of Right to Buy sales.
- 7.4 The rent loss due to voids for 2012/13 was on average 1.55%. The original dwelling rents budget allowed for a void level target of 2%. This reduction in void losses equates to an additional rental income of £0.132m.
- 7.5 The total rent arrears at the end of 2012/13 were £0.844m, an increase of 2.8% from the start of the year when arrears totalled £0.821m.
- 7.6 The original HRA budgets assumed 32 Right to Buy sales during 2012/13 (based on the assumed level in the HRA self financing valuation). The actual number of sales in 2012/13 was 13.
- 7.7 A major element of the HRA's costs is the Management Fee paid to the authority's ALMO, Six Town Housing. As the ALMO is a wholly owned Council company it is appropriate for the Cabinet to take a view on the company's financial position.
- 7.8 Six Town Housing's draft accounts for the 2012/13 financial year show that the ALMO made a deficit of **£0.271m** on a turnover of **£14.470m**, a rate of -1.9% (for

2011/12 the rate was 0.8%); the deficit for 2012/13 excludes pension adjustments made in line with FRS17 requirements but for the first time includes the accrued cost of employee leave entitlements earned but not taken before the year end.

- 7.9 Six Town Housing have developed a Reserves Policy (with input from the Council's section 151 Officer) which determines the minimum level of balances that the company should hold and thus identify any 'free' reserves over and above this level. The use of these reserves is subject to joint decisions by Six Town Housing and the Council. The minimum level of reserves for 2012/13 was assessed to be £0.684m and the draft accounts indicate net assets (before pension liabilities) to be £2.000m.

8.0 OTHER ISSUES

- 8.1 The Accounts and Audit (England) Regulations 2011 require that Councils have their Accounts approved by 30th June each year by the Council's Section 151 Officer although the accounts were still presented to members of the Audit Committee. The accounts were approved by the Council's Section 151 Officer, and presented to Audit Committee members, on 25 June 2013.
- 8.2 The audited Statement of Accounts will be presented to Audit Committee on 22 August 2013 for approval.
- 8.3 Members are also asked to note that the Accounts for 2012/13 were available for public inspection at the Town Hall for 20 working days effective **from 24 June 2013**. This matter was advertised in the local press and placed on the Council's website and the Accounts can be viewed by contacting the Assistant Director of Resources (Finance and Efficiency) or the Head of Financial Management (details below).

9.0 EQUALITY AND DIVERSITY

- 9.1 There are no specific equality and diversity implications.

10.0 FUTURE ACTIONS

- 10.1 Budget monitoring reports for 2013/14 will continue to be presented to the Strategic Leadership Team on a monthly basis and on a quarterly basis to the Cabinet, Star Chambers, Overview and Scrutiny Committee and Audit Committee.

Councillor John Smith
Deputy Leader and Cabinet Member for Finance and Corporate Affairs

Background documents:

Revenue Cost Information and Finance Working Papers, 2012/13

For further information on the details of this report and copies of the detailed variation sheets, please contact:

Mr S. Kenyon, Assistant Director of Resources (Finance and Efficiency), Tel. 0161 253 6922, E-mail: S.kenyon@bury.gov.uk, or

Mr A. Baldwin, Head of Financial Management, Tel. 0161 253 5034,
E-mail: A.Baldwin@bury.gov.uk

FINAL OUTTURN 2012/13 AND EXPLANATIONS FOR VARIANCES

Appendix A

	2012/13 Current Budget £000's	2012/13 Outturn £000's	Variance £000's	Reason For Variance	One – Off / Ongoing
Directorate of Communities and Neighbourhoods					
Arts, Libraries & Adult Learning	3,753	3,732	(21)	Libraries & Arts Services salary costs underspend due to vacancies, fewer additional hours (-£0.166m) Severance costs (+ £0.129m) Shortfall on library income (+£0.029m) Other cost savings (-£0.032m) Extra income from the museum shop (-£0.018m) Grant contributions towards arts salary costs (-£0.009m) Overspend and shortfall in sponsorship income for Light Night (+£0.031m) Adult Learning overspend due to pressures on staffing and premises costs (+£0.015m)	One Off One-off Ongoing One-off Ongoing One-off One-off Ongoing
Operational Services					
Highways Services	8,482	8,715	233	Traffic Management & Road Safety vacancies on school crossing patrol salary costs & extra income (-£0.037m) Highway Network services overspend on works & pothole repairs (+£0.106m) Underspend on gullies (-£0.086m) Savings from GMRAPS permit income scheme delayed (+£0.080m) Other reductions in income (+£0.015m) Savings in standby costs (-£0.018m) Parking services overspend due to reduction in income from parking charges and penalty charge notices (+£0.201m) Savings on surface water drainage costs following a review (-£0.022m) Transportation service increased income from bus lane enforcement (-£0.018m) Minor overspends (+£0.012m)	Ongoing One-Off One-off One-off Ongoing Ongoing Ongoing Ongoing One-off One-Off
Leisure Services	5,451	5,254	(197)	Civic Halls lower than anticipated income offset by a permanent budget adjustment of £0.100m (+£0.087m) Catering surplus due to underspends on salary costs & equipment budgets and improved income (-£0.299m) Parks & Bereavement services extra costs for building & electrical works and a replacement boiler at Bury Cemetery, plus flooding repairs in parks, offset by extra cemetery income & other minor	Ongoing One-Off One-Off

				variances across the services (+£0.040m) Leisure centres & sports development underachievement of income offset by underspends on staff & other costs (-£0.015m) Administrative buildings underspent against a budget which had been reduced to reflect savings of £0.116m and the transfer of £0.200m to meet other budget pressures within the department (-£0.010m)	One-Off One-Off
Community Safety	(157)	(237)	(80)	Emergency and Security Services additional income and savings on staffing & equipment costs (-£0.080m)	One-Off
Waste Management	16,840	16,675	(165)	Extra waste disposal costs due to not meeting the tonnage targets included in levy calculations (+£0.273m) Contribution from levy reserve to offset levy costs (-£0.170m) Income from return of surplus GMWDA balances (-£1.273m) Contribution of balances to levy reserve (+£1.273m) Underspend on refuse & recycling labour costs (-£0.163m) Underspend on caddy liners (-£0.127m) Saving on capital financing costs for bins (-£0.050m) Overspend on refuse & recycling equipment, transport and fuel costs (+£0.093) Shortfall in bulky and commercial waste income (+£0.156m) Savings on supplies (-£0.030m) Public conveniences underspend on repairs & utility costs (-£0.031m) Street cleansing staffing underspend (-£0.113m) Overspend on winter maintenance, mainly extra costs of salt (+£0.036m) Other underspends (-£0.039m)	One-Off One-off One-off One-off Ongoing Ongoing Ongoing Ongoing Ongoing Ongoing Ongoing One-off One-off
Operational Services Sub Total	30,616	30,407	(209)		
Planning, Environmental & Regulatory Services	3,798	4,079	281	Environmental Services shortfalls on pest control income & delays in achieving savings, offset by savings on employees costs, travellers site utility costs, additional income from licensing fees & trading standards work and savings on other budgets (-£0.098m) Energy Management Services underspend on provision for the cost of buying carbon allowances under the new CRC Energy Efficiency Scheme (-£0.041m) Planning overspend due to ongoing impact of economic conditions on	One-Off One-off Ongoing

				<p>planning & building regulation income, including not achieving savings target of £0.100m from full cost recovery due to national policy change (+£0.358m) Extra AGMA Commission & project costs (+£0.041m) Environment & Planning severance costs (+£0.142m) Other savings on staff, discretionary spend and overheads, plus extra income from contributions to projects and s106 agreements (-£0.121m)</p>	<p>Ongoing</p> <p>One-off</p> <p>One-off</p>
Trading Services	(1,031)	(1,128)	(97)	<p>Architectural Services lower than expected income after a reduction of £0.100m in the target (+£0.173m). Beverage & vending services overspend due to lower than expected income (+£0.025m) The Cleaning service underspent despite a lower income level, due to reductions in the costs of employees and supplies (-£0.096m) The Engineers Streetworks service overspent due to income being below target and a loss of productivity during the year, partly as a result of action taken following a Health & Safety Executive Investigation (+£0.420m) Transport Services underspent on leasing costs (-£0.169m) and repairs (-£0.070) plus other savings on salaries & overhead costs and extra income from vehicle hires (-£0.087m) Underspend on EDS contingency budget and the budget provision for severance costs (-£0.303m) Minor overspends (+£0.010m)</p>	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>One-Off</p>
TOTAL EDS	37,136	37,090	(46)		
Children's Services Directorate					
Learning – Schools	(73)	(73)	0	Any underspend or overspend funded via the DSG are rolled forward into the next financial year.	
Learning – Non Schools	9,816	8,948	(868)	A number of actions were taken to address the large projected overspend across the department. The largest of which was the restricting of planned expenditure within Early Years (£0.6m), additional Buy-Back income achieved for QAS (£0.107m), non filling of vacancies across the Learning-Non Schools service (£0.297m), savings on Home to	<p>One-Off</p> <p>Ongoing</p> <p>One-Off</p> <p>One-Off</p> <p>Ongoing</p>

				School Transport SEN (£0.1m) offset overspends on Home to School non SEN (£0.07m) due to increased bus fares, Home to College (£0.09m) which overspent due to the cessation of the DfE Grant and the Youth Service (£0.08m).	Ongoing
Social Care & Safeguarding	12,722	12,637	(85)	PCT contributions agreed in late March led to savings on the Shortbreaks Service (£0.09m). Fostering achieved savings by reviewing the payments to foster carers and efficiencies, Adoption achieved savings by placing children with Bury carers at no cost, (total £0.166m), Leaving Care overspent due to the housing costs for a number of children with complex needs (£0.339m). The CAMHS underspent due to reduced expenditure on external contracts, salary savings and efficiencies (total £0.03m). The Emergency Duty Team (£0.054m), Youth Offending Service (£0.025m) and PPC Team (0.029m) all made savings on staffing. Minor underspends (£0.03m).	Ongoing One-off Ongoing One-off One-off One-off
Other Management Costs	3,534	3,760	226	Unsupported expenditure relating to the Relocation of staff from Higher Lane (£0.051m), Redeployment costs (£0.029m), Admin buildings (£0.035m), Recruitment of the Assistant Director of Social Care (£0.011m), and following a High Court ruling, payments to some self-employed people were deemed to be directly employed by the council and therefore subject to employee liabilities for tax and NI (£0.083m).	One-off One-Off One-off One-Off
Strategy / Commissioning	861	812	(49)	Staff vacancy savings within the Social Care Admin team.	One-Off
Departmental Wide	(4,688)	(5,407)	(719)	Utilisation of prior year's unspent grant funding to offset against the large departmental overspend.	One-Off
Children's Agency	4,676	6,369	1,693	Efforts were made to contain the unprecedented demand pressures on the Agency budget by reviewing existing placements and challenging pricing of placements.	Ongoing
TOTAL CHILDREN'S SERVICES	26,848	27,046	198		

Adult Care Services Directorate

<p>Operations</p>	<p>9,947</p>	<p>9,427</p>	<p>(520)</p>	<p>Vacancies held in Reablement Services/ Intermediate Care (-£0.065m)</p> <p>Mental Health Services: savings on vacant posts & running costs (-£0.196m)</p> <p>Assessment & Care Management delayed filling of new posts (-£0.129m)</p> <p>Generation of additional external income by & staff savings in the Employment Support Service (-£0.113m)</p> <p>Minor underspends (-£0.017m)</p>	<p>Part of 2013/14 Plan for Change</p> <p>Part of 2013/14 Plan for Change</p> <p>Part of 2013/14 Plan for Change</p> <p>Part of 2013/14 Plan for Change</p>
<p>Workforce Modernisation</p>	<p>10,364</p>	<p>10,087</p>	<p>(277)</p>	<p>Learning Disability Care teams efficient use of agency and care pool staff to cover vacancies (-£0.123m)</p> <p>Older People Day & Residential Care services efficient use of agency and care pool staff to cover vacancies and increased income from greater occupancy rates (-£0.141m)</p> <p>Shared Lives: new income streams & staff savings (-£0.049m)</p> <p>Development & Training: greater use of in-house resources & more efficient procurement (-£0.081m)</p> <p>Workforce: staff savings (-£0.017m)</p> <p>Under 65 Day Care: staff savings (-£0.012m)</p> <p>Homes for people with LD: reduced income & additional staffing costs (+£0.146m)</p>	<p>Part of 2013/14 Plan for Change</p> <p>One-Off</p> <p>Ongoing</p> <p>Part of 2013/14 Plan for Change</p> <p>One-Off</p> <p>One-Off</p> <p>Ongoing</p>
<p>Business Redesign</p>	<p>4,224</p>	<p>4,282</p>	<p>58</p>	<p>Unavoidable costs such as security, basic maintenance & rates on non-operational buildings (+£0.063m)</p> <p>Performance & Housing Strategy – staff savings and small underspends in most budget headings (-£0.053m)</p> <p>Supported housing schemes: additional</p>	<p>Ongoing</p> <p>One-off (mostly)</p> <p>One-off</p>

				income & reduced premises costs (-£0.141m)	
				Equipment Store: year-end stock adjustment (+£0.025m)	One-off
				Community meals: income shortfall re: 1 st half of 2012/13 (+£0.063m)	One-off
				Seedfield Resource Centre: changes to site occupancy but no reduction in costs (+£0.114m)	Ongoing
				Minor underspends (-£0.013m)	
ACS General	(1,388)	(1,280)	108	Budget savings relating to policies that are still in development.	One-Off
Commissioning & Procurement (including Care in the Community)	28,508	29,242	734	Continued increasing numbers of people eligible for services in all client categories and all types of service (+£2.329m). However, the net increase in spend in 2012/13 - £0.941 million – represents a reduction of almost 50% compared to the equivalent increase in 2011/12 (£1.836 million).	Ongoing
				Former NHS Bury LD Commissioned services: procurement efficiencies achieved (-£0.460m)	Ongoing (now to offset Comm. Care pressure)
				Supporting People: procurement efficiencies achieved (-£0.415m)	Part of 2013/14 Plan for Change
				Commissioning & Strategy: underspend due to expenditure on care packages for carers being less than anticipated; staff vacancy savings in a number of teams, reduced expenditure on external contracts and receipt of additional income (-£0.427m)	Part of 2013/14 Plan for Change
				Social Care Reform: reduced number of commitments because of budget pressures elsewhere (-£0.271m)	Ongoing (now to offset Comm. Care pressure)
				Procurement team: staff savings (-£0.022m)	One-Off
TOTAL ADULT CARE SERVICES	51,655	51,758	103		

Directorate of the Chief Executive					
Corporate Management	350	422	72	Combination of minor variances in respect of corporate management and subscriptions.	One-Off
Chief Executive's	431	438	7	Minor variances	One-Off
Deputy Chief Executive's Division					
Communities and Policy Improvement	1,707	1,611	(96)	CPA inspection fees underspend (-£0.059m), Tightening of controllable expenditure (-£0.037m)	Ongoing One-off
Personnel	587	625	38	Severance Payments relating to VERs that were approved during 2012-13 (+£0.100m) Vacancies held and tightening of controllable expenditure (-£0.062m)	One-Off One-Off
Legal & Democratic Services	1,792	1,714	(78)	Member Allowances underspend (-£0.087m) Unfunded legislative developments within Municipal Elections and Registration of Electors (+£0.158m) Underspends within Democratic Services (-£0.028m), Civic and Mayoral Expenses (-£0.015m) Over-recoveries of income against budget for Legal Services - External Fees (-£0.045m) and Registrar of Births, Deaths and Marriages fees (-£0.036m) Delays in appointing staff to vacant posts and tightening of controllable expenditure(-£0.025m)	Ongoing Ongoing Ongoing One-Off One-Off
Deputy Chief Executive's	4,086	3,950	(136)		
Executive Director of Resources					
Finance & Efficiency	2,892	2,788	(104)	Accounts Payable overachieved income (-£0.036m) Internal Audit underspend (-£0.090m) due to flexible working arrangements/career break. Accountancy overspend (+£0.051m) due to delayed implementation of savings and one-off severance costs. This has been reduced by tightening projections significantly. There is an underspend on External Audit costs of -£0.139m, offset by an overspend of +£0.020m on bank/credit card charges Coroners Court overspend (+£0.036m)	One-Off On-going One-Off Ongoing Ongoing

				amounts paid to Rochdale MBC for administration - increased demand Coroners additional accommodation relocation expenses. (+£0.023m) Superannuation charges To Tameside MBC overspend (+£0.016m) Contribution to Bad Debt provision (+£0.033m) Procurement has an underspend of -£0.024m due to an over-recovery of YPO rebate Minor variations (+£0.006m)	Ongoing
Customer Support & Collections	1,882	1,693	(189)	The Council Tax Benefit Subsidy has an overall overspend (+£0.062m) made up of Council Tax and NNDR summons costs income under-recovery (+£0.204m) and overachieved Subsidy income (-£0.142m) Holding of vacancies underspend (-£0.248m) Overachieved external income (-£0.033m) Cost of providing cover for Prestwich Cash Office overspend (+£0.032m) Running expenses underspend (-£0.020m) Agency staff overspend (+£0.019m) Minor underspends (-£0.001m)	Ongoing One-Off One-Off One-Off One-Off One-Off One-Off
ICT	(770)	(770)	0	Admin Building recharges overspend (+£0.020m) Under-recovery of printing income (+£0.040m) Reduced telephony income (+£0.039m) Staffing / overhead costs underspend (-£0.047m) Running costs underspend (-£0.052m)	Ongoing Ongoing Ongoing One-Off One-Off
Property & Asset Management	(1,574)	(621)	953	Shortfall in rent income due to increased voids (+£0.594m) Shortfall in income received for The Millgate Shopping Centre due to reduced occupancy (+£0.352m) Increased Empty Rates (+£0.099m) Additional income from De-Minimis Capital Receipts (-£0.081m) Minor Underspends (-£0.011m)	Ongoing Ongoing Ongoing One-Off One-Off
Executive Director of Resources	2,430	3,091	661		
TOTAL CHIEF EXECUTIVE'S	7,297	7,901	604		
Grants to Voluntary Organisations	1,302	1,302	0	n/a	n/a

Non Service Specific Items					
Housing	317	135	(182)	Reduced subsidy and administration grant received for the Housing Benefit administration (-£0.094m)	One-Off
				Contribution to the bad debt provision (+£0.143m)	One-Off
				Minor underspends (-£0.009m)	One-Off
Cost of Borrowing	9,522	8,551	(971)	Treasury Management / Interest	One-Off/ Ongoing
BMBC Townside Fields	0	(99)	(99)	Management Fee chargeable	Ongoing
Passenger Transport levy	13,404	13,404	0		
Environment Agency	92	92	0	n/a	
National Non Domestic Rates	108	108	0	n/a	
Manchester Airport	(1,328)	(1,328)	0	n/a	
Council Tax Reduction	400	400	0	n/a	
Provisions	1,711	2,011	300	Contribution to MMI provision	One-Off
Cost of Retirement	37	37	0	n/a	
IAS19 Retirement Benefits	5,218	5,218	0	n/a	
Accumulated Absences	1,544	1,544	0	n/a	
Capital Charges / Asset Rentals	(14,998)	(14,998)	0	n/a	
TOTAL NON SERVICE SPECIFIC	16,027	15,075	(952)		
Total Revenue Expenditure (exc. Schools)	140,265	140,172	(93)		
Use of Balances					
General Fund	(330)	(423)	(93)		
Revenue Budget Total	140,595	140,595	0		
Funded by:					
RSG	(1,202)	(1,202)	0		

NNDR	(62,015)	(62,015)	0	
Council Tax	(77,374)	(77,374)	0	
Late notification from DCLG of change to council tax freeze grant	(4)	(4)	0	
	(140,595)	(140,595)	0	

LEVEL AND MOVEMENT OF SCHOOL RESERVES

Appendix B

Overall Levels of Balances	2008/09	2009/10	2010/11	2011/12	2012/13
	£000	£000	£000	£000	£000
School Balances					

at 31st March	(6,591)	(3,681)	(4,504)	(7,805)	(6,188)
Standards Fund	0	0	0	0	0

Number of Schools – Surpluses/Deficits in Percentage Terms

Table	2008/09	2009/10	2010/11	2011/12	2012/13
	Number	Number	Number	Number	Number
	of	of	of	of	of
	Schools	Schools	Schools	Schools	Schools
Nursery & Primary					
Greater than +9%	10	5	6	10	4
+8% to 9%	8	8	4	11	9
+5% to 8%	21	19	27	27	27
0% to 5%	23	31	25	14	23
Deficits	2	1	2	1	0
Total	64	64	64	63	63
Secondary					
Greater than +6%	5	4	4	5	4
+5% to 6%	1	-	1	3	2
0% to 5%	8	10	9	6	6
Deficits	-	-	-	-	2
Total	14	14	14	14	14
Special					
Greater than +9%	2	3	1	-	-
+8% to 9%	-	-	-	-	-
+5% to 8%	-	-	-	2	2
0% to 5%	1	-	2	1	1
Deficits	-	-	-	-	-
Total	3	3	3	3	3
Number above the original	26	20	16	29	19
“Excessive Surplus” thresholds					
(Prim/Spec 8% & High 5%)					
Number above the new “Excessive	17	12	11	15	8
Surplus” thresholds					
(Prim/Spec 10% & High 7%)					

Number of Schools – Surpluses/Deficits in Monetary Terms

Table	2008/09	2009/10	2010/11	2011/12	2012/13
	Number	Number	Number	Number	Number
	of	of	of	of	of

	Schools	Schools	Schools	Schools	Schools
Nursery & Primary					
Deficits					
£0 to £25,000	2	1	2	1	-
Surpluses					
£0 to £50,000	32	35	33	20	25
£50,000 to £100,000	23	23	26	31	29
£100,000 to £150,000	6	4	2	10	7
£150,000 to £200,000	1	1	1	1	2
Greater than £200,000	-	-	-	-	-
Total	64	64	64	63	63
Secondary					
Deficits					
£0 to £100,000	-	-	-	-	-
£100,000 to £200,000	-	-	-	-	1
£200,000 to £300,000	-	-	-	-	-
Greater than £300,000	-	-	-	-	1
Surpluses					
£0 to £50,000	4	3	2	1	-
£50,000 to £100,000	3	3	1	2	2
£100,000 to £150,000	1	3	2	1	1
£150,000 to £200,000	1	3	4	2	1
£200,000 to £250,000	2	-	3	3	2
£250,000 to £500,000	1	3	2	4	5
Greater than £500,000	2	-	-	1	1
Total	14	14	14	14	14
Special					
Deficits					
£0 to £25,000	-	-	-	-	-
Surpluses					
£0 to £50,000	-	-	1	1	1
£50,000 to £100,000	1	-	1	-	-
£100,000 to £150,000	-	1	-	-	-
£150,000 to £200,000	1	-	-	2	1
£200,000 to £250,000	-	-	-	-	-
Greater than £250,000	1	2	1	-	1
Total	3	3	3	3	3

HOUSING REVENUE ACCOUNT

APPENDIX C

	2012/13 REVISED ESTIMATE £	2012/13 OUTTURN £	VARIATION FROM BUDGET £
INCOME			
Dwelling rents	28,623,900	28,604,545	19,355
Non-dwelling rents	214,800	217,408	(2,608)
Heating charges	66,400	66,301	99
Other charges for services and facilities	851,000	925,010	(74,010)
Contributions towards expenditure	54,600	7,113	47,487
Total Income	29,810,700	29,820,377	(9,677)
EXPENDITURE			
Repairs and Maintenance	6,805,000	6,656,504	(148,496)
General Management	6,780,300	6,712,842	(67,458)
Special Services	1,040,400	1,043,179	2,779
Rents, rates, taxes and other charges	50,100	57,047	6,947
Increase in provision for bad debts	252,100	190,930	(61,170)
Cost of Capital Charge	4,593,400	4,704,769	111,369
Depreciation/Impairment of fixed assets			
- council dwellings	6,872,000	15,277,595	8,405,595
Depreciation of fixed assets - other assets	38,800	40,463	1,663
Debt Management Expenses	45,400	36,828	(8,572)
HRA subsidy payable	(17,000)	(17,046)	(46)
Contrib.to Business Plan Headroom Reserve	2,493,900	2,493,900	0
Total Expenditure	28,954,400	37,197,011	8,242,611
Net cost of services	(856,300)	7,376,634	8,232,934
Amortised premia / discounts	(18,900)	(18,916)	(16)
Interest receivable - on balances	(84,200)	(72,343)	11,857
Interest receivable - on loans (mortgages)	(2,600)	(1,925)	675
Net operating expenditure	(962,000)	7,283,450	8,245,450
Appropriations			
Appropriation relevant to Impairment	0	(8,405,595)	(8,405,595)
Appropriation relevant to depreciation	(38,800)	0	38,800
Revenue contributions to capital			
Self-financing settlement	580,900	689,103	108,203
(Surplus) / Deficit	(419,900)	(433,042)	(13,142)
Working balance brought forward	(765,400)	(765,419)	(19)
Working balance carried forward	(1,185,300)	(1,198,461)	(13,161)

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REPORT FOR DECISION

Bury
COUNCIL

Agenda Item	
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MEETING: **CABINET
OVERVIEW & SCRUTINY COMMITTEE**

DATE: **10 JULY 2013
4 SEPTEMBER 2013**

SUBJECT: **CAPITAL OUTTURN 2012/13**

REPORT FROM: **DEPUTY LEADER AND CABINET MEMBER FOR
FINANCE & CORPORATE AFFAIRS**

CONTACT OFFICER: **MIKE OWEN, EXECUTIVE DIRECTOR OF
RESOURCES;
STEVE KENYON, ASSISTANT DIRECTOR OF
RESOURCES (FINANCE AND EFFICIENCY)**

TYPE OF DECISION: **CABINET (KEY DECISION)**

FREEDOM OF INFORMATION/STATUS: This paper is within the public domain

SUMMARY: **PURPOSE/SUMMARY:**

This report provides Members with details of:

- The capital outturn figures in respect of the last financial year 2012/13;
- Major variances between the Revised Estimate and the Outturn;
- The financing of the Capital Programme in 2012/13;
- Reprofile of budgets/allocations and funding into 2013/14;
- Details of the capital receipts received during the year.

Members are asked to:

OPTIONS & RECOMMENDED OPTION

- a) Note the final capital outturn for 2012/2013, and explanations for major variances (Appendix A and report)
- b) Note the financing of the Capital Programme in 2012/2013 (Paragraph 3.5)
- c) Consider and recommend for approval the re-profiled/slippage requests and associated funding

- into 2013/2014 (Appendix B)
 d) Note the level of Capital Receipts realised in year.

Recommended Option:

To approve the recommendations set out above.

IMPLICATIONS:

Corporate Aims/Policy Framework:

The successful management of capital investment in the Borough supports the delivery of all of the Council's Aims and Objectives.

Financial Implications and Risk Considerations (Statement by s151 Officer):

Capital expenditure has been incurred in accordance with the agreed Capital Programme. This links the expenditure with the objectives of the Council and the Capital Strategy. The Programme has been financed in a way that optimises to the maximum the resources available, including the prudent use of capital receipts.

Statement by Executive Director of Resources:

See statement by s151 officer above. The capital receipts used to fund the Programme were made available through disposal of assets in accordance with the policies specified in the Asset Management Plan.

Equality/Diversity implications:

No (see paragraph 8.1, page 8)

Considered by Monitoring Officer:

Yes. The presentation of an annual report on the Capital Outturn is a requirement of the Council's Financial Regulations, as part of the Council's Financial Procedure Rules. The report accords with the Council's Policy and Budget Framework and has been prepared in accordance with all Statutory Guidance and Codes of Practice.

Are there any legal implications?

Yes

Wards Affected:

All

Scrutiny Interest:

Overview & Scrutiny Committee

TRACKING/PROCESS**DIRECTOR: MIKE OWEN / STEVE KENYON**

Chief Executive/ Strategic Leadership Team	Cabinet Member/Chair	Ward Members	Partners
	Yes		
Scrutiny Commission	Cabinet	Committee	Council
Overview & Scrutiny Committee	10 July 2013		

1.0 BACKGROUND

- 1.1 The Capital Programme is an integral part of the Council's financial planning and represents expenditure on schemes or assets where the Council or a third party will derive a long term benefit, over more than one year.
- 1.2 The funding for the Capital Programme comes from a variety of sources including borrowing, capital grants, external contributions, revenue contributions and capital receipts. Capital receipts are received through the disposal of the Council's assets and are detailed later in the report. Operating within statutory rules, the financing of the Programme seeks to optimise the funding resources available.
- 1.3 Since the introduction of the Prudential Code in 2004 the Council is required to finance and account for the capital expenditure on an accruals basis. The significance of this is that all capital expenditure incurred within the financial year is financed in that year and any outstanding capital creditors and debtors at year end will have to be accounted for and then reconciled with the actual amounts that are paid out or received in the following year.
- 1.4 Amounts for schemes that wait for grant funding to be claimed are also accrued for in the financial year.
- 1.5 The indications for supported capital allocations from the government are now made on a two year basis with firm indications for amounts allocated being supplied for the following year. This means that the uncertainty of finances for schemes extending over one year is now greater and managers will have to plan more carefully for longer term schemes. Only a limited number of capital grants can be carried forward to fund schemes that have slipped between financial years.
- 1.6 The report also gives details of the major variances between the revised estimate and the outturn and gives explanations for these variances.
- 1.7 The following three appendices are attached to the report to provide Members with additional detail and support the recommendations made:
- **Appendix A** shows a summary of the Capital Programme expenditure against the Revised Estimate analysed by each Department and project.

- **Appendix B** lists capital projects that have not completed by end of financial year and are re-profiled into 2013/14 and future years analysed by category of funding source and project.
- **Appendix C** shows a summary of asset disposals that occurred in the year and the realised usable part of the receipt that was either expended in the year to support the funding of the programme, set aside for future capital investment or set aside for repayment of borrowing.

2.0 CAPITAL OUTTURN 2012/2013

2.1 Approved Capital Budget and Outturn

- 2.2 The total Capital Budget approved by Council on 22 February 2012 with the subsequent movements during the financial year 2012/13 and the final expenditure outturn are shown in the table below:

Capital Budget 2012/13	£m	£m
Original approved budget		14.946
Value of schemes reprofiled from 2011/12 programme	13.026	
Amendments to budget in year	11.199	24.225
Revised programme for 2012/13		39.171
Value of schemes reprofiled to 2013/14 and future years		(13.772)
Final Capital Programme 2012/13		25.399
Capital Outturn for 2012/13		25.409
Variance		(0.010)

- 2.3 Members are reminded, for completeness and not included in the figures above, that the Voluntary Aided schools in Bury receive the Capital Grant allocations from the Department for Education. The allocations are awarded directly to the schools and the expenditure funded by these amounts was accounted for by the Voluntary Aided schools' governors and **not** by the Council. In 2012/13 the grant totalled **£1.299m**.
- 2.4 Capital expenditure that was achieved from schemes carried out during the year totalled **£25.409million** against the final approved Programme funding (excluding the amounts for the VA schools and the re-profiled amounts) of **£25.399million**. There was an overall negative variance at the end of the year of **£0.010million**.

2.5 The small negative variance shown arises from timing differences and will be carried forward into the following financial year to be offset against a future capital receipt. The receipt will be realised at a future date from the sale of the developed associated asset.

3.0 CAPITAL PROGRAMME FUNDING

3.1 The Capital Programme is funded from the variety of funding sources as specified in paragraph 1.2. The methodology used for the financing the Capital Programme is particularly important and the emphasis is placed on the optimisation of resources available.

3.2 The objective is to achieve best possible financial position for the Council and one that will have minimal effect on the Council's future financial position.

3.3 This is realised through maximising the use of government supported borrowing, capital grants and external contributions. The Capital Programme also relies on and uses contributions from capital receipts and the revenue budget.

3.4 The introduction of the Prudential regime as explained at paragraph 1.3 requires the Authority to finance its capital expenditure on an accruals basis. In 2012/13 the amount financed after accruing for all payments made or to be made for contract work, goods and services supplied by 31st March 2013 was **£25.409 million.**

3.5 The financing of expenditure carried out during the year and reported inclusive of all accruals for the year for both expenditure and income is detailed below:

Expenditure:	£m	£m
Fixed assets	25.127	
Intangible assets	0.020	
Vehicle, Plant and Equipment	0.262	
Total		25.409
Financed by:		
Loan	7.993	
Capital Receipts	1.373	
External Grants and Contributions	8.883	
General Fund Revenue and Reserves	0.285	
Housing Revenue Account	0.689	
Major Repair Allowance	6.186	
Total		25.409

- 3.6 As a result of statutory controls over council finances the Council's ability to determine the level of its Capital Programme is limited to the level of contributions it can make to the Capital Programme from revenue and reserves and the level of unsupported borrowing that it can service in financing costs.
- 3.7 The alternative way for the Council to fund new capital projects is by way of replacing older assets with new ones through disposal of the surplus properties held in within Council's assets. The availability of proceeds from the disposal is linked to market conditions that attach an element of risk to the final level of this type of income available each year.
- 3.8 In 2012/2013 the Council financed schemes to a total value of **£1.373m** from total available capital receipts including the carry forward from previous year. The Council has realised capital receipts from the sale of assets in 2012/13 of **£0.705m** of which **£0.402m** can be used towards future capital investment.
- 3.9 The balance of general usable capital receipts at year end will be carried forward into 2013/2014 to ensure an amount for earmarked capital receipts that have been approved and required for imminent specific projects.
- 3.10 Effective financing implies the use of cash available in the year instead of the use of unsupported borrowing that would attract higher financing costs. This was applied to some schemes that have slipped into 2013/14 that originally had approved funding from Council's resources.
- 3.11 Accordingly, the borrowing requirement is delayed until it becomes absolutely necessary. This also ensures that a healthy cash flow for the Council is maintained at all times.

4.0 CAPITAL PROJECTS REPROFILED TO FUTURE YEARS AND SLIPPAGE OF FUNDING

- 4.1 Explanations were given earlier in the report to the specific nature of the Capital Programme that demands budget allocations in every financial year to be continuously modified as the schemes develop. This ultimately means that the capital budget changes significantly from the original approved to final figure.
- 4.2 A direct result of the continuous change to the budget through the year is the difficulty in timing the delivery of capital schemes to the funding that is used in the budgeting process. The process accepts that capital spend is not always completed within the financial year in which the scheme is approved. Explanations for the reasons are given in the table shown in Appendix B.
- 4.3 The majority of reprofiled schemes are the major projects for which approvals were given for a longer term delivery. The report seeking approval to the Council Annual Budget meeting specified that these will be delivered over several years and the detailed design, planning and cost estimates require a considerable amount of time before they are fully quantified.
- 4.4 The total amount that was reprofiled to the next and future years was **£13.772m** as reported above in the table at paragraph 2.2 and the details of projects are shown in Appendix B.

- 4.5 The table below shows the different elements of funding approved by full Council in February 2012 for the 2012/13 financial year that was not spent in the year. The amounts were part of the three year rolling capital programme, from 2012/13 to 2014/15 compiled and presented by Operational officers of the Authority.

	£000's
2012/13 Capital schemes reprofiled into 2013/14	13.772
Financed by:	
Capital grants and contributions	11.208
Major Repair Reserve	0.686
Earmarked capital receipts	0.352
Revenue / Reserve	0.443
Loan	1.083
Total	13.772

- 4.6 The value of the schemes reprofiled into 2013/14 will be financed in 2013/14 and future years from balances carried forward as usable reserves on the Balance Sheet. The amount shown as loan of £1.083m represents previous years' approvals made by Council for projects that are long term such as Pimhole Regeneration, Philips Park, Empty Homes Strategy and Children Services' supported projects that require several years to complete.
- 4.7 There should be no further impact on Council's own resources as a result of this and all funding has been allowed for within the existing cost of borrowing.
- 4.8 The unused allocation from the Major Repairs Allowance for council house repairs is transferred at year end to a reserve account and available for 2013/14 capital expenditure.
- 4.9 To further and complete the quarterly monitoring process, the **Deputy Leader of the Council and Cabinet Member for Finance & Corporate Affairs** will be requested to note the schemes reprofiled in the above table and recommend to Council approval of the carry forward of funding into 2013/14.
- 4.10 The Capital Programme approved by Council in February 2013 for the 2013/14 financial year will be updated with the slippage of funding as recommended by Executive and approved by Council.

5.0 MONITORING ARRANGEMENTS

- 5.1 The Capital Programme depends on available and acquired resources that are more than often generated from a wide variety of sources and are difficult to estimate long in advance.
- 5.2 The planning, approval, spend during the year, and outturn strongly indicate the need for regular monitoring and for flexibility during the year in order to achieve the capital investment objectives as set down in the Capital Strategy.
- 5.3 At the same time an important objective is to maximise the capital resources available to the Council that support the programme and after that to ensure that the available funds are used in the most effective way.

- 5.4 In order that issues connected to the preparation and the delivery of the programme are identified at an early stage there is a senior officer level Capital Programme Management Group that meets on a monthly basis. Monitoring reports on the Capital Programme position are also included in the quarterly corporate financial management reports considered by the Strategic Leadership Team, the Deputy Leader of the Council and Cabinet Member for Finance & Corporate Affairs, Cabinet and subsequently scrutinised by the Overview and Scrutiny Committee.
- 5.5 The Capital investment requirement for the Council is considered over a three year, rolling programme.

6.0 RISK MANAGEMENT

- 6.1 Several risks have been identified with the delivery of the capital programme and the financing or funding of expenditure realised in the year.
- 6.2 Projected outturns throughout the year are based on the best knowledge of the Project Managers at the end of each quarter and tend to change significantly from one report to the next if there are major changes in circumstances. Regular budget monitoring and reporting through the Capital Programme Management Group provide the updates for the forecast and enable analysis of these changes by the officers in charge.
- 6.3 If corrective action needs to be taken this is normally done in a timely manner to ensure the flow of the programme for the year and minimise the impact on the financial resources available.
- 6.4 The management techniques applied include the traffic light process which is used to assess budgets in terms of forecast over and under spending and secondly the identification of 'hot spots' based on risk factors that are inherent in individual budget areas Reports containing this information have been provided on a regular basis to Strategic Leadership Team, Overview and Scrutiny Committee, Cabinet, Audit Committee and Star Chambers.
- 6.5 It is envisaged that this style of reporting will be continued into the next and future financial years.
- 6.6 The availability of funding required to support the programme is partly controlled by external providers and there is always a risk that the finances required for the year are either not realised or timing issues arise. These instances are outside Council's control and could put the completion of certain projects at risk.
- 6.7 One of the significant sources of funding for the capital programme are capital receipts realised and these have been reduced in recent years in line with the effects from the national and global financial crisis. This has had a negative effect on the mix and size of the capital projects that have been approved by Council. The Council has taken steps to mitigate the negative effect on the programme by streamlining the number of projects approved at the beginning of the year in favour of additional approvals being considered only as resources become available. Capital expenditure reliant on capital receipts is only taking place when the receipt is actually realised.

7.0 REVIEW OF COMPLETED SCHEMES

- 7.1 For all schemes where Council approved funding in excess of £250,000 a Completion Review Form is completed by Project Managers. This ensures that the monitoring process for larger schemes can be extended to evaluate, highlight and assess outcomes directly in line with the Council's aims and objectives. Explanations for variances are also included.
- 7.2 The Summary of Accounts which is published after the statement of accounts are audited and approved will show in £'000 and percentages the contribution made by the Capital Programme in the year towards Council's priorities, aim and objectives.

8.0 EQUALITY AND DIVERSITY

- 8.1 There are no specific equality and diversity implications.

9.0 FUTURE ACTIONS

- 9.1 See Section 5 of this report for details of the continuation of the monitoring arrangements.

Councillor John Smith
Deputy Leader of the Council and Cabinet Member for Finance & Corporate Affairs

Background documents:

Capital Cost Tab and Financing Working Papers, 2012/2013
Council Approved Capital Programme 2012/13

For further information on the details of this report, please contact:

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or

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BURY COUNCIL CAPITAL PROGRAMME

APPENDIX A

Corporate Monitoring Statement 2012-13	(1) Original Budget £000's	(2) Revised Budget £000's	(3) Reprofiled to Future Years £000's	(4) Revised Estimate After Reprofile Col(2)-Col(3) £000's	(5) Outturn £000's	(6) Month 12 variance (Under) or Over Col(5)-Col(4) £000's	Month 12 Direction of Travel (outturn forecast) <i>formula</i>
1) SCHEMES DELIVERED WITHIN THE FINANCIAL YEAR 2012/13							
Opportunity Land Purchase	-	114	(114)	-	-	-	✓
Acquisition of Former Police HQ, Inwell Street	-	-	-	-	44	44	L
Chief Executive's	-	692	(136)	556	556	-	✓
Redevelopment of former Fire Station	-	4	(4)	-	-	-	✓
Bury Market Polycarbonate Roofs	-	24	-	24	24	-	K
Bury Market New Toilets	-	9	(9)	-	-	-	K
Bradley Fold	-	127	(127)	-	-	-	✓
Adult Care Services	674	1,074	(488)	585	585	-	✓
Older People	-	190	(151)	39	39	-	✓
Learning Disabilities	-	300	(300)	-	-	-	K
Mental Health	-	427	(212)	215	215	-	✓
Improving Info. Management	-	259	(206)	53	53	-	✓
Empty Property Strategy	-	20	(20)	-	-	-	✓
Radioclife Empty Property Pilot	620	1,017	(449)	569	569	-	✓
Disabled Facilities Grant	-	14	-	14	14	-	K
Capital Salaries Private Sector Housing	-	97	(23)	74	74	-	✓
Support Services	-	185	-	185	184	-	✓
Support Services	3,787	8,181	(6,616)	1,566	1,566	-	✓
Schools Maintenance	-	116	(77)	39	39	-	✓
Access Initiative	-	730	-	730	730	-	✓
Philips High - additional sports hall	-	226	(179)	47	47	-	✓
Short Break Allocation	-	324	(324)	-	-	-	K
Early Education Fund	1,401	1,415	-	1,415	1,415	-	✓
Highway Network Services	510	539	-	539	539	-	✓
Bridges	-	57	(28)	29	29	-	✓
Transportation & Parking	-	233	(216)	17	17	-	✓
Traffic Management / Road Safety	32	209	(109)	100	100	-	✓
EDS - Highways	-	6	-	6	6	-	✓
EDS - Planning	-	492	(228)	264	264	-	✓
East Lancashire Railway Trust	-	4	-	4	4	-	✓
Environmental Projects	20	463	(28)	436	436	-	✓
EDS - Leisure	-	53	(51)	1	1	-	✓
Leisure Facilities	-	10	(10)	-	-	-	✓
EDS - Environmental Works	-	18	-	18	18	-	✓
Cavity Wall Insulation	-	263	(236)	27	27	-	✓
Fernhill to Bradley Fold Relocation	-	135	-	135	135	-	✓
EDS - Operational Services	-	37	(30)	7	7	-	✓
CCTV - Control Room Bradley Fold	-	60	(46)	14	14	-	K
Fernhill to Bury Cemetery Relocation	-	200	(73)	126	126	-	✓
Bradley Fold Asbestos Removal	-	13	(8)	5	5	-	✓
Waste Management	498	504	-	504	514	10	✓
EDS - Other Services	6,905	7,396	(704)	6,652	6,642	(10)	✓
Refurbishment Backlog	-	-	-	-	-	-	✓
Six Town Housing - Public Sector	498	504	-	504	514	10	✓
Housing	6,905	7,396	(704)	6,652	6,642	(10)	✓
Major Repairs Allowance Schemes	14,447	26,197	(11,200)	14,996	15,040	44	✓
Subtotal	14,447	26,197	(11,200)	14,996	15,040	44	
2) LONG TERM SCHEMES (COMPLETED OVER SEVERAL FINANCIAL YEARS)							
Townside Fields - Joint Venture	-	294	(5)	289	289	-	✓
Chief Executive's	-	1	-	1	1	-	✓
Sale of Assets	499	2,464	(1,613)	852	853	-	✓
Devolved Formula Capital for schools	-	1,722	(611)	1,111	1,111	-	✓
Children's Services	-	31	(44)	(13)	(13)	-	✓
Targetted Capital Funds	-	495	(285)	209	209	-	✓
Children Centres	-	166	(15)	152	152	-	✓
Extended Schools	-	208	-	208	174	(34)	✓
EDS Planning	-	7,593	-	7,593	7,593	-	K
Kirklees Trail - Woolfold Gap	-	7,593	-	7,593	7,593	-	✓
EDS Environmental Services	-	499	(2,572)	10,402	10,369	(34)	✓
Pinhole Renewal Area	-	499	(2,572)	10,402	10,369	(34)	✓
Authority Wide	-	499	(2,572)	10,402	10,369	(34)	✓
Equal Pay Back Pay	-	499	(2,572)	10,402	10,369	(34)	✓
Subtotal	499	12,974	(2,572)	10,402	10,369	(34)	
Total Bury Council controlled programme	14,946	39,171	(13,772)	25,399	25,409	10	

Funding position:

Capital Receipts	-	978	(352)	626	1,373
Capital Reserves	-	722	(339)	383	-
General Fund Revenue	-	540	(103)	437	285
Housing Revenue Account	-	689	-	689	689
Capital Grants/Contributions	7,834	19,280	(11,208)	8,072	8,883
Major Repair Reserve	6,872	6,872	(686)	6,186	6,186
Supported Borrowing	-	-	-	-	-
Unsupported Borrowing	240	10,090	(1,083)	9,007	7,993
	14,946	39,171	(13,772)	25,399	25,409

Key for budget monitoring reports

Projected Overspend (or Income Shortfall) of	a major problem with the budget	more than 10% and above £50,000
	a significant problem with the budget	more than 10% but less than £50,000
	expenditure/income in line with budget	
	a significant projected under spend (or inc more than 10% but under £50,000	
	a major projected under spend (or income more than 10% and above £50,000	

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CAPITAL OUTTURN REPORT 2012/2013

Appendix B

PROGRAMME SLIPPAGE/RE-PROFILE REQUEST 2012/13 TO 2013/14

SERVICE	SCHEME	£000's	FUNDING SOURCE	COMMENTS
Adult Care Services	Disabled Facilities Grant	87	Council Resources	Mixture of committed and projected requirement into 2013/14.
		362	Grant	Mixture of committed and projected requirement into 2013/14.
	Empty Homes Strategy	226	Council Resources	Spend committed into 2013/14 including HCA project.
	Improving Information Management	37	Grant	Funding required to finalise
		175	Council Resources	prospective new systems
	Learning Disabilities	151	Grant	Works continuing on number of schemes in 2013-14
	Mental Health	300	Grant	Part of the funding for Elmhurst scheme
	Older People	10	Council Resources	Balance of funds required to complete works
479		Grant	started in 2012-13	
TOTAL	ADULT CARE SERVICES	1,827		
Children's Services	Children Centres	44	Grant	Remaining grant to be allocated in 2013-14
	Early Education Fund – Two Year Olds	323	Grant	New grant to be allocated in 2013-14
	Support Services	24	Council Resources	Final invoice relating to Children's Services Synergy System due in 2013/14.
				Funding allocated on a three year rolling programme to allow schools to identify, plan, and deliver schemes. Budgets can be rolled forward to fund projects in the following year.
	Devolved Formula	1,611	Grant	Continuing works on Derby High Sports Hall
	Extended Schools Allocation	285	Grant	Works continuing on a large number of schemes.
	New Deal for Schools Modernisation	6,616	Grant	Allocation to be spent in 2013/14
	Other Targeted Funding	40	Grant	Allocation required for lift access at Hollins Grundy and specialist equipment at other sites.
	Schools Access Initiative	77	Council Resources	To be allocated in 2013-14
Short Break Allocation	179	Grant	Final payment due 2013-14	
Targeted Capital Funding New Millwood	571	Grant		
TOTAL	CHILDREN SERVICES	9,770		

SERVICE	SCHEME	£000's	FUNDING SOURCE	COMMENTS
Engineering Services	Congestion Performance	28	Grant	Scheme deferred to 2013/14
	Traffic Management & Road Safety	216	Council Resources	Schemes delayed due to ongoing consultation with residents
Leisure	Goshen Gymnastics Centre	28	Council Resources	Slippage required for retention monies.
Operational Services	Fernhill to Bradley Fold Relocation	282	Council Resources	Works to be carried out dependant on sale of property
	Fernhill to Bury Cemetery Relocation	30	Energy Grant	Works to be carried out dependant on sale of property
Other	Refurbishment Backlog	8	Council Resources	Required to fund asbestos works at Bradley Fold.
	Waste Infrastructure	73	Grant	Programme not completed
Planning	Development Group	109	Council Resources	Various schemes continuing into 2013/14.
	Environmental Projects	242	Council Resources	Majority of Slippage required to match-fund external grants.
Environmental Works	Contaminated Land & Air Pollution Monitoring	61	Grant	Some remaining site work. Majority of allocation will be used before the end of Qtr.1
TOTAL	ENVIRONMENT AND DEVELOPMENT SERVICES	1,077		
Chief Executive Property Services	Acquisition of Former Fire Station	136	Earmarked Capital Receipt	Funding required to finalise demolition
	Bradley Fold	127	Grant	Half of funding is in place to cover schemes continuing into 2013/14. Balance to be received in line with final spends.
	Opportunity Land Purchase	114	Council Resources	Required towards purchase of new assets as opportunity arises
	Other Property Service Schemes	17	Council Resources	Funding required to finalise prospective new schemes
TOTAL	CHIEF EXECUTIVE	394		
Six Town Housing	Housing Public Sector Programme	704	Major Repairs Allowance	A small number of schemes could not be completed by end of March; should be finished by end of Qtr1 2013/14
TOTAL	SIX TOWN HOUSING	704		
Total funding carried forward to 2013/14	External Funding		11,317	
	Major Repairs Allowance		704	
	Council Resources		1,615	
	Earmarked Receipts		136	
TOTAL	SLIPPAGE/RE-PROFILE	13,772	13,772	

CAPITAL RECEIPTS IN YEAR

CAPITAL RECEIPTS	GROSS RECEIPT	USABLE RECEIPT	
	£	£	
<u>BALANCE B/FWD FROM 2011/12</u>			
<i>General Receipts</i>	1,717,625	1,717,625	
<i>Housing receipts</i>	0	0	
	1,717,625	1,717,625	
<u>RECEIPTS FROM SALES 2012/13</u>			
Housing receipts			
Council House Sales	429,405	126,357	
Other Realised Housing Capital Receipts	17,971	17,971	
Sub-total Housing Receipts	447,376	144,328	
General Receipts	Ward	Area	Proposed Use
Land r/o 2 Ruskin Road, Prestwich	St.Mary's	117.6	Garden land
Land r/o 10 Ruskin Road, Prestwich	St.Mary's	154.2	Garden land
Land r/o 28 Ruskin Road, Prestwich	St.Mary's	83.3	Garden land
Land r/o 148 St Anns Rd, Prestwich	St.Mary's	155.9	Garden land
96B Ainsworth Road, Radcliffe	Church	74.9	Residential
Land r/o 23 Deansgate & 3-7 Seymour Street, Bury	Radcliffe West	30.5	Commercial
9/11 Heywood Street, Bury	East	N/a	Deed of Variation
414 Manchester Road, Bury	Redvales	698.8	Residential
Land r/o 19 Leeds Close, Bury	Unsworth	32.6	Garden land
Land r/o 192 Peel Brow, Ramsbottom	Ramsbottom	40.2	Garden land
Land at Leigh Lane, Bury	Tottington	233.8	Residential
Land fronting the Mount Hollins Lane, Bury	Unsworth	152.6	Garden land
Land r/o 172/184 Parr Lane, Bury	Unsworth	31.6	Garden land
123 Radcliffe Road, Bury	Redvales	475.9	Commercial
Land at Ingham St/Oxford St and Kershaw St, Pinfold	East	6670	Residential
Sub-Total General Receipts		257,726	257,726
Total Capital Receipts for 2012/13		705,102	402,054

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REPORT FOR DECISION

Agenda Item	
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MEETING: CABINET
OVERVIEW & SCRUTINY COMMITTEE
COUNCIL

DATE: 10 JULY 2013
4 SEPTEMBER 2013
11 SEPTEMBER 2013

SUBJECT: 2012/13 TREASURY MANAGEMENT ANNUAL
REPORT

REPORT FROM: DEPUTY LEADER AND CABINET MEMBER FOR
FINANCE & CORPORATE AFFAIRS

CONTACT OFFICER: STEVE KENYON, ASSISTANT DIRECTOR OF
RESOURCES (FINANCE AND EFFICIENCY)

ANDREW BALDWIN, HEAD OF FINANCIAL
MANAGEMENT

TYPE OF DECISION: COUNCIL

FREEDOM OF INFORMATION/STATUS: This paper is within the public domain

SUMMARY: **PURPOSE/SUMMARY:**

The Council undertakes Treasury Management Activities in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management, which requires that the Council receives an annual strategy report by 31 March for the year ahead and an annual review report of the previous year by 30 September. This report is the review of Treasury Management activities during 2012/13.

OPTIONS & RECOMMENDED OPTION It is recommended that, in accordance with CIPFA's Code of Practice on Treasury Management, the report be noted.

IMPLICATIONS:

Corporate Aims/Policy

Do the proposals accord with the Policy

Statement by Executive Director of Resources:

As set out in the report and the comment of the Assistant Director of Resources (Finance and Efficiency) below.

Statement by Assistant Director of Resources (Finance and Efficiency):

This report provides information on the Council's debt, borrowing, and investment activity for the financial year ending on 31st March 2013 in conformity with the CIPFA Code of Practice for Treasury Management. The successful management of the Council's borrowing and investments is central to the Council's financial strategy, both in the short term and in ensuring a balanced debt profile over the next 25 to 60 years.

The overall strategy for 2012/13 was to finance capital expenditure by taking out short term temporary borrowing rather than more expensive long term loans. The taking out of longer term loans (1 to 10 years) to finance capital spending will only then be considered if required by the Council's underlying cash flow needs. With the reduction of cash balances the level of short term investments will fall.

Debt decreased by £1.927m during the year, to £203.694 million at 31st March 2013 compared to £205.621 million at 31st March 2012. The average borrowing rate fell from 4.56% to 4.43% due to fall out of high coupon rate debt and new short term loans. Investments at 31 March 2013 stood at £17.456 million, compared to £23.881 million the previous year. The average rate of return on investments was 1.67% in 2012/13 compared to 1.39% in 2011/12.

Equality/Diversity implications:

No - (see paragraph 8.1, page 9)

Considered by Monitoring Officer:

Yes. The presentation of an annual report on Treasury Management by 30th September of the following financial year is a requirement of the Council's Financial Regulations 5.7, as part of the Council's Financial Procedure Rules and Budget and Policy framework, relating to Risk Management and Control of Resources: Treasury Management.

Are there any legal implications?

No

Staffing/ICT/Property:

There are no direct staffing, ICT or property implications arising from this report.

Wards Affected:

All

Scrutiny Interest:

Overview & Scrutiny Committee

TRACKING/PROCESS

DIRECTOR: MIKE OWEN

Chief Executive/ Strategic Leadership Team	Cabinet Member/Chair	Ward Members	Partners
	Yes 10/7/13		
Overview & Scrutiny Committee		Committee	Council
4/9/13			11/9/13

1.0 BACKGROUND

1.1 The Chartered Institute of Public Finance and Accountancy’s Code of Practice on Treasury Management 2009 was adopted by this Council on 24 February 2010 and this Council fully complies with its requirements. The primary requirements of the Code are the: -

1. Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council’s treasury management activities
2. Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
3. Receipt by the Council of an annual strategy report for the year ahead and an annual review report of the previous year.
4. Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.

1.2 Treasury management in this context is defined as:

“The management of the local authority’s cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks. ”

1.3 This **Annual Treasury Report** covers:

- the Council’s current treasury position;
- overview of the 2012/13 strategy;
- economic review for 2012/13
- borrowing outturn for 2012/13
- investment outturn for 2012/13
- compliance with treasury limits and Prudential Indicators;

- 2.1 The Council's debt and investment position at nominal values for the beginning and the end of 2012/13 was as follows:

	31st March 2012 Principal £'000	Average Interest Rate	31st March 2013 Principal £'000	Average Interest Rate
Fixed Rate Funding:				
- PWLB	161,362		153,862	
- Market	39,000		39,000	
- Local Bonds	3		3	
Variable Rate Funding:				
- Temporary Loans	0		6,000	
- PWLB	0		0	
- Market	0		0	
Bury MBC Debt	200,365		198,865	
Airport Debt	5,256		4,829	
Total Debt	205,621	4.56%	203,694	4.43%
Total Investments	23,881	1.39%	17,456	1.67%

3.0 OVERVIEW OF THE STRATEGY FOR 2012/13

- 3.1 The strategy for 2012/13 was to finance capital expenditure by taking out temporary loans at lower rates of interest than more expensive long term loans. These loans would be postponed as long as it is prudent to do so. One PWLB loan of £7.5m was repaid in the year and, in line with the strategy, has not yet been replaced. All other borrowing in the year comprised temporary short term loans. As investment returns were low during 2012/13, savings were made by running down investments to finance capital expenditure.
- 3.2 As a result of 3.1 above, the Council was able to lower the average interest rate on debt from 4.56% to 4.43% and was able to achieve an average interest rate on investments of 1.67% for 2012-13 (which compares with Sector's target rate of 0.90%).
- 3.3 Due to poor investment returns, investment balances were kept low during the year and consequently there was a reduction in exposure to counterparty and interest rate risk on the investment portfolio.

4.0 ECONOMIC REVIEW FOR 2012/13

- 4.1 The financial year 2012/13 continued the challenging investment environment of previous years, namely low investment returns and continuing heightened levels of counterparty risk. The original expectation for 2012/13 was that Bank Rate would start gently rising from quarter 4 of 2014. However, economic growth in the UK was flat during the year due to the UK austerity programme, weak consumer confidence and spending, a lack of rebalancing of the UK economy to exporting and weak growth in our biggest export market - the EU. The UK coalition government maintained its policy stance against a background of warnings from two credit rating agencies that the UK could lose

AAA credit rating. Moody's followed up this warning by actually downgrading the rating to AA+ in February 2013 and Fitch then placed their rating on negative watch, after the Budget statement in March. Key to retaining the AAA rating from Fitch and S&P will be a return to strong economic growth in order to reduce the national debt burden to a sustainable level, within a reasonable timeframe. Weak UK growth resulted in the Monetary Policy Committee increasing quantitative easing by £50bn in July to a total of £375bn. Bank Rate therefore ended the year unchanged at 0.5% while CPI inflation fell from 3% at the start of the year to end at 2.8% in March, with projections of a fall to below 2% pushed back to quarter 1 of 2016. The EU sovereign debt crisis was an ongoing saga during the year with first Greece and then Cyprus experiencing crises which were met with bailouts after difficult and fraught negotiations.

- 4.2 **Gilt yields** oscillated during the year as events in the ongoing Eurozone debt crisis ebbed and flowed, causing corresponding fluctuations in safe haven flows into / out of UK gilts. This, together with a further £50bn of QE in July and widely expected further QE still to come, combined to keep PWLB rates depressed for much of the year at historically very low levels.
- 4.3 **Investment rates.** The Funding for Lending Scheme, announced in July 2012, resulted in a flood of cheap credit being made available to banks and this has resulted in money market investment rates falling sharply in the second half of the year. However, perceptions of counterparty risk have improved after the ECB statement in July 2012 that it would do "whatever it takes" to support struggling Eurozone countries. This has resulted in some return of confidence to move away from only very short term investing.

5.0 BORROWING OUTTURN FOR 2012/13

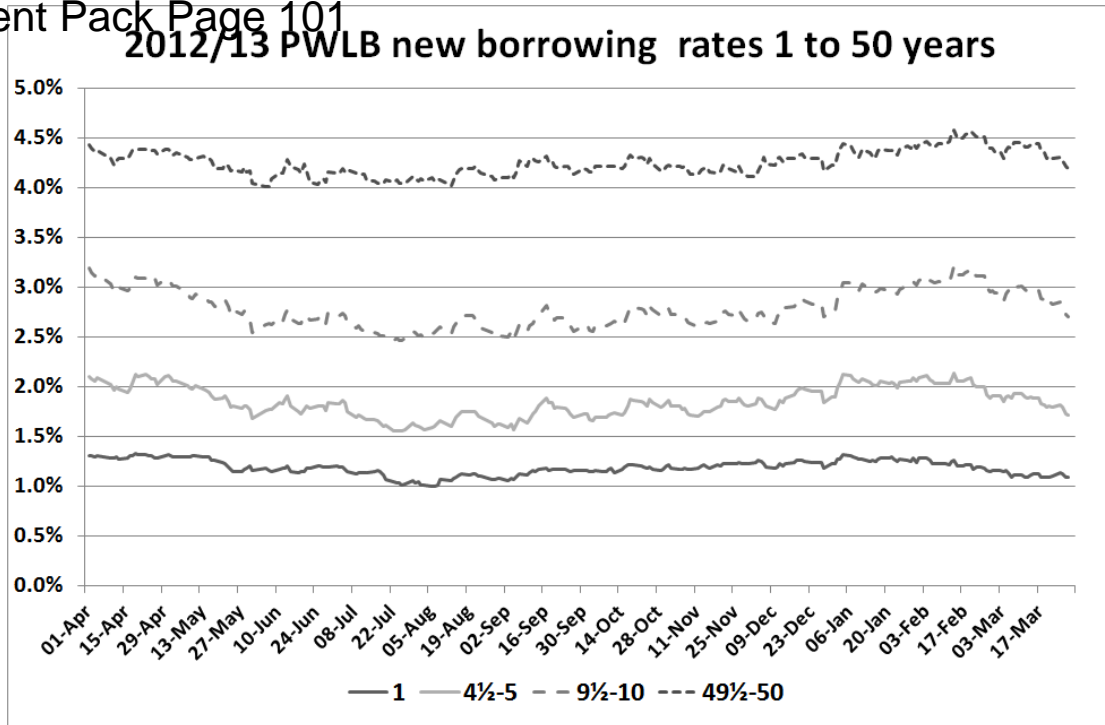
- 5.1 The Council's ability to borrow is determined by the cumulative capital financing requirement (CFR). When the cumulative CFR is compared to outstanding debt the difference is the amount of headroom still available to borrow. At the end of 2012/13 debt stood at £203.694m and the CFR at £250.017m. Therefore, in theory, further borrowing of £46.323 could be taken to finance past and present capital expenditure.
- 5.2 An analysis of movements at nominal values on loans during the year is shown below:

	Balance at	Loans	Loans	Balance
	31.3.12	Raised	Repaid	31.03.13
	£000s	£000s	£000s	£000s
PWLB	161,362	0	(7,500)	153,862
Market	39,000	0	0	39,000
Temporary Loans	0	8,000	(2,000)	6,000
Other loans	<u>3</u>	<u>0</u>	<u>0</u>	<u>3</u>
Bury MBC Debt	200,365	8,000	(9,500)	198,865
Airport PWLB Debt	<u>5,256</u>	<u>0</u>	<u>(427)</u>	<u>4,829</u>
Total Debt	<u>205,621</u>	<u>8,000</u>	<u>(9,927)</u>	<u>203,694</u>

- 5.3 The approach during 2012/13 was to take advantage of rates when they were at their lowest and identify debt rescheduling opportunities. Unfortunately, there were no opportunities to make savings through debt rescheduling in 2012/13.
- 5.4 In line with the strategy, the Council delayed borrowing as long as possible by running down short term investments. When it was time to borrow, temporary short term loans were taken in preference to more expensive long term loans. One PWLB loan was repaid in the year, and, in line with the strategy, has not yet been replaced. By maintaining borrowing at short term rates, the Council was able to minimise any corresponding risk from holding short term investments. As the year progressed further borrowing was kept to a minimum and cash balances were used to finance new capital expenditure. Therefore counterparty risk incurred on investments was minimised. This also maximised treasury management budget savings as investment rates were much lower than most new borrowing rates.
- 5.5 The active monitoring of the debt portfolio, the full year effect of previous rescheduling of loans, and the taking of new loans at historically low rates, have decreased the average Interest rate on the debt held over time:

Year	06/07	07/08	08/09	09/10	10/11	11/12	12/13
Average Interest Rate on Debt	5.50%	5.40%	5.33%	4.98%	4.81%	4.56%	4.43%

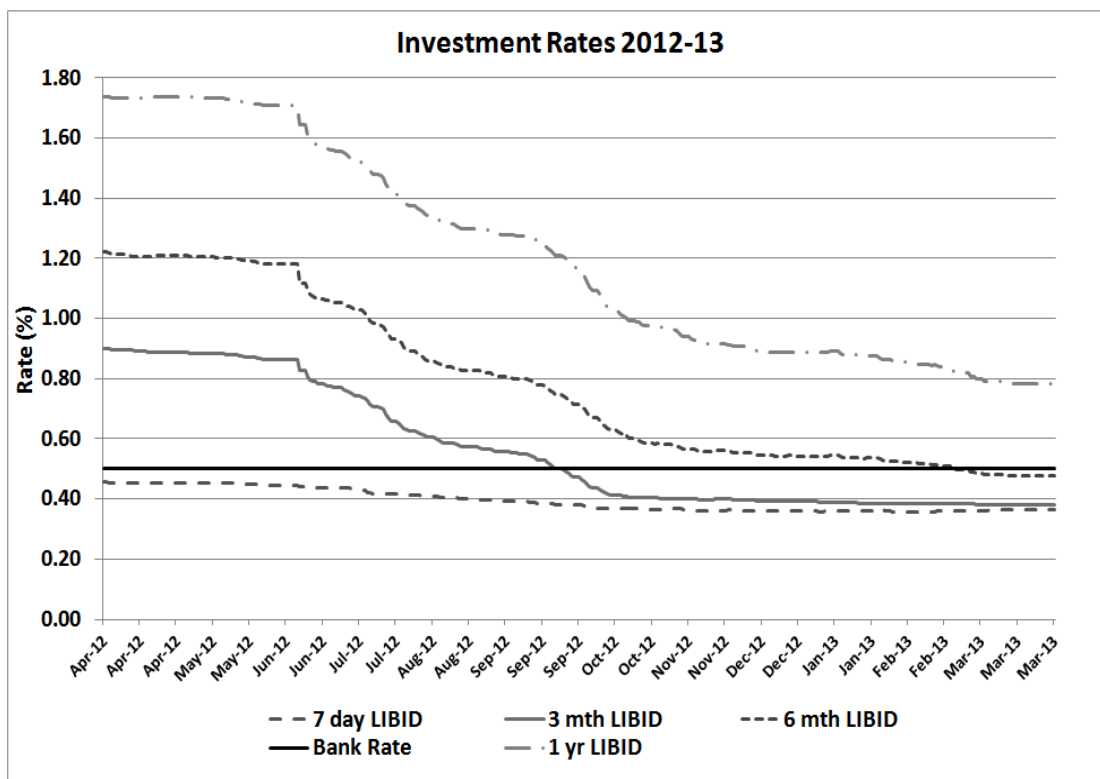
- 5.6 From 2006/07 the average interest rate falls over time due to rescheduling of loans to lower interest rates and the borrowing of new loans at historically low levels.
- 5.7 The Council’s policy on the fall out of debt has been to establish a debt profile where the amount of debt due to be refinanced each year is stable and large scale financing in any one year avoided. Market LOBO (Lenders Option Borrower’s Option) loans are recorded in accordance with the regulations set down in the Prudential Code which states “the maturity of borrowing should be determined by reference to the earliest date on which the lender can require payment”.
- 5.8 PWLB borrowing rates - the graph overleaf shows how PWLB rates remained close to historically very low levels during the year.



6.0 INVESTMENT OUTTURN FOR 2012/13

- 6.1 The Council manages its investments in-house (with advice from Sector) with the overall objective to balance risk with return and the overriding consideration being the security of the available funds.
- 6.2 Surplus funds have been invested with institutions listed in the Council's approved lending list. When making investment decisions, the Council has regard to the Guidance on Local Government Investments issued by the DCLG and CIPFA's Treasury Management Code of Practice.
- 6.3 Institutions in which investments were made did not have any difficulty in repaying investments and interest in full during the year, reflecting the sound risk management activities undertaken by the treasury team.
- 6.4 The investment strategy for 2012/13 approved by Council in February 2012 forecast the bank rate to stay flat at 0.50% throughout the year. The average rate on investments for the year was 1.39% which is significantly in excess of Sector's initial target rate of 0.90%.
- 6.5 The strategy also recognised that the Council's funds would be mainly cash-flow driven. The Council would seek to utilise business reserve accounts and short dated deposits in order to benefit from the compounding of interest.
- 6.6 Investments at 31 March 2013 stood at £17.456 (£23.881m at 31 March 2012), whilst the average for the year was £35.416m (£44.187m at 31 March 2012). The decrease in the weighted average investments from 2011/12 to 2012/13 reflects the strategy to run down investments in the second half of the year to fund capital expenditure rather than borrow to fund capital spending.
- 6.7 Total interest earned on investments in the financial year was £0.589m compared to £0.597m in 2011/12. This reflects the fact that investment returns were poor throughout the year. Consequently cash balances were used to finance new capital expenditure to maximise budget savings as investment rates were much lower than new borrowing rates.

6.8 In terms of investment rates in 2012/13, the Bank Rate remained at its historic low of 0.5% throughout the year and it has now remained unchanged for four years. Market expectations of the start of monetary tightening were pushed back during the year to early 2015 at the earliest. The Funding for Lending Scheme resulted in a sharp fall in deposit rates in the second half of the year.



7.0 COMPLIANCE WITH TREASURY LIMITS

7.1 During the financial year the Council operated within the treasury limits and Prudential Indicators set out the Council’s Treasury Policy Statement and annual Treasury Management Strategy Statement. The outturn for the Prudential Indicators is shown in Appendix 1.

8.0 EQUALITY AND DIVERSITY

8.1 There are no specific equality and diversity implications.

9.0 FUTURE ACTIONS

9.1 Treasury Management Updates and Prudential Indicators for 2013/14 will be presented on a quarterly basis to the Cabinet and the Overview & Scrutiny Committee.

10.0 CONCLUSION

10.1 It is recommended that Members note the treasury management activity that has taken place during the financial year 2012/13.

Background documents:

Unaudited Final Accounts Bury MBC 2012/13

CIPFA Treasury Management Code of Practice in the Public Services

CIPFA The Prudential Code for Capital Finance in Local Authorities

Sector's Annual Treasury Management Report 2012-13

Financial markets and economic briefing papers

For further information on the details of this report and copies of the detailed variation sheets, please contact:

Mr S. Kenyon, Assistant Director of Resources (Finance and Efficiency), Tel. 0161 253 6922, E-mail: S.kenyon@bury.gov.uk, or

Mr. A Baldwin, Head of Financial Management, Tel. 0161 253 5034,
E-mail: A.Baldwin@bury.gov.uk

The key objectives of the Prudential Indicators are to ensure that the Council's capital investment plans and treasury management decisions are affordable, prudent and sustainable or in exceptional cases to highlight if this is not achievable. The prudential indicators for 2012/13 were not breached and were kept within their limits.

The table below shows the Prudential Indicators for 2012/13.

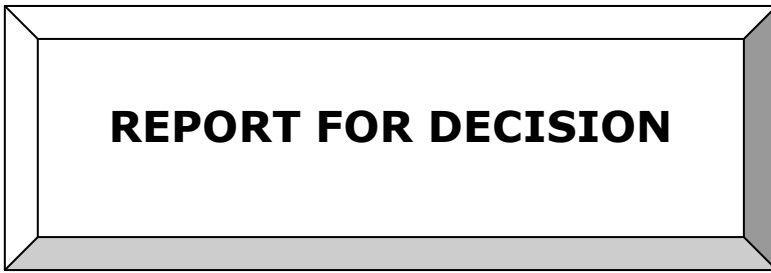
CAPITAL EXPENDITURE	Original Budget 2012/13 £'000	Actual Outturn 2012/13 £'000	Variance
Estimate of Capital Expenditure			
Non-HRA	8,041	18,253	126.99%
HRA	6,905	7,156	3.64%
Housing Reform settlement	0	0	
TOTAL	14,946	25,409	
Estimate of Capital Financing Requirement (CFR)			
Non-HRA	133,705	131,233	(1.85%)
HRA existing expenditure	40,887	40,531	(0.87%)
Housing Reform settlement	79,258	78,253	(1.27%)
	253,850	250,017	
AFFORDABILITY	Original Budget 2012/13	Actual Outturn 2012/13	Variance
Estimate of incremental impact of capital investment decisions			
Increase in council tax (band D, per annum)	£1.44	£0.00	
Increase in housing rent per week	£0.00	£0.00	
Ratio of Financing Costs to net revenue stream			
Non-HRA	2.55%	3.40%	(33.33%)
HRA	6.25%	15.44%	(147.04%)
Net External Borrowing only to support the CFR in Medium Term	£'000	£'000	
Net External borrowing over medium term	217,014	203,694	
Total CFR over Medium Term	255,212	250,017	
Net External Borrowing < Total CFR	TRUE	TRUE	
EXTERNAL DEBT	Original Budget 2012/13 £'000	Actual Outturn 2012/13 £'000	Variance
Authorised limit of external debt			
Borrowing	214,500	214,500	0.00%
Other long term liabilities	7,400	7,400	0.00%
Housing Reform Settlement	79,300	79,258	
TOTAL	301,200	301,158	

Operational boundary			
Borrowing	189,400	189,400	0.00%
Other long term liabilities	7,400	7,400	0.00%
Housing Reform Settlement	79,300	79,258	
TOTAL	276,100	276,058	

TREASURY MANAGEMENT	Original Budget 2012/13	Actual Outturn 2012/13	Variance
Upper limit for fixed interest rate exposure Net principal re fixed rate borrowing / investments	140%	140%	0%
Upper limit for variable rate exposure Net principal re variable rate borrowing / investment	-40%	-40%	0%
Upper limit for total principal sums invested for 364 days	£10 m	£10 m	
Maturity structure of fixed rate borrowing 2012/13	Upper/lower limit	Actual	
Under 12 months	10% - 0%	7.00%	
12 months and within 24 months	35% - 0%	2.97%	
24 months and within 5 years	40% - 0%	6.07%	
5 years and within 10 years	50% - 0%	6.88%	
10 years and above	90% - 30%	77.08%	

The prudential indicators of affordability listed above address the revenue implications of the authority's finances since, as a fundamental principle, all borrowings are secured on the authority's future revenue income. The CIPFA Prudential Code requires the prudential indicators in respect of external debt, as above, to be set and revised taking into account their affordability. It is through this means that the objectives of sustainability and prudence are addressed each year.

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Agenda Item	
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MEETING: **CABINET
OVERVIEW & SCRUTINY COMMITTEE**

DATE: **28 AUGUST 2013
4 SEPTEMBER 2013**

SUBJECT: **CORPORATE FINANCIAL MONITORING REPORT –
APRIL 2013 TO JUNE 2013**

REPORT FROM: **DEPUTY LEADER OF THE COUNCIL AND CABINET
MEMBER FOR FINANCE & CORPORATE AFFAIRS**

CONTACT OFFICER: **STEVE KENYON, ASSISTANT DIRECTOR OF
RESOURCES (FINANCE & EFFICIENCY)**

TYPE OF DECISION: **CABINET (KEY DECISION)**

FREEDOM OF INFORMATION/STATUS: This paper is within the public domain

SUMMARY: The report informs Members of the Council’s financial position for the period to June 2013 and projects the likely outturn at the end of 2013/14.

The report also includes Prudential Indicators in accordance with CIPFA’s Prudential Code.

OPTIONS & RECOMMENDED OPTION Members are asked to note the financial position of the Council as at 30 June 2013, and to approve the s151 officer’s assessment of the minimum level of balances.

IMPLICATIONS:

Corporate Aims/Policy Framework:	Do the proposals accord with Policy Framework? Yes.
Statement by the s151 Officer:	The report has been prepared in accordance with all relevant Codes of Practice. There may be risks arising from remedial

action taken to address the budget position; these will be identified by Directors at the quarterly Star Chamber meetings.

Statement by Executive Director of Resources:

Successful budget monitoring provides early warning of potential major overspends or underspends against budgets which Members need to be aware of.

This report draws attention to the fact that, based on the most prudent of forecasts, several budget hotspots exist which will need remedial action.

Members and officers will be examining these areas in more detail at the Star Chambers.

This report is particularly significant as it informs Members of the baseline financial position from which the Council sets its 2014/15 budget.

Equality/Diversity implications:

No

Considered by Monitoring Officer:

Budget monitoring falls within the appropriate statutory duties and powers and is a requirement of the Council's Financial Regulations to which Financial Regulation B: Financial Planning 4.3. (Budget Monitoring and Control) relates. The report has been prepared in accordance with all relevant Codes of Practice.

Are there any legal implications?

Yes

Wards Affected:

All

Scrutiny Interest:

Overview & Scrutiny Committee

TRACKING/PROCESS

ASSISTANT DIRECTOR: Steve Kenyon

Chief Executive/ Strategic Leadership Team	Cabinet	Overview & Scrutiny Committee	Council	Ward Members	Partners
Yes	28/8/13	4/9/13			

1.0 INTRODUCTION

- 1.1 This report informs Members of the forecast outturn for 2013/14, based upon current spend for the period to June 2013, in respect of the revenue budget, capital budget and the Housing Revenue Account.
- 1.2 Projections are based on current trends, information, and professional judgement from service managers and finance staff.
- 1.3 The revenue budget projections highlight the fact that budget pressures do still exist in some key areas and it will be necessary to continue to examine options for improving the situation further.

2.0 BUDGET MONITORING PROCESSES

- 2.1 Reports will be presented quarterly to facilitate close monitoring of spend and implementation of action plans during the year.
- 2.2 Reports are also presented to the Strategic Leadership Team on a monthly basis. Detailed monitoring information will also be discussed at Star Chamber meetings during the year.
- 2.3 It is intended that improvements will continue to be made to the budget monitoring process, building on the significant developments implemented over the past few years.

3.0 SUMMARY OF REVENUE BUDGET POSITION

- 3.1 The table below outlines the annual budget and forecast outturn based upon known factors and the professional views of service managers as at month 3:

Department	Budget £000	Forecast £000	Variance £000
Adult Care Services	52,745	52,841	+96
Chief Executives	4,569	5,265	+696
Children's Services	31,888	32,334	+446
Communities & Neighbourhoods	35,545	35,906	+361
Non-Service Specific	22,979	22,249	-730
TOTAL	147,726	148,595	+869

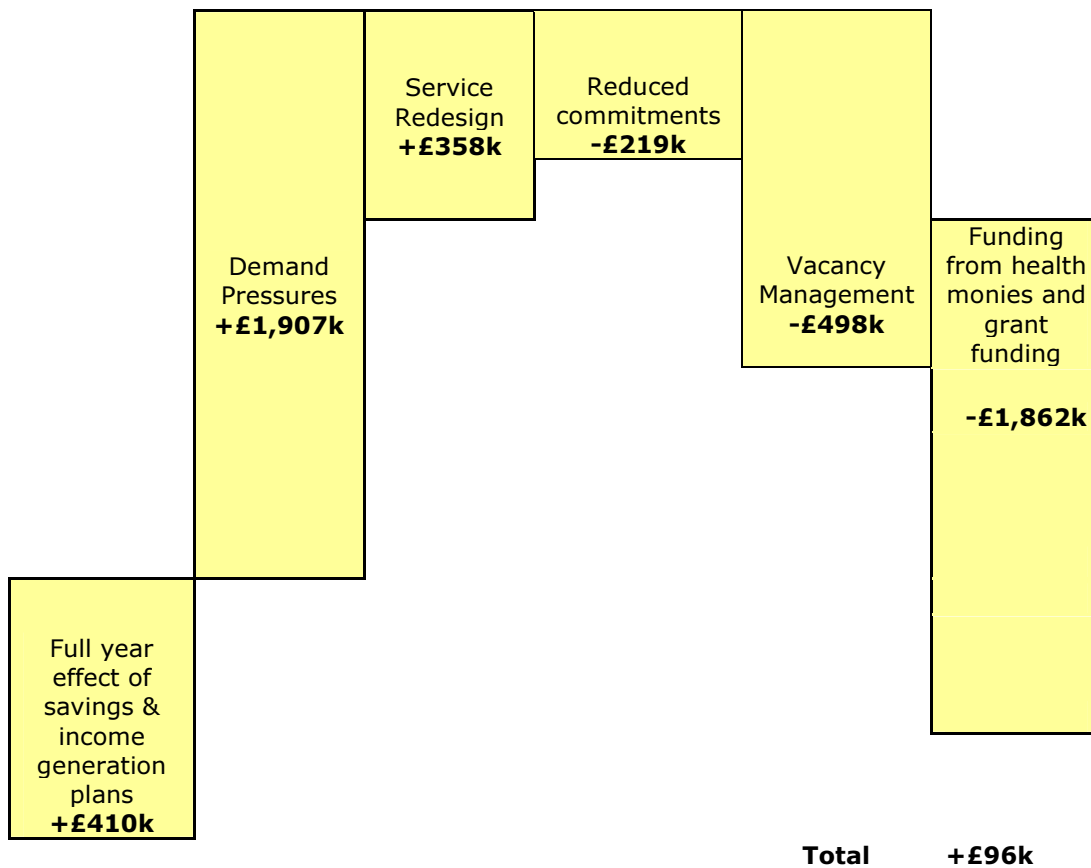
- 3.2 The projected overspend of **£0.869m** represents approximately **0.59%** of the total net budget of £147.726m.
- 3.3 Members need to be aware that financial reporting involves an element of judgement, and this particularly applies to the treatment of budget pressures. Often an area of overspending identified at this point in the year will resolve itself before the end of the year following appropriate remedial action.
- 3.4 However it is felt appropriate to alert Members to potential problems at this stage so that they can monitor the situation and take ownership of the necessary remedial action and this is the basis on which the report is written.

4.0 SERVICE SPECIFIC FINANCIAL MONITORING

4.1 ADULT CARE SERVICES

4.1.1 The current projected overspend for Adult Care Services is **£0.096m**, which is 0.18% of the Department’s net budget. This is a similar position to the outturn position for 2012/13, which was £0.103m overspent.

4.1.2 Reasons for major variations are illustrated in the chart below;



4.1.3 Further details by service area are outlined below, along with remedial action being taken.

Activity	Variance £'000	Reason	Action Being Taken
Strategic Housing Unit	+108	Historical shortfall in Partner Contribution	Options for addressing this are still under evaluation and should be implemented during 2012/13, to become effective during 2013/14.
Service redesign options	+250	Income shortfall; service redesigns not fully implemented during	A full service review is underway for the Integrated Community Equipment Store, which will determine its future operating structure. The pressure in relation to Seedfield will remain until the full corporate review is completed. In the

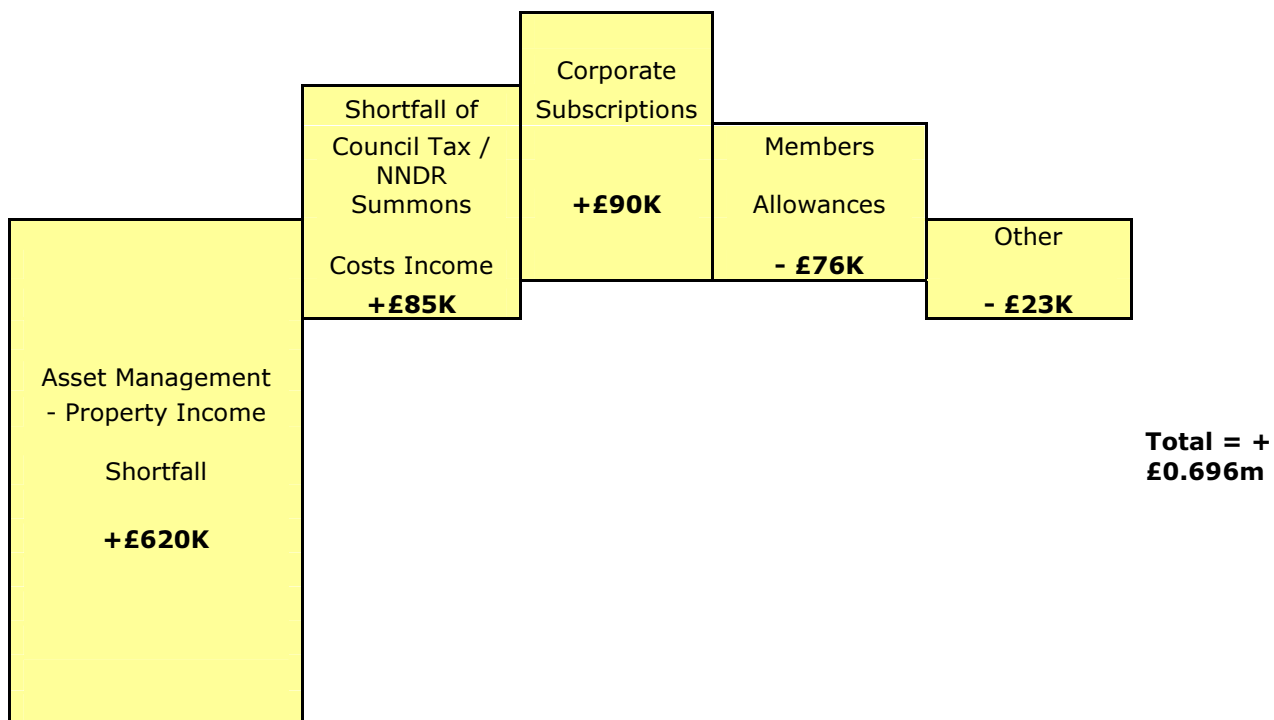
		2013/14	meantime, the overspend will be met temporarily from other areas.
Reduced income in relation to short term residential care	+151	Income shortfall	Contributions from customers in relation to short term residential care have to be calculated differently from contributions in respect of permanent care. This has created a cumulative funding pressure which will be addressed through a thorough review of income budgets under zero based budgeting and review of partner contribution to the Intermediate Care Service
Part year effect of savings	+259	Partner funding	A number of the services being reviewed will depend on contributions from Health and other partners to continue. The rationale for this is that the outcomes from those services are significantly linked with health outcomes and therefore jointly or fully funded by Health. Negotiations are ongoing.
Care in the Community: Older People Adults with Physical Disabilities Adults with Learning Disabilities Adults with Mental Health needs	+440 +681 +707 +80	Demand Pressures, especially re: home care/ supported living numbers (residential care numbers are reducing)	A range of preventative strategies continue to be introduced to manage this demand, such as reablement, triage, improved screening, 'signposting', and crisis response as well as a programme of training for front line staff around efficient support package planning. In addition, all existing high & medium cost care packages are kept under regular review. Adult Care's Procurement Team efficiencies contribute significantly to keeping spending levels down. Non-recurring health funding is being used in initiatives that should help to reduce the rate of increase of demand, which will be monitored as part of the evaluation process. However, the full benefits of these measures will not appear until future years. 2013/14 shortfall being met by offsetting savings in other service areas.
Reduced commitments	-219	Reduced commitments	There are a number of areas where current projections of social care support are under budget, an example of this is the take up of carers personal budgets. In future this commitment will be used to offset the carers support provided from within

			the community care budget.
Staff Vacancies	-499	Vacancy Management	Combination of gradual recruitment into services recently subject to major restructures, and deliberate holding back in recruiting into non-front line vacancies. There is no correlation between vacancy levels in services and sickness rates.
Use of Health monies and grant funding	-1,862	Funding from health monies and grant funding	Utilisation of historic underspends from Adult Care Specific Grants and a contribution of the Health monies towards the demand pressures within Community Care are ensuring that the net expenditure is balanced in year. Future actions around service redesign and invest to save initiatives will ensure that there is reduced reliance in future on grants and short term solutions to the ongoing issue of demand management.

4.2 CHIEF EXECUTIVE’S DEPARTMENT

4.2.1 The Chief Executive’s Department is forecasting an overall overspend of **£0.696m**, or 15.2% of a net budget of £4.569m.

4.2.2 Reasons for major variations are illustrated in the chart below;



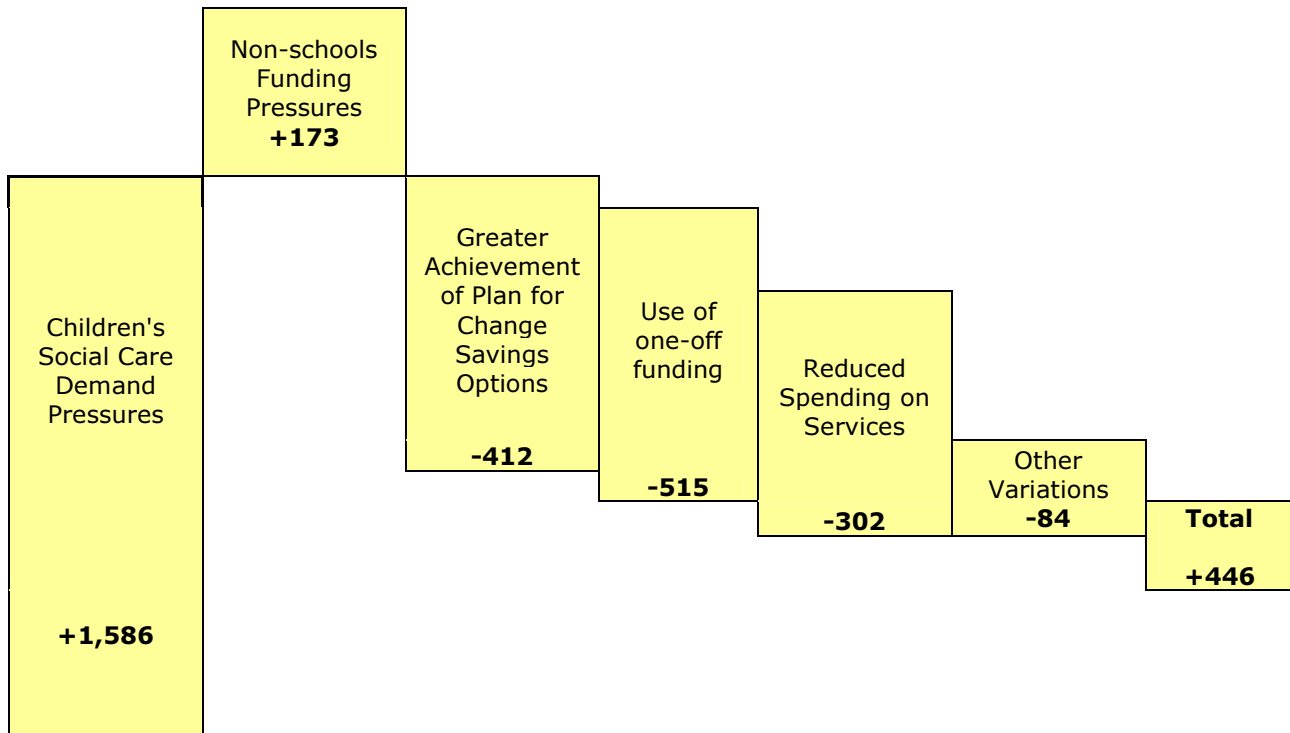
4.2.3 Property Services remains the most significant pressure facing the Department, offset by other savings, as follows;

Activity	Variance £'000	Reason	Action Being Taken
Property Services	+620	Shortfall in income due to reduced occupancy levels.	<p>Although most of the units at Bradley Fold that were vacated in 2011/12 have now been re-let, rents are significantly lower than what were achieved before the economic downturn. A number of units which were previously let are in the process of being demolished owing to their poor condition.</p> <p>A business case for the construction of new accommodation is being developed.</p> <p>The accounts for the Mill Gate Centre have been scrutinised in detail to ensure that all monies properly due to the Council are being paid and this will be an ongoing process.</p>
Corporate Subscriptions	+90	Payments to AGMA are forecast to overspend by £90,000 in 2013/14 (compared with £70,000 in 2012/13). The increase of £20,000 is mainly due to the "Public Sector Reform" element of the subscription.	Monitoring of the value obtained to the Council from the AGMA subscription compared with the cost.
Summons Costs	+85	Summons costs income for council tax and business rates are forecast to under-recover against historically high income budget targets.	Internal measures being taken to improve the income recovery rate.
Members Allowances	-76	Reductions in the level of Special Responsibility Allowances paid to Members continue to result in this forecasted underspend.	To be used to assist in reducing the estimated overspend within the department.
Other Variations	-23	Various minor underspends	To be used to assist in reducing the estimated overspend within the department.

4.3 CHILDREN'S SERVICES

4.3.1 The overall Children's Services budget is currently projecting an overspend of **£0.446m**, or 1.40% based on net budget of £31.888m.

4.3.2 Reasons for major variations are illustrated in the chart below;



4.3.3 Further details of the major variations are provided in the table below:

Activity	Variance £'000	Reason	Action Being Taken
Home to School Transport	+84	Increased demand and unfunded price increases	The committed expenditure for the remainder of the academic year was greater than the budget after the Plan for Change savings were made. A change in eligibility will help contain the overspending, however until the new academic year begins it is difficult to accurately predict the financial effect.
School Attendance	-40	Increased income and staff changes	Projecting an underspending as a result of penalty notice income, additional buy-back of service by schools and a member of staff reducing their working hours.

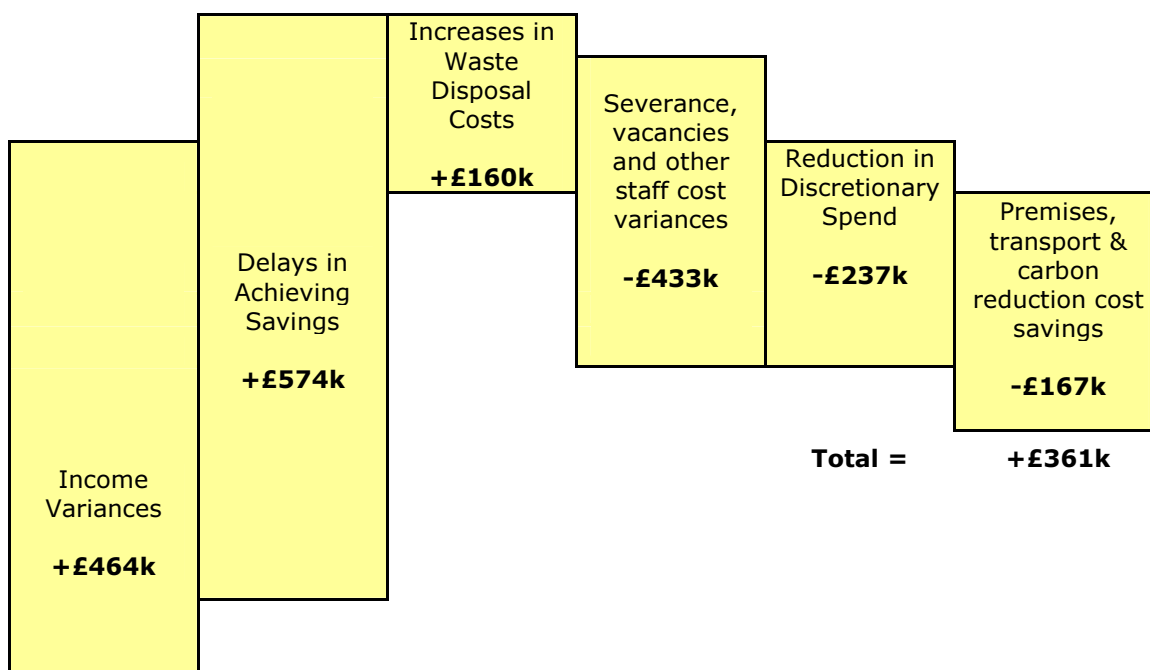
Youth Service	+70	There is an ongoing shortfall on the salary budget, an increase in the rates bill and computer software licences.	The 2012/13 overspending is being funded by savings from elsewhere within the Learning Division (see below).
Early Years including Children's Centres	-120	Non-filling of staff vacancies and reduced spending	The forecast underspend is based on 2012/13 spending levels and will require Early Years and associated children's centres to maintain this level of spending.
Connexions	-42	Underspend due to maternity leave not being covered.	The reduced spending is being used to contribute to the forecasted overspending in the Youth Service.
Leaving Care	+440	Spending on housing and further education of 19+ students who have now left our care	Spending on housing for children with complex needs and those living in semi-independent placements has increased by £485,000. The semi-independent placements cost between £40,000 and £50,000 each for a full year.
Short Breaks	-100	Savings on particular projects	The savings identified in the current financial year in preparation for the approved 2014-15 savings target.
Use of previous year's monies	-515	Previous years' underspending of external grant monies brought forward	During 2012/13 Children's Services took action to reduce spending in particular areas, including many supported by external grants as well as utilising underspendings on some externally funded schemes that now no longer exist. These unspent monies were brought forward into 2013/14 and are being used to offset some of the demand pressures afflicting the department.

Demand pressures - Children's Agency Placements	+1,147	Continuing increased Demand	<p>The continuing overspend has decreased from the projected £2+ million overspending during the corresponding period in 2012/13.</p> <p>A range of preventative strategies have/are being introduced to try to minimise future spending, with all high and medium cost care packages being rigorously reviewed. It is estimated that during the forthcoming months this overspend will continue to reduce the cost burden on this highly volatile budget.</p> <p>However, there is no guarantee that the total expenditure will be reduced as unknown future demand pressures could have a significant impact on the budget.</p> <p>Children's Services constantly strive to minimise the costs of each placement, which are amongst the lowest in the north-west, but it is extremely difficult to contain a budget that is subject to such significant and variable demand pressures.</p>
Strategic Management	-412	Continued maximisation of external grant funding as part of the Plan for Change arrangements	Making optimum use of grant funding to contribute to the Plan for Change savings targets, and also to mitigate the Department's demand pressures.
Other Services	-66	Staff vacancies and reduced spending on various services	Already being implemented.

4.4 COMMUNITIES AND NEIGHBOURHOODS

4.4.1 The department is currently projecting an overspend of **£0.361m**, or 1.01% of the latest net expenditure budget of £35.545m. The forecast allows for one-off severance costs estimated at £0.153m.

4.4.2 Reasons for major variations are illustrated in the chart below;



4.4.3 Further details are provided in the table below;

Activity	Variance £'000	Reason	Action Being Taken
Income variances	+464	Adult learning grant & fees £21k School library service reduced buy back £31k Grant funding of arts salaries (£26k) Library income shortfall £34k Planning & Building regulations income £129k Parking income shortfall £162k Refund re Millgate car park (£103k) Civic Halls surplus below target £100k Shortfalls on bulky waste income 48k, and trade waste income £169k Emergency & security service	Reduce spend levels (see below) Review level of service provision required by schools in light of reduced buy-back Use to offset overspends Reduce spend levels (see below) Budget adjustment of £137k in 2013/14; limit expenditure. Offset by one-off refund and other reductions in spend Continue to market & promote service and assess income from events. Offset by underspends elsewhere in the department Balanced by spend reductions (see below) Maintain income levels & control spend

		<p>exceeding surplus targets (£30k) Increased income on catering and cleaning services (£270k)</p> <p>Net shortfall in depot income since vacation by STH £36k</p> <p>Architects reduced surplus £218k</p> <p>Other variances (£55)</p>	<p>Will be reduced when Fernhill operations relocate to Bradley Fold and surplus premises disposed of Although the service covers its cost the reduction in fee levels and reduced capital programme limit the ability to meet the surplus target. Ongoing review of work and fee levels. Offset by underspends elsewhere in the department</p>
Delays in achieving savings	+574	<p>Libraries - phase 1 staff savings not fully implemented £36k Highways - delay in staffing changes £11k and management restructure £30k; non achievement of school crossing patrol income target £50k Highways car parking –introduction of Sunday charges and 15 min parking for part year £13k Destination management - £34k from rescheduled introduction of proposals Waste Management - extra £400k savings target not yet achieved</p>	<p>Offset by savings from vacancies and meet full PFC target in phase 2 Bring forward proposals to meet savings targets as early as possible</p> <p>Changes now implemented; monitor impact on income levels</p> <p>Introduction of changes ongoing</p> <p>Review of waste levy budgets and savings targets</p>
Increases in waste disposal levy costs	+160	<p>Forecast extra waste disposal levy charges - residual & recycling waste tonnage not achieving targets,</p>	<p>Continue to promote recycling activity; reduce residual waste by introducing recycling bins for litter and encourage recycling for commercial waste customers & school kitchens. Review and update enforcement policies/action</p>

<p>Severance, vacancies and other staff cost variances</p>	<p>-433</p>	<p>One off severance costs £153k, offset by provision in budget for severance costs (£200k) Adult learning salary savings in response to reduced income (£30k) Library posts held vacant in preparation for PFC savings (£121k) Planning salary savings to reduce net loss of income (£38k) Underspendings on waste management employee costs (£160k) Estimated increase in employers superannuation costs from introduction of auto-enrolment £40k Transport services staff costs & overtime (£45k) Underspendings on management & administration staffing (£32k)</p>	<p>Monitor spend against budget Use savings to offset overspends</p>
<p>Reduced discretionary spend</p>	<p>-237</p>	<p>Adult Learning exam fees, utility costs and supplies £32k Underspend on library supplies to offset income shortfall (£23k) Additional costs for AGMA units £27k Underspend on caddy liners (£158k) Underspend on office supplies & expenses (£27k) underspend on unallocated budgets in DCN contingency account (£111k) Other minor variances £22k</p>	<p>Use savings to offset overspends</p>
<p>Premises, transport & CRC cost savings</p>	<p>-167</p>	<p>Car parks underspends on rates and surface water drainage costs (£43k) Waste management transport & fuel costs exceeding budget £38k Cost of CRC allowances below budget provision (£45k) Provisional estimate of part year saving from vacating Castle Buildings & Athenaeum House as part of office accommodation moves (£30k) Part year savings from Fernhill move to Bradley Fold (£35k) Underspends on transport repairs, hire & leasing costs (£72k) Other variances £20k</p>	<p>Use savings to offset overspends</p>

4.5 NON-SERVICE SPECIFIC

4.5.1 There is a forecast net underspend of **£0.730m**, or 3.34% based on net budget of £21.842m. This relates primarily to the Council's Treasury Management activity (see section 8.0 for further details) and an increased dividend of £400,000 due to the revaluation of Manchester Airport on the acquisition of Stansted Airport.

5.0 CAPITAL BUDGET

5.1 Capital Programme

5.1.1 The revised estimated budget for the Capital Programme 2013/14 at the end of June, Month 3 of the year is shown in the table below:

2013/14	£million
Original Capital Programme	16.483
Approved Slippage from 2012/13	13.772
In year additions and other contributions	5.092
Re-profiled projects into 2014/15	(2.287)
Revised Budget for Year at Quarter 1	33.060

5.1.2 The expenditure and funding profile for the Capital Programme together with a detailed breakdown of the Original Approved Programme, the Revised Estimate, Forecast Outturn, Actual Spend up to end of Month 3, and the estimated under/overspend of the capital programme for 2013/14 is shown in Appendix A.

5.1.3 Members should note that given the complexity and size of some of the larger schemes currently in the Council's Capital Programme the information received from budget holders can vary significantly from one quarterly report to the next and should be read in this context.

5.1.4 At the end of Quarter1, a total of **£2.287m** of the 2013/14 budget has been identified for re-profiling to 2014/15. Most of this amount is attributed to Children Services Projects where the schemes are funded mainly by grants from Department of Education to a total of £2.046m. The remainder is attributable to Highways Traffic Calming schemes with a total of £0.229m and a further £0.012m on the Planning Environmental Projects towards the ELR that was deferred into 2014/15.

5.2 Expenditure

5.2.1 The Forecast Outturn as at Month 3 is indicated to be **£33.149m** and Budget Managers have reported that they expect to spend up to this amount by 31 March 2014.

5.2.2 The actual expenditure realised by the end of Month 3 is reported at a total of **£2.177m**.

5.2.3 The main areas of spend in the first quarter relate to:

- Property Redevelopment Schemes £0.463m

- Property Sale of surplus sites £0.210m
- Children’s Services - £0.406m
- Highways Schemes - £0.216m
- Planning Schemes - £0.180m
- Disabled Facilities and Adaptations grants - £0.197m
- Housing Public Sector - £0.164m

5.3. Variances

5.3.1 Appendix A gives details of variances for each scheme based on latest available information as supplied by budget managers and at Month 3 shows a predicted overspend for the Programme of £0.089million. The amount is not material in relation to the size of the programme and the schemes that are forecasted to overspend are monitored and analysed by budget managers. A remedial action if required will be taken as soon as the schemes’ details for expenditure and funding availability are finalised.

5.3.2 Brief reasons for all variances are provided in Appendix A attached with the report.

5.4 Funding

5.4.1 The funding profile included in Appendix A shows the resources available to cover the capital programme during 2013/14.

5.4.2 The principal source of funding for Capital schemes approved for the 2013/14 programme is made of external resources together with resources unspent and carried forward from previous years. The Council and Cabinet have also approved Invest to Save schemes supported by the Council’s own resources of **£2.5m** for the year.

5.4.3 The position of the capital receipts and borrowing as at the end of Month 3 is reported below. The figures in the table show the total funding requirement for the revised estimated capital programme and the expected resources to be supported by the Council as at the end of Quarter 3 of the year.

2013/14 Use of Council Resources for Capital Investment	£m
Revised Capital Programme for the year	33.060
Use of external funding and contributions	26.636
Balance of programme relying on Council resources	6.424
Use of Capital receipts and earmarked reserves	1.059
Use of Prudential Borrowing (2013/14 approved Invest to Save schemes)	3.936
Use of Prudential Borrowing (2012/13 schemes brought forward)	1.429
Total Council Resources used to support the Capital Budget for Year	6.424

5.5 Capital Programme Monitoring

5.5.1 The programme will be monitored closely during the year to minimise potential slippage into 2014/15. Departmental representatives will examine and confirm any action necessary to ensure that slippage into the following years is at its minimum.

6.0 HOUSING REVENUE ACCOUNT

6.1 The Housing Revenue Account (HRA) relates to the operation of the Council's housing stock and can be viewed as a landlord account. It is required by statute to be accounted for separately within the General Fund and is therefore effectively ring-fenced.

6.2 The latest estimates show a projected surplus (working balance carried forward) of £1.000m at the end of 2013/14. The projected outturn shows a working balance carried forward of £0.948m. See Appendix D.

6.3 There are a number of variations that contribute to the projected outturn position however there are no areas where the variance exceeds 10% and £50k.

6.4 The two main impacts on the HRA year end balance are normally **void levels** and the **level of rent arrears**, but levels of **Right to Buy sales** can also be a major influence on the resources available.

Voids:

The rent loss due to voids for April to June was on average 1.73% compared to a void target level set in the original budget of 1.8%. If this level continues for the rest of the year there would be an increase in rental income of around £0.020m; the projection of rental income in Appendix D has been calculated on this basis.

Six Town Housing have established a 'Voids Team' which brings together existing staff to focus on improving performance.

Arrears:

The rent arrears at the end of June totalled £0.854m, an increase of 4.7% since the end of March. Of this total £0.322m relates to former tenants and £0.532m relates to current tenants.

The Council is required to make a provision for potential bad debts. The contribution for the year is calculated with reference to the type of arrear, the amount outstanding on each individual case and the balance remaining in the provision following write off of debts.

The 2013/14 HRA estimates contain two provisions, £0.181m for uncollectable debts and £0.422m to reflect the potential impact that welfare benefit changes could have on the level of rent arrears.

The assessment of the impact of benefit changes is ongoing and the method of calculating the contribution required is being reviewed therefore the projected outturn has not been amended at this stage.

Right to Buy Sales:

Sales of dwellings declined significantly in recent years, from a peak of 243 in 2003/04 to only 7 sales in 2009/10. There were 18 sales in 2010/11,12 in 2011/12 and 13 last year.

The forecast for 2013/14 was set at 37, this being the level of sales assumed for Bury in the Government’s self-financing valuation.

From April 2012 the maximum Right to Buy discount increased from £26,000 to £75,000.

The number of sales has a direct effect on the resources available to the HRA – the average full year rent loss for each dwelling sold is around £3,700.

6.5 There have been 11 sales in the period April to June which reflects the higher number of applications received in 2012/13 than in previous years. The level of applications and sales is being monitored and the rental income projections will be revised at the end of the second quarter if sales are expected to exceed forecast.

7.0 PRUDENTIAL INDICATOR MONITORING

7.1 It is a statutory duty for the Council to determine and keep under review the “Affordable Borrowing Limits”. The authority’s approved Prudential Indicators (affordability limits) for 2013/14 is outlined in the approved Treasury Management Strategy Statement.

7.2 The authority continues to monitor the Prudential Indicators on a quarterly basis and Appendix C shows the original estimates for 2013/14 (approved by Council on 20 February 2013) with the revised projections as at 30th June 2013. The variances can be seen in the Appendix together with explanatory notes. The Prudential Indicators were not breached during the first three months of 2013/14.

8.0 TREASURY MANAGEMENT

8.1 Investments:

8.1.1 At the 30th June 2013 the Council’s investments totalled £47.4 million and comprised:-

Type of Investment	£ Million
Call Investments (Cash equivalents)	37.8
Fixed Investments (Short term investments)	9.6
Total	47.4

8.1.2 All investments were made in line with Sector’s suggested credit worthiness matrices and the approved limits within the Annual Investment Strategy were not breached during the first quarter of 2013/14.

8.1.3 The Council has earned the following return on investments:

Quarter 1 0.95%

8.1.4 This figure is higher than Sector's benchmark return of 0.90% for the year.

8.2 Borrowing:

8.2.1 External borrowing of £5 million was undertaken in the quarter to 30th June 2013.

8.2.2 This was a loan, taken over 3 years, to take advantage of low interest rates. The loan was required to partly replace a more expensive longer term loan, which had matured in February.

8.2.3 The overall strategy for 2013/14 is to finance capital expenditure by running down cash/investment balances and taking shorter term borrowing rather than more expensive longer term loans. With the reduction of cash balances the level of short term investments will fall. Given that investment returns are likely to remain low for the financial year 2013/14, then savings will be made by running down investments and taking shorter term loans rather than more expensive long term borrowing.

8.2.4 It is anticipated that further borrowing will be undertaken during this financial year.

9.0 MINIMUM LEVEL OF BALANCES

9.1 The actual position on the General Fund balance is shown in the following table:

	£m
General Fund Balance 31 March 2013 per Accounts	10.730
Less : Minimum balances to be retained in 2013/14	-4.400
Less : Contribution towards cost of Equal Pay	-1.500
Less : Forecast overspend	-0.869
Available balances at 1 April 2013	3.961

9.2 Based on the information contained in this report, on the risk assessments that have been made at both corporate and strategic level, on the outturn position for 2013/14 and using information currently to hand on the likely achievement of savings options, it is clear that there is no reason to take the minimum level of balances above the existing level of £4.400m.

9.3 In light of the above assessment it is recommended that the minimum level of balances be retained at **£4.400m**.

9.4 Members are advised that using available balances to fund ongoing expenditure would be a breach of the Council's Golden Rules. Likewise, Members are advised that the Authority faces significant funding reductions in the future, and balances are likely to be required to fund one-off costs of service transformation.

10.0 EQUALITY AND DIVERSITY

10.1 There are no specific equality and diversity implications.

11.0 FUTURE ACTIONS

- 11.1 Budget monitoring reports will continue to be presented to the Strategic Leadership Team on a monthly basis and on a quarterly basis to the Cabinet; Overview & Scrutiny Committee; and Audit Committee.
- 11.2 Star Chambers have been diarised for Quarters 1, 2 & 3 with Q1 meetings scheduled to take place throughout August and September 2013.

Councillor John Smith, Deputy Leader of the Council and Cabinet Member for Finance & Corporate Affairs

List of Background Papers:-

Finance Working Papers, 2013/14 held by the Assistant Director of Resources (Finance & Efficiency).

Contact Details:-

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Month 3 - 2013/14

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)			
	2013/14 Original Estimate	Slippage	Adjust- ments	Revised Estimate Before Reprofile	Reprofiled to Future Years	Revised Estimate After Reprofile Col.4-Col.5	Forecast Outturn 2013/14	2013/14 Month 03 Actual	Month 3 Variance / (Underspen d) or Overspend Col.7-Col.6	Direction of Travel	Notes	
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's			
1) SCHEMES DELIVERED WITHIN THE FINANCIAL YEAR 2012/13												
Chief Executive	Opportunity Land Purchase	-	114	-	114	-	114	-	-	(114)	L	
Chief Executive	Acquisition of Former Police HQ, Irwell Street			-	-	-	6	6	6	K		
Chief Executive	Demolition of Former Police HQ, Irwell Street	300			300		300	280	-	K		
Chief Executive	Acquisition of former Fire Station	-	136	(133)	3	-	3	4	4	1	K	
Chief Executive	Demolition of the Rock Fire Station	-	-	133	133		133	250	54	117	L	Variance due to timing of capital receipt
Chief Executive	Bury Market - New Toilets		9		9		9	9	9	0	K	
Chief Executive	Bradley Fold		127		127		127	95	69	(32)	L	Completion by January 2014
Chief Executive	Irwell Street Redevelopment				-		-	20	-	-	K	
Chief Executive	Corporate ICT Projects	300			300		300		-	-	K	
Adult Care Services	Older People	439	488	-	928	-	928	924	3	(3)	L	
Adult Care Services	Learning Disabilities	-	151	-	151	-	151	141	2	(10)	L	Firmer figures expected by Qtr2
Adult Care Services	Mental Health	-	300	-	300	-	300	300	-	-	K	
Adult Care Services	Improving Info.Management	-	212	-	212	-	212	212	-	-	K	
Adult Care Services	Empty Property Strategy	199	226	-	425	-	425	425	10	-	K	
Adult Care Services	Disabled Facilities Grant	620	449	14	1,082	-	1,082	1,082	96	-	K	
Adult Care Services / Urban Renewal	GM Green Deal and ECO Deliver Partnership	1,200			1,200		1,200	1,200	-	-	K	
Children's Services	Support Services		24	-	24	-	24	28	28	4	K	
Children's Services	NDS Modernisation		6,616	3,926	10,541	(21)	10,520	10,520	170	-	K	Variance reflects budgets to be allocated in line with decisions made in the year.
Children's Services	Access Initiative	-	77	-	77	(58)	19	19	12	-	K	
Children's Services	Derby High School Sport Hall - Council Capital Prog	1,295	0	285	1,580	(295)	1,285	1,285	(11)	(0)	K	
Children's Services	Short Break Allocation		179		179		179	179	11	-	K	
Children's Services	Early Education Fund		324	-	324	-	324	324	-	-	K	
DCN - Highways	Highway Network Services	2,529	-	2	2,530	-	2,530	2,530	70	(0)	K	
DCN - Highways	Bridges	475		(2)	473	-	473	473	124	(0)	K	
DCN - Highways	Transportation & Parking	106	28	242	377	(28)	348	348	22	-	K	
DCN - Highways	Traffic Mngt/Road Safety	250	216		466	(201)	265	265	-	0	K	Firmer figures expected by Qtr2
DCN - Planning	Development Group Projects	295	109	-	404	-	404	317	5	(87)	L	Building purchase planned and demolition of existing building being investigated.
DCN - Planning	ELR Trust	-	-	-	-	-	-	-	1	-	K	
DCN - Planning	Environmental Projects	320	242	112	674	(12)	662	662	174	-	K	
DCN - Leisure	Parks	-	-	2	2	-	2	2	0	-	K	
DCN - Leisure	Leisure Facilities		28	252	280	-	280	280	(41)	-	K	
DCN - Environmental Works	Contaminated Land	-	51	-	51	-	51	51	-	-	K	Likely to record a small under spend
DCN - Environmental Works	Air Quality	-	10	-	10	-	10	10	-	-	K	
DCN - Other	Re-cycling Initiative Extension	-	19	37	56	-	56	56	40	-	K	
DCN - Other	Waste Infrastructure Grant	-	54	-	54	-	54	54	-	-	K	
DCN - Operational Services	CCTV ~ Control Room Bradley Fold		0	-	0		0	-	0	(0)	K	
DCN - Operational Services	Operational Depots Rationalisation	228	312		540		540	617	84	77	L	Firmer figures expected by Qtr2
DCN - Other	Refurbishment Backlog	-	8	-	8	-	8	-	-	(8)	L	Creditor and fees to be paid Qtr2
Six Town Housing / Adult Care Services	Disabled Facilities Adaptations	515	-	-	515	-	515	501	91	(14)	L	Firmer figures expected by Qtr2

Six Town Housing - Public Sector	Major Repairs Allowance Schemes	7,113	704		7,817	-	7,817	7,831	169	14	L	Firmer figures expected by Qtr2
CAPITAL SCHEMES SUBTOTAL		16,183	11,212	4,870	32,266	(615)	31,651	31,601	1,499	(51)		

2) LONGER TERM SCHEMES DELIVERED OVER THREE TO FOUR FINANCIAL YEARS

Chief Executive	Townside Fields - Joint Venture	-	5	-	5	-	5	5	274	-	K	Budget allocation under review by property Services.
Chief Executive	Radcliffe Town Centre Redevelopment	300			300		300	250	19	(50)	L	
Chief Executive	The Rock Fire Station Redevelopment		4		4		4	10	-	7	L	
Chief Executive	New Leisure Centre at Knowsley Street				-		-		3	-	K	
Chief Executive	Sale of Assets	-	-	-	-	-	-	223	210	223	L	Offset at year end against realised sales.
Children's Services	DFES - Devolved Formula	-	1,612	506	2,118	(1,622)	496	496	157	-	K	Spend takes place over a 3yr rolling programme allocated directly to schools
Children's Services	Targetted Capital Funds	-	611		611	(51)	560	520	27	(40)	L	
Children's Services	Children Centres	-	44		44	-	44	44	-	-	K	Scheme finished
Children's Services	Extended Schools	-	285	(285)	-	-	-	-	13	-	K	Decisions on projects to be taken later in the year
DCN - Environmental Svces	Pimhole Renewal Area	-	-	-	-	-	-	-	(25)	-	K	
LONGER TERM SCHEMES SUBTOTAL		300	2,559	221	3,081	(1,672)	1,409	1,548	678	140		
Total Bury MBC controlled programme		16,483	13,772	5,092	35,347	(2,287)	33,060	33,149	2,177	89		

Funding position:

Capital Receipts	558	136	-	694	(201)	493	633
Reserve / Earmarked Capital Receipts	499	30	37	566	-	566	566
General Fund Revenue	-	-	-	-	-	-	(50)
Housing Revenue Account	-	-	-	-	-	-	-
Capital Grants/Contributions	3,863	11,306	4,933	20,102	(1,779)	18,323	18,323
HRA/MRA Schemes	7,628	685	-	8,313	-	8,313	8,313
Supported Borrowing	-	-	-	-	-	-	-
Unsupported Borrowing	3,936	1,614	122	5,672	(307)	5,365	5,365
	16,483	13,772	5,092	35,347	(2,287)	33,060	33,149

(0)

Key for budget monitoring reports

Projected Overspend (or Income Shortfall)

	a major problem with the budget	more than 10% and above £50,000
	a significant problem with the budget	more than 10% but less than £50,000
	expenditure/income in line with budget	
	a significant projected underspend (or income surplus)	more than 10% but less than £50,000
	a major projected underspend (or income surplus)	more than 10% and above £50,000

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April 2013 - June 2013 Monitor

	2013/14 Original Estimate	2013/14 Latest Estimate	2013/14 Projected Outturn	2013/14 Variation Over/(Under)
	£	£	£	£
INCOME				
Dwelling rents	29,603,900	29,603,900	29,625,171	(21,271)
Non-dwelling rents	219,300	219,300	213,572	5,728
Heating charges	73,400	73,400	76,427	(3,027)
Other charges for services and facilities	887,800	887,800	889,571	(1,771)
Contributions towards expenditure	54,600	54,600	54,600	0
Total Income	30,839,000	30,839,000	30,859,342	(20,342)
EXPENDITURE				
Repairs and Maintenance	0	0	0	0
General Management	773,500	773,500	723,357	(50,143)
Special Services	732,600	732,600	726,574	(6,026)
Rents, rates, taxes and other charges	88,100	88,100	76,600	(11,500)
Increase in provision for bad debts - uncollectable debts	180,900	180,900	180,900	0
Increase in provision for bad debts - impact of Benefit Reforms	422,100	422,100	422,100	0
Cost of Capital Charge	4,593,200	4,593,200	4,704,769	111,569
Depreciation/Impairment of fixed assets - council dwellings	7,112,500	7,112,500	7,112,500	0
Depreciation of fixed assets - other assets	38,800	38,800	40,463	1,663
Debt Management Expenses	45,400	45,400	45,400	0
Contribution to Business Plan Headroom Reserve	3,689,400	3,689,400	3,689,400	0
Total Expenditure	17,676,500	17,676,500	17,722,063	45,563
Net cost of services	(13,162,500)	(13,162,500)	(13,137,279)	25,221
Amortised premia / discounts	(14,600)	(14,600)	(14,600)	0
Interest receivable - on balances	(150,200)	(150,200)	(150,200)	0
Interest receivable - on loans (mortgages)	(2,600)	(2,600)	(1,900)	700
Net operating expenditure	(13,329,900)	(13,329,900)	(13,303,979)	25,921
Appropriations				
Appropriation relevant to Impairment	0	0	0	0
Appropriation relevant to depreciation and MRA	(38,800)	(38,800)	0	38,800
Revenue contributions to capital	515,400	515,400	515,400	0
(Surplus) / Deficit before ALMO/SHU payments	(12,853,300)	(12,853,300)	(12,788,579)	64,721
Payments to Six Town Housing / Transfers re Strategic Housing Unit excluded from above				
Six Town Housing Management Fee	12,718,600	12,718,600	12,718,600	0
Contribution to SHU Costs	320,000	320,000	320,000	0
Total	13,038,600	13,038,600	13,038,600	0
(Surplus) / Deficit after ALMO/SHU payments	185,300	185,300	250,021	64,721
Working balance brought forward	(1,185,300)	(1,185,300)	(1,198,461)	(13,161)
Working balance carried forward	(1,000,000)	(1,000,000)	(948,440)	51,560

key for budget monitoring reports	
Projected Overspend (or Income Shortfall) of	
	a major problem with the budget - more than 10% and above 50K
	a significant problem with the budget - more than 10% but less than 50K
	expenditure/income on line with budget
	a significant projected underspend (or income surplus) - more than 10% but under 50K
	a major projected underspend (or income surplus) - more than 10% and above 50K

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Prudential Indicator Monitoring Month 3 2013/14

The table below shows the prudential indicators as derived from the Treasury Management Strategy Report for 2013/14 and the Original Budget for 2013/14 as approved at Council in February 2013. The Original Budget for 2013/14 is compared with the Forecast Outturn for 2013/14 as at 30th June 2013.

CAPITAL EXPENDITURE	Original Budget	Forecast	Variance	Notes
	2013/14	Outturn at 30 Jun 13		
	£'000	£'000		
Estimate of Capital Expenditure				
Non-HRA	8,855	24,728	179.25%	1
HRA existing expenditure	7,628	8,332		1
TOTAL	16,483	33,060		
Estimate of Capital Financing Requirement (CFR)				
Non-HRA	129,764	132,838	2.37%	3
HRA existing expenditure	40,107	40,531		3
HRA reform settlement	78,253	78,253		3
	248,124	251,622		

AFFORDABILITY	Original Budget	Forecast	variance	Notes
	2013/14	Outturn at 30 Jun 13		
	£'000	£'000		
Estimate of incremental impact of capital investment decisions				
Increase in council tax (band D, per annum)	£0.85	£0.54	-36.94%	4
Increase in housing rent per week	£0.00	£0.00		5
Ratio of Financing Costs to net revenue stream				
Non-HRA	2.95%	3.27%	10.99%	6
HRA	14.81%	15.17%	2.41%	6
Net External Borrowing only to support the CFR in Medium Term	£'000	£'000		
Net External borrowing over medium term	206,621	207,940		7
Total CFR over Medium Term	255,212	251,622		7
Net External Borrowing < Total CFR	TRUE	TRUE		

EXTERNAL DEBT	Original Budget	Forecast	variance	Notes
	2013/14	Outturn at 30 Jun 13		
	£'000	£'000		
Authorised limit of external debt				
Borrowing	214,500	214,500		
Other long term liabilities	7,400	7,400		
HRA reform settlement	79,300	79,300		
TOTAL	301,200	301,200		8

Operational boundary			
Borrowing	189,400	189,400	
Other long term liabilities	7,300	7,300	
HRA reform settlement	79,300	79,300	
TOTAL	276,000	276,000	8

TREASURY MANAGEMENT	Original Budget 2013/14	Forecast Outturn at 30 Jun 13	variance	Notes
Upper limit for fixed interest rate exposure Net principal re fixed rate borrowing / investments	140%	140%		9
Upper limit for variable rate exposure Net principal re variable rate borrowing / investments	-40%	-40%		9
Upper limit for total principal sums invested for longer than 364 days	£10m	£10m		10
Maturity structure of fixed rate borrowing at 30 Jun 2013	Upper/lower limit	Actual		
Under 12 months	40% - 0%	7.64%		
12 months and within 24 months	35% - 0%	2.95%		
24 months and within 5 years	40% - 0%	6.01%		
5 years and within 10 years	50% - 0%	6.83%		
10 years and above	90% - 30%	76.57%		

Notes to the Prudential Indicators:

1. The original budget shows the approved Capital Programme expenditure of £16,483,000. The forecast outturn of £33,060,000 is higher than budget because of slippage from 2012/13.
2. Following the Government announcement to reform the system of financing Council housing, the Authority had to pay the Department for Communities and Local Government £78.253m on the 28th March 2012. The Council financed this expenditure by PWLB loans.
3. Capital Financing Requirement relates to all capital expenditure – i.e. it includes relevant capital expenditure incurred in previous years. The Capital financing requirement reflects the authority's underlying need to borrow.
4. The finance costs related to the increases in capital expenditure impact upon Council tax. The increase in Council Tax reflects the level of borrowing to be taken in 2013/14 to finance current and previous years' capital expenditure.
5. There is no direct impact of capital expenditure on housing rents as the housing rent is set according to Government formula.
6. The ratios for financing costs to net revenue stream for both General Fund and HRA have remained relatively stable.

7. To ensure that borrowing is only for a capital purpose and therefore show that the authority is being prudent this indicator compares the level of borrowing and capital financing requirement (CFR) over the medium term. The level of borrowing will always be below the CFR.
8. The authorised limit and operational boundary are consistent with the authority's plans for capital expenditure and financing. The authorised limit is the maximum amount that the authority can borrow.
9. The variable and fixed limits together look at the whole portfolio and will therefore together always show 100% exposure. Variable interest rate limit can be positive or negative as investments under 364 days are classed as variable and are credit balances which are offset against debit variable loans. The smaller the balance of investments, the more likely the variable limit will be positive as the variable loan debit balance will be higher than the credit investment balance offset against it.
10. Principal sums invested for periods longer than 364 days have been set at £10 million. The investment balance is estimated to be cash flow driven, however if the opportunity arises that surplus investment balances are available then advantage will be taken of favourable rates.

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