

# REPORT FOR DECISION

**MEETING:** CABINET  
OVERVIEW & SCRUTINY COMMITTEE

**DATE:** 27 JUNE 2018  
10 JULY 2018

**SUBJECT:** REVENUE AND HRA OUTTURN 2017/18

**REPORT FROM:** CABINET MEMBER FOR FINANCE AND HOUSING

**CONTACT OFFICER:** STEVE KENYON, INTERIM EXECUTIVE DIRECTOR OF  
RESOURCES & REGULATION

ANDREW BALDWIN, HEAD OF FINANCIAL  
MANAGEMENT

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

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

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**SUMMARY:** **PURPOSE/SUMMARY:**

This report provides Members with details of:

- the revenue outturn figures in respect of the last financial year (2017/2018);
- major variances between the revised estimate and the outturn;
- the level of school balances;
- 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 approved by the Responsible Finance Officer on 31 May and will be presented to Audit Committee on 17 July, 2018. The figures in this report are presented in a format consistent with the Revenue Budget approved by Council on 22 February 2017.

**OPTIONS &** Members are asked to:

- RECOMMENDED OPTION**
- a) Note the final outturn for 2017/18, and explanations for major variances (Appendix A, B and C);
  - b) Endorse the recommendations of the Interim Executive Director of Resources & Regulation for the minimum level of balances in light of the review of the corporate risk assessments and departmental risk assessments (Section 4).

**Recommended Option:**

It is recommended that;

- a) The final revenue outturn and HRA outturn for 2017/18 be noted along with explanations for major variances;
- b) The level of the General Fund balances be noted;
- c) The minimum level of the General Fund balance calculated at £4.250m for 2018/19 is subject to regular review as part of the budget monitoring process.

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**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.

**Statement by Interim Executive Director of Resources & Regulation:**

There are no wider resource implications.

**Equality/Diversity implications:**

No (see paragraph 8.1, page 9).

**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

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

Chief Executive/ Strategic Leadership Team	Cabinet	Ward Members	Partners
11/06/18	27/06/18		
Overview & Scrutiny Committee		Committee	Council
10/07/18			

**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 2017/18.
- 1.2 Work on the closure of the 2017/18 Accounts is complete and the Responsible Finance Officer approved the draft Statement of Accounts for 2017/18 on 31 May 2018. 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 2017/18**

- 2.1 As the table shows, there was a total overspend against the Revised Estimate of **£0.844m**.

	<b>£000's</b>
2017/2018 Revised Estimate	135,330
2017/2018 Outturn	136,174
<b>Overspend</b>	<b>844</b>

- 2.2 The revenue outturn and details of the major variations service by service are shown at Appendix A (pages 10 to 18) and are summarised below:

Department	Budget	Outturn	Variance
	£000s	£000s	£000s
Children, Young People & Culture	52,411	55,251	2,840
Communities & Wellbeing	93,370	94,620	1,250
Resources & Regulation	2,938	4,145	1,207
Non Service Specific	(13,389)	(17,842)	(4,453)
<b>TOTAL</b>	<b>135,330</b>	<b>136,174</b>	<b>844</b>

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

Final Outturn Reason	Children Young People & Culture £'000	Communities & Wellbeing £'000	Resources & Regulation £'000	Non Service Specific £'000	TOTAL £'000
Demand Pressures	2,516	6,163	0	608	<b>9,287</b>
Delayed Achievement of Cuts Options	777	3,633	250	0	<b>4,660</b>
Non-Achievement of Cuts Options	785	0	52	0	<b>837</b>
Income Shortfall	0	212	993	0	<b>1,205</b>
Planned use of one-off funding	0	(3,872)	0	0	<b>(3,872)</b>
Continued Impact of 10 Control Measures	(100)	0	(88)	0	<b>(188)</b>
Other	(1,138)	(4,886)	0	(5,061)	<b>(11,085)</b>
<b>TOTAL</b>	<b>2,840</b>	<b>1,250</b>	<b>1,207</b>	<b>(4,453)</b>	<b>844</b>

2.4 All other things being equal, the outturn reported above will leave available General Fund balances standing at **£7.549m** at 31<sup>st</sup> March 2018 (see par. 4.1).

### 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.

N.B. school Governing Bodies are the decision-makers for their delegated budgets, over which the local authority has very little management powers.

3.2 The overall level of school balances and associated spending as at 31<sup>st</sup> March 2018 is a deficit of £6.310m, which represents an increase of £4.447m from the opening deficit balance of £1.863m. The £6.310m is the difference between the £11.127m deficit on Central Spend (see par. 3.4) less £4.817m surplus relating to schools balances (see table below and par. 3.3).

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.

DSG Central Spend & Control Account							
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	Totals
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
<b>DSG Control Account - deficit b/f</b>	105	664	2,719	4,538	6,028	6,978	
<b>DSG in-year summary variation</b>	559	2,055	1,819	1,490	950	4,149	
<b>Totals c/f</b>	<b>664</b>	<b>2,719</b>	<b>4,538</b>	<b>6,028</b>	<b>6,978</b>	<b>11,127</b>	
<b>School Balances</b>	<b>-6,852</b>	<b>-6,662</b>	<b>-6,724</b>	<b>-6,786</b>	<b>-4,955</b>	<b>-4,817</b>	
<b>Main Spending &amp; Budget Variations</b>							
DfE Underfunding - Post 16 Provision	n/a	822	612	673	366	449	<b>2,922</b>
SEN/Inclusion (incl in-year Top-ups)	226	518	278	-318	-423	1,213	<b>1,494</b>
Special Schools (LA & Independent)	48	328	1,362	1,528	460	990	<b>4,716</b>
Sickness Insurance Scheme write-off	n/a	n/a	n/a	n/a	n/a	884	<b>884</b>
Supply cover	147	222	n/a	n/a	n/a	n/a	<b>369</b>
Termination of Employment	138	100	170	99	29	248	<b>784</b>
Early Years	n/a	n/a	-648	-492	-182	-2	<b>-1,324</b>
Other central spend inc PPG	n/a	65	45	n/a	700	367	<b>1,177</b>
<b>Total Variations</b>	<b>559</b>	<b>2,055</b>	<b>1,819</b>	<b>1,490</b>	<b>950</b>	<b>4,149</b>	<b>11,022</b>

N.B. The difference in the Totals c/f (£11.127m) and the Total Variations (£11.022m) is the DSG Control Account deficit b/f of £0.105 million.

3.3 The level of school balances as at 31<sup>st</sup> March 2018 is a surplus of £4.817m.

The 2016/17 balances included the now transferred balances of all the schools that converted to academy status during the 2017/18 financial year. Subsequently a like-for-like comparison of the local authority's school balances between the 2 years shows that the 2017/18 amount has increased by more than £340,000 when compared to 2016/17.

Of the 72 local authority schools:

- 60% of schools increased the level of their surpluses during 2017/18, i.e. underspent their annual budget allocation, in total by over £800,000.
- One sixth of Bury schools each increased their school's surplus by over £50,000 during 2017/18.
- 5 of these schools each increased their school's surplus by more than £100,000 during 2017/18.

Appendix B shows an analysis of movements on school balances to allow Members to consider the spread of school balances around the Borough.

- 61 out of 72 schools with delegated budgets had surplus balances at the end of the 2017/18 financial year, which is only 3 fewer than at the end of the previous financial year.
- 11 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 an increase from the 7 schools that had reportable balances in the previous financial year. 5 schools have been above the relevant reportable threshold for 2 successive years, while 2 schools have been above the reportable threshold for 3 successive years.

- There are 11 schools reporting deficit balances compared to 9 schools with deficit balances in 2016/17 financial year and 2 schools in 2015/16. Of the 11 schools in a deficit position, at least 3 will be resolved during 2018/19 as the deficits will be cleared or the schools will no longer be part of the local authority.
- N.B. Any school requiring to set an overall deficit budget (after taking all funding, income and balances into account) can only do so after making a formal request for consideration to a deficit position by the Executive Director of Children, Young People and Culture and will only be allowed with prior approval and a robust recovery plan and acceptable timeframe.

3.4 However, there is a deficit of £11.127m relating to the Central Spend within the Dedicated Schools Grant and the DSG Control Account, which includes deficits brought forward from the previous 5 years.

3.5 N.B. Additional budget allocations to meet increasing demands have been funded by increasing the deficit within the DSG Control Account, which as can be seen in paragraph 3.2 continues to increase to very high and unsustainable levels.

3.6 Last year's Revenue Out-turn Report highlighted that significant action would be needed to be taken to reduce the amount of deficit.

It is recognised that 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.

Although there was an intention to "pay-off" the accumulated deficit as at the end of 2016/17 within 3 to 4 years, the current levels of demand pressures continue to escalate and lead to higher levels of unavoidable spending, which inevitably will significantly delay getting the DSG Control Account back into a balanced position.

The High Needs Funding Formula is scheduled to be fully implemented by 2022/23 and the current transitional formula arrangements includes a "funding floor", which in Bury's case is a substantial amount of over £4m.

If the "funding floor" wholly disappears in 2022/23 this will have an overwhelming devastating impact on the financial viability of the DSG Control Account unless substantial action to significantly reduce spending in the next 4 years.

3.7 The main variations within the Central Spend and the DSG Control Account are:

- 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.
- 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.
- 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.

- There are a number of Education and Health Care plans that occur after the budget has been set at the start of the financial year. These require funding and in some cases “top-up” funding for those pupils with more complex needs.
- The Insurance Scheme ceased to be offered as a traded service to schools at the end of the 2016/17 financial year as it has been in deficit for 5 years. During the 3 month cessation period several schools submitted claims that increased the level of the deficit above the 2016/17 premiums and these are unrecoverable in 2017/18. Consequently the remnant amount has been transferred off the Balance Sheet to the DSG Revenue Account. The recovery plan is to clear the deficit from the additional monies being provided by the National Funding Formula over the next few years.

#### 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 2017</b>	<b>8.393</b>
Less : 2017/18 Year End Overspend	-0.844
<b>General Fund Balance 31 March 2018</b>	<b>7.549</b>
Less : Minimum balances to be retained in 2018/19	-4.250
<b>Available balances at 1 April 2018</b>	<b>3.299</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 2018/19 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 2018.
- 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 2018/19 and reports will continue to be presented to the Cabinet meetings and those others listed above.

## **6.0 HOUSING REVENUE ACCOUNT OUTTURN 2017/18**

6.1 The Housing Revenue Account (HRA) for 2017/18 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 2017/18 a contribution of £2.960m was made to the Business Plan Headroom Reserve; this maintains the working balance at £1.020m; this contribution was £2.314m 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, £0.179m for uncollectable debts and £0.298m 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 £0.174m less than the budget. The reduced requirement has resulted in part from the slower implementation of some welfare benefit changes. The actions of the Welfare Reform Group and close working with partners in implementing the Corporate Debt Policy continue to contribute to the result.
- Depreciation/impairment of fixed assets – impairment charges and significant gains on the revaluation of assets have resulted in a credit figure showing in the accounts, rather than a large debit balance as seen in previous years. However these entries are reversed back out of the HRA (Appropriation relevant to impairment) so have no impact on the 'bottom line' of the account; only the depreciation charges of £7.894m remain.
- Revenue contributions to capital – the contributions required to the costs of major works to the housing stock (and other HRA assets) are significantly lower than the budget due to significant slippage on planned schemes. Subject to Council approval it is anticipated that these resources will be required in 2018/19 to complete the 2017/18 programme, therefore the underspend will only sit in the Business Plan Headroom Reserve on a temporary basis rather than being available for other purposes.

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 2017/18 was on average 1.26%. The original dwelling rents budget allowed for a void level target of 1.6%. This reduction in void losses equates to an increase in rental income due of £0.101m.

6.5 The total rent arrears at the end of 2017/18 were £1.441m, an increase of 16.7% from the start of the year when arrears totalled £1.235m.



- 6.6 The original HRA budgets assumed 70 Right to Buy sales during 2017/18. The actual number of sales in 2017/18 was 71.
- 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 2017/18 financial year show that the ALMO made a surplus of £0.304m on a turnover of £19.909m, a rate of 1.5% (for 2016/17 the rate was 1.4%); the surplus for 2017/18 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 2017/18 was assessed to be £1.020m and the draft accounts indicate cash and short term deposits totalling £3.062m at the end of 2017/18. 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 31 May each year by the Council's Section 151 Officer. The unaudited accounts were approved by the Council's Section 151 Officer on 31 May. They will be presented to Audit Committee members on 17 July 2018 for approval.
- 7.2 Members are also asked to note that the Accounts for 2017/18 were available for public inspection at the Town Hall for 30 working days effective from 1 July 2018. 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 2018/19 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, 2017/18*

### ***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)

	2017/18 Current Budget £000's	2017/18 Outturn £000's	Variance £000's	Reason For Variance	One – Off / Ongoing
<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>17,844</b>	<b>18,019</b>	<b>175</b>	Quality & Advisory Service (-£0.104m) - underspend due to a staff secondment and delays in the development of the School Improvement Clusters.	Ongoing
				Asset Management (+£0.045m) – charges for security, alarms and community safety for vacant properties that still come under CYP&C.	One-off
				SEN Home to School Transport (+£0.192m) - the level of demand has increased from previous years; the budget is consistently under pressure.	Ongoing
				SEN Home to College Transport (+£0.036m) - again due to increased demand from the number of students attending local colleges.	Ongoing
				Under spends on Non-SEN transport (-£0.021m) – as there was lower than anticipated uptake of bus passes.	One-off
				Other minor underspends (+£0.027m).	One-off
<b>Social Care &amp; Safeguarding</b>	<b>17,208</b>	<b>17,155</b>	<b>(52)</b>	Childcare and Early Years (-£0.375m) – deferred implementation of the proposed structure set to achieve the 2017-18 savings led to the non-filling of vacant posts.	One-off
				Safeguarding Unit (+£0.078m) - agency staff were brought in to cover a vacant post and long term sickness.	One-off
				Initial Response Team (+£0.056m) – increased demand for discretionary payments for children not looked after and interpretation costs, mileage and car parking. The over spend was offset by a saving on the MASH team which has a vacant post.	One-off

				<p>Safeguarding – External Legal Fees (+£0.156m) – the trend nationally has been for increased use of proceedings and Bury Council appears to be following that same trajectory. This has led to the increased use of barristers and experts.</p> <p>Children’s Disabilities Team (-£0.257m) –the budget continues to support a number of children with highly complex needs. Savings due to a number of support packages where the full entitlement of care was not utilised plus income has been recouped on direct payments following an audit of the payments.</p> <p>Children’s Domestic Violence (-£0.089m) – saving due to delays in developing the service in-house following the cessation of the Barnardo’s contract in December 2016.</p> <p>The Reach Out Adolescent Support Unit (-£0.121m) – underspending due to changes in the planned delivery of the service and vacancies.</p> <p>Family Placement (-£0.113m) – Savings on salaries due to a number of staff changes due to the establishment of the RAA. There were also savings on Home from Home Carers and Adoption Support Fees. There is still pressure within Fostering due to an increase in the number of children being fostered.</p> <p>Leaving Care (+£0.604m) - the impact of supporting young people until the age of 21 continues to cause the service to overspend.</p> <p>Other minor underspends (+£0.009m).</p>	<p>Ongoing</p> <p>One-off</p> <p>One-off</p> <p>One-off</p> <p>One-off</p> <p>Ongoing</p>
<b>Other Management Costs</b>	<b>2,180</b>	<b>2,616</b>	<b>436</b>	<p>Strategic Management (+£0.117m) - the overspend is due to the remainder of the 2016-17 budget savings that have yet to be achieved.</p> <p>Teachers Pensions (-£0.106m) - reduced demand on the service.</p> <p>Catering – (+£0.425m) – Reduced numbers of primary school children purchasing meals has led to a net loss of £185,000, plus an increased income target without the corresponding price increase has led to an income shortfall of £120,000. The purchase of the CYPaD system and equipment for schools has added £42,000 to the overspend. There</p>	<p>Ongoing</p> <p>One-off</p> <p>Ongoing</p>

				has also been a reduction in the level of catering activity within the Civic Halls leading to a net reduction in income of almost £95,000.	
<b>Strategy / Commissioning</b>	<b>1,960</b>	<b>1,945</b>	<b>(15)</b>	Savings on Social Care Admin and Assistant Director post were offset by Strategic Support.	One-off
<b>Departmental Wide</b>	<b>7,772</b>	<b>7,772</b>	<b>0</b>	IAS19 pension costs.	
<b>Children's Agency</b>	<b>3,058</b>	<b>5,068</b>	<b>2,010</b>	The service is largely demand led and continues to support a large number of complex and high cost cases. At the end of March there were 77 active placements in residential and IFA placements.	Ongoing
<b>Libraries, Arts &amp; Museums</b>	<b>2,389</b>	<b>2,676</b>	<b>287</b>	Arts, Museum & Tourist Information Service (+£0.110m) - The Museum Development income budget from prior years is still unachievable, and stands at £95,000. Additional pressure is on this budget due to the decision to retain the Tourist Information Centre therefore the saving was not achieved in 2017-18.  Libraries (+£0.177m) - Delays in agreeing the plans for the Library Service led to the savings target not being met in 2017. Additional costs for architects fees and caretaking and cleaning added to the overspend.	Ongoing  One-off
<b>TOTAL CHILDREN, YOUNG PEOPLE &amp; CULTURE</b>	<b>52,411</b>	<b>55,251</b>	<b>2,840</b>		

### Department of Communities & Wellbeing

<b>Adult Social Care Operations</b>	<b>5,359</b>	<b>5,359</b>	<b>0</b>	The ASC Operations service delivered a balanced budget. However the balanced budget was only achieved through a combination of Better Care Funding, One off Grant funding, use of departmental reserves and offsetting underspends elsewhere within ASC budgets. However there are still unachieved historic savings to be within the service in addition to further savings to be made in 2018/19. Mental Health South (-£0.026m) – underspend on staffing budgets.	Ongoing
<b>Workforce Modernisation</b>	<b>767</b>	<b>794</b>	<b>27</b>	The overspend largely relates to a shortfall in the budget provision for rent at the Bury Adult Learning Centre (BALC). Work is underway to offset this shortfall including a plan to recharge Persona for the use of rooms within BALC.	Ongoing

<b>Housing Related Services</b>	<b>2,127</b>	<b>1,924</b>	<b>(203)</b>	Housing related services underspent due to additional income received from the asylum seekers contract held with SERCO. There was also additional income received from housing benefit as a result in an increase in the property portfolio and additional income was received as a result of sales relating to the affordable housing scheme. There was also a small underspend on salaries relating to vacant post to being filled.	One-off
<b>Finance, Customer Services &amp; Asset Management</b>	<b>9,022</b>	<b>9,022</b>	<b>0</b>	This was a balanced budget .However in addition to the savings target attributed to this service area in 2017/18 previous years unachieved departmental savings were pooled against this service. As a consequence the combined savings targets were met (as a one off) through the use of a call on departmental reserves.	Ongoing
<b>Commissioning &amp; Procurement - Care in the Community</b>	<b>29,939</b>	<b>29,939</b>	<b>0</b>	Care in the Community was a balanced budget. However, if support was not received from the Improved Better Care Fund (IBCF) this budget would have overspent by £2.854m.	Ongoing
<b>Commissioning &amp; Procurement - Other</b>	<b>15,553</b>	<b>15,550</b>	<b>(3)</b>	Mainly a balanced budget due to the combination of the use of the Improved Better Care Fund and offsetting underspends across the Commissioning & Procurement service area. However there are still on-going pressures relating Deprivation of Liberty Safeguarding (DOLS) Assessment costs within the service.	Ongoing
<b>Public Health</b>	<b>10,989</b>	<b>10,989</b>	<b>0</b>	Public Health has a balanced budget. In addition to the 2017/18 Public Health budget allocation (c.£11m) there was a call on Public health reserves of c.£1m.	Ongoing
<b>Neighbourhood and Leisure</b>	<b>19,614</b>	<b>21,043</b>	<b>+1,429</b>	<p><u>Beverage &amp; Vending (+£0.098m)</u> – Difficulties in meeting budget target due to reduced footfall/sales.</p> <p><u>Civic Halls (+£0.225m)</u> – Civic Halls continue to face difficulties in achieving income targets, unforeseen/necessary repairs resulted in some overspends on expenditure budgets.</p> <p><u>Environmental Service (+£0.157m)</u> – Overspend relates to unachieved 2017/2018 savings targets. A strategic review across the public protection, regulation and enforcement across CWB and Resource and Regulations has been signed off by SLT. And a project working group has been set up to review the service areas.</p>	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>

				<p><u>Communities (-£0.006m)</u> - Minor variations across the service.</p> <p><u>Grounds Maintenance / Parks &amp; Countryside (+£0.120m)</u> Less external income than anticipated, and overspends on staff, plant and equipment.</p> <p><u>Bereavement Services (-£0.005m)</u> - Minor variations across the service.</p> <p><u>Highways (-£0.009m)</u> Additional income from drop crossings.</p> <p><u>Sports &amp; leisure (+£0.465m)</u> Savings from previous years not achieved due to longer term growth and investment plan. Medium term recovery plan in place which include building condition surveys.</p> <p><u>Transport Services (-£0.190m)</u> Additional income, which will be used to offset savings targets within the service in 2018/2019.</p> <p><u>Waste Services (+£0.613m)</u> A combination of unachieved savings targets from 2016/2017 and 2017/2018. The review of waste management is ongoing. A governance structure is in place including a project team and strategic review group. There is also Continued pressure on the Winter Gritting Budget.</p> <p><u>Public Conveniences/Street Cleaning (-£0.004m)</u> largely a balanced budget.</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>One-off</p>
<b>TOTAL COMMUNITIES &amp; WELLBEING</b>	<b>93,370</b>	<b>94,620</b>	<b>1,250</b>		

## Resources and Regulation Department

### Executive Director of Resources & Regulation

Finance & Efficiency	3,599	3,723	124	<p>Staffing underspend due to holding of vacancies and maximising funding (-£0.041m).</p> <p>Tightening of running costs expenditure (-£0.069m)</p> <p>Contribution to the bad debt provision (+£0.209m).</p> <p>Unachieved savings (+£0.100m) offset by additional external income (-£0.034m).</p>	<p>Ongoing</p> <p>One-off</p> <p>Ongoing</p> <p>One-off</p>
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Human Resources	813	780	(33)	Reduced superannuation recharges from Tameside MBC (-£0.084m).	One-off
				Bank charges, credit card charges (+£0.043m).	Ongoing
				Reduced staffing costs due to restructure (-£0.153m).	One-off
				Overspends on software licences, AGMA subscription, software licences and historic Central Admin Recharge under-recovery of income (+£0.140m).	Ongoing
Legal & Democratic Services	1,078	1,096	18	Tightening of running costs expenditure and overachieved income (-£0.020m).	One-off
				Member Allowances and running costs underspends (-£0.087m).	Ongoing
				Democratic Services staffing underspend (-£0.038m).	One-off
				Unachieved savings targets (+£0.150m), offset by overachieved income (-£0.046m).	Ongoing
				Staffing/locum net overspend within Legal services (+£0.060m).	One-off
				Tightening of controllable expenditure and minor variances (-£0.021m).	One-off
Customer Support & Collections	1,223	1,013	(210)	Council Tax and NNDR summons costs income over-recovery (-£0.183m), over-recovery of Council Tax subsidy administration grant (-£0.014m) and NNDR cost of collection (-£0.003m).	Ongoing
				Net staffing/agency cover underspend (-£0.268m), offset by overspends on software licences and postages (+£0.108m), unachieved income/savings target (+£0.142m) and minor variances (+£0.008m).	One-off
ICT	(10)	(11)	(1)	Net under-recovery of printing service (+£0.049m).	Ongoing
				Under-recovery of telephony income (+£0.044m).	One-off
				Reduced leasing costs (-£0.090m).	One-off
				Over-recovery of external income (-£0.012m) offset by minor variances (+£0.011m).	One-off

Property & Asset Management	(3,069)	(2,137)	932	<p>Shortfall in rent income due to increased voids / (+£0.445m).</p> <p>Shortfall on Millgate / Longfield income due to increased voids and permitted deductions (+£0.308m).</p> <p>Staffing underspend due to holding of vacancies and training freeze (-£0.055m).</p> <p>Unachieved income target combined with additional costs on investment properties (+£0.224m).</p> <p>Various minor variances (+£0.010m).</p>	<p>Ongoing</p> <p>Ongoing</p> <p>One-off</p> <p>Ongoing</p> <p>One-off</p>
<b>Total Executive Director Resources &amp; Regulation Localities</b>	<b>3,634</b>	<b>4,464</b>	<b>830</b>		
Engineering Services	(519)	(279)	240	<p>GMRAPS (+£0.034m) under recovered ambitious targets set on outdated data.</p> <p>Coring (+£0.044m) under recovered due to suspension due to pending review minimised by careful management of controllable budgets.</p> <p>Car parking under recovered (+£0.269m). Shortfall in Pay &amp; Display income &amp; contract income off set by underspends on programmed improvements.</p> <p>Bus Lane Enforcement reduced fines (+£0.084m).</p> <p>Underspends on Traffic management projects (-£0.085m).</p> <p>Net underspends on Decriminalised parking fines net underspend (-£0.012m) and council parking permits (-£0.038m).</p> <p>Underspends on Engineering projects (-£0.056m).</p>	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>One-off</p> <p>One-off</p> <p>One-off</p>
Planning & Development Control	408	499	92	<p>Development Management have had overspends on professional fees (+£0.015m) and a shortfall in planning application income (+£0.184m).</p> <p>Underspends within Building Control due to staff vacancies / staff not being in superannuation scheme (-£0.054m), increased recharge income (-£0.055m) offset by a shortfall on building regulations income (+£0.030m).</p>	<p>One-off</p> <p>One-off</p>



				Underspends within Strategic Planning due to worklife balance initiatives and additional income (-£0.035m), minor variations (+£0.007m).	One-off
Trading Standards & Licensing	413	305	(108)	Over recovery of income for Licensing, Alcohol & Entertainment and Gambling, offset by shortfall in income for Miscellaneous licensing. (-£0.029m).	Ongoing
Assistant Director of Localities	103	155	52	Underspend for Trading Standards due to additional income from traded work. (-£0.079m). Unachieved savings target (£+0.050m, various minor overspends (+£0.002m).	One-off On-going
<b>Total Localities</b>	<b>405</b>	<b>680</b>	<b>275</b>		
<b>Environment &amp; Operational Services</b>					
Administrative Buildings	(196)	(89)	107	Overspend due to business rates (+£0.063m) and unachieved savings (+£0.050m).	Ongoing
				Overspend on cleaning contract charges (+£0.021m) and shortfall in rental income (+£0.014m), offset by underspend on utility costs (-£0.031m) and other minor underspends (-£0.010m).	Ongoing
Architectural Services	(557)	(385)	173	Under-recovery of income due to reduced fees/slippage of major schemes (+£0.181m), slightly offset by minor staff savings (-£0.008m).	One-off
Energy Conservation	158	81	(78)	Reduced CRC Allowances.	One-off
Bradley Fold Depot	41	44	3	Overspend due to building and equipment maintenance costs (+£0.003m).	One-off
Supply Chain Services	(99)	(201)	(102)	Higher volume of trading activity bringing additional income (-£0.102m) other minor offsetting variances.	One-off
Emergency Planning / Response	(447)	(449)	(2)	Minor variation.	Ongoing
<b>Total Environment &amp; Operational Services</b>	<b>(1,101)</b>	<b>(999)</b>	<b>102</b>		
<b>TOTAL RESOURCES &amp; REGULATION</b>	<b>2,938</b>	<b>4,145</b>	<b>1,207</b>		
<b>Grants to Voluntary</b>	<b>680</b>	<b>413</b>	<b>(267)</b>	Reduced grants issued – Commissioning Fund (-£0.203m),	One-off

<b>Organisations</b>				Section 48 Grants (-£0.033m), Contingency Fund (-£0.018m), Transport grants (-£0.013m)	
<b>Non Service Specific Items</b>					
Housing	(152)	(152)	0	Net Housing Benefit subsidy (-£0.031m), Reduced Housing Benefit administration grant received (+£0.041m), Reduced Housing Loan account income (+£0.030m), Services for the Wider Community underspend (-£0.040m).	One-off Ongoing Ongoing One-Off
Cost of Borrowing	5,074	4,295	(779)	Increased return on investments (-£0.049m), reduced loan repayments (-£0.374m), & reduced principal repayments (- £0.356m)	One-off
Investments	(3,900)	(4,811)	(911)	Increased dividend receipts.	One-off
Chief Executive	328	376	48	Increased staffing costs (+£0.048m).	One-off
Corporate Management	1,397	1,931	534	Increased subscriptions (+£0.064m), professional fees (+£0.027m), Apprenticeship levy costs (+£0.027m) & staffing costs (+£0.042m) together with increased Coroners Court costs (+£0.374m).	One-off
Provisions	2,503	(172)	(2,675)	Reduced contributions to provisions and reserves (-£2.675m).	One-off
Disaster Expenses	11	27	16	Storm Doris (+£0.017m).	One-off
Townside Fields	0	(64)	(64)	Additional income for provision of Unit 4 system and management costs. (+£0.064m).	One-off
Car Lease salary Sacrifice Scheme	0	(23)	(23)	Additional increase of income from administration of the scheme (+£0.023m).	One-off
Collection Fund Surplus	(1,017)	(1,350)	(333)	Additional income from 2016/17 NNDR Growth Pilot.	One-off
Passenger Transport Levy	7,081	7,081	0	N/A	
Environment Agency	97	97	0	N/A	
<b>TOTAL NON SERVICE SPECIFIC</b>	<b>(14,069)</b>	<b>(18,255)</b>	<b>(4,186)</b>		
<b>Total Revenue Expenditure (exc. Schools)</b>	<b>135,330</b>	<b>136,174</b>	<b>844</b>		

**LEVEL AND MOVEMENT OF SCHOOL RESERVES**

**Appendix B**

Table	2013/14 Number of Schools	2014/15 Number of Schools	2015/16 Number of Schools	2016/17 Number of Schools	2017/18 Number of Schools
<b>Nursery &amp; Primary</b>					
Greater than +9%	7	9	8	6	8
+8% to 9%	3	6	4	2	2
+5% to 8%	26	25	25	17	21
0% to 5%	26	20	22	28	19
Deficits	1	1	1	7	6
<b>Total</b>	<b>63</b>	<b>61</b>	<b>60</b>	<b>60</b>	<b>56</b>
<b>Secondary</b>					
Greater than +6%	4	1	2	1	2
+5% to 6%	1	2	3	-	-
0% to 5%	7	9	7	10	6
Deficits	2	2	1	2	4
<b>Total</b>	<b>14</b>	<b>14</b>	<b>13</b>	<b>13</b>	<b>12</b>
<b>Special &amp; PRU's <sup>4</sup></b>					
Greater than +9%	-	-	1	-	1
+8% to 9%	1	-	-	-	-
+5% to 8%	1	2	2	1	1
0% to 5%	1	3	2	4	2
Deficits	1	-	-	-	1
<b>Total</b>	<b>4</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>
Number above the original "Excessive Surplus" thresholds (Prim/Spec 8% & High 5%)	16	18	18	9	13
Number above the new "Excessive Surplus" thresholds (Prim/Spec 9% & High 6%)	11	10	11	7	11

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

Table	2013/14 Number of Schools	2014/15 Number of Schools	2015/16 Number of Schools	2016/17 Number of Schools	2017/18 Number of Schools
<b>Nursery &amp; Primary</b>					
<b>Deficits</b>					
£0 to £10,000	-	1	1	2	1
£10,000 to £20,000	1	-	-	2	1
£20,000 to £50,000	-	-	1	3	1
Greater than £50,000	-	-	-	-	3
<b>Surpluses</b>					
£0 to £50,000	24	25	19	28	19
£50,000 to £100,000	26	19	27	18	22
£100,000 to £150,000	11	15	10	6	8
£150,000 to £200,000	1 <sup>2</sup>	1 <sup>2</sup>	3	1	-
Greater than £200,000	-	-	-	-	1
<b>Total</b>	<b>63</b>	<b>61</b>	<b>60</b>	<b>60</b>	<b>56</b>
<b>Secondary</b>					
<b>Deficits</b>					
£0 to £100,000	-	-	-	1	3
£100,000 to £200,000	-	-	1	1	1
£200,000 to £300,000	1	1	-	-	-
Greater than £300,000	1	1	-	-	-
<b>Surpluses</b>					
£0 to £50,000	-	-	1	2	1
£50,000 to £100,000	2	2	3	1	2
£100,000 to £150,000	-	3	-	1	2
£150,000 to £200,000	1	2	3	5	-
£200,000 to £250,000	4	4	-	1	1
£250,000 to £500,000	5	1	5	1	2
<b>Total</b>	<b>14</b>	<b>14</b>	<b>13</b>	<b>13</b>	<b>12</b>
<b>Special &amp; PRU's</b>					
<b>Deficits</b>					
£0 to £25,000	-	-	-	-	1
<b>Surpluses</b>					
£0 to £50,000	2	2	1	3	1
£50,000 to £100,000	-	-	2	1	-
£100,000 to £150,000	-	-	-	-	-
£150,000 to £200,000	1	1	-	-	1
£200,000 to £250,000	-	1	1	-	2
Greater than £250,000	1	1	1	1	-
<b>Total</b>	<b>4</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>

## HOUSING REVENUE ACCOUNT

## APPENDIX C

	2017/18 REVISED ESTIMATE	2017/18 OUTTURN	VARIATION FROM BUDGET
	£	£	£
<b>INCOME</b>			
Dwelling rents	29,490,400	29,491,460	(1,060)
Non-dwelling rents	198,800	197,951	849
Heating charges	46,600	46,687	(87)
Other charges for services and facilities	945,400	945,798	(398)
Contributions towards expenditure	34,900	43,885	(8,985)
<b>Total Income</b>	<b>30,716,100</b>	<b>30,725,780</b>	<b>(9,680)</b>
<b>EXPENDITURE</b>			
Repairs and Maintenance	6,405,100	6,404,794	(306)
General Management	7,015,300	6,969,988	(45,312)
Special Services	1,145,400	1,134,417	(10,983)
Rents, rates, taxes and other charges	107,300	76,409	(30,891)
Increase in provision for bad debts	477,500	303,752	(173,748)
Cost of Capital Charge	4,463,600	4,435,644	(27,956)
Depreciation/Impairment of fixed assets - council dwellings	7,926,900	(3,000,121)	(10,927,021)
Depreciation of fixed assets - other assets	51,100	63,376	12,276
Debt Management Expenses	40,600	38,047	(2,553)
Contrib. to Business Plan Headroom Reserve	645,900	2,959,722	2,313,822
<b>Total Expenditure</b>	<b>28,278,700</b>	<b>19,386,027</b>	<b>(8,892,673)</b>
<b>Net cost of services</b>	<b>(2,437,400)</b>	<b>(11,339,753)</b>	<b>(8,902,353)</b>
Amortised premia / discounts	(11,400)	(11,382)	18
Interest receivable - on balances	(43,000)	(25,875)	17,125
Interest receivable - on loans (mortgages)	(100)	(310)	(210)
<b>Net operating expenditure</b>	<b>(2,491,900)</b>	<b>(11,377,320)</b>	<b>(8,885,420)</b>
<b>Appropriations</b>			
Appropriation relevant to impairment/revaluation		10,830,348	10,830,348
Revenue contributions to capital	2,481,900	536,972	(1,944,928)
<b>(Surplus) / Deficit</b>	<b>(10,000)</b>	<b>(10,000)</b>	<b>(0)</b>
<b>Working balance brought forward</b>	<b>(1,010,000)</b>	<b>(1,010,000)</b>	<b>0</b>
<b>Working balance carried forward</b>	<b>(1,020,000)</b>	<b>(1,020,000)</b>	<b>(0)</b>