

# REPORT FOR DECISION

**MEETING:** CABINET  
OVERVIEW & SCRUTINY COMMITTEE

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

**SUBJECT:** REVENUE AND HRA OUTTURN 2012/13

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

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

ANDREW BALDWIN, HEAD OF FINANCIAL  
MANAGEMENT

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

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

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**SUMMARY:**

**PURPOSE/SUMMARY:**

This report provides Members with details of:

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

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

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Revenue Budget approved by Council on 22 February 2012.

**OPTIONS &  
RECOMMENDED OPTION**

Members are asked to:

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

**Recommended Option:**

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

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

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**IMPLICATIONS:**

**Corporate Aims/Policy Framework:**

Do the proposals accord with the Policy Framework? Yes

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

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

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

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

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

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

**Statement by Executive Director of Resources:**

There are no other resource implications.

**Equality/Diversity implications:**

No (see paragraph 9.1, page 11).

**Considered by Monitoring Officer:**

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

**Are there any legal implications?**

No

**Wards Affected:**

All

**Scrutiny Interest:**

Overview & Scrutiny Committee

**TRACKING/PROCESS**

**DIRECTOR: MIKE OWEN**

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

**1.0 BACKGROUND**

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

## 2.0 REVENUE OUTTURN 2012/13

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

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

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

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

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

## 3.0 OPERATION OF THE CASH CEILING SCHEME

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

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

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

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

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

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

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

(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:

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

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

#### **4.0 SCHOOLS POSITION**

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

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

4.10 The main variations are:

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

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

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

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

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

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

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

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

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

## 5.0 RESERVE MOVEMENTS

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

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



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

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

## 6.0 RISK MANAGEMENT

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

## 7.0 HOUSING REVENUE ACCOUNT OUTTURN 2012/13

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

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

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

## **8.0 OTHER ISSUES**

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

## **9.0 EQUALITY AND DIVERSITY**

- 9.1 There are no specific equality and diversity implications.

## **10.0 FUTURE ACTIONS**

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

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

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

*Revenue Cost Information and Finance Working Papers, 2012/13*

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

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

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

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

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

				<p>planning &amp; building regulation income, including not achieving savings target of £0.100m from full cost recovery due to national policy change (+£0.358m)</p> <p>Extra AGMA Commission &amp; project costs (+£0.041m)</p> <p>Environment &amp; Planning severance costs (+£0.142m)</p> <p>Other savings on staff, discretionary spend and overheads, plus extra income from contributions to projects and s106 agreements (-£0.121m)</p>	<p>Ongoing</p> <p>One-off</p> <p>One-off</p>
<b>Trading Services</b>	(1,031)	(1,128)	(97)	<p>Architectural Services lower than expected income after a reduction of £0.100m in the target (+£0.173m).</p> <p>Beverage &amp; vending services overspend due to lower than expected income (+£0.025m)</p> <p>The Cleaning service underspent despite a lower income level, due to reductions in the costs of employees and supplies (-£0.096m)</p> <p>The Engineers Streetworks service overspent due to income being below target and a loss of productivity during the year, partly as a result of action taken following a Health &amp; Safety Executive Investigation (+£0.420m)</p> <p>Transport Services underspent on leasing costs (-£0.169m) and repairs (-£0.070) plus other savings on salaries &amp; overhead costs and extra income from vehicle hires (-£0.087m)</p> <p>Underspend on EDS contingency budget and the budget provision for severance costs (-£0.303m)</p> <p>Minor overspends (+£0.010m)</p>	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>One-Off</p>
<b>TOTAL EDS</b>	<b>37,136</b>	<b>37,090</b>	<b>(46)</b>		

### Children's Services Directorate

<b>Learning – Schools</b>	(73)	(73)	0	Any underspend or overspend funded via the DSG are rolled forward into the next financial year.	
<b>Learning – Non Schools</b>	9,816	8,948	(868)	A number of actions were taken to address the large projected overspend across the department. The largest of which was the restricting of planned expenditure within Early Years (£0.6m), additional Buy-Back income achieved for QAS (£0.107m), non filling of vacancies across the Learning-Non Schools service (£0.297m), savings on Home to	<p>One-Off</p> <p>Ongoing</p> <p>One-Off</p> <p>One-Off</p> <p>Ongoing</p>

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

**Adult Care Services Directorate**



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

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

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

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

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

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

## LEVEL AND MOVEMENT OF SCHOOL RESERVES

## Appendix B

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

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

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

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

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

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

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



## HOUSING REVENUE ACCOUNT

## APPENDIX C

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