

REPORT FOR DECISION

MEETING: CABINET
OVERVIEW & SCRUTINY COMMITTEE

DATE: 25 JUNE 2019
16 JULY 2019

SUBJECT: REVENUE AND HRA OUTTURN 2018/19

REPORT FROM: CABINET MEMBER FOR FINANCE AND HOUSING

CONTACT OFFICER: MIKE WOODHEAD, CHIEF FINANCE OFFICER
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 (2018/2019) detailing the proposed application of the carry-forward rules;
- 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 11 July, 2019. The figures in this report are presented in a format consistent with the Revenue Budget approved by Council on 21 February 2018.

**OPTIONS &
RECOMMENDED OPTION**

Members are asked to:

- a) Note the final outturn for 2018/19, and explanations for major variances (Appendix A, B and C);
- b) Endorse the recommendations of the Section 151 Officer for the minimum level of balances in light of the review of the corporate risk assessment (Sections 3 & 4).
- c) Consider the application of the cash ceiling rules (Paragraph 5.0);

Recommended Option:

It is recommended that;

- a) The final revenue outturn and HRA outturn for 2018/19 be noted along with explanations for major variances;
- b) Overspendings in the departments of Children and Young People, Communities & Wellbeing, Business, Growth & Infrastructure, Operations, Resources and Regulation and Art Gallery & Museum are not to be carried forward;
- c) The level of the General Fund balances be noted;
- d) The minimum level of the General Fund balance calculated at £4.250m for 2019/20 is subject to regular review as part of the budget monitoring process.

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.

It is accepted that it would be unhelpful to carry forward the overspendings in view of the pressures faced by services in 2019/20 and beyond.

Statement by Interim Executive Director of Resources & Regulation:

There are no wider resource implications.

Equality/Diversity implications:

No (see paragraph 9.1, page 10).

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 WOODHEAD

Chief Executive/ Joint Executive Team	Cabinet	Ward Members	Partners
10/06/19	25/06/19		
Overview & Scrutiny Committee		Committee	Council
16/07/19			

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 2018/19.
- 1.2 Work on the closure of the 2018/19 Accounts is complete and the Responsible Finance Officer approved the draft Statement of Accounts for 2018/19 on 31 May 2019. 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 2019 and proposals for the continued strengthening of the budget monitoring arrangements.

2.0 REVENUE OUTTURN 2018/19

- 2.1 The revenue outturn and details of the major variations service by service are shown at Appendix A (pages 11 to 22) and are summarised as follows:

Department	Budget £000	Forecast £000	Variance £000
Communities & Wellbeing	70,301	71,825	+1,524
Resources & Regulation	6,241	6,890	+649
Children, Young People & Culture	46,017	51,055	+5,038
Business, Growth & Infrastructure	(1,284)	717	+2,001
Operations	14,039	15,724	+1,685
Art Gallery & Museum	439	515	+76
Non Service Specific	(548)	(8,864)	(8,316)
TOTAL	135,205	137,862	+2,657
Planned Contribution to General Fund	2,811	2,811	-
TOTAL OUTTURN	138,016	140,673	+2,657

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

Final Outturn Variance Reason	Children, Young People & Culture £'000	Communities & Wellbeing £'000	Resources & Regulation £'000	Business, Growth & Infrastructure £'000	Art Gallery & Museum £'000	Operations £'000	Non Service Specific £'000	TOTAL £'000
Demand Pressures	4,283	7,613	0	0	0	224	498	12,618
Delayed Achievement of Cuts Options	100	6,460	282	550	0	1,093	0	8,485
Non-Achievement of Cuts Options	243	15	0	298	0	0	0	556
Income Shortfall	0	409	364	1,389	95	656	0	2,913
Planned use of one-off funding	(121)	(1,502)	0	0	0	0	(2,371)	(3,994)
Use of Earmarked Reserves	0	(2,917)	(290)	(538)	0	(79)	0	(3,824)
Other	533	(8,554)	293	302	(19)	(209)	(6,443)	(14,097)
TOTAL	5,038	1,524	649	2,001	76	1,685	(8,316)	2,657

2.3 All other things being equal, the outturn reported above will leave available General Fund balances standing at **£3.453m** at 31st March 2019 (see par. 3.1).

3.0 GENERAL FUND BALANCES

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

	£m
General Fund Balance 31 March 2018	7.549
Less : 2018/19 Year End Overspend	-2.657
Plus: Planned contribution to General Fund balances	+2.811
General Fund Balance 31 March 2019	7.703
Less : Minimum balances to be retained in 2019/20	-4.250
Available balances at 1 April 2019	3.453

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

4.0 RISK MANAGEMENT

- 4.1 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.
- 4.2 For 2018/19 the Council accepted the Interim Executive Director's recommendation that the minimum level of balances should be kept at **£4.250m.**
- 4.3 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.
- 4.4 A further assessment of minimum balances will be incorporated into the Month 3 Budget Monitoring report that will be presented to Cabinet in July 2019.
- 4.5 Effective budget monitoring is vital and various risk management techniques have been applied to budget monitoring throughout the year. These include the establishment of the Budget Recovery Group and Savings Delivery Group as well as regular monitoring of savings targets through savings trackers. The cost bridges and variance analysis continue to be produced each quarter as well as regular updates of the departmental savings trackers. Reports containing this information were provided on a regular basis to the Joint Executive Team, the Overview & Scrutiny Committee, the Cabinet, Audit Committee and Joint JET / Cabinet meetings.
- 4.6 The use of this methodology will continue in 2019/20 and reports will continue to be presented to the Cabinet meetings and those others listed above.

5.0 OPERATION OF THE CASH CEILING SCHEME

- 5.1 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:

"Chief Officers are responsible for ensuring that any overall overspendings at year end are recovered in the following year. Any overall underspending 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."

- 5.2 As such, normal operation of the scheme 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. **There were no departmental underspendings in 2018/19.**
- 5.3 Members must, therefore, consider whether to apply the overspendings rule. Any overspend that is carried forward will reduce the budget available for that department by the amount of the overspend. Considering the level of savings that need to be achieved in the short and medium term as well as the ongoing budget pressures facing the Council it is felt prudent to recommend that **no overspendings are to be carried forward into 2019/20.**

6.0 SCHOOLS POSITION

6.1 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.

6.2 The overall level of school balances and associated spending as at 31st March 2019 is a deficit of £9.678m, which represents an increase of £3.368m from the opening deficit balance of £6.310m.

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	2018/19	Totals
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
DSG Control Account - deficit b/f	105	664	2,695	4,514	6,004	6,954	11,103	
DSG in-year summary variation	664	2,031	1,819	1,490	950	4,149	3,528	
Totals c/f	769	2,695	4,514	6,004	6,954	11,103	14,631	
Main Spending & Budget Variations								
DSG Control Account - deficit b/f	105							105
DfE Underfunding - Post 16 Provision	n/a	822	612	673	366	449	524	3,446
SEN/Inclusion (incl in-year Top-ups)	226	518	278	-318	-423	1,213	1,107	2,601
SEND Inclusion Partnerships	0	0	0	0	0	0	259	259
Special Schools (LA & Independent)	48	328	1,362	1,528	460	990	1,338	6,054
Sickness Insurance Scheme write-off	n/a	n/a	n/a	n/a	n/a	884	0	884
Supply cover	147	222	n/a	n/a	n/a	n/a	0	369
Termination of Employment	138	100	170	99	29	248	0	784
Early Years	n/a	n/a	-648	-492	-182	-2	87	-1,237
Other central spend inc PPG	n/a	41	45	n/a	700	367	213	1,366
Total Variations	664	2,031	1,819	1,490	950	4,149	3,528	14,631
School Balances	-6,852	-6,662	-6,724	-6,786	-4,955	-4,793	-4,953	
NET DSG Position	-6,083	-3,967	-2,210	-782	1,999	6,310	9,678	

6.3 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.

- 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.
- Increased funding has been required to support the greater revenue funding requirements for expanding local Special school provision.
- Additional resource has been targeted for developing inclusion across the borough with Primary and Secondary Inclusion Partnerships being developed. This additional cost is already making a return on investment which will be measured through cost avoidance of reduced exclusions, reduced out of borough high cost placements, enhanced commissioning of alternative provision and much more to be outlined in a separate budget tracking and deficit recovery paper.
- 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 were unrecoverable in 2018/19. 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.

6.4 2016/17 was the first year where the deficit within the DSG Control Account is greater than the level of school balances, and the 2017/18 Revenue Out-turn stated that "significant action will need to be taken to reduce the amount of deficit".

6.5 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.

6.6 Consequently plans will be in place to recover the amount of the deficit over the next few financial years and will coincide with the full implementation of the National Funding Formula that began in 2018/19.

6.7 Although there was an intention to "pay-off" the accumulated deficit as at the end of 2018/19 within 3 to 4 years, the current pressures and spending levels are much greater than in previous years, which inevitably will significantly delay getting the DSG Control Account back into a balanced position.

6.8 As part of the control of Deficit DSG balances nationally the DfE have recently introduced requirements on all Local Authorities with a cumulative DSG deficit of greater than 1% at the end of 2018/19 to submit a deficit recovery plan for their consideration and for them to offer support (non-financial) where necessary. Bury has been in dialogue with DfE officials over the last 18 months regarding the accumulating deficit and have already agreed a 5 year recovery plan in principle.

6.9 This recovery plan is subject to agreement with Schools' Forum and is drafted as follows:

Year	2019/20	2020/21	2021/22	2022/23	2023/24	Totals
	£m	£m	£m	£m	£m	£m
Schools Mandatory Cost Threshold (1 st £6,000)	-1.8	-1.8	-1.8	-1.8	-1.8	-9.0
SEN Support & Inclusion – reduced out of borough placements	-0.2	-1.0	-1.0	-1.0	-1.0	-4.2
SEN Support & Inclusion – Annual Service Efficiencies / Savings	-0.12	-0.12	-0.12	-0.12	-0.12	-0.6
DSG Schools Block Transfer	-0.9	0.0	0.0	0.0	0.0	-0.9
Additional High Needs Funding	-0.45	-0.45	0.0	0.0	0.0	-0.9
TOTAL RECOVERY *	-3.47	-3.37	-2.92	-2.92	-2.92	-15.6

6.10 School balances as at 31st March 2019 were in surplus by £4.956 million. In total, excluding those schools that converted to academy status during 2018/19, this represents a net increase of £0.309 million from the opening balance of £4.647 million once the adjustment of academy balances is taken into account.

Of the 71 local authority schools:

- 63% of schools increased the level of their surpluses during 2018/19, i.e. underspent their annual budget allocation, in total by over £674,000;
- 12 of Bury schools each increased their school's surplus by over £50,000 during 2018/19;
- 4 of these schools each increased their school's surplus by more than £100,000 during 2018/19;
- 62 out of 71 schools with delegated budgets had surplus balances at the end of the 2018/19 financial year, which is only 2 more than at the end of the previous financial year;
- 9 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 and Young People, who will take into account the views of the Schools Forum. This is a decrease from the 11 schools that had reportable balances in the previous financial year. 4 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. Of the 9 schools in a deficit position, at least 7 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 will only be allowed with prior approval and a robust recovery plan and acceptable timeframe.

6.11 Whilst there are fewer schools in deficit compared to the previous year there is a growing concern around the escalating value of deficits which has increased from £0.513 million to £0.878 million in 2018/19. A real issue comes particularly from schools in deficit who have been judged to be at 'Special Measures' in Ofsted inspection outcomes and who are subsequently required to become 'Sponsored' academies i.e. other bodies take over the school. In these circumstances, should the schools affected not manage to recover any deficit in full prior to academy conversion, the deficit may be left for the remaining Maintained schools to pay. Appropriate measures will be implemented on schools in this position in order to

attempt to safeguard the overall financial position of the Dedicated Schools Grant and Maintained schools.

- 6.12 It should be noted that any school in deficit that chooses voluntarily to convert to academy status will take the deficit with them and the LA will be recompensed by the Education and Skills Funding Agency (ESFA).
- 6.13 Appendix B shows an analysis of movements on school balances to allow Members to consider the spread of school balances around the Borough.

7.0 HOUSING REVENUE ACCOUNT OUTTURN 2018/19

- 7.1 The Housing Revenue Account (HRA) for 2018/19 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 2018/19 a contribution of £0.422m was made to the Business Plan Headroom Reserve; this maintains the working balance at £1.030m; this contribution was £1.756m more than expected (as a contribution of £1.714m from the reserve was the budgeted figure).
- 7.2 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, £0.178m for uncollectable debts and £0.295m 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 £0.115m 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 Anti-Poverty Strategy continue to contribute 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; only the depreciation charges of £7.933m 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 2019/20 to complete the 2018/19 programme, therefore the underspend will only sit in the Business Plan Headroom Reserve on a temporary basis rather than being available for other purposes.
- 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 2018/19 was on average 1.14%. The original dwelling rents budget allowed for a void level target of 1.2%. This reduction in void losses equates to an increase in rental income due of £0.018m.
- 7.5 The total rent arrears at the end of 2018/19 were £1.656m, an increase of 14.9% from the start of the year when arrears totalled £1.441m.

- 7.6 The original HRA budgets assumed 60 Right to Buy sales during 2018/19. The actual number of sales in 2018/19 was 55.
- 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 Cabinet to take a view on the company's financial position.
- 7.8 Six Town Housing's draft accounts for the 2018/19 financial year show that the ALMO made a surplus of £0.250m on a turnover of £20.156m, a rate of 1.2% (for 2017/18 the rate was 1.5%); the surplus for 2018/19 excludes pension adjustments made in line with FRS102 requirements.
- 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; the minimum level for 2018/19 was assessed to be £1.053m and the draft accounts indicate cash and short term deposits totalling £3.438m at the end of 2018/19. The use of reserves is subject to joint decisions by Six Town Housing and the Council.

8.0 OTHER ISSUES

- 8.1 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 11 July 2019 for approval.
- 8.2 Members are also asked to note that the Accounts for 2018/19 were available for public inspection at the Town Hall for 30 working days effective from 3 June 2019. This matter was advertised in the local press and placed on the Council's website and the Accounts can be viewed by contacting 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 2019/20 will continue to be presented to the Joint Executive Team on a monthly basis and on a quarterly basis to the Cabinet, Joint JET / Cabinet, Overview and Scrutiny Committee and Audit Committee.

Councillor Eamonn O'Brien
Cabinet Member for Finance and Housing

Background documents:

Revenue Cost Information and Finance Working Papers, 2018/19

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

Mr M. Woodhead, Chief Finance Officer, Tel. 0161 253 7659, E-mail: mike.woodhead@nhs.net, or
Mr A. Baldwin, Head of Financial Management, Tel. 0161 253 5034,
E-mail: A.Baldwin@bury.gov.uk

	2018/19 Current Budget	2018/19 Outturn	Variance	Reason For Variance	One – Off / Ongoing
	£000's	£000's	£000's		
Department of Children, Young People and Culture					
Learning – Schools	0	0	0	Any underspend or overspend funded via the DSG are rolled forward into the next financial year.	
Learning – Non Schools	12,016	12,010	(6)	<p>School Improvement Service (-£0.021m) - Underspend due to spending restrictions pending the departmental restructure.</p> <p>School Transport (Including Bus Escorts, SEN and Non-SEN) (-£0.047m) Funding from the DSG identified for SEN transport and underspends on bus escorts due to staff vacancies. Home to College Transport (+£0.036m) - due to increased demand from the number of students attending local colleges.</p> <p>Education Psychology Service – Over spend (+£0.037m) due to a severance payment made during the year.</p> <p>Other minor underspends (-£0.011m).</p>	<p>One-off</p> <p>One-off</p> <p>One-off</p> <p>One-off</p>
Social Care & Safeguarding	20,012	24,166	4,154	<p>Childcare and Early Years (-£0.017m) – spending restrictions and the deferred implementation of the proposed structure has led to the non-filling of vacant posts.</p> <p>Safeguarding Unit (+£0.045m) - agency staff were brought in to cover a vacant Business Manager post and long term sickness.</p> <p>CAMHS (-£0.024m) – savings achieved on delaying the filling of vacant posts. One post covered by Pennine Care NHS Trust.</p> <p>Safeguarding Teams (+£0.214m) - The overspend is largely due to agency staff covering 5 vacant posts, a long term sickness and maternity cover. There has been a marked increase in Interpretation and translation cost (£40k in total) and the Not-Looked-After children discretionary payments overspent by £40k, which include payments to prevent homelessness, support for benefits</p>	<p>One-off</p> <p>One-off</p> <p>One-off</p> <p>Ongoing</p>

				<p>withdrawn and payments to friends and family.</p> <p>Initial Response Team (+£0.064m) – Agency staff cover for a social work acting up into a Team Manager post and long-term sickness cover. Increased demand for discretionary payments for children not looked after and interpretation costs, mileage and car parking.</p> <p>Emergency Duty Team (+£0.122m) - The service struggled to recruit to vacant posts and is therefore reliant on agency staff to cover the statutory hours required.</p> <p>Safeguarding – Higher Lane Building Costs (+£0.062m) – The budget was cut based on the building being vacated in September 2018 which did not take place.</p> <p>Safeguarding – External Legal Fees (+£0.119m) – The trend nationally has been for increased use of proceedings and Bury Council appears to be following that same trajectory. Our internal Legal Team have appointed a locum barrister which should reduce the reliance on the use of external barristers in the future.</p> <p>CSE – Child Sexual Exploitation Team (+£0.052m) - The over spend is a result of the 12 month secondment of a team manager and a child and family worker additional to the establishment.</p> <p>Children’s Disabilities Team (+£0.078m) –the budget continues to support a number of children with highly complex needs, increasing pressure on the Direct Payments and Commissioned Services budgets.</p> <p>Children’s Domestic Violence (-£0.068m) – Savings were achieved as this new team was not fully staffed for the whole financial year.</p> <p>The Reach Out Adolescent Support Unit (-£0.101m) – underspend relates to changes in the planned delivery of the service and vacancies.</p> <p>Fostering Team (+£0.168m) There has been an increase in costs for children placed with foster carers, family & friends and special guardianship orders. The Community Parent fee was increase from</p>	<p>One-off</p> <p>Ongoing</p> <p>Ongoing</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>
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				<p>January 2019 to encourage people to foster with Bury rather than other authorities or IFA's.</p> <p>Adoption Service (+£0.020m) - a number of children were placed outside of the Regional Adoption Agency that attract placement fees, this was offset by savings on salaries and adoption allowances.</p> <p>Children's Residential Care (+£2.238m) - The service is largely demand led and continues to support a number of complex and high cost cases. The demand remains volatile, with changes to placements occurring each month. There were 45 children in residential care at the end of March.</p> <p>Independent Foster Agency - (+£0.849m) - Like Children's Residential placements, Independent Foster Care is high cost and demand led and a shortage of suitable foster care placements can result in children being placed with IFA's. There were 55 children placed with IFA's at the end of March.</p> <p>Through Care Support (+£0.529m) - the impact of supporting young people until the age of 21 continues to cause the service to overspend.</p> <p>YJB Remand (-£0.015m) - the number of remand bed nights used was lower than the funding received in-year.</p> <p>Connexions (-£0.121m) - Savings achieved on salaries and the use of one-off grants.</p> <p>Other minor underspends (+£0.06m).</p>	<p>One-off</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>One-off</p> <p>One-off</p> <p>One-off</p>
Other Management Costs	2,561	2,677	116	<p>Strategic Management (+£0.045m) - the overspend is a result of the remainder of the 2016-17 and 2017-18 budget savings that have yet to be achieved.</p> <p>Teachers Pensions (+£0.066m) - Part of the 2019-20 cut was brought forward into 2018-19, however the reduction in demand has not been in line with the cut.</p>	<p>Ongoing</p> <p>One-off</p>
Strategy / Commissioning	2,441	2,449	8	<p>An overspend on Social Care Admin was offset by savings on the CYP Partnership fund due to a secondments and salary savings on the PPC Team and Strategic Support.</p>	<p>One-off</p>
Departmental Wide	6,881	7,494	613	<p>IAS19 pension costs and Mutual Settlement and Voluntary Early Retirement costs (+£0.613m).</p>	<p>One-off</p>

Libraries	2,106	2,259	153	Libraries (+£0.152m) - Delays in transferring libraries to community groups led to additional building maintenance costs, business rates were higher than anticipated for a number of buildings and there was a reduction in the contribution from Adult Learning for the use of library space. There was also an overspend on Archives Service due to a payment to AGMA for holding county records. Of the £1.0m cuts over the last 2 financial years the service was unable to achieve £21,400.	One-off
TOTAL CHILDREN, YOUNG PEOPLE & CULTURE	46,017	51,055	5,038		
Department of Communities & Wellbeing					
Adult Social Care Operations	4,573	4,262	(311)	The underspend within ASC operations is largely due to delays in staff recruitment. It is anticipated that remaining vacant posts will be appointed to during 2019/20 and as a consequence this underspend should be viewed as one off.	One off
Workforce Modernisation	914	984	70	The overspend relates to a combination of a shortfall in the budget provision for rent at the Bury Adult Learning Centre , a reduction from the Skills Funding Agency Grant and an unachieved savings target.	On-going
Housing Related Services	1,075	747	(328)	The Housing related services underspend largely relates to additional income received from the asylum seekers contract held with SERCO and a delay in implementing several preventing homelessness schemes.	One-off
Finance, Customer Services & Asset Management	3,106	2,882	(224)	The underspend is due to a £224k underspend within the Better Care Fund budget. The underspend is being used to offset in year pressures within the councils' Care in the Community budget which is in line with the BCF plan with regards to the Protection of Social care provision.	One off
Commissioning & Procurement - Care in the Community	30,578	31,978	1,400	The overspend is due to the ongoing demand pressures within the Care in the Community budget. Current projections suggest there is a recurrent £1.5m demographic pressure on this service. During 2018/19 this service received support of £4.8m from the Improved Better Care Fund and departmental reserves. There is an ongoing review of high and low cost care packages and a shift to reduce the level of residential	On-going

				care activity towards an asset based approach to care by placing people's skills, interests, community resources (i.e. assets) alongside their needs to improve care and value for money. In addition the ASC operational workforce will adopt a business focussed approach when designing care packages with regard to the financial impact to council budgets.	
Commissioning & Procurement - Other	16,059	15,716	(343)	Underspend on staffing budgets due to vacancies and secondments, also savings against Supporting People contracts and Emergency respite care.	One off
Public Health	9,983	9,983	0	The Public Health budget is balanced, however there was a £1.4m call on reserves during 2018/19 which was used to fund time bound projects, one off support towards the public health savings programme and the impact of the reduction to the notional grant figure (all agreed as part of the Public Health reserves plan).	On-going
Neighbourhood and Leisure	4,279	5,538	1,259	<u>Beverage & Vending (+£0.119m)</u> – Overspend due to reduced footfall/sales.	On-going
				<u>Civic Halls (+£0.235m)</u> – Civic Halls The overspend is a combination of not achieving income targets and the need to undertake essential and unforeseen repairs.	On-going
				<u>Environmental Service (+£0.371m)</u> – The overspend relates to unachieved 2017/18 savings targets. The saving target is linked to a joint Regulatory Services review across the Communities & Wellbeing Department and the Resources & Regulation Department. The next steps regarding the review are subject to guidance from the council's Joint Executive Team (JET).	On going
				<u>Communities (+£0.003m)</u> – This budget was largely balanced with only a small net overspend across several budgets.	One off
				<u>Parks & Countryside (-£0.006m)</u> This budget was largely balanced with only a small net overspend across several budgets.	One off
				<u>Sports & leisure (+£0.537m)</u> The Overspend relates to unachieved 2017/18 savings targets. A medium term recovery plan in place, and various options are being considered.	On going

Department of Communities & Wellbeing	70,567	72,090	1,523		
Resources and Regulation Department					
Operational Services					
Bradley Fold Depot	44	35	(9)	Underspend due to change of gas supplier and reduced gas usage following a fire on the premises (-£0.009m).	One-off
Supply chain services	(96)	(273)	(177)	Higher volume of trading activity bringing additional income (-£0.196m).	One-off
				Stock write off required following the fire (+£0.019m).	One-off
Emergency Planning / Response	(566)	(488)	78	Equipment monitoring income levels not fully achieved (+£0.065m).	Ongoing
				Additional costs due to staff absence and one off costs (+£0.035m).	One-off
Total Operational Services	(618)	(726)	(108)		
Central Support Services					
Finance & Efficiency	3,666	3,682	16	Staffing overspend (+£0.025m).	Ongoing
				Tightening of running costs expenditure (-£0.176m).	One-off
				Contribution to the bad debt provision (+£0.136m).	Ongoing
				Net contributions to reserves/provisions (+£0.094m).	One-off
				Unachieved savings (+£0.100m).	Ongoing
				Reduced superannuation recharges from Tameside MBC (-£0.212m).	One-off
				Bank charges, credit card charges (+£0.049m).	Ongoing
Human Resources	849	901	52	Severance costs (+£0.081k).	One-off
				Reduced staffing costs due to restructure (-£0.156m).	Ongoing
				Overspends on software licences, AGMA subscription, software licences and historic Central Admin Recharge under-recovery of income (+£0.143m).	One-off

				Tightening of running costs expenditure and overachieved income (-£0.016m).	Ongoing
Legal & Democratic Services	1,057	1,125	68	Member Allowances and running costs underspends (-£0.100m). Democratic Services overspends for local elections and 2 by-elections (+£0.328m) Funding from Elections Smoothing Reserve & Land Charges Reserve to offset the above (-£0.245m). Delayed implementation of savings targets (+£0.082m). Minor variances (+£0.006m).	Ongoing One-off Ongoing One-off One-off
Trading Standards & Licensing	400	329	(71)	Over recovery of income for Licensing, Alcohol & Entertainment and Gambling (-£0.036m). Non-recruitment of proposed Trading Standards apprentice (+£0.021m). Tightening of running costs and minor improvement on income (-£0.014m).	Ongoing Ongoing Ongoing
Customer Support & Collections	1,252	1,252	0	Council Tax and NNDR summons costs income over-recovery (-£0.155m), over-recovery of Council Tax subsidy administration grant (-£0.006m). Net staffing/agency cover underspend (-£0.233m). Overspends on software licences and hardware (+£0.175m), court fees / solicitors/barrister (+£0.045m). Unachieved income /savings target (+£0.192m). Minor variances (-£0.018m).	Ongoing One-off Ongoing Ongoing
ICT	(93)	(93)	(0)	Net under-recovery of printing service (+£0.034m). Under-recovery of telephony income (+£0.038m). Reduced leasing costs (-£0.061m). Unfunded balance of capital project (+£0.110m) has been funded from Reserves (-£0.110m). Minor variances (-£0.011m).	Ongoing One-off One-off One-off One-off
Total Central Support Services	7,131	7,192	65		
Trading Services					

Cleaning Services	10	92	82	Increased costs not passed on to schools due to Senior Management decision has led to a loss of income (+£0.167m). Additional relief income has offset the above (-£0.085m).	One-off One-off
Catering Services	(548)	62	610	Reduced numbers of primary school children purchasing meals has led to a net loss (+£0.271m). Year end stock adjustment (+£0.040m) and small equipment costs (+£0.005m) due to the imminent closure of the Central Processing Unit. Pay award not funded by increase in SLA to schools due to Senior management decision (+£0.220m). Severance costs (+£0.074m).	Ongoing One-off One-off One-off
Total Trading Services	(538)	154	692		
TOTAL RESOURCES & REGULATION	5,975	6,624	649		

Business Growth & Infrastructure Department

Business Growth Management Team	535	541	6	Staff costs have been funded from reserves leaving only minor variances (+£0.006m).	Ongoing
Assistant Director of Localities	105	153	48	Unachieved savings target (£+0.050m, various minor overspends (+£0.002m).	On-going
Planning & Development Control	521	391	(130)	Development Management have had additional IT costs re Plantech and GDPR compliance, severance costs and additional planning application income (-£0.102m). Overspends within Building Control due to additional IT costs re Plantech and compliance with GDPR (+£0.015m). Underspends within Strategic Planning due to vacancies / worklife balance initiatives (-£0.018m), reduced costs (-£0.025m).	One-off One-off One-off
Administrative Buildings	(533)	(154)	379	Overspend due to business rates (+£0.074m) and unachieved savings (+£0.266m). Overspend on cleaning contract charges (+£0.042m), staffing, cleaning relief charges (+£0.046m), utilities	Ongoing Ongoing

				(+£0.037m) offset by additional income (-£0.086m).	
Property & Asset Management	(2,563)	(1,131)	1,432	<p>Shortfall in rent income due to increased voids /rent reductions (+£0.247m) and property sales (+£0.283m).</p> <p>Shortfall in rent received for Town centres including Millgate (+£0.419m).</p> <p>Staffing underspend due to holding of vacancies (-£0.047m).</p> <p>Unachieved income target for Investment properties (+£0.276m).</p> <p>Unidentified savings (+£0.222m) and additional legal recharges (+£0.054m).</p> <p>Lease variation income (-£0.080m).</p> <p>Loss of income, reduced number of stalls after refurbishment at Radcliffe Market and subsequent transfer to Community Benefits society (+£0.068m).</p> <p>Loss of income for markets voids (+£0.010m) and additional business rates costs (+£0.041m) offset by savings on electricity and vacancies (-£0.061m).</p>	<p>Ongoing</p> <p>Ongoing</p> <p>One-off</p> <p>Ongoing</p> <p>Ongoing</p> <p>One-off</p> <p>Ongoing</p> <p>One-off</p>
Strategic Housing unit	1,202	1,231	29	Savings targets (+£0.100m) offset by temporary savings due to vacancies (-£0.071m).	Ongoing
Architectural Services	(732)	(406)	326	Under-recovery of income due to unachievable savings, academisation of schools, services being transferred to Persona and general reduction in engagement of the service (+£0.326m)	One-off
Energy Conservation	182	93	(89)	Reduced CRC Allowances - (scheme ends March 19).	One-off
Total Executive Director of Business Growth & Infrastructure	(1,284)	717	2,001		
Department of Operations					
Grounds Maintenance	1,596	1,780	184	Loss of income from schools contracts and reduced S106 schemes, increased cost in building works due to H&S and vandalism.	One-off
Engineers	6,774	7,112	338	<p><u>Consultancy/Traffic Management</u> (-£0.152m) Underspend on staffing budgets due to delays in recruiting, increase in fees from capital due to a much larger capital programme.</p> <p><u>Highway Network Services (GMRAPs/ Coring)</u></p>	<p>One-off</p> <p>Ongoing</p>

				<p>(+£0.062m) Income from GMRAPS scheme is covering direct costs, The target income budget of £59.6k is unachievable. Coring Testing has been suspended pending a review.</p> <p><u>Car Parking On/Off Street (+£0.319m)</u> Income targets not being achieved.</p> <p><u>Decriminalised Parking (+£0.017m)</u> Slight shortfall in income generated, to cover the contract price.</p> <p><u>Bus Lane Enforcement (+£0.074m)</u> Compliance is high and therefore has a direct impact on income which has significantly diminished.</p> <p><u>Highways Network Services (+£0.018m)</u> Increase cost of disposal, materials were bulked off site prior to changes in contaminated waste legislation.</p>	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>One-off</p>
Winter maintenance	269	344	75	Reactive service.	On going
Transport	803	784	(19)	Reduction in prudential borrowing.	On going
Waste Management	4,597	5,704	1,107	<p><u>Recycling/Waste Management (+£1.093m)</u>. The 2016/17 saving target was £600k of which £255k has been found. The remaining £345k from 16/17 plus the 2017/18 target of £230k and a further £650k for 2018/19 means there is £1.2m of savings still to achieve.</p> <p>Plan/Options to address the pressure:</p> <ol style="list-style-type: none"> Ongoing service performance and staffing review will create a further £250k saving. Full range of strategic options developed for JET/Cabinet consideration. <p>Continue to develop new models of working.</p> <p><u>Education Awareness (-£0.063m)</u> Underspend on salaries due to vacancies.</p> <p><u>Trade Waste (+£0.006m)</u> Minor variations across the service.</p> <p><u>Public Convenience/Street Cleaning (+£0.071m)</u> Increase staffing cost due to long term sickness.</p>	<p>On going</p> <p>One-off</p> <p>One-off</p> <p>One-off</p>

TOTAL OPERATIONS	14,039	15,724	1,685		
Art Gallery & Museum	439	515	76	The Museum Development income budget from prior years is still unachievable (£95,000); offset by underspend on Arts Development (-£19,000).	Ongoing One-off
Non Service Specific Items					
Grants to Voluntary Organisations	680	338	(342)	Reduced grants issued: Commissioning Fund (-£0.277m), Section 48 Grant (-£0.034m), Contingency Fund (-£0.014m), Transport grants (-£0.012m), Sundry small grants (-£0.005m).	One-off
Housing	(152)	(152)	0	Net Housing Benefit subsidy (+£0.257m); Contribution to bad debt provision (+£0.258m); Funding from Section 31 grants (-£0.524m); Reduced Housing Benefit administration grant received (+£0.018m).	One-off Ongoing Ongoing One-Off
Cost of Borrowing	4,997	2,393	(2,604)	Increased return on investments (-£0.552m), reduced loan repayments (-£0.352m), reimbursement from HMRC (-£1.531m) income & reduced external loan principal and interest repayments (-£0.169m).	One-off
Investments	(4,800)	(5,641)	(841)	Increased dividend receipts.	One-off
Chief Executive	426	426	0	N/A	One-off
Corporate Management	1,400	1,477	77	Reduced Apprenticeship levy costs (-£0.210m) and income from HRA (-£0.400m) offset by increased subscriptions (+£0.077m), professional fees (+£0.054m), & staffing costs (+£0.056m) together with increased Coroners Court costs (+£0.498m).	One-off
Capital Costs	-19,198	-19,198	0	N/A	
GMWDA Levy	6,933	6,933	0	N/A	
Accumulated Absences	-530	-530	0	N/A	
Non Service Specific grants	-868	-868	0	N/A	
FRS17 costs	-12,542	-12,542	0	N/A	
Provisions	2,559	0	(2,559)	Reduced contributions to provisions and reserves (-£2.559m).	One-off

Disaster Expenses	11	15	4	Adult Learning Centre emergency repairs.	One-off
Townside Fields	0	(60)	(60)	Additional income for provision of Unit 4 system and management costs (+£0.060m).	One-off
Car Lease salary Sacrifice Scheme	0	(29)	(29)	Additional increase of income from administration of the scheme (+£0.029m).	One-off
Poverty Strategy	90	0	(90)	Unallocated funds – carried forward to 2019/20.	One-off
Service Pressure	1,329	(544)	(1,873)	Contribution to Council wide service pressures.	One-off
Passenger Transport Levy	19,019	19,019	0	N/A	
Environment Agency	97	99	2	Increase in Levy.	On-going
TOTAL NON SERVICE SPECIFIC	(549)	(8,864)	(8,315)		
Planned Contribution to General Fund Balances	2,811	2,811	0		
Total Revenue Expenditure (exc. Schools)	138,016	140,673	2,657		

Number of Schools – Surpluses/Deficits in Percentage Terms

Table	2013/14	2014/15	2015/16	2017/18	2018/19
	Number	Number	Number	Number	Number
	of	of	of	of	of
	Schools	Schools	Schools	Schools	Schools
Nursery & Primary					
Greater than +9%	7	9	8	6	7
+8% to 9%	3	6	4	2	8
+5% to 8%	26	25	25	17	15
0% to 5%	26	20	22	28	20
Deficits	1	1	1	7	4
Total	63	61	60	60	54
Secondary					
Greater than +6%	4	1	2	1	1
+5% to 6%	1	2	3	-	3
0% to 5%	7	9	7	10	6
Deficits	2	2	1	2	2
Total	14	14	13	13	12
Special & PRU's ⁴					
Greater than +9%	-	-	1	-	1
+8% to 9%	1	-	-	-	-
+5% to 8%	1	2	2	1	1
0% to 5%	1	3	2	4	0
Deficits	1	-	-	-	3
Total	4	5	5	5	5
Number above the original "Excessive Surplus" thresholds (Prim/Spec 8% & High 5%)	16	18	18	9	20
Number above the new "Excessive Surplus" thresholds (Prim/Spec 9% & High 6%)	11	10	7	11	9

Variations in numbers of schools is due to academisation.

Number of Schools – Surpluses/Deficits in Monetary Terms

Table	2013/14 Number of Schools	2014/15 Number of Schools	2015/16 Number of Schools	2018/19 Number of Schools	2018/19 Number of Schools
Nursery & Primary					
Deficits					
£0 to £10,000	-	1	1	2	2
£10,000 to £20,000	1	-	-	2	-
£20,000 to £50,000	-	-	1	3	-
Greater than £50,000	-	-	-	-	2
Surpluses					
£0 to £50,000	24	25	19	28	20
£50,000 to £100,000	26	19	27	18	19
£100,000 to £150,000	11	15	10	6	11
£150,000 to £200,000	2	2	3	1	-
Greater than £200,000	-	-	-	-	-
Total	63	61	60	60	54
Secondary					
Deficits					
£0 to £100,000	-	-	-	1	1
£100,000 to £200,000	-	-	1	1	0
£200,000 to £300,000	1	1	-	-	-
Greater than £300,000	1	1	-	-	1
Surpluses					
£0 to £50,000	-	-	1	2	-
£50,000 to £100,000	2	2	3	1	3
£100,000 to £150,000	-	3	-	1	1
£150,000 to £200,000	1	2	3	5	1
£200,000 to £250,000	4	4	-	1	2
£250,000 to £500,000	5	1	5	1	3
Total	14	14	13	13	12
Special & PRU's					
Deficits					
£0 to £50,000	-	-	-	1	2
£50,000 to £100,000	-	-	-	-	1
Surpluses					
£0 to £50,000	2	2	1	3	-
£50,000 to £100,000	-	-	2	1	-
£100,000 to £150,000	-	-	-	-	-
£150,000 to £200,000	1	1	-	-	-
£200,000 to £250,000	-	1	1	-	-
Greater than £250,000	1	1	1	1	2
Total	4	5	5	5	5

HOUSING REVENUE ACCOUNT

APPENDIX C

	2018/19 REVISED ESTIMATE	2018/19 OUTTURN	VARIATION FROM BUDGET
	£	£	£
INCOME			
Dwelling rents	29,184,900	29,106,925	77,975
Non-dwelling rents	192,900	198,052	(5,152)
Heating charges	38,800	38,963	(163)
Other charges for services and facilities	965,500	977,227	(11,727)
Contributions towards expenditure	48,800	75,107	(26,307)
Total Income	30,430,900	30,396,274	34,626
EXPENDITURE			
Repairs and Maintenance	6,867,600	6,866,003	(1,597)
General Management	7,358,100	7,350,736	(7,364)
Special Services	1,155,500	1,164,808	9,308
Rents, rates, taxes and other charges	(75,000)	(76,843)	(1,843)
Increase in provision for bad debts	473,500	358,539	(114,961)
Cost of Capital Charge	4,686,100	4,480,643	(205,457)
Depreciation/Impairment of fixed assets - council dwellings	8,007,000	16,043,833	8,036,833
Depreciation of fixed assets - other assets	43,600	24,294	(19,306)
Debt Management Expenses	40,600	39,221	(1,379)
Contrib. to/(from) Business Plan Headroom Reserve	(1,713,900)	422,264	2,136,164
Total Expenditure	26,843,100	36,673,498	9,830,398
Net cost of services	(3,587,800)	6,277,224	9,865,024
Amortised premia / discounts	(7,700)	(7,664)	36
Interest receivable - on balances	(31,000)	(63,022)	(32,022)
Interest receivable - on loans (mortgages)	(300)	(22)	278
Net operating expenditure	(3,626,800)	6,206,516	9,833,316
Appropriations			
Appropriation relevant to impairment/revaluation	0	(8,134,748)	(8,134,748)
Housing Set Aside (Principal repayments)	0	0	0
Revenue contributions to capital	3,616,800	1,918,233	(1,698,567)
(Surplus) / Deficit	(10,000)	(10,000)	0
Working balance brought forward	(1,020,000)	(1,020,000)	0
Working balance carried forward	(1,030,000)	(1,030,000)	0