

# REPORT FOR DECISION



<b>MEETING:</b>	<b>CABINET OVERVIEW &amp; SCRUTINY COMMITTEE</b>
<b>DATE:</b>	<b>28 JUNE 2017 4 JULY 2017</b>
<b>SUBJECT:</b>	<b>REVENUE AND HRA OUTTURN 2016/2017</b>
<b>REPORT FROM:</b>	<b>CABINET MEMBER FOR FINANCE AND HOUSING</b>
<b>CONTACT OFFICER:</b>	<b>STEVE KENYON, INTERIM EXECUTIVE DIRECTOR OF RESOURCES &amp; REGULATION</b>  <b>ANDREW BALDWIN, HEAD OF FINANCIAL MANAGEMENT</b>
<b>TYPE OF DECISION:</b>	<b>CABINET (KEY DECISION)</b>
<b>FREEDOM OF INFORMATION/STATUS:</b>	This paper is within the public domain
<b>SUMMARY:</b>	<p><b>PURPOSE/SUMMARY:</b></p> <p>This report provides Members with details of:</p> <ul style="list-style-type: none"> <li>• the revenue outturn figures in respect of the last financial year (2016/2017).</li> <li>• major variances between the revised estimate and the outturn;</li> <li>• the level of school balances;</li> <li>• HRA outturn for the year;</li> <li>• The minimum level of balances in the light of risk assessments</li> </ul> <p>The figures in the report are consistent with the figures included within the Statement of Accounts which were approved by the Responsible Finance Officer on 5 June and will be presented to Audit Committee on 20 July 2017. The figures in this report are presented in a format consistent with the Revenue Budget approved by Council on 24 February 2016.</p>

<p><b>OPTIONS &amp; RECOMMENDED OPTION</b></p>	<p>Members are asked to:</p> <p>a) Note the final outturn for 2016/17, and explanations for major variances (Appendix A, B and C);</p> <p>b) Endorse the recommendations of the Interim Executive Director of Resources &amp; Regulation for the minimum level of balances in light of the review of the corporate risk assessments and departmental risk assessments (Section 4).</p> <p><b>Recommended Option:</b></p> <p>It is recommended that;</p> <p>a) The final revenue outturn and HRA outturn for 2016/17 be noted along with explanations for major variances;</p> <p>b) The level of the General Fund balances be noted;</p> <p>c) The minimum level of the General Fund balance calculated at £4.250m for 2017/18 is subject to regular review as part of the budget monitoring process.</p>
<p><b>IMPLICATIONS:</b></p>	
<p><b>Corporate Aims/Policy Framework:</b></p>	<p>Do the proposals accord with the Policy Framework?      Yes</p>
<p><b>Financial Implications and Risk Considerations (statement by s151 officer):</b></p>	<p>Revenue expenditure has been incurred in accordance with the agreed Revenue Budget.</p>
<p><b>Statement by Interim Executive Director of Resources &amp; Regulation:</b></p>	<p>There are no wider resource implications.</p>
<p><b>Equality/Diversity implications:</b></p>	<p>No (see paragraph 8.1, page 10).</p>
<p><b>Considered by Monitoring Officer:</b></p>	<p>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.</p>
<p><b>Are there any legal implications?</b></p>	<p>No</p>
<p><b>Wards Affected:</b></p>	<p>All</p>

<b>Scrutiny Interest:</b>	Overview & Scrutiny Committee
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## TRACKING/PROCESS

**DIRECTOR: STEVE KENYON**

Chief Executive/ Strategic Leadership Team	Cabinet	Ward Members	Partners
05/06/17	28/06/17		
Overview & Scrutiny Committee		Committee	Council
04/07/17			

### 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 2016/17.
- 1.2 Work on the closure of the 2016/17 Accounts is complete and the Responsible Finance Officer approved the draft Statement of Accounts for 2016/17 on 5 June 2017. 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.

### 2.0 REVENUE OUTTURN 2016/17

- 2.1 As the table shows, there was a total overspend against the Revised Estimate of **£1.670m**.

	<b>£000's</b>
2016/2017 Revised Estimate	125,536
2016/2017 Outturn	127,206
<b>Overspend</b>	<b>1,670</b>

- 2.2 The revenue outturn and details of the major variations service by service are shown at Appendix A (pages 10 to 21) and are summarised below:

Department	Budget	Outturn	Variance
	£000s	£000s	£000s
Children, Young People & Culture	42,891	44,922	2,031
Communities & Wellbeing	70,624	72,374	1,750
Resources & Regulation	2,268	2,530	262
Non Service Specific	9,753	7,380	(2,373)
<b>TOTAL</b>	<b>125,536</b>	<b>127,206</b>	<b>1,670</b>

2.3 However, an overview of the reasons for this variance is outlined in the table overleaf below:

Final Outturn	Children Young People & Culture	Communities & Wellbeing	Resources & Regulation	Non Service Specific	TOTAL
Reason	£'000	£'000	£'000	£'000	£'000
Demand Pressures	2,575	5,910	370	312	<b>9,167</b>
Delayed Achievement of Cuts Options	0	3,070	0	0	<b>3,070</b>
Non-Achievement of Cuts Options	333	0	52	0	<b>385</b>
Income Shortfall	0	344	971	0	<b>1,315</b>
Planned use of one-off funding	255	(5,727)	0	0	<b>(5,472)</b>
Continued Impact of 10 Control Measures	(1,033)	(1,847)	(1,131)	0	<b>(4,011)</b>
Other	(99)	0	0	(2,685)	<b>(2,784)</b>
<b>TOTAL</b>	<b>2,031</b>	<b>1,750</b>	<b>262</b>	<b>-2,373</b>	<b>1,670</b>

2.4 All other things being equal, the outturn reported above will leave available General Fund balances standing at **£4.143m** at 31<sup>st</sup> March 2017.

### 3.0 SCHOOLS POSITION

3.1 The Dedicated Schools Grant is ring fenced and these externally provided monies can only be spent on schools and associated areas, which are specified by the Department for Education (DfE) in various Statutory Instruments. In accordance with these statutory requirements, the balances of each school are carried forward into the next financial year for the benefit of the relevant school.

3.2 The overall level of school balances at 31<sup>st</sup> March 2017 is a deficit £1.862m. This represents a decrease of £2.620m from the opening balance of £0.758m surplus. This is summarised in the table below with details of previous years for comparison where it can be seen that the level of schools' balances was greater than the level of overspending within the Central Spend part of the DSG Control Account.

Year	DSG Control A/c Central Spend	School Balances – net surplus	Overall Level of Balances
	£000's	£000's	£000's
2011/12	237	(8,042)	(7,805)
2012/13	664	(6,852)	(6,188)
2013/14	2,554	(6,662)	(4,108)
2014/15	3,731	(6,724)	(2,993)
2015/16	6,028	(6,786)	(758)
<b>2016/17</b>	<b>6,818</b>	<b>(4,956)</b>	<b>1,862</b>

- 3.3 The level of school balances at 31<sup>st</sup> March 2017 is a surplus of £4.956m. In total, this represents a decrease of £1.830m from the opening surplus balance of £6.786m. Appendix B shows an analysis of movements on school balances to allow Members to consider the spread of school balances around the Borough. However, there is a deficit of just over £6.818m relating to Central Spend within the Schools Block and the DSG Control Account.
- 3.4 2016/17 is the first year where the deficit within the DSG Control Account is greater than the level of school balances. Significant action will need to be taken to reduce the amount of deficit. It is difficult to implement an in-year change as school budgets have already been determined and cannot be changed during the current financial year. Consequently plans will be put in place to recover the amount of the deficit over the next two financial years which will coincide with the introduction of the National Funding Formula that is due to begin in 2018/19.
- 3.5 The large increases in Central Spend since 2013/14 are as a consequence of the transfer of responsibilities for post-16 students with Learning Difficulties and Disabilities attending Sixth Form and FE colleges. The level of funding made available by the Education Funding Agency's predecessor was insufficient to meet the demand pressures of these students and coupled with the in-house provision in Bury is not able to meet the significant increase in demand, which means that there are more pupils with SEN attending much more expensive independent special schools.
- 3.6 The net variations within the Central Spend are included within the Control Account of the Dedicated Schools Grant. Any surplus within this umbrella account can in the future be distributed to schools.

3.7 The main variations are:

	Revised Estimate	Out-turn	2016/17 Variation	2015/16 Variation
	£000's	£000's	£000's	£000's
LLDD Post-16 Provision (par. 3.8)	1,132	1,498	366	673
Independent Special Schools (par. 3.9)	5,590	5,685	95	1,752
Provision for Pupils with SEN (par. 3.10)	2,694	2,271	(423)	(464)
Early Years funding (par. 3.11)	6,489	6,307	(182)	(451)
Pupil Growth (par. 3.12)	150	0	(150)	(150)
Looked After Children	251	276	25	5
CLAS	928	982	54	(5)
Termination of Employment	0	29	29	99
Other	2,694	2,720	26	31
<b>Total Central Spend</b>	<b>19,928</b>	<b>19,768</b>	<b>(160)</b>	<b>1,490</b>
School Delegated Budgets	134,270	129,315	(4,955)	(6,786)
External Funding Control Account	0	6,978	6,978	4,538
<b>Total School Spending</b>	<b>154,198</b>	<b>156,061</b>	<b>1,863</b>	<b>(758)</b>

3.8 The Education Funding Agency (EFA) of the Department for Education provides 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. In addition, the funding is supposed to cover Learners with Learning Difficulties or Disabilities (LLDD) students attending FE colleges and despite numerous requests additional funding is not forthcoming.

3.9 Higher numbers of pupils attending other Local Authority and Independent Special Schools coupled with increased fees charged by these schools means that the budget continues to overspend, despite a budget increase to match the previous years' spending levels. N.B. this additional budget allocation has been funded by increasing the deficit within the DSG Control Account, which continues to increase to very high and unsustainable levels.

3.10 Provision for Pupils with SEN includes services that have carried a number of vacancies, some in anticipation of the Service Reviews that have been undertaken in preparation for the savings requirements for 2017/18 to 2019/20.

3.11 The level of take-up by parents was lower than the funding provided by the DfE. There is further uncertainty about the level of take-up as the Government's policy

of extending 'free-entitlement' to 30 hours per week for 3 and 4 year olds is planned to begin in September 2017.

- 3.12 A provision is retained for any in-year growth in pupil numbers above the thresholds sanctioned by the Schools Forum. These monies have not been used for more than 2 years and are used to offset overspendings elsewhere in the Central Spend.
- 3.13 With regards to surplus and deficit balances, the DSG Control Account includes deficit balances from previous years, which continues to escalate. With regards to surplus balances, as at 31<sup>st</sup> March 2017, schools have accumulated a surplus balance of £5.116m across schools in Bury. This is a decrease of approx £2m when compared to 31<sup>st</sup> March 2016.
- 3.14 69 out of 78 schools with delegated budgets had surplus balances at the end of the 2016/17 financial, which are 7 fewer than at the end of the 2015/16 financial year.
- 3.15 7 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, Young People & Culture, who will take into account the views of the Schools Forum. This is a decrease from the 10 different schools that had reportable balances in the previous financial year, with 1 school being above the reportable threshold for 2 successive years.
- 3.16 Manchester Mesivta High School became a significant financial problem in September 2011, which led to financial delegation being withdrawn from the Governing Body. Subsequently Financial Services, on behalf of the Executive Director, manage the finances of this school, which has also been endorsed by the DfE during their purchase of the land from the Trustees of the Manchester Jewish Grammar School.
- 3.17 As at 31<sup>st</sup> March 2017, Mesivta's carry forward deficit is £108,737, which is £75,000 lower than the deficit in 2015/16 and is almost £300,000 lower than the £384,655 deficit at the end of the 2013/14 financial year. This latter amount was 72.6% of the school's total revenue budget, while the current deficit is 17% of the school's revenue budget.
- 3.18 The proposed debt recovery plan agreed with the Governors should see the school back in surplus during the second part of 2018/19, which is 7 years from when the school first identified there was a financial problem that the Governors were unable to manage.

#### **4.0 GENERAL FUND BALANCES**

4.1 The closing position in respect of General Fund balances is as follows:

	£m
<b>General Fund Balance 31 March 2016</b>	<b>10.063</b>
Less : 2016/17 Year End Overspend	-1.670
<b>General Fund Balance 31 March 2017</b>	<b>8.393</b>
Less : Minimum balances to be retained in 2017/18	-4.250
<b>Available balances at 1 April 2017</b>	<b>4.143</b>

4.2 Given potential budget pressures facing the authority in the future it is strongly recommended that the available balances are retained.

## **5.0 RISK MANAGEMENT**

- 5.1 In determining the minimum level of balances, a key aspect of the assessment made by the Interim Executive Director of Resources and Regulation is the level of risk faced by the authority that may impact on the financial situation.
- 5.2 For 2017/18 the Council accepted the Interim Executive Director's recommendation that the minimum level of balances should be kept at **£4.250m**.
- 5.3 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.
- 5.4 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.
- 5.5 A further assessment of minimum balances will be incorporated into the Month 3 Budget Monitoring report that will be presented to Cabinet in September 2017.
- 5.6 Effective budget monitoring is vital and various risk management techniques have been applied to budget monitoring throughout the year. These include cost bridges and 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 Joint SLT / Cabinet meetings.
- 5.7 The use of this methodology will continue in 2017/18 and reports will continue to be presented to the Cabinet meetings and those others listed above.

## **6.0 HOUSING REVENUE ACCOUNT OUTTURN 2016/17**

- 6.1 The Housing Revenue Account (HRA) for 2016/17 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. In 2016/17 a contribution of £2.402m was required from the Business Plan Headroom Reserve to cover the in-year deficit and maintain the working balance at £1.010m; this contribution was £0.229m more than expected.
- 6.2 There are a number of variations that have contributed to this overall result; however, the variances only exceed 10% and £50k in the following areas:
  - Increase in provision for bad debts – the budget contained two provisions, £0.181m for uncollectable debts and £0.302m 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 £0.278m less than the budget. The reduced requirement has resulted in part from delays in the implementation of some welfare benefit changes; however, the actions of the Welfare Reform Group, close working with Partners in implementing the Corporate Debt Policy and continued high rent collection performance by Six Town Housing have all contributed to the result.

- 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 - £0.450m was required to fund additional costs within the HRA Capital Programme with the balance being the HRA contribution to the acquisition/refurbishment cost of four properties on Albion Street which became part of the HRA dwelling stock just before the end of 2016/17.

- 6.3 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.
- 6.4 The rent loss due to voids for 2016/17 was on average 1.74%. The original dwelling rents budget allowed for a void level target of 1.6%. This increase in void losses equates to a reduction in rental income of £0.042m.
- 6.5 The total rent arrears at the end of 2016/17 were £1.235m, an increase of 6.8% from the start of the year when arrears totalled £1.156m.
- 6.6 The original HRA budgets assumed 50 Right to Buy sales during 2016/17. The actual number of sales in 2016/17 was 55.
- 6.7 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 Cabinet to take a view on the company's financial position.
- 6.8 Six Town Housing's draft accounts for the 2016/17 financial year show that the ALMO made a surplus of **£0.273m** on a turnover of **£19.115m**, a rate of 1.4% (for 2015/16 the rate was -3.1%); the surplus for 2016/17 excludes pension adjustments made in line with FRS102 requirements.
- 6.9 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; the minimum level for 2016/17 was assessed to be £0.852m and the draft accounts indicate cash and short term deposits totalling £2.220m at the end of 2016/17. The use of reserves is subject to joint decisions by Six Town Housing and the Council.

## **7.0 OTHER ISSUES**

- 7.1 The Accounts and Audit Regulations 2015 require that Councils have their Accounts approved by 30<sup>th</sup> June each year by the Council's Section 151 Officer. The

unaudited accounts were approved by the Council's Section 151 Officer on 5 June. They will be presented to Audit Committee members on 20 July 2017 for approval.

- 7.2 Members are also asked to note that the Accounts for 2016/17 were available for public inspection at the Town Hall for 30 working days effective from 5 June 2017. This matter was advertised in the local press and placed on the Council's website and the Accounts can be viewed by contacting the Interim Executive Director of Resources & Regulation or the Head of Financial Management (details below).

## **8.0 EQUALITY AND DIVERSITY**

- 8.1 There are no specific equality and diversity implications.

## **9.0 FUTURE ACTIONS**

- 9.1 Budget monitoring reports for 2017/18 will continue to be presented to the Strategic Leadership Team on a monthly basis and on a quarterly basis to the Cabinet, Joint SLT / Cabinet, Overview and Scrutiny Committee and Audit Committee.

**Councillor Eamonn O'Brien**  
**Cabinet Member for Finance and Housing**

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### ***Background documents:***

*Revenue Cost Information and Finance Working Papers, 2016/17*

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

Mr S. Kenyon, Interim Executive Director of Resources & Regulation, Tel. 0161 253 6922,  
E-mail: [S.kenyon@bury.gov.uk](mailto:S.kenyon@bury.gov.uk), or

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

**FINAL OUTTURN 2016/17 AND EXPLANATIONS FOR VARIANCES**
**Appendix A**

	<b>2016/17 Current Budget £000's</b>	<b>2016/17 Outturn £000's</b>	<b>Variance £000's</b>	<b>Reason For Variance</b>	<b>One – Off / Ongoing</b>
<b>Department of Children, Young People and Culture</b>					
<b>Learning – Schools</b>	<b>0</b>	<b>0</b>	<b>0</b>	Any underspend or overspend funded via the DSG are rolled forward into the next financial year.	
<b>Learning – Non Schools</b>	<b>16,958</b>	<b>17,139</b>	<b>181</b>	Quality & Advisory Service (-£0.057m) - underspend due to a staff vacancy.	Ongoing
				Asset Management (-£0.016m) - lower recharges than expected.	One-off
				SEN Home to School Transport (+£0.225m) - the level of demand has increased from previous years; the budget is consistently under pressure.	Ongoing
				SEN Home to College Transport (+£0.054m) - again due to increased demand from the number of students attending local colleges.	One-off
				Under spends on Non-SEN transport (-£0.024m) - as there was lower than anticipated uptake of bus passes.	One-off
				16-19 Team (+£0.031m) - there was a reduction in the level of funding in 2016-17.	One-off
				Education Psychologists (-£0.033m) - additional income was generated in the year.	One-off
				Other minor underspends (+£0.001m).	One-off
<b>Social Care &amp; Safeguarding</b>	<b>17,647</b>	<b>18,147</b>	<b>500</b>	Childcare and Early Years (-£0.178m) - recruitment to a number of posts were put on hold and were covered by existing staff, as well as staff members seconded to other services that were not backfilled. There was also additional income received from the NHS.	One-off
				Children's Disabilities Team (-£0.045m)	One-off

			<p>-the budget continues to support a number children with highly complex needs. Savings on the commissioned services were offset by overspends on staffing due to agency cover and an additional member of staff employed as part of the Ofsted Action Plan.</p> <p>Family Placement (-£0.567m) - the foster care payments and adoption allowances now include deductions for Child Tax Credits where appropriate and spending restrictions on requests for additional support for carers have resulted in savings. The adoption placement fees received are far higher than those being paid in the current financial year. A number of placements for children with families from other authorities did not take place before the end of March, resulting in further savings. Also, there were savings on salaries due to delays in the establishment of the Through Care Team. There were also savings on Home from Home Carers.</p> <p>Safeguarding Unit (+£0.222m) - agency staff were brought in to cover vacancies and to reduce social worker caseload numbers in line with Ofsted requirements.</p> <p>Advice &amp; Assessment (+£0.050m) - The service was unable to achieve the 2016-17 budget cut due to agency staff covering vacancies and sickness. The overspend was offset by savings on the Child Sexual Exploitation Team which sits within the Advice and Assessment Team.</p> <p>Leaving Care (+£0.736m) - the impact of supporting young people until the age of 21 continues to cause the service to overspend.</p> <p>The Reach Out Adolescent Support Unit (+£0.198m) - this is a new invest to save project aimed at reducing the number of children entering the care system. The budget for 2017-18 is to be found from savings achieved in the Children's Agency budget.</p> <p>Safeguarding – External Legal Fees (+£0.080m) - the trend nationally has been for increased use of proceedings and Bury Council appears to be following that same trajectory.</p>	<p>One-off</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>One-off</p> <p>One-off</p>
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				Children & Young People in Care (+£0.059m) - the service was unable to achieve the 2016-17 budget cut due to agency staff covering staff acting up into management posts and staff employed as part of the Ofsted Action Plan.  Other minor underspends (-£0.055m).	Ongoing
<b>Other Management Costs</b>	<b>2,817</b>	<b>3,036</b>	<b>219</b>	Strategic Management (+£0.260m) - the overspend is due to the remainder of the 2016-17 budget savings that have yet to be achieved.  Teachers Pensions (-£0.155m) - reduced demand on the service.  Other Management costs (+£0.104m) - costs of contributing to the Adopt NW and NW Children's Sector Led Improvement projects of £19,000 and additional internal recharges.  Other underspends (+£0.010m).	Ongoing  Ongoing  Ongoing  One-off
<b>Strategy / Commissioning</b>	<b>1,470</b>	<b>1,498</b>	<b>28</b>	Savings on Social Care Admin and Training offset by the agency expenditure on the Strategic Lead post for part of the year.	One-off
<b>Departmental Wide</b>	<b>(2,591)</b>	<b>(2,591)</b>	<b>0</b>	IAS19 pension costs.	
<b>Children's Agency</b>	<b>3,673</b>	<b>4,644</b>	<b>971</b>	The service struggled to achieve the budget cut of £450,000 due to the number and complexity of the support packages in place. Remand costs have also added additional pressure, as the costs exceed the funding that we receive.	Ongoing
<b>Libraries, Arts &amp; Museums</b>	<b>2,917</b>	<b>3,049</b>	<b>132</b>	Income targets within Arts & Museums were not met, with additional overspending due to repairs to stonework and roof repairs to the building.	Ongoing
<b>TOTAL CHILDREN, YOUNG PEOPLE &amp; CULTURE</b>	<b>42,891</b>	<b>44,922</b>	<b>2,031</b>		
<b>Department of Communities &amp; Wellbeing</b>					

<b>Operations</b>	<b>5,245</b>	<b>5,062</b>	<b>(183)</b>	<p>Killelea EPH (+£0.041m) – overspend on staffing budgets.</p> <p>Reablement Service (+£0.038m) - a combination of Public Health support, resilience money and staffing underspends has resulted in the Reablement budget producing a modest overspend. However, the challenge of this service achieving further savings remains for 2017/18.</p> <p>Older People Fieldwork (-£0.057m) – underspend on staffing budgets.</p> <p>Employment Support Team (-£0.043m) – this team is self funding. The underspend is the result of income targets exceeding 2016/17 budget provision.</p> <p>Mental Health South (-£0.026m) – underspend on staffing budgets.</p> <p>Quality Assurance &amp; Service Development (-£0.029m) - underspend on staffing budgets.</p> <p>Assessment &amp; Care Management (-£0.101m) - underspend on staffing budgets.</p> <p>The Welly Cafe (-£0.006m) – sales from cafe exceeded budget expectations.</p>	<p>Ongoing</p> <p>Ongoing</p> <p>One-off</p> <p>One-off</p> <p>One-off</p> <p>One-off</p> <p>One-off</p> <p>One-off</p>
<b>Workforce Modernisation</b>	<b>806</b>	<b>716</b>	<b>(90)</b>	<p>Workforce Staffing (-£0.080m) - underspend on staffing budgets.</p> <p>Internal Recruitment (Includes Persona Recruitment) (-£0.017m) - underspend on staffing budgets.</p> <p>Training – (+£0.007m) - overspend on rental budget regarding Bury Adult learning Centre.</p>	<p>One-off</p> <p>One-off</p> <p>One-off</p>
<b>Business Redesign</b>	<b>5,147</b>	<b>4,318</b>	<b>(829)</b>	<p>Community Education (-£0.016m) – underspend on staffing and equipment.</p> <p>Communities (-£0.052m) – underspend on staffing budgets.</p> <p>Gateway Project (+£0.002m) - this budget is largely balanced.</p> <p>Accommodation Team (-£0.210m) - underspend due to one off income received for accommodating asylum seekers.</p> <p>Sheltered Housing (General, Support,</p>	<p>One-off</p> <p>One-off</p> <p>One-off</p> <p>One-off</p> <p>One-off</p>

				<p>Amenity and Non Rechargeable) (-£0.169m) - largely the result of underspends on staffing, utilities and boilers/communal area budgets.</p> <p>Falcon &amp; Griffin/Redbank (+£0.076m) - overspend on staffing budgets.</p> <p>Carelink (-£0.006m) - small income overachievement.</p> <p>Housing Choices, Preventing Homelessness, Housing Strategy &amp; Neighbourhood Working (-£0.150m) - underspend is largely the result of staffing budget underspends.</p> <p>Policy &amp; Improvement (-£0.098m) - underspend on staffing budgets employee and subscriptions.</p> <p>Seedfield Resource Centre (+£0.002m) - largely a balanced budget.</p> <p>Community Equipment Stores (-£0.030m) - Bury CCG income received was greater than budget provision.</p> <p>Urban Renewal and Home Improvement (-£0.033m) - underspend on staffing.</p> <p>Adult Care Customer Services/Customer Engagement (-£0.057m) - underspend on staffing budgets.</p> <p>Asset Management &amp; Non Operational Assets (-£0.088m) - underspend on staffing budgets.</p>	
<b>Finance</b>	<b>(1,597)</b>	<b>(198)</b>	<b>1,399</b>	<p>ACS Senior Management (+£1.461m) - departmental service redesign pressures and costs associated with the departments bid into the transformation funding from NHS England.</p> <p>Finance Staffing (-£0.062m) - underspend on staffing budgets.</p>	<p>One-off</p> <p>One-off</p> <p>One-off</p> <p>One-off</p> <p>One-off</p> <p>One-off</p> <p>One-off</p> <p>One-off</p> <p>One-off</p> <p>One-off</p> <p>One-off</p> <p>One-off</p>
<b>Commissioning &amp; Procurement - Care in the Community</b>	<b>26,753</b>	<b>27,948</b>	<b>1,195</b>	<p>Care in the Community (+£1.195m) - structural budget deficit and demand pressures within the Care in the Community budget particularly around Domiciliary Care, Residential Care and Self Directed Support Budgets.</p>	<p>Ongoing</p>
<b>Commissioning &amp; Procurement - Other</b>	<b>15,829</b>	<b>15,855</b>	<b>26</b>	<p>Strategic Development Unit Teams (Head of Service, Commissioning, Procurement, Strategy and Performance) (-£0.291m) - underspend</p>	<p>One-off</p>

				on staffing budgets.	
				Drug and Alcohol Team (+0.059m) – largely the result of expenditure relating to the previous financial year.	One-off
				Carers Services (-£0.244m) - largely due to recovery of monies regarding account closures and budget underspends.	One-off
				Tenancy Support Services (Supporting People) (-£0.175m) – underspend on contracts where actual client activity was lower than budgeted activity (Non Block Contracts).	One-off
				Persona Contract (+£0.420m) – actual activity was greater than contracted budget value. This pressure will be managed downwards during 2017/18.	One-off
				Safeguarding, Local Reform & Community Voices (+£0.258m) – Deprivation of Liberty Safeguarding (DOLS) Assessment cost pressures.	Ongoing
<b>Public Health</b>	<b>(602)</b>	<b>(702)</b>	<b>(100)</b>	Public Health (-£0.100m) – the underspend on Public Health is being used to support Lifestyle Services, Beats and Sport and Physical Activity Services (SAPASS).	One-off
<b>Neighbourhood and Leisure</b>	<b>19,043</b>	<b>19,375</b>	<b>332</b>	Beverage & Vending (+£0.096m) - difficulties in meeting budget target due to reduced footfall/sales. The service will be reviewed.	Ongoing
				Civic Halls (+£0.178m) - Civic Halls continue to face difficulties in achieving income targets, unforeseen/necessary repairs resulted in some overspends on expenditure budgets.	Ongoing
				Environmental Service (-£0.022m) - additional income from Pest Control, and small variances across the service.	One-off
				Grounds Maintenance / Parks & Countryside (+£0.051m) including: Grounds/Parks (+£0.041m) - less external income than anticipated, some cuts required in 16/17 were unachieved; plus Cemeteries (+£0.010m) - shortfall in income.	One-off
				Highways (-£0.007m) - largely a balanced budget.	One-off



				<p>Sports &amp; leisure (+£0.169m) including: Leisure Services (+£0.288m) - savings from previous years not achieved due to longer term growth and investment plan. Medium term recovery plan in place; plus Sports Development (-£0.119m) - this includes contribution from Public Health to offset overspends within Healthy Lifestyle Services (-£0,100m) and a small under-spend on management fees (-£0.019m).</p> <p>Transport Services (-£0.331m) including: Transport (-£0.170m) - additional cost for racking for Six Town Housing vehicles has been funded via prudential borrowing, also there is additional savings from reduced leasing cost; plus Transport With Driver: Under-spends on vehicle hire and fuel, additional income at yearend (-£0.053m); plus Vehicle workshop (-£0.028mm) - underspend on staffing budget; plus ACS Transport - transport costs specified to Persona were less than anticipated (-£0.080m).</p> <p>Waste Services (+£0.299m) including: Savings on the publicity budget within the Education and Awareness team (- £0.041m); plus Trade waste (+£0.043m): The service is profitable but has a challenging income target. A deficit reduction plan is in place to try and reduce the deficit. Reduced prices for recycling is having an impact on the reduction of income; plus Recycling/Refuse collection (+£0.258m) - 2016/2017 savings have not been achieved due to ongoing service review; plus Winter maintenance (+£0.039m) - increased in gritting.</p> <p>Public Conveniences/Street Cleaning (-£0.102m) including: Street Cleaning (-£0.078m) - savings from lower fuel cost; and no recharges for vehicle damages; plus Public Conveniences (-£0.024m) - savings from repairs and maintenance and additional income.</p>	<p>Ongoing</p> <p>One-off</p> <p>One-off</p> <p>One-off</p> <p>One-off</p> <p>One-off</p> <p>One-off</p> <p>Ongoing</p> <p>Ongoing</p> <p>One-off</p> <p>One-off</p>
<b>TOTAL COMMUNITIES</b>	<b>70,624</b>	<b>72,374</b>	<b>1,750</b>		

<b>&amp; WELLBEING</b>					
<b>Resources and Regulation Department</b>					
<b>Executive Director of Resources &amp; Regulation</b>					
Finance & Efficiency	1,165	1,184	19	Staffing underspend due to holding of vacancies and maximising funding (-£0.223m).	Ongoing
				Tightening of running costs expenditure (-£0.066m).	One-off
				Contribution to the bad debt provision (+£0.131m).	One-off
				Coroners Court costs due to increased demands placed on the service (+£0.370m).	Ongoing
				Contingency budget transferred from ex-DCN (-£0.202m).	Ongoing
				Reduced superannuation recharges from Tameside MBC (-£0.016m).	One-off
				Credit card charges and various minor overspends (+£0.025m).	Ongoing
Human Resources	291	163	(128)	Reduced staffing costs due to restructure offset by severance costs (-£0.133m).	One-off
				Overspends on software licences, AGMA subscription (+£0.059m).	Ongoing
				Tightening of running costs expenditure and overachieved income to offset the above (-£0.054m).	One-off
Legal & Democratic Services	1,422	1,422	0	Member Allowances and running costs underspends (-£0.129m).	Ongoing
				Underspends within Civic and Mayoral Expenses (-£0.018m).	Ongoing
				Democratic Services staffing underspend (-£0.028m)	One-off
				Municipal Elections overspend (+£0.202m); smoothed over 4 years to reflect fallow year.	Ongoing
				Use of locums and reduced income for Land & Development Fees within Legal services (+£0.025m).	One-off
				Press & Media vacancy (-£0.037m).	One-off
				Tightening of controllable expenditure	One-off

Customer Support & Collections	1,330	1,291	(39)	and minor variances (-£0.015m). Council Tax and NNDR summons costs income under-recovery (+£0.063m) offset by over-recovery of Council Tax subsidy administration grant (-£0.014m) and NNDR cost of collection (-£0.009m).	Ongoing One-off
ICT	(149)	(149)	0	Net staffing/agency cover underspend (-£0.079). Under-recovery of printing income (+£0.078m). Under-recovery of telephony income (+£0.025m). Reduced leasing costs (-£0.089m). Over-recovery of external income (-£0.014m).	One-off Ongoing One-off One-off
Property & Asset Management	(2,085)	(1,503)	582	Shortfall in rent income due to increased voids (+£0.402m). Shortfall on Millgate / Longfield income due to increased voids and permitted deductions (+£0.253m). Staffing underspend due to holding of vacancies and training costs freeze (-£0.082m). Other minor variances (+£0.009m).	Ongoing Ongoing One-off One-off
<b>Total Executive Director Resources &amp; Regulation</b>	<b>1,974</b>	<b>2,408</b>	<b>434</b>		
<b>Localities</b>					
Engineering Services	223	377	154	GMRAAPS - under recovered permit fee income (+£0.050m). Coring - under recovered due to better compliance by the utility companies (+£0.074m). Car parking - under recovered shortfall in Pay & Display income & contract income off set by underspends on capital expenditure, salaries and NSL contract (+£0.139m). Bus Lane Enforcement reduced fines (+£0.080m). Underspends on Traffic management	Ongoing Ongoing Ongoing Ongoing One-off

				<p>special projects and Public Rights of Way as resources dealing with other priorities (-£0.133m).</p> <p>Net underspends on decriminalised parking fines net underspend (-£0.010m) and council parking permits (-£0.026m).</p> <p>Savings on salaries plus underspends on bridges (-£0.015m)</p> <p>Minor variations (-£0.005m).</p>	<p>One-off</p> <p>One-off</p>
Planning & Development Control	381	277	(104)	<p>Development Management have had minor underspends due to vacancies offset by minor overspends/reduced income (-£0.001m).</p> <p>Underspends within Building Control due to staff vacancies (-£0.076m) offset by minor variation in costs / income (+£0.011m).</p> <p>Underspends within Strategic Planning due to worklife balance initiatives and additional income (-£0.038m).</p>	<p>One-off</p> <p>One-off</p> <p>One-off</p>
Trading Standards & Licensing	481	424	(57)	<p>Over recovery of income for Licensing, Alcohol &amp; Entertainment off set by shortfall in income for Gambling &amp; Miscellaneous licensing (-£0.047m).</p> <p>Underspend for Trading Standards due to additional income from traded work (-£0.010m).</p>	<p>Ongoing</p> <p>One-off</p>
Assistant Director of Localities	90	142	52	Unachieved savings target (£+0.50m; various minor overspends (+0.002m).	On-going
<b>Total Localities</b>	<b>1,175</b>	<b>1,220</b>	<b>45</b>		
<b>Environment &amp; Operational Services</b>					
Administrative Buildings	(186)	(184)	2	Minor variances.	
Architectural Services	(421)	(520)	(99)	Increased income from STH capital programmes, offset by agency / subcontractor costs (-£0.099m).	One-off
Energy Conservation	124	68	(56)	Reduced CRC Allowances.	One-off
Bradley Fold Depot	43	28	(15)	Underspend on electricity and minor variances (-£0.015m).	One-off
Supply Chain Services	(51)	(74)	(23)	Higher volume of trading activity and careful management of discretionary	One-off

Emergency Planning / Response	(390)	(416)	(26)	costs (-£0.023m).	Ongoing
<b>Total Environment &amp; Operational Services</b>	<b>(881)</b>	<b>(1,098)</b>	<b>(217)</b>	Additional income on Security & Alarms, vacancy management and discretionary budget.	
<b>TOTAL RESOURCES &amp; REGULATION</b>	<b>2,268</b>	<b>2,530</b>	<b>262</b>		
<b>Grants to Voluntary Organisations</b>	<b>683</b>	<b>683</b>	<b>0</b>	n/a	
<b>Non Service Specific Items</b>					
Housing	(193)	(181)	12	Increased net Housing Benefit subsidy (-£0.11m). Reduced Housing Benefit administration grant received (+£0.41m). Reduced Housing Loan account income (+£0.022m). Services for the Wider Community underspend (-£0.040m).	One-off Ongoing Ongoing One-Off
Cost of Borrowing	5,350	4,748	(602)	Reduced return on investments (+£0.0052m) offset by reduced loan repayments (-£0.550m).	One-off
Passenger Transport levy	13,385	13,385	0	n/a	
Environment Agency	92	96	4	Increased levy (+£0.0004m).	One-off
Investments	(2,900)	(4,034)	(1,134)	Increased dividend receipts.	One-off
Chief Executive	325	318	(7)	Reduced staffing costs (-£0.0007m).	One-off
Corporate Management	696	1,008	312	Increased subscriptions (+£0.312m).	One-off
Waste Disposal Levy	12,402	12,402	0	n/a	
Provisions	1,860	660	(1,200)	Reduced contributions to provisions and reserves (-£1.200m).	One-off
Disaster Expenses	11	253	242	Flood Expenses (+£0.242m).	One-off
IAS19 Retirement Benefits	7,023	7,023	0	n/a	

Accumulated Absences	(1,614)	(1,614)	0	n/a	
Capital Charges / Asset Rentals	(22,867)	(22,867)	0	n/a	
Non Service Specific Grants	(4,501)	(4,501)	0	n/a	
<b>TOTAL NON SERVICE SPECIFIC</b>	<b>9,070</b>	<b>6,697</b>	<b>(2,373)</b>		
<b>Total Revenue Expenditure (exc. Schools)</b>	<b>125,536</b>	<b>127,206</b>	<b>1,670</b>		

## LEVEL AND MOVEMENT OF SCHOOL RESERVES

## Appendix B

### Number of Schools – Surpluses/Deficits in Percentage Terms

Table	2012/13	2013/14	2014/15	2015/16	2016/17
	Number of Schools	Number of Schools	Number of Schools	Number of Schools	Number of Schools
<b>Nursery &amp; Primary</b>					
Greater than +9%	4	7	9 <sup>2</sup>	8	6
+8% to 9%	9	3	6	4	2
+5% to 8%	27	26	25	25	17
0% to 5%	23	26	20	22	28
Deficits	0	1	1	1	7
<b>Total</b>	<b>63</b>	<b>63<sup>1</sup></b>	<b>61</b>	<b>60</b>	<b>60</b>
<b>Secondary</b>					
Greater than +6%	4	4	1	2	1
+5% to 6%	2	1	2	3	-
0% to 5%	6	7	9	7	10
Deficits	2	2	2 <sup>3</sup>	1	2
<b>Total</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>13</b>	<b>13</b>
<b>Special &amp; PRU's <sup>4</sup></b>					
Greater than +9%	-	-	-	1	-
+8% to 9%	-	1	-	-	-
+5% to 8%	2	1	2	2	1
0% to 5%	1	1	3	2	4
Deficits	-	1	-	-	-
<b>Total</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>5</b>	<b>5</b>
Number above the original "Excessive	19	16	18	18	9

Surplus" thresholds (Prim/Spec 8% & High 5%)					
Number above the new "Excessive Surplus" thresholds (Prim/Spec 9% & High 6%)	8	11	10	11	7

**Notes**

- 1 - Two Primary schools were converted to academies during 2013/14.
- 2 - Gorsefield Primary School was converted to an academy on 1<sup>st</sup> April 2015.
- 3 - Radcliffe Riverside High School closed at the end of the 2014/15 academic year.
- 4 - Pupil Referral Units became eligible for delegated budgets at the start of 2013/14.

## Number of Schools – Surpluses/Deficits in Monetary Terms

Table	2012/13 Number of Schools	2013/14 Number of Schools	2014/15 Number of Schools	2015/16 Number of Schools	2016/17 Number of Schools
<b>Nursery &amp; Primary</b>					
<b>Deficits</b>					
£0 to £10,000	-	-	1	1	2
£10,000 to £20,000	-	1	-	-	2
£20,000 to £50,000	-	-	-	1	3
<b>Surpluses</b>					
£0 to £50,000	25	24	25	19	28
£50,000 to £100,000	29	26	19	27	18
£100,000 to £150,000	7	11	15	10	6
£150,000 to £200,000	2	1 <sup>2</sup>	1 <sup>2</sup>	3	1
<b>Total</b>	<b>63</b>	<b>63<sup>1</sup></b>	<b>61</b>	<b>60</b>	<b>60</b>
<b>Secondary</b>					
<b>Deficits</b>					
£0 to £100,000	1	-	-	-	1
£100,000 to £200,000	-	-	-	1	1
£200,000 to £300,000	-	1 <sup>3</sup>	1	-	-
Greater than £300,000	1	1	1 <sup>3</sup>	-	-
<b>Surpluses</b>					
£0 to £50,000	-	-	-	1	2
£50,000 to £100,000	2	2	2	3	1
£100,000 to £150,000	1	-	3	-	1
£150,000 to £200,000	1	1	2	3	5
£200,000 to £250,000	2	4	4	-	1
£250,000 to £500,000	6	5	1	5	1
<b>Total</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>13</b>	<b>13</b>
<b>Special &amp; PRU's <sup>4</sup></b>					
<b>Surpluses</b>					
£0 to £50,000	1	2	2	1	3
£50,000 to £100,000	-	-	-	2	1
£100,000 to £150,000	-	-	-	-	-
£150,000 to £200,000	1	1	1	-	-
Greater than £200,000	1	1	2	2	1
<b>Total</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>5</b>	<b>5</b>

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## HOUSING REVENUE ACCOUNT

## APPENDIX C

	2016/17 REVISED ESTIMATE	2016/17 OUTTURN	VARIATION FROM BUDGET
	£	£	£
<b>INCOME</b>			
Dwelling rents	29,625,400	29,669,446	(44,046)
Non-dwelling rents	203,000	187,904	15,096
Heating charges	66,000	66,382	(382)
Other charges for services and facilities	897,800	904,911	(7,111)
Contributions towards expenditure	42,700	17,550	25,150
<b>Total Income</b>	<b>30,834,900</b>	<b>30,846,193</b>	<b>(11,293)</b>
<b>EXPENDITURE</b>			
Repairs and Maintenance	6,865,100	6,702,336	(162,764)
General Management	7,055,500	7,017,291	(38,209)
Special Services	1,162,500	1,160,301	(2,199)
Rents, rates, taxes and other charges	94,400	103,353	8,953
Increase in provision for bad debts	482,900	205,075	(277,825)
Cost of Capital Charge	4,432,600	4,463,662	31,062
Depreciation/Impairment of fixed assets			
- council dwellings	7,771,500	24,061,895	16,290,395
Depreciation of fixed assets - other assets	42,400	51,149	8,749
Debt Management Expenses	40,600	34,821	(5,779)
Contrib. from Business Plan Headroom Reserve	(2,173,100)	(2,401,997)	(228,897)
<b>Total Expenditure</b>	<b>25,774,400</b>	<b>41,397,886</b>	<b>15,623,486</b>
<b>Net cost of services</b>	<b>(5,060,500)</b>	<b>10,551,693</b>	<b>15,612,193</b>
Amortised premia / discounts	(13,300)	(13,278)	22
Interest receivable - on balances	(55,800)	(47,099)	8,701
Interest receivable - on loans (mortgages)	(500)	(43)	457
<b>Net operating expenditure</b>	<b>(5,130,100)</b>	<b>10,491,273</b>	<b>15,621,373</b>
<b>Appropriations</b>			
Appropriation relevant to impairment		(16,176,195)	(16,176,195)
Revenue contributions to capital	5,120,100	5,674,922	554,822
<b>(Surplus) / Deficit</b>	<b>(10,000)</b>	<b>(10,000)</b>	<b>0</b>
<b>Working balance brought forward</b>	<b>(1,000,000)</b>	<b>(1,000,000)</b>	<b>0</b>
<b>Working balance carried forward</b>	<b>(1,010,000)</b>	<b>(1,010,000)</b>	<b>0</b>