

REPORT FOR DECISION



MEETING:	CABINET OVERVIEW & SCRUTINY COMMITTEE
DATE:	16 JULY 2014 30 JULY 2014
SUBJECT:	REVENUE AND HRA OUTTURN 2013/14
REPORT FROM:	LEADER OF THE COUNCIL AND CABINET MEMBER FOR FINANCE
CONTACT OFFICER:	STEVE KENYON, ASSISTANT DIRECTOR OF RESOURCES & REGULATION (FINANCE AND EFFICIENCY) ANDREW BALDWIN, HEAD OF FINANCIAL MANAGEMENT
TYPE OF DECISION:	CABINET (KEY DECISION)
FREEDOM OF INFORMATION/STATUS:	This paper is within the public domain
SUMMARY:	<p>PURPOSE/SUMMARY:</p> <p>This report provides Members with details of:</p> <ul style="list-style-type: none"> • the revenue outturn figures in respect of the last financial year, 2013/2014, detailing specific carry-forward requests and the proposed application of the carry-forward rules; • major variances between the revised estimate and the outturn; • the level of school balances; • HRA outturn for the year; • The minimum level of balances in the light of risk assessments <p>The figures in the report are consistent with the figures included within the Statement of Accounts which were approved by the Responsible Finance Officer on 5 June and will be presented to Audit Committee on 15 July 2014. The figures in this report mirror the figures in the Accounts but are presented in a format consistent with</p>

	the Revenue Budget approved by Council on 20 February 2013.
OPTIONS & RECOMMENDED OPTION	<p>Members are asked to:</p> <ul style="list-style-type: none"> a) Note the final outturn for 2013/14, and explanations for major variances (Appendix A, B and C) b) Consider the application of the 1% rule (Paragraph 3.3); c) Endorse the recommendations of the Assistant Director of Resources (Finance and Efficiency) for the minimum level of balances in light of the review of the corporate risk assessments and the newly completed departmental risk assessments (Paragraphs 5.3 & 6.2) <p>Recommended Option:</p> <p>In view of the Council's financial situation and the budget pressures faced in 2014/15 and future years it is recommended that the normal cash ceiling rules governing the carry forward of over and underspendings should be suspended and that:</p> <ul style="list-style-type: none"> a) The final revenue outturn and HRA outturn for 2013/14 be noted along with explanations for major variances; b) Overspendings of the Children's Services, Adult Care Services and Chief Executive's departments not to be carried forward; c) The level of the General Fund balances be noted; d) The minimum level of the General Fund balance be retained at £4.5m 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):	<p>Revenue expenditure has been incurred in accordance with the agreed Revenue Budget.</p> <p>In considering requests to carry forward underspendings Members must be mindful of the level of General Fund balances and of the current and longer term budget position.</p> <p>In order to strengthen the General Fund balances in anticipation of future pressures it would be prudent to suspend the normal cash ceiling rules and to retain uncommitted underspendings centrally.</p> <p>As far as overspendings are concerned, it is accepted that it would be unhelpful to carry</p>

	forward the overspendings in view of the pressures faced by services in 2014/15 and beyond.
Statement by Executive Director of Resources & Regulation:	There are no other resource implications.
Equality/Diversity implications:	No (see paragraph 9.1, page 11).
Considered by Monitoring Officer:	Yes. The presentation of an annual report on the Revenue and HRA Outturn is a requirement of the Council's Financial Regulations, as part of Council's Financial Procedure Rules. The report accords with the Council's Policy and Budget Framework and has been prepared in accordance with all Statutory Guidance and Codes of Practice.
Are there any legal implications?	No
Wards Affected:	All
Scrutiny Interest:	Overview & Scrutiny Committee

TRACKING/PROCESS

DIRECTOR: MIKE OWEN

Chief Executive/ Strategic Leadership Team	Cabinet	Ward Members	Partners
23/6/14	16/7/14		
Overview & Scrutiny Committee		Committee	Council
30/7/14			

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 2013/14.
- 1.2 Work on the closure of the 2013/14 Accounts is complete and the Responsible Finance Officer approved the draft Accounts for 2013/14 on 5 June 2014. 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 2014 and proposals for the continued strengthening of the budget monitoring arrangements.

2.0 REVENUE OUTTURN 2013/14

- 2.1 As the table shows, there was a total underspend against the Revised Estimate of **£0.406 million**.

	£000's
2013/2014 Revised Estimate	148,640
2013/2014 Outturn	148,234
Underspend	(406)

- 2.2 The revenue outturn and details of the major variations service by service are shown at Appendix A (pages 12 to 22) and are summarised below:

Department	Budget	Outturn	Variance
	£000s	£000s	£000s
Communities & Neighbourhood Services	39,541	39,410	(131)
Children's Services	47,444	47,841	397
Adult Care Services	56,236	56,376	140
Chief Executive's	4,926	5,286	360
Non Service Specific	493	(679)	(1,172)
TOTAL	148,640	148,234	(406)

- 2.3 All other things being equal, the outturn reported above will leave available General Fund balances standing at **£7.080m** at 31st March 2014. However the final level of balances will depend on decisions made around the application of the cash ceiling scheme (see section 3).

3.0 OPERATION OF THE CASH CEILING SCHEME

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

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

- 3.2 Normal operation of the scheme also requires all overspendings to be carried forward and it allows for certain items of underspending to be earmarked and carried forward in their entirety. **Underspendings which are carried forward are funded directly from the General Fund balances.**
- 3.3 The process for considering carry-forwards involves three distinct stages:
- (i) Cash ceilings are adjusted to reflect items of expenditure that services have no direct control over. Cash Ceiling requests are taken into account before the application of the carry-forward rules, and whilst they do not impact directly on the overall level of balances retained by the Council they do influence the calculation of the underspendings against which the 1% rule applies. In 2013/14 as part of the closure of accounts process **no requests have been received from Departments for cash ceiling adjustments** to the revised estimate.
 - (ii) Departments are asked to identify any earmarked carry forward requests that should be considered prior to the application of the '1% or £50,000 rule'. **No earmarked carry forward requests have been received.**
 - (iii) Members then consider whether to apply the '1% or £50,000' rule. Any underspendings that are carried forward will reduce the level of balances carried into the current financial year and so the application of the '1% rule' should be considered alongside the need for a responsible and prudent use of balances highlighted in the budget strategy report previously considered by Council and the Council's current financial position. Based on the outturn figures shown in Appendix A the table below shows the level of underspendings that Departments would be able to carry-forward under the application of the 1% rule:

	Application of '1% or £50,000' rule
	£000
Communities & Neighbourhood Services	131
Housing General	103
Total	234

- 3.4 The table above assumes that Members would not wish Children's Services, Adult Care Services or Chief Executive's Department to carry forward their overspendings in view of the pressures faced by the services in the current year. This is also consistent with policies that have been applied to previous years overspendings.
- 3.5 If approved, this would reduce the in-year contribution to General Fund balances to only £0.172m compared to £0.406m, **a reduced contribution to balances of £0.234m.**
- 3.6 In view of this, and in view of the budget pressures facing the Council in the short to medium term it is felt prudent **to recommend that no underspendings or overspendings be carried forward** under the terms of the 1% rule.

4.0 SCHOOLS POSITION

- 4.1 The Dedicated Schools Grant (DSG) is ring fenced and these externally provided monies can only be spent on schools and associated areas as specified by the Department for Education in various Statutory Instruments. In accordance with these statutory requirements, balances of each school are carried forward into the next financial year for the benefit of the relevant school.
- 4.2 The level of school balances at 31st March 2014 is **£4.108m**. This includes a deficit of just over £2.5 million relating to Central Spend within the Schools Block (see par. 4.8 below). In total this represents a decrease of **£2.080 million** from the opening balance of **£6.188m**.
- 4.3 Changes to funding, especially the Pupil Premium Grant, coupled with increased pupil numbers meant that the available monies in 2013/14 for schools increased by approximately 3% compared to 2012/13.
- 4.4 As at 31st March 2014, schools have accumulated a surplus balance of £7.335m across the schools in Bury. This is a decrease of approx £0.028m when compared to 31st March 2013, with 77 out of 81 schools showing surplus balances. There are four schools reporting deficits amounting to £673,000.
- 4.5 Eleven schools are reporting balances, which are deemed "excessive" as defined by the "Scheme for Financing Schools" and as such will be subject to a balance control review by the Executive Director of Children's Services, who will take into account the views of the Schools Forum.
- 4.6 Schools' surpluses at 31st March 2014 represented approximately 5% of the total Schools Budget of £143 million.
- 4.7 Any balances within the Central Spend are also carried forward into the following financial year and subsequently allocated to services and schools funded by the DSG. The deficit has increased mainly as a result of increased demand pressures for pupils with Special Educational Needs and under-funding of Post-16 Learners with Learning Difficulties and Disabilities (LLDD) by the Department for Education. With agreement of the Schools Forum and the Council, the overspending should be cleared by the end of 2016/17. This will involve budget transfers from the Schools Block to the High Needs Block and Early Years Block.
- 4.8 The main variations are:

	Revised Estimate	Out-turn	2013/14 Variation
	£000's	£000's	£000's
2012/13 Overspending b/f	0	0	664
2013/14 Underfunding by DfE	0	0	640
LLDD 6 th Form Funding by DfE	(1,043)	(860)	183
Termination of Employment	0	100	100
Maternity, Paternity, Suspensions and Public Duties Supply Cover	450	672	222
Additional in-year Statements	0	518	518
Independent Special Schools	4,192	5,140	948

Inter-authority recoupment	0	(620)	(620)
Other	1,232	1,131	(101)
Total Central Spend	4,831	7,385	2,554

- 4.9 The Education Funding Agency (EFA) of the Department for Education provided funds for 16-19 year old pupils in Bury schools through a funding formula mechanism. These funds supported pupils at Elms Bank and St Monica's High schools as well as pupils in independent special schools. The level of funding provided by the agency for 2013/14 was lower by some £180,000 than the original figures that were based on the 2012/13 amounts.
- 4.10 Termination of Employment costs of £100,000 are due to early retirements and voluntary severances at Radcliffe Riverside High School, which is in its final year of operation.
- 4.11 The level of maternity supply cover continues to be much higher than the Central Spend budget, generally being more than £220,000 above budget. The responsibility for these types of Supply Cover have been transferred to schools' delegated budgets with effect from 2014/15.
- 4.12 There are much higher numbers of pupils with Statements than was budgeted for. The £518,000 additional spending is funding the extra costs within schools' delegated budgets.
- 4.13 Higher numbers of pupils attending Independent Special Schools coupled with increased fees charged by these schools have meant that the budget has overspent by 22%.
- 4.14 Other local authorities have contributed more for their SEN pupils attending Bury schools through the Recoupment mechanism.
- 4.15 All these variations mean that the amount of the overspend on the Central Spend is much higher than originally budgeted for and will require further contributions from the Schools Block to fund the amounts being carried forward and various on-going commitments.
- 4.16 The overall level of school balances masks some of the trends in individual schools. Appendix B shows an analysis of movements on school balances, to allow Members to consider the spread of school balances around the Borough. Schools are currently being asked to identify the committed usage of their balances. These figures will be included in the Consistent Financial Reporting return and the Section 251 Outturn Statements which are published nationally.

5.0 GENERAL FUND BALANCES

- 5.1 On the assumption that the recommendations made in paragraph 3.6 are approved then the level of General Fund balances will be as follows:

	£m
General Fund Balance 31 March 2014	11.580
Less : Minimum balances to be retained in 2014/15	-4.500
Available balances at 1 April 2014	7.080

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

6.0 RISK MANAGEMENT

- 6.1 In determining the minimum level of balances, a key aspect of the assessment of the Assistant Director of Resources (Finance & Efficiency) is the level of risk faced by the authority that may impact on the financial situation.
- 6.2 For 2014/15 the Council accepted the Assistant Director's recommendation that the minimum level of balances should be increased to **£4.5m**, £0.8m above the amount indicated by the 'Golden Rules'. In coming to this recommendation the Director considered the assessment of corporate risks that had been undertaken in February 2014.
- 6.3 As a result provision of £1.2m was made for unpredictable and demand led expenditure, £0.6m as a budget strategy risk cushion, £0.4m to cover uncertainty of income and £0.5m to cover the potential costs of minor emergencies.
- 6.4 It was also indicated that the minimum level of balances would be kept under regular review, and this will happen quarterly as part of the budget and risk monitoring process. However it is felt appropriate to also consider the balances position at this stage.
- 6.5 Departmental strategic risk assessments have also been completed and at this stage there are no issues that are anticipated to impact directly on balances over and above provision that has already been made around systems, demand levels, workforce development and changing structures as a result of the corporate risk assessments. Departments will be setting out risk mitigation measures within their individual Medium Term Financial Strategies.
- 6.6 A further assessment of minimum balances will be incorporated into the Month 3 Budget Monitoring report that will be presented to Cabinet in September 2014.
- 6.7 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 Star Chambers.
- 6.8 The use of this methodology will continue in 2014/15 and reports will be presented to the Cabinet meetings.

7.0 HOUSING REVENUE ACCOUNT OUTTURN 2013/14

- 7.1 The Housing Revenue Account (HRA) for 2013/14 is attached at Appendix C. The HRA is a ring-fenced account funded principally through Housing Rents. Any surplus or deficit is required to be carried forward between financial years. Councils cannot budget for a cumulative deficit on the HRA. The final outturn shows an operating deficit of **£0.198m** at the end of 2013/14.
- 7.2 There are a number of variations that have contributed to this overall result however the variances only exceed 10% / £50k in the following areas:

- Decrease in provision for bad debts – the budget contained two provisions, £0.192m for uncollectable debts and £0.100m 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 £0.100m less than the budget. The reduced requirement has resulted from delays in the implementation of some welfare benefit changes whilst the effects of others have been mitigated through the actions of the Welfare Reform Group and close working with Partners in implementing the Corporate Debt Policy.
- 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.
- Interest receivable on balances – the reduction in the level of income is due to a lower interest rate than anticipated.
- Revenue contributions to capital – the increased expenditure relates in the main to a £0.238m contribution from Six Town Housing's reserves (included within the Repairs and Maintenance budget line) being used to fund Capital heating and kitchen replacements.

- 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 2013/14 was on average 2.02%. The original dwelling rents budget allowed for a void level target of 1.8%. This increase in void losses equates to a reduction in rental income of £0.064m.
- 7.5 The total rent arrears at the end of 2013/14 were £0.850m, an increase of 0.7% from the start of the year when arrears totalled £0.844m.
- 7.6 The original HRA budgets assumed 37 Right to Buy sales during 2013/14 (based on the assumed level in the HRA self financing valuation). The actual number of sales in 2013/14 was 40.
- 7.7 A major element of the HRA's costs is the Management Fee paid to the authority's ALMO, Six Town Housing. As the ALMO is a wholly owned Council company it is appropriate for the Executive to take a view on the company's financial position.
- 7.8 Six Town Housing's draft accounts for the 2013/14 financial year show that the ALMO made a deficit of **£0.324m** on a turnover of **£14.896m**, a rate of -2.2% (for 2012/13 the rate was 0.1%); the deficit for 2013/14 excludes pension adjustments made in line with FRS17 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 and thus identify any 'free' reserves over and above this level. The use of these reserves is subject to joint decisions by Six Town Housing and the Council. The minimum level of reserves for 2013/14 was assessed to be

£1.394m and the draft accounts indicate net assets (before pension liabilities) to be £1.994m.

8.0 OTHER ISSUES

- 8.1 The Accounts and Audit (England) Regulations 2011 require that Councils have their Accounts approved by 30th June each year by the Council's Section 151 Officer. The unaudited accounts were approved by the Council's Section 151 Officer on 5 June, and will be presented to Audit Committee members on 15 July 2014 for approval.
- 8.2 Members are also asked to note that the Accounts for 2013/14 were available for public inspection at the Town Hall for 20 working days effective **from 6 June 2014**. This matter was advertised in the local press and placed on the Council's website and the Accounts can be viewed by contacting the Assistant Director of Resources (Finance and Efficiency) or the Head of Financial Management (details below).

9.0 EQUALITY AND DIVERSITY

- 9.1 There are no specific equality and diversity implications.

10.0 FUTURE ACTIONS

- 10.1 Budget monitoring reports for 2014/15 will continue to be presented to the Strategic Leadership Team on a monthly basis and on a quarterly basis to the Cabinet, Star Chambers, Overview and Scrutiny Committee and Audit Committee.

Councillor Mike Connolly
Leader of the Council and Cabinet Member for Finance

Background documents:

Revenue Cost Information and Finance Working Papers, 2013/14

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

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

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

	2013/14 Current Budget £000's	2013/14 Outturn £000's	Variance £000's	Reason For Variance	One – Off / Ongoing
Directorate of Communities and Neighbourhoods (DCN)					
Localities					
Arts, Libraries & Adult Learning	3,853	3,898	45	Libraries & Arts Services salary costs underspend due to vacancies & fewer additional hours, (-£0.122m) Severance costs (+ £0.117m) Reduction in take-up of and contributions to school library service (+£0.054m) Revenue contribution made for works at Bury library (+£0.021m) Savings on lease and insurance costs following acquisition of Bury Adult Learning Centre building (net of amount due to Adult Care) (-£0.025m)	One Off One-off Ongoing One-off Ongoing
Communities	834	786	(48)	Underspends on salary, NI & superann costs (-£0.020m) Net underspend on initiatives and other spend after contributions from other bodies (-£0.028m)	One-off One-off
Environmental Services	1,636	1,595	(41)	Severance costs (+£0.008m) Savings on salary costs e.g. from VERs and vacancies (-£0.063m) DCN car allowance savings not achieved (+£0.021m) Shortfalls on income from gambling, pest control, scientific unit & fines (+£0.047m), offset by additional income from scrap metal licences & other income (-£0.034m) Net savings on premises, discretionary spend and other budgets (-£0.020m)	One-off One-off One-off Ongoing One-off
Planning Services	1,085	1,131	46	Shortfall on building regulation income (+£0.030m) Higher than expected income from planning applications due to receipt of major applications (-£0.090m) Extra costs for AGMA Commissions & projects (+£0.025m) Environment & Planning severance costs (+£0.047m) Overspend on salary costs due to delays in restructuring, reduced by savings	Ongoing One-Off Ongoing One-off One-off

				from VERs, vacancies & staff oncosts (+£0.018m) One-off costs for planning enquiries, legal advice and surveys for major applications, offset by savings on discretionary spend & overheads (+£0.016m)	One-off
Localities Sub Total	7,408	7,410	2		
Operations					
Community Safety	(190)	(293)	(103)	Emergency and Security Services additional income and savings on staffing & equipment costs (-£0.103m)	One-Off
Highways Services	8,288	8,520	232	Severance costs (+£0.026m) Refund of surface water drainage costs (-£0.022m) Overspend on gullies, pothole repairs & roadmarkings (+£0.104m), offset by underspends on drainage, street lighting & accident repairs (-£0.159m) Savings as works on traffic signal costs now done by GMCA (-£0.023m) Shortfall in GMRAPS permit income (+£0.113m) Shortfalls in other highways income (+£0.050m) Parking services overspend due to not achieving target income for parking and penalty charge notices (+£0.172m), plus increases in contract costs (+£0.022m), counteracted by extra income from sale of permits and from Millgate car park (-£0.060m) Income from bus lane enforcement below target (+£0.045m), but offset by savings on works (-£0.045m) Overspend on school crossing patrols (+£0.050m), savings target not achieved. Net underspends on various staffing and discretionary budgets (-£0.041m)	One-off One-Off One-off Ongoing Ongoing Ongoing Ongoing One-off Ongoing One-Off
Civic Halls	428	558	130	Although bar and box office income is slightly higher than in 2012/13, it is still below target (+0.036m) Overspend on supplies (+£0.098m) Premises overspend – essential health & safety repairs at Ramsbottom Civic Hall (+£0.018m) Other variances – staffing & overheads (-£0.022m)	Ongoing Ongoing One-off Ongoing
Parks Services	3,685	3,701	16	Extra income from cemetery services (-£0.028m) & parks events (-£0.045m) Revenue contribution to Fernhill relocation works (+£0.060m)	One-off One-off

				Severance costs (£+0.013m) Other minor variances across parks services (+£0.016m)	One-off One-off
Leisure Services	1,647	1,851	204	Leisure centres underachievement of income (+£0.274m, including +£0.036k during the closure of Radcliffe Pool) compensated for by underspends on staff costs and supplies (-£0.157m, including -£0.027k saved at Radcliffe) Repairs & Mtce overspend (£0.080m), including asbestos works & window replacement at Radcliffe Pool which was not covered by insurance Contribution to changing room refurbishment at CLC (+£0.012m) Salary Saving due to staff seconded to Women & girls project (-£0.045m) transferred to Reserve (+£0.045m) Other minor variances (-£0.005m)	Ongoing One-Off One-Off One-off One-off
Administrative Buildings and Energy Conservation	1,201	892	(309)	Underspend on provision for the cost of buying carbon allowances under the CRC Energy Efficiency Scheme (-£0.106m) Reduced energy mgt costs (-£0.008m) Administrative buildings underspent following closure of Athenaeum House & Castle Buildings (-£0.195m)	One-Off One-off Ongoing
Waste Management	17,807	17,866	59	Extra waste disposal costs due to not meeting the tonnage targets included in levy calculations (+£0.152m, including +£0.102m for extra street cleansing waste) Income from return of surplus GMWDA balances (-£0.439m) Contribution of balances to levy reserve (+£0.439m) Initial recycling regulatory team costs (+£0.051m) Underspend on refuse, recycling & street cleaning labour costs (-£0.156m) Underspend on caddy liners (-£0.206m) Shortfall in income from bulky waste and sale of bins (+£0.053m) Shortfall on commercial waste income (+£0.147m) Public conveniences underspend on repairs & utility costs (-£0.024m) Street cleansing – additional cost of leaf clearance contract (+£0.080m) Underspend on winter maintenance, due to milder winter (-£0.028m) Other underspends (-£0.010m)	One-Off One-off One-off Ongoing Ongoing Ongoing Ongoing Ongoing Ongoing One-off One-off
Operations Sub Total	32,866	33,095	229		
Trading Services					

Trading Services	(733)	(1,095)	(362)	<p>Engineering Services overspent £0.364m. Income below levels assumed in workbook, including delay of LED scheme (+£0.375m) & loss of productivity re depot move (+£0.070m) Savings on materials costs (-£0.166m) Staff savings not realised within expected timeframe (+£0.051m) Buy out of relocation expenses, leading to longer term savings (+£0.023m) Severance costs (+£0.034m) Other minor variances (-£0.023m)</p> <p>Beverage and Vending Services overspend of £0.052m includes severance costs (+£0.009m) and lower than expected net income levels (+£0.043m)</p> <p>Grounds Mtce overspend of £0.010m after allowing for severance costs (+£0.020m), costs associated with the depot relocation (+£0.020m) and delays in reducing salary costs (+£0.084m). Savings on leasing costs (-£0.072m) by delaying equipment replacements and savings on other costs (-£0.042m) reduced the final overspend.</p> <p>Catering underspend of -£0.276m due to improved net income (-£0.315m) offset by extra expenditure on system upgrade and equipment in preparation for extension of free school meals (+£0.039m)</p> <p>Architectural Services overspend of £0.184m. Lower than expected income (+£0.205m) compensated for by savings on salaries and other costs (-£0.021m).</p> <p>Cleaning underspent by -£0.134m Income exceeded target (-£0.098m) and savings in other costs (-£0.036m)</p> <p>Transport Services underspent by -£0.357m including savings on leasing costs (-£0.022m), repairs (-£0.157m), extra income (-£0.093m) and savings on salaries & other costs (-£0.085m)</p> <p>Overspend on support costs of £0.161m includes provision for severance costs and one-off costs for IT upgrades. Savings of £0.075m on departmental administration costs have been reallocated to services and are included above.</p> <p>Underspend of -£0.369m on DCN</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> <p>One-off</p> <p>One-off</p> <p>Ongoing</p> <p>One-off</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>One-off</p> <p>Ongoing</p>
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				contingency budget is offset by total severance costs of £0.393m accounted for in the service variances above.	One-off
				Minor overspends (+£0.003m)	One-off
Trading Services Sub Total	(733)	(1,095)	(362)		
TOTAL DCN	39,541	39,410	(131)		
Children's Services Directorate					
Learning – Schools	(29)	(29)	0	Any underspend or overspend funded via the DSG are rolled forward into the next financial year.	
Learning – Non Schools	28,163	27,816	(347)	Areas of overspending include SEN Home to School Transport due to increased demand and slow take-up of the independent travel training (+£0.302), SEN Home to College Transport again due to increased demand as the number of students attending local colleges rather than residential provision (+£0.114).	Ongoing
				Underspends on the non-filling of vacancies across the Learning-Non schools division (-£0.184).	Ongoing
				School Improvement raised additional buy-back income from the schools (-£0.032), Bus Escorts saving on salaries (-£0.074), Welfare Service benefitted from increased penalty notice income, buy-back income and delays in appointing staff (-£0.124)	Ongoing
				The Youth Service shortfall on salaries was compensated by funding from elsewhere within the Learning Division (-£0.052) and Early Years, where the Children's Centres budgeted expenditure was held at 2012-13 levels saving (-£0.197) and the transfer of Sector Support to Ofsted (-£0.050).	One-off
				Other minor underspends (-£0.50).	One-off
Social Care & Safeguarding	13,809	13,790	(19)	Demand pressures within Advice & Assessment led to the addition of a number of agency social workers (+£0.245) in an attempt to reduce Social Worker caseloads to within	One-off

				acceptable levels.	
				Children and Young People in Care Service employed 3 agency staff to cover long term sickness, and also overspent on the Child Looked After payments (+£0.102).	Ongoing
				Emergency Duty Team suffered delays recruiting to vacancies following a restructure (-£0.024).	One-off
				Victoria Family Centre was funded via the Early Years/High Needs block of the DSG in the current year (-£0.493).	Ongoing
				Fostering and Adoption benefitted from an increase in adoption placement fees (-£0.066).	One-off
				Savings across Intensive Family Intervention Team, Early Intervention and Early Help due to the restructure of the service (-£0.198).	One-off
				The Safeguarding Unit benefitted from a contribution from the Bury Safeguarding Children's Board (-£0.053) and a new contract for Children's Domestic Violence (-£0.067).	One-off
				Leaving Care continued to overspend on housing young people with complex needs and those in semi-independent placements (+£0.583)	On going
				Minor underspends (-£0.048).	One-off
Other Management Costs	4,162	3,903	(259)	Budgetary savings on Strategic Management (-£0.412) were offset by overspends on the upgrading of computers/licences (+£0.056), agency cover and recruitment of senior staff dealing with the safeguarding of children (+£0.052), protected pay, relocation expenses and re-grading of posts affected by restructures (+£0.045).	One-off One-off One-off Ongoing
Strategy / Commissioning	881	855	(26)	Minor variations across the service.	One-Off
Departmental Wide	(3,902)	(3,773)	129	Payments made to individuals taking VER relating to the remodelling of the service.	One-Off
Children's Agency	4,360	5,279	919	Continued increase in the number of children and complexity of support required. Strategies introduced to minimise future budget pressures has	Ongoing

				led to a reduction in expenditure of £1.1million from 2012-13.	
TOTAL CHILDREN'S SERVICES	47,444	47,841	397		
Adult Care Services Directorate					
Operations	9,204	9,263	59	<p>Shortfall in contributions from NHS (+£0.200m)</p> <p>Assessment & Re-integration savings on vacant posts (-£0.035m)</p> <p>Mental Health Services savings on vacant posts (-£0.051m)</p> <p>Vulnerable Adults (BEST) Generation of additional external income (-£0.055m)</p>	<p>Ongoing</p> <p>One-off</p> <p>One-off</p> <p>Ongoing</p>
Workforce Modernisation	10,297	10,299	2	<p>Development & Training greater use of in-house resources & more efficient procurement (-£0.030m)</p> <p>Homes for people with Learning Disabilities : reduced income & additional staffing costs (+£0.165m)</p> <p>Learning Disability Care Teams: Efficient use of agency & care pool staff to cover vacancies (-£0.046m)</p> <p>Under 65 day care: additional severance costs not anticipated at beginning of year (+£0.048m)</p> <p>Older people residential & day care services efficient use of agency and care pool staff to cover vacancies & increased income from greater occupancy rates (-£0.135m)</p>	<p>Ongoing</p> <p>Ongoing</p> <p>One-off</p> <p>One-off</p> <p>One-off</p>

Business Redesign	5,532	5,657	125	<p>Performance & Housing Strategy – staff savings and small underspends in most budget headings (-£0.065m)</p> <p>Customer Services reception refurbishment costs & several other minor overspends (+£0.018m)</p> <p>Assets & IT : Unachieved budget saving (capital & revenue costs of non-operational assets) (+£0.130m) plus other unavoidable costs such as security, basic maintenance & rates on non-operational buildings (+£0.123m)</p> <p>Housing Choices : several minor under (and over) spends on various budget headings (-£0.017m)</p> <p>Accommodation Team savings on vacant posts (-£0.020m)</p> <p>Urban renewal savings on vacant posts (-£0.044m)</p>	<p>One-off</p> <p>One-off</p> <p>Ongoing</p> <p>Ongoing</p> <p>One-off</p> <p>One-off</p> <p>One-off</p>
Finance	(2,270)	(2,166)	104	<p>ACS General Budget savings relating to policies that are still in development (+£0.113m)</p> <p>Finance additional income generated from right to control / work choice (-£0.036m) offset partly by additional computer software acquisition & licence costs (+£0.027m)</p>	<p>One-off</p> <p>One-off</p>
Policy & improvement Team	283	224	(59)	<p>Policy & Improvement savings on comprehensive area assessment inspection costs (-£0.042m) and vacant posts (-£0.033m) offset partly by severance costs (+£0.016)</p>	<p>All One Off</p>
Commissioning & Procurement - Care in the Community	26,166	26,490	324	<p>Community Care Continued increasing numbers of people eligible for services in all client categories and all types of service (+£0.324m).</p>	<p>Ongoing</p>
Public Health	0	0	0	<p>Public Health expenditure is covered by Government Grant, with any surplus at year end being transferred to a specific earmarked reserve.</p>	<p>Ongoing</p>
Commissioning & Procurement - Other	7,024	6,609	(415)	<p>Procurement savings on vacant posts (-£0.062m).</p> <p>Commissioning & Strategy underspend due to expenditure on care packages for carers being less than anticipated; staff</p>	<p>One-off</p> <p>Part One-off part ongoing</p>

				vacancy savings in a number of team, reduced expenditure on external contracts and receipt of additional income (-£0.353m)	
TOTAL ADULT CARE SERVICES	56,236	56,376	140		
Directorate of the Chief Executive					
Corporate Management	209	337	128	Increased subscription contributions to the AGMA district and Salford Work Leavers programme have resulted in an overspend of £0.128m	Ongoing
Chief Executive's	322	314	(8)	Minor variances	One-Off
Executive Director of Resources					
Finance & Efficiency	2,681	2,553	(128)	Reduction in the external audit fee (-£0.100m) Completion of management restructure (-£0.181m) Coroners Court overspent by £0.115m on the amounts paid to Rochdale MBC for administration, due to increased demand placed on the service Severance costs for VER's approved during 2013/14 (+£0.136m) Contribution to Bad Debt Provision (+£0.025m) Vacancies held and tightening of controllable expenditure (-£0.123m)	On going One-off Ongoing One-off One-off One-off
Human Resources	589	563	(26)	Severance costs for VER's approved during 2013/14 (+£0.011m) Vacancies held and tightening of controllable expenditure (-£0.037m)	One-Off One-Off
Legal & Democratic Services	1,797	1,667	(130)	Member Allowances underspend (-£0.081m) Underspends within Civic and Mayoral Expenses (-£0.023m) Unfunded legislative developments within Registration of Electors and Voluntary Registration (+£0.062m) Over-recoveries of income against budget for Legal Services – External Fees (-£0.039m) and Registrar of Births, Deaths and Marriages fees (-£0.062m) Minor variances (+£0.013m)	Ongoing Ongoing Ongoing One-Off One-Off

Customer Support & Collections	1,528	1,687	159	The Collection Fund Revenue account has an overall overspend of (+£0.112m) made up of Council Tax and NNDR summons costs income under-recovery	Ongoing
				Net staffing/agency cover underspend (-£0.101m)	One-Off
				Computer software licences/acquisitions overspends in part due to XP replacement costs (+£0.148m)	One-Off
ICT	(101)	(97)	4	Admin Building recharges overspend (+£0.020m)	Ongoing
				Staffing and agency costs overspend (+£0.043m)	One-Off
				Severance costs for VER's approved during 2013/14 (+£0.017m)	One-Off
				Under-recovery of printing income (+£0.027m)	Ongoing
				Storage Area Network (SAN) lease not charged this year due to upgrade costs (-£0.029m)	One-Off
				External Communications reduced due to short term lease extension (-£0.068m)	One-Off
				Minor variances (-£0.006m)	One-Off
Property & Asset Management	(2,099)	(1,738)	361	Shortfall in rent income due to increased voids (+£0.149m)	Ongoing
				Major shortfall on Millgate / Longfield income due to increased voids and permitted deductions (+£0.337m)	Ongoing
				Increased Empty Rates due to increased voids (+£0.027m)	Ongoing
				Additional income from De-Minimis Capital Receipts (-£0.081m)	One-Off
				Savings and repairs and maintenance (-£0.071m)	One-Off
Executive Director of Resources	4,395	4,635	240		
TOTAL CHIEF EXECUTIVE'S	4,926	5,286	360		
Grants to Voluntary Organisations	1,137	1,048	(89)	Bury Housing Concern – grant withdrawn due to closure (-£0.012m)	Ongoing
				Section 48 (AGMA) grants reduced (-£0.028m)	One off
				Contingency Fund not required (-£0.033m)	One off
				Sundry grants (transport/lettings etc) lower than budget (-£0.016m)	One off
Non Service Specific Items					

Housing	(151)	(254)	(103)	Reduced subsidy and administration grant received for the Housing Benefit administration (-£0.435m) Contribution to the bad debt provision (+£0.327m) Minor underspends (+£0.005m)	One-Off One-Off One-Off
Cost of Borrowing	9,358	8,822	(536)	Saving on Loan interest payable (-£0.299m) Increased investment income (-£0.199m) Other overspends (+£0.038m)	One-Off One-Off One-Off
BMBC Townside Fields	0	(26)	(26)	Management Fee chargeable	One-Off
Passenger Transport levy	13,676	13,676	0	n/a	
Environment Agency	92	92	0	n/a	
National Non Domestic Rates	108	108	0	n/a	
Manchester Airport	(1,328)	(1,746)	(418)	Increased dividend receipt(+£0.400m) and rental share income(+£0.018m)	One-Off One-Off
Corporate Savings	(483)	(483)	0	n/a	
Provisions	3,183	3,183	0	n/a	
Cost of Retirement	37	37	0	n/a	
IAS19 Retirement Benefits	7,889	7,889	0	n/a	
Accumulated Absences	370	370	0	n/a	
Capital Charges / Asset Rentals	(33,395)	(33,395)	0	n/a	
TOTAL NON SERVICE SPECIFIC	(644)	(1,727)	(1,083)		
Total Revenue Expenditure (exc. Schools)	148,640	148,234	(406)		

LEVEL AND MOVEMENT OF SCHOOL RESERVES

Appendix B

Overall Levels of Balances		2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000
School Balances at 31st March		(3,681)	(4,504)	(7,805)	(6,188)	(4,108)

Number of Schools – Surpluses/Deficits in Percentage Terms

Table	2009/10 No. Schools	2010/11 No. Schools	2011/12 No. Schools	2012/13 No. Schools	2013/14 No. Schools
Nursery & Primary					
Greater than +9%	5	6	10	4	7
+8% to 9%	8	4	11	9	3
+5% to 8%	19	27	27	27	26
0% to 5%	31	25	14	23	26
Deficits	1	2	1	0	1
Total	64	64	63	63	63
Secondary					
Greater than +6%	4	4	5	4	4
+5% to 6%	-	1	3	2	1
0% to 5%	10	9	6	6	7
Deficits	-	-	-	2	2
Total	14	14	14	14	14
Special					
Greater than +9%	3	1	-	-	-
+8% to 9%	-	-	-	-	1
+5% to 8%	-	-	2	2	1
0% to 5%	-	2	1	1	1
Deficits	-	-	-	-	1
Total	3	3	3	3	4
Number above the original "Excessive Surplus" thresholds (Prim/Spec 8% & High 5%)	20	16	29	19	16
Number above the new "Excessive	12	11	15	8	11

Surplus" thresholds (Prim/Spec 9% & High 6%)					
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Number of Schools – Surpluses/Deficits in Monetary Terms

Table	2009/10	2010/11	2011/12	2012/13	2013/14	
	No. Schools	No. Schools	No. Schools	No. Schools	No. Schools	
Nursery & Primary						
Deficits						
£0 to £25,000	1	2	1	-	1	
Surpluses						
£0 to £50,000	35	33	20	25	24	
£50,000 to £100,000	23	26	31	29	26	
£100,000 to £150,000	4	2	10	7	11	
£150,000 to £200,000	1	1	1	2	1	
Greater than £200,000	-	-	-	-	-	
Total	64	64	63	63	63	
Secondary						
Deficits						
£0 to £100,000	-	-	-	-	-	
£100,000 to £200,000	-	-	-	1	-	
£200,000 to £300,000	-	-	-	-	1	
Greater than £300,000	-	-	-	1	1	
Surpluses						
£0 to £50,000	3	2	1	-	-	
£50,000 to £100,000	3	1	2	2	2	
£100,000 to £150,000	3	2	1	1	-	
£150,000 to £200,000	3	4	2	1	1	
£200,000 to £250,000	-	3	3	2	4	
£250,000 to £500,000	3	2	4	5	5	
Greater than £500,000	-	-	1	1	-	
Total	14	14	14	14	14	
Special						
Deficits						
£0 to £25,000	-	-	-	-	1	
Surpluses						
£0 to £50,000	-	1	1	1	1	
£50,000 to £100,000	-	1	-	-	-	
£100,000 to £150,000	1	-	-	-	-	
£150,000 to £200,000	-	-	2	1	1	
£200,000 to £250,000	-	-	-	-	-	
Greater than £250,000	2	1	-	1	1	
Total	3	3	3	3	4	

HOUSING REVENUE ACCOUNT

APPENDIX C

	2013/14 REVISED ESTIMATE	2013/14 OUTTURN	VARIATION FROM BUDGET
	£	£	£
INCOME			
Dwelling rents	29,596,800	29,552,447	44,353
Non-dwelling rents	220,800	225,156	(4,356)
Heating charges	72,400	72,803	(403)
Other charges for services and facilities	885,300	886,328	(1,028)
Contributions towards expenditure	53,900	38,193	15,707
Total Income	30,829,200	30,774,927	54,273
EXPENDITURE			
Repairs and Maintenance	6,805,000	6,568,521	(236,479)
General Management	6,645,700	6,670,703	25,003
Special Services	1,041,100	1,046,120	5,020
Rents, rates, taxes and other charges	95,000	130,465	35,465
Increase in provision for bad debts	291,800	191,343	(100,457)
Cost of Capital Charge	4,530,300	4,492,553	(37,747)
Depreciation/Impairment of fixed assets			
- council dwellings	7,112,500	14,292,967	7,180,467
Depreciation of fixed assets - other assets	40,500	41,911	1,411
Debt Management Expenses	40,700	40,956	256
Contrib. to Business Plan Headroom Reserve	4,048,900	3,993,750	(55,150)
Total Expenditure	30,651,500	37,469,289	6,817,789
Net cost of services	(177,700)	6,694,362	6,872,062
Amortised premia / discounts	(14,600)	(14,646)	(46)
Interest receivable - on balances	(135,900)	(69,740)	66,160
Interest receivable - on loans (mortgages)	(1,900)	(1,047)	853
Net operating expenditure	(330,100)	6,608,929	6,939,029
Appropriations			
Appropriation relevant to impairment	0	(7,180,467)	(7,180,467)
Revenue contributions to capital	515,400	769,999	254,599
(Surplus) / Deficit	185,300	198,461	13,161
Working balance brought forward	(1,185,300)	(1,198,461)	(13,161)
Working balance carried forward	(1,000,000)	(1,000,000)	0