

**Report To:** EXECUTIVE CABINET

**Date:** 21 March 2018

**Executive Member/  
Reporting Officer:** Cllr Fairfoull – Executive Member (Performance and Finance)  
Tom Wilkinson – Assistant Director of Finance

**Subject:** REVENUE MONITORING – PERIOD 10 2017/18

**Report Summary:**

This report shows that at Period 10 the overall forecast outturn position for the Council is currently a net position of £2.607m under budget, as set out in Table 1. This is a movement of £1.869m from the quarter 2 monitoring report which reported a forecast outturn position of £0.738m under budget. This improved position is due primarily to a combination of one-off additional dividend income, the release of bad debt contingencies and savings on borrowing costs.

This overall position reflects the prudent planning taken when setting the 2017/18 budget, but also masks a number of pressures and savings challenges across the Directorates, including:

- The Director of Children forecast outturn is £7.813m in excess of budget due to demand on service provision in Children’s Social Care. Specific mention of the management of this budget is included in section 4 the report.
- The Director of Governance is forecasting expenditure will be within budget by £1.205m due to the effect of staff turnover, restrictions in spending and the bringing forward of savings in light of the service pressures being felt elsewhere within the Council.
- The Director of Finance and IT is forecasting expenditure will be within budget by £1.018m due to delays in recruitment and other restrictions in spending.
- The budget for corporate costs is currently forecast to be £7.894m under budget for 2017/18. This is due to a combination of the release of operational contingencies, which will be used to partially offset pressures in Children’s Services, and receipt of one off additional grant income and additional Manchester Airport Dividend in excess of budget.

The pressures within Children’s Services in particular threaten the financial sustainability of future year’s budgets, and whilst these have been absorbed through prudent contingency planning and proactive restrictions on spending elsewhere, further funding cuts and inflationary pressures in 2018/19 and beyond erode the financial base and the Council’s ability to sustain pressures of this size.

Given these significant pressures, which have been mitigated by mainly one-off measures, strong budget management is required across the Council to ensure that its financial plans are achieved, and to ensure that the Council is able to control budgetary

pressures and deliver the required savings over the medium term.

<b>Recommendations:</b>	<ol style="list-style-type: none"><li>1) That the forecast revenue outturn position is noted (<b>Table 1</b>).</li><li>2) That the detail for each service area (<b>Section 3</b>) is noted and that Directors be required to identify measures to ensure expenditure is maintained with the approved budget for the year.</li><li>3) That the position on the Integrated Commissioning Fund, including the transaction of the risk share (<b>Section 5</b>) is noted.</li><li>4) That the emerging risks and financial pressures (<b>Section 6</b>) are noted.</li><li>5) That Executive Cabinet approves a payment of £1.65m to the Tameside and Glossop Integrated Care NHS Foundation Trust to support the additional financial liabilities incurred by the Trust during 2017/2018 as a result of delayed transfers across the health and social care economy together with transition costs associated with local transformation schemes.</li></ol>
<b>Links to Community Strategy:</b>	Budget is allocated in accordance with the Community Strategy.
<b>Policy Implications:</b>	Budget is allocated in accordance with Council Policy.
<b>Financial Implications:</b> <b>(Authorised by the Section 151 Officer)</b>	<p>This monitoring report for the current financial year forecasts that service expenditure will continue to exceed the approved budget. Services areas need to take action to address the issues that are leading to these budget pressures.</p> <p>The overall forecast outturn of £2.607m under budget is due to a combination of one-off budget savings in some service areas, the release of corporate contingencies and additional grant income, which will not all be available in future years.</p> <p>The Medium Term Financial Strategy (MTFS) for the period 2018 - 2020 identifies significant savings requirements for 2019/20, 2020/21 and 2021/22. If budget pressures in service areas in 2017/18 are sustained, this will inevitably lead to an increase in the level of savings required in future years to balance the budget.</p>
<b>Legal Implications:</b> <b>(Authorised by the Borough Solicitor)</b>	There is a statutory duty to ensure the Council sets a balanced budget and that it is monitored to ensure statutory commitments are met.
<b>Risk Management:</b>	Failure to properly manage and monitor the Council's budgets will lead to service failure and a loss of public confidence. Expenditure in excess of budgeted resources is likely to result in a call on reserves, which will reduce the resources available for future investment. The use and reliance on one off measures to balance the budget is not sustainable and makes it more difficult in future years to recover the budget position. The Council is facing significant risks, especially in relation to Children's Services and demographic pressures in Adults Services, which

has been absorbed by using one off Government Grant funding in the short term. Further commentary on the financial risks facing the Council are set out in section 6 of this report.

## **Access to Information**

The background papers relating to this report can be inspected by contacting the report writer, Heather Green, Finance Business Partner by:



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## **1 INTRODUCTION**

- 1.1 This is the third revenue monitoring report of the 2017/18 financial year. The report summarises the expected revenue outturn position at 31<sup>st</sup> March 2018 for the Council and is based on its financial information and activity to 31<sup>st</sup> January 2018.
- 1.2 Details of the various sections and Appendices within the report are shown below:
- **Section 2:** A summary of the budget and revenue financial position for Service areas.
  - **Section 3:** A summary of the budget pressures facing Children’s Social Care.
  - **Section 4:** Council Tax, Business Rates collection performance and write offs.
  - **Section 5:** Commentary about the financial challenges in the local health and social care economy.
  - **Section 6:** Risks and Emerging financial pressures
  - **Section 7:** Recommendations.
  - **Appendix 1:** Details for each Directorate showing the revenue outturn position and explanations for significant budget variances.
  - **Appendix 2:** Analysis of the Council Tax and Business Rates collection performance.
- 1.3 This report details the Council’s projected revenue outturn position for 2017/18 against the approved budget for the year and shows the net of income and expenditure as a variation to budget.
- 1.4 Also included within the report are details for those budgets that are held corporately and the projected outturn position. These budgets include the cost of capital financing, democracy and where service areas are unable to affect spend against budget e.g. Association of Greater Manchester Authority (AGMA) costs.
- 1.5 Separate tables, which break down the budget variations into elements of expenditure and income, are included in **Appendix 1**, to show how Directorates are utilising their allocated funding.

## **2 SUMMARY OF THE FINANCIAL POSITION**

- 2.1 This report shows that at Period 10 the overall projected net revenue expenditure for services for the 2017/18 financial year is expected to be £5.287m in excess of budgeted resources. The projected outturn revenue position by service area is summarised in Table 1.

- 2.2 The overall forecast position for the Director of Children is net expenditure of £7.813m in excess of budget, primarily due to the forecast outturn for Children's Social Care. Further details are set out in section 4 of this report.
- 2.3 The Director of Governance is forecasting expenditure will be within budget by £1.205m due to the effect of staff turnover and restrictions in spending in light of the service pressures being felt elsewhere within the Council.
- 2.4 In addition to service budgets, there are corporate budgets which are held to pay for corporate costs such as levies, loan debt etc. as well as the means to cope with in-year volatility. It is currently forecast that this will be £7.894m under budget. This is primarily due to the release of corporate contingencies, which had been held to offset unforeseen expenditure or other risks, savings on borrowing costs, receipt of additional grant income in excess of budget, and receipt of additional dividend income from Manchester Airport.
- 2.5 The overall forecast outturn position for the Council is currently a net position of £2.607m under budget, as set out in Table 1. This is a movement of £1.869m from the quarter 2 monitoring report which reported a forecast outturn position of £0.738m under budget. This improved position is due primarily to a combination of one-off additional dividend income, the release of bad debt contingencies and savings on borrowing costs.

**Table 1 – Projected outturn revenue position for 2017/18**

Directorate	Service	2017/18 Budget £000	Forecast Outturn £000	Variation to Budget £000	Movement since Q2 £000s
Children	Children's Social Care	35,192	43,005	7,813	618
Children	Education	3,385	3,465	80	(100)
<b>Director of Children's Services</b>		<b>38,577</b>	<b>46,470</b>	<b>7,893</b>	<b>518</b>
Adults	Adult and Early Intervention Services <sup>1</sup>	44,186	43,660	(526)	(342)
<b>Director of Adults Services</b>		<b>44,186</b>	<b>43,660</b>	<b>(526)</b>	<b>(342)</b>
Population Health	Population Health	16,707	16,537	(170)	(14)
<b>Director of Population Health</b>		<b>16,707</b>	<b>16,537</b>	<b>(170)</b>	<b>(14)</b>
Place	Development Growth & Investment	2,366	2,382	16	216
Place	Asset & Investment Partnership Management	6,126	6,422	296	(332)
<b>Director of Place</b>		<b>8,492</b>	<b>8,804</b>	<b>312</b>	<b>116</b>
Neighbourhood & Operations	Environmental Services	41,371	41,662	291	1,160
Neighbourhood & Operations	Stronger Communities	6,885	6,595	(290)	(1,129)
<b>Director of Neighbourhoods and Operations</b>		<b>48,256</b>	<b>48,257</b>	<b>1</b>	<b>31</b>
Governance	Governance	7,186	5,981	(1,205)	45
<b>Director of Governance</b>		<b>7,186</b>	<b>5,981</b>	<b>(1,205)</b>	<b>45</b>
Finance & IT	Finance	2,466	1,553	(913)	(326)
Finance & IT	Digital Tameside	1,967	1,862	(105)	(48)
<b>Director of Finance and IT</b>		<b>4,433</b>	<b>3,415</b>	<b>(1,018)</b>	<b>(374)</b>
<b>Total Service Position</b>		<b>167,837</b>	<b>173,124</b>	<b>5,287</b>	<b>(224)</b>
	Corporate Costs, Capital and Financing and Other Cost Pressures	9,559	1,665	(7,894)	(1,645)
<b>Total</b>		<b>177,396</b>	<b>174,789</b>	<b>(2,607)</b>	<b>(1,869)</b>

<sup>1</sup> Net of the £5.365m Adult Social Care Grant announced in the spring budget on 8 March 2017.

- 2.6 The current revenue position needs to be considered in the context of the Council's Medium Term Financial Plan (MTFP). An updated MTFP was presented to Full Council on the 27 February 2018 alongside the proposed balanced budget for 2018/19. The four year MTFP from 2018/19 to 2021/22 is summarised in Table 2. The MTFP identifies significant savings requirements for 2019/20, 2020/21 and 2021/22. If budget pressures in service areas in 2017/18 are sustained, this will inevitably lead to an increase in the level of savings required in future years to set a balanced budget.
- 2.7 The 2017/18 budget included the use of £2.6m of the Council's reserves for additional investment in Children's services, with further investment of £1.6m in 2018/19 and £0.3m in 2019/20 assumed in the MTFP approved in February 2017. In the context of the extraordinary demands being placed on Children's Services set out in section 3 below, it is proposed that significant additional investment is made in Children's Services over the period 2018/19 to 2020/21. This will be financed from the Council's earmarked reserves as this additional investment is to fund the implementation of a long term sustainable plan for Children's Services.
- 2.8 Following a review of the current demand pressures facing Children's Services and the additional investment being made in the service to drive improvements, the MTFP now proposes further additional investment of £18m over three years. Including the use of reserves already assumed in 2017/18, this additional one-off investment will see almost £20m invested in Children's services to drive the required improvements (£11.6m in 2018/19, £6.3m in 2019/20 and £2m in 2020/21).

**Table 2 - Medium Term Financial Plan 2017- 22 (extract)**

<b>MTFP</b>	<b>2017/18 £000</b>	<b>2018/19 £000</b>	<b>2019/20 £000</b>	<b>2020/21 £000</b>	<b>2021/22 £000</b>
<b><u>Spending Plans</u></b>					
Adults	44,309	41,175	41,462	48,742	54,362
Children's Services	38,577	48,065	43,159	39,412	37,979
Public Health	16,707	16,494	15,767	15,588	15,369
Place	8,086	7,858	6,808	6,898	6,990
Operations and Neighbourhoods	48,598	50,379	50,735	51,147	51,568
Governance	7,185	7,207	6,737	6,993	7,256
Finance	4,376	4,516	4,401	4,521	4,643
Corporate	9,558	10,820	13,650	17,532	17,810
<b>Total Spending</b>	<b>177,396</b>	<b>186,514</b>	<b>182,719</b>	<b>190,833</b>	<b>195,977</b>
<b><u>Resources</u></b>					
Business Rates Baseline	(47,701)	(49,851)	(52,797)	(54,381)	(56,012)
Business Rates Top-up Grant	(43,635)	(36,593)	(29,123)	(24,123)	(19,123)
Amount to be funded from Council Tax	(80,460)	(86,068)	(88,992)	(91,121)	(93,300)
Collection Fund Surplus	(3,000)	(1,500)	(1,500)	(1,500)	(1,500)
Use of Reserves and Balances	(2,600)	(12,502)	(6,300)	(2,000)	0
<b>Total Resources</b>	<b>(177,396)</b>	<b>(186,514)</b>	<b>(178,712)</b>	<b>(173,125)</b>	<b>(169,935)</b>
<b>Remaining Gap to be addressed</b>	<b>0</b>	<b>0</b>	<b>4,007</b>	<b>17,708</b>	<b>26,042</b>

### 3 CHILDREN'S SOCIAL CARE

- 3.1 The Council has experienced extraordinary increases in demand for Children's Services during 2017, placing significant pressures on staff and resources. The number of Looked after Children has gradually increased from 513 at April 2017 to 590 at January 2018 and at the time of publishing this report stands at 615. The current budget allocation will finance approximately 450 placements, assuming average weekly unit costs for placements. Despite the additional financial investment in the service in 2017/18, current projections indicate that the service will exceed the approved budget by more than £7.8m by 31 March 2018.
- 3.2 The Council appointed a new interim Director of Children's Services in October 2017, and approved a new improvement plan in November 2017, which together are intended to drive the required improvements in the service. The ambition is to deliver services that are good or outstanding, and the new improvement plan for the next twelve months is focused on delivering consistent basic standards as the secure foundation for further improvement in future years. The budget and MTFP for 2018-2020 approved by Full Council on 27 February 2018, proposes additional one-off investment of almost £20m into Children's Services over the next three years to support the improvement plan. This plan needs to be carefully monitored to ensure that the additional resources are being effectively utilised to drive the improvements necessary.
- 3.3 Alongside the improvement plan there are other key area's that will be addressed which include:
- A direct focus on Ofsted's recommendations
  - The basics of practice standards
  - The recruitment and retention of the workforce
  - Reductions to caseload allocations
  - The effectiveness of leadership and management disciplines
  - Management of service demand and the associated financial implications
  - Clearer measurements of performance and quality of practice at team level
  - Working with partners to ensure the Local Safeguarding Children's Board improvement plan is delivered – there will be a particular focus on the roles of Police and Health in frontline safeguarding operations, and upon a wider range of partners in order to support the delivery of early help
- 3.4 Of these the immediate priorities for the Director are the strengthening of service leadership, the stabilisation of the workforce, the implementation of strategies to reduce service demand and the implementation of a new framework to support performance and quality.
- 3.5 In addition the Director and service leadership team will be addressing the related implications on the service budget alongside the Finance directorate to ensure services are delivered within annual resource allocations over the medium term.

### 4 COUNCIL TAX AND BUSINESS RATES

- 4.1 The Business Rates Retention Scheme means that variations in the level of Business Rates income collected has a direct impact on Council resources. The level of Council Tax income collected remains an important area for the Council as any shortfall in the level of Council Tax income also has a direct impact on Council resources.
- 4.2 At Period 10 the level of Council Tax income is marginally under target collection rates and Business Rates are exceeding the target. Both areas will be closely monitored during the financial year and we continue to target income collection. **Appendix 2** includes two tables



that show how the Council is performing against target collection rates in both Business Rates and Council Tax.

## 5 CARE TOGETHER

- 5.1 Under Care Together a single body commissions health and social care services. The Strategic Commissioning function is made up from Tameside & Glossop Clinical Commissioning Group (CCG) and Tameside Council. The Care Together vision is to significantly raise healthy life expectancy by focussing on health and care needs of communities with a view to achieving better prosperity, health and wellbeing and to deliver a clinically and financially sustainable health and social care service with the next five years.
- 5.2 On the financial front the first step last year was to enter into a section 75 agreement with Tameside and Glossop CCG to pool resources. For the current financial year a risk sharing arrangement has been included in the agreement. Under this arrangement the Council has agreed to resource up to £5m in each of the next two years (2017/18 and 2018/19) in support of the CCG's QIPP savings target; this is conditional upon the CCG agreeing to a reciprocal arrangement in 2019/20 and 2020/21. Thereafter, any variation from budget for both CCG and Council will be shared in the ratio 80:20 for CCG:Council. A cap is placed on the shared financial exposure for each organisation (after the use of £5m) in 2017/18.
- 5.3 The risk share contributions were transacted in Month 10 and are reflected in the variations reported in **Appendix 2** to this report. Under the risk share arrangement, the Council is making a £4,200k contribution to the CCG for Continuing Health Care and Mental Health Individualised Commissioning. This is being financed from the Council's reserves and has no impact on the net expenditure position being reported for Adults and Early Intervention Services. The CCG is making a £500k contribution to Children's Services under the risk share. This contribution has been transferred to Council Reserves as the 2017/18 budget already includes £2,600k of reserves to support expenditure pressures in Children's Services.
- 5.4 The Strategic Commissioning Management Team and the Strategic Commissioning Board receive regular budget monitoring reports and will agree mitigating actions as appropriate. The financial information in respect of council services provided to the single commissioning bodies is consistent with information included in the Council's budget monitoring reports albeit there can be timing differences between the two. A single consolidated finance report for the whole health and social care economy will continue to be produced and reported to the Strategic Commissioning Board.
- 5.5 The Month 10 revenue position will be reported to the Strategic Commissioning Board on 20 March 2018. The full year forecast and risk share position is also summarised in table 5 below. Table 5 provides details of the summary 2017/18 budgets, net expenditure and forecast outturn of the ICF and Tameside and Glossop Integrated Care NHS Foundation Trust (ICFT). Members should note that there are a number of risks that have to be managed within the economy during the current financial year, the key ones being:
  - Significant budget pressures for the CCG relating to Continuing Health Care related expenditure of £4,200k
  - Children's Services within the Council is managing unprecedented levels of service demand which is currently projected to result in additional expenditure of £7,800k when compared to the available budget
  - The ICFT are working to a planned deficit of £23,700k for 2017/18. However it should be noted that efficiencies of £10,400k are required in 2017/18 in order to meet this sum.

- 5.6 The projected Strategic Commission net funding gap of £7,116k in 2017/18 primarily relates to demand pressures within the Council's Children's Social Care service. This net funding gap within the Council will be resourced via a £500k additional contribution to the ICF from the Tameside and Glossop Clinical Commissioning Group, highlighted in paragraph 5.3, as per the terms of the Integrated Commissioning Fund risk share agreement, with the residual balance financed via a combination of Council in year revenue and existing general reserve balances.

**Table 5 – 2017/18 Whole Economy Forecast Outturn and Risk Share**

	2017/18		
	Budget	Forecast	Variance
	£'000	£'000	£'000
Strategic Commission	487,247	494,363	(7,116)
ICFT	(23,730)	(23,730)	0
<b>Total Whole Economy</b>	<b>463,517</b>	<b>470,633</b>	<b>(7,116)</b>

Strategic Commission - Risk Share		£'000
TMBC risk share contribution	Continuing Health Care	3,700
	Mental Health Individualised Commissioning	500
CCG risk share contribution	Children's Services	500

- 5.7 The full consolidated finance reports are considered by the Strategic Commissioning Board and can be found at:

<https://tamesideintranet.moderngov.co.uk/ieListDocuments.aspx?CId=303&MId=1511>

- 5.8 The Quarter 2 Revenue Monitoring Report considered by Executive Cabinet on 13 December 2017, requested approval for a sum of up to £1.0m to be paid to the Tameside and Glossop NHS Integrated Care Foundation Trust.
- 5.9 During 2017/18 the improved Better Care Fund phase 2 resulted in significant investment in Adult social care services with numerous aims, one of which was to relieve the pressure on the NHS relating to Delayed Transfers of Care (DTOCs).
- 5.10 In 2017/18 the Tameside and Glossop Integrated Care NHS Foundation Trust (ICFT) also committed within its financial plan to two cost reductions :
- To reduce 8 funded beds in the Hospital, primarily due to the implementation of Transformational schemes i.e. Home First and Digital Health.
  - To reduce 8 unfunded escalation beds which had been established during the winter of 2016 to support increasing demands at the ICFT.

- 5.11 This resulted in the ICFT removing £ 1 million of expenditure from its planned deficit predicated on the expectation of closing beds. The ICFT has been unable to close the necessary number of beds to realise the saving which has led to the resulting financial pressure during 2017/18.
- 5.12 Whilst the ICFT has successfully implemented a number of transformational schemes which have resulted in the avoidance of attendance, admissions and delays, there has been a high number of DTOCs which has led to the ICFT's inability to close the necessary number of beds.
- 5.13 The Local Transformation Schemes implemented across the borough have also resulted in some double running and transition costs of £650K as we move from an old model of care to a more transformed model. These are one-off costs in nature to support the Care Together transformation agenda.
- 5.14 A payment of £650K is therefore also proposed to be paid over to the ICFT to ensure the Care together programme delivers at the pace required.
- 5.15 The total sum of £1.6 million payment to the ICFT will be resourced via the 2017/18 improved Better Care Fund phase 2 allocation.

## **6 RISKS AND EMERGING FINANCIAL PRESSURES**

- 6.1 The Council continues to face a number of significant risks and cost pressures which need to be closely monitored. Failure to properly manage and monitor the Council's budgets will lead to service failure and a loss of public confidence. Expenditure in excess of budgeted resources is likely to result in a call on reserves, which will reduce the resources available for future investment. The use and reliance on one off measures to balance the budget is not sustainable and makes it more difficult in future years to recover the budget position.
- 6.2 As set out in section 3 above, extraordinary increases in demand for Children's Services have resulted in a significant budget pressure in 2017/18 and significant additional one-off investment is planned over the next three years. The Children's Services improvement plan must be carefully monitored to ensure that the additional resources are being effectively utilised to drive improvements, and establish a financially sustainable service.
- 6.3 Adults and Early Intervention Services continue to face demographic pressures which are increasing demand for services, together with other cost pressures including increased costs arising from the foundation living wage. Further cost pressures are also anticipated to meet the requirements of the Social Care Compliance Scheme in respect of sleep-in shift pay.
- 6.4 The liquidation of Carillion in January 2018 has not had an immediate financial impact on the day to day delivery of services and therefore this revenue budget. However the short term focus has been on continuity of services and business as usual, and the Council has been required to make continuity of service payments to the Local Education Partnership. Options for a longer term solution for services previously delivered by Carillion are being worked up but it remains too early to assess what the financial implications of any new arrangements may be. There are some material risks in relation to the Vision Tameside capital programme, which are addressed in the Capital Monitoring report on this agenda.

## **7 RECOMMENDATIONS**

- 7.1 As stated on the front cover of the report.

# APPENDIX 1

## DIRECTOR OF CHILDREN

	2017/18 Budget £000	Outturn £000	Variation to Budget £000
<b>A. Children's Social Care</b>	35,192	43,005	7,813
<b>B. Education</b>	3,385	3,465	80
<b>TOTAL</b>	<b>38,577</b>	<b>46,470</b>	<b>7,893</b>

### A. CHILDREN'S SOCIAL CARE

<b>Children's Social Care</b>	<b>£000</b>
<b>Employees</b>	
The service continues to recruit Social Workers to support the additional caseload demands since the 2017/18 budget was approved. The on-going strategy is to transition agency employees onto permanent contracts within the service as this is a lower cost alternative and also improves the quality and stability of service delivery.	1,399
Alongside the recruitment of agency Social Workers, there is also additional estimated expenditure to the approved budget on a number of additional senior positions as the Council and its partners take action to make the required improvements to the service, including the appointment of a new Director and Assistant Director of Children's Services together with an additional Head Of Service.	
<b>Independent Sector and Internal Carer Placements</b>	
The previous 2017/18 revenue monitoring reports have provided supporting analysis of the additional independent sector placements to the 2017/18 approved budget, including details of any associated placement price increases. This projected demand on the service budget remains at period 10.	6,725
The number of Looked After Children has gradually increased from 519 at April 2017 to 590 at January 2018. At the time of publishing this report the number stands at 615. It should be recognised that the current budget allocation will finance approximately 450 placements, assuming average weekly unit costs for placements.	
CCG risk share contribution to Children's Services (See detail in section 5 above)	(500)
Contribution to reserves due to risk share arrangements (See detail in section 5 above)	500
Other minor variations across the service	(311)
<b>CHILDREN'S SOCIAL CARE TOTAL</b>	<b><u>7,813</u></b>

## **B. EDUCATION**

	<b>£000</b>
<b>Employee Costs</b>	
Expenditure is below budget on employee costs due to a number of vacant posts and other minor variations under £50k.	(533)
<b>Special Education Transport</b>	
The budget was set based on 2016-17 demand levels. Expenditure is projected to be above budget due to an increase in the number of children eligible to receive home to school transport for the academic year. A review of the transport position has been undertaken and tenders have been awarded. The expected savings have not materialised. This is due to an increase in demand and routes needed and some price increases, despite a competitive tender. The service will continue to monitor spend in this area.	392
<b>Other Expenditure</b>	
Other Expenditure is above budget due to external provision being required to deliver the statutory service for Education Psychology (£80k) as there is a vacancy in the service. The traded service for Education Psychology has seen a significant reduction in buy in from schools in this financial year. As a result of this spend will be below budget (£119k) due to a reduction in the use of associates and overheads which is offset against the reduction in income as stated below. There are one off costs associated with dilapidations that will be incurred in year (£59k) in relation to the exiting of a property lease, this will realise a saving 2018/19. There are other minor variations under £50k.	17
<b>Grants &amp; Other Contributions</b>	
There are a number of small increases in grant funding, individually under £50k.	(81)
<b>Non-Academy Schools Income</b>	
Income is less than budgeted for Non Academy Schools due to a reduction in the buy in from schools to the Education Psychology Traded Service (£106k); Behaviour for Learning & Inclusion Service (£53k); Equality, Multicultural and Access Team (£43k) and the Governor Clerking Service (£34k). There are other minor variations under £50k.	271
<b>Academy Schools Income</b>	
Income is less than budgeted for Academy Schools due to a reduction in the buy in from schools to the Education Psychology Traded Service (£35k). There are other minor variations under £50k.	44
<b>Sales, Fees &amp; Charges</b>	
Minor Variations Under £50k	(30)
<b>EDUCATION TOTAL</b>	<b><u>80</u></b>

**DIRECTOR OF ADULTS**

	<b>2017/18 Budget £000</b>	<b>Outturn £000</b>	<b>Variation to Budget £000</b>
<b>C. Adult and Early Intervention Services</b>	44,186	43,660	(526)
<b>TOTAL</b>	<b>44,186</b>	<b>43,660</b>	<b>(526)</b>

**C. ADULT AND EARLY INTERVENTION SERVICES**

	<b>£000</b>
Employee Expenditure forecast to be less than budget due to vacant posts. The number of hours required for the Council provided Learning Disabilities Homemaker Service are less than budgeted due to services being delivered by the independent sector.	(461)
The numbers of Nursing care home bed placements have increased from April 2017 levels although they have seen a slight reduction since the previous reporting period. Delayed Transfers of Care (DTC) are showing an upward trend with latest numbers suggesting 30+ DTC's per day. i-BCF funding is being utilised to mitigate this. The age of admission remains at 80 years of age which is leading to an increase in length of stay (average age of admission last year was 82) this will have a future financial impact.	<b>567</b>
There has been £160k of Direct Payment (DP) clawbacks in year following client finance audits. These occur when clients no longer require the level of care originally stipulated in their DP agreement or where the allowance has not been used by the client in the agreed way. This reduction in spend is partially offset by a small increase in clients receiving DP's (increase from 284 to 290 since April 2017).	(176)
There has been an increase in Fairer Charging income received for community based services, this is income based on the individual client financial assessments of approximately 1000 clients (this number varies slightly throughout the year).	(528)
Actual homecare hours purchased are lower than budgeted provision by an average of 200 hours per week (Budgeted provision of 9,500 hours per week, actual hours purchased averaging approximately 9,300 p/w)	(74)
Other Minor Service variations	<b>146</b>
Contribution to CCG Continuing Healthcare and Mental Health Individualised Commissioning in accordance with risk share agreement (See detail in section 6 above)	<b>4,200</b>
Contribution from reserves to fund risk share agreement (See detail in section 6 above)	(4,200)
<b>Adults and Early Intervention Total</b>	<b><u>(526)</u></b>

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**DIRECTOR OF POPULATION HEALTH**

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**D. DIRECTOR OF POPULATION HEALTH**

	<b>2017/18 Budget £000</b>	<b>Outturn £000</b>	<b>Variation to Budget £000</b>
<b>D. Population Health</b>	16,707	16,537	(170)
<b>TOTAL</b>	<b>16,707</b>	<b>16,537</b>	<b>(170)</b>

	<b>£000</b>
Projected employee expenditure less than budget due to vacant and deleted posts within the service.	(222)
Other Minor Variations individually under £50k	52
<b>PUBLIC HEALTH TOTAL</b>	<b><u>(170)</u></b>

**DIRECTOR OF PLACE**

	2017/18 Budget £000	Outturn £000	Variation to Budget £000
<b>E. Development Growth and Investment</b>	2,366	2,382	16
<b>F. Asset and Investment Partnership Management</b>	6,126	6,422	296
<b>TOTAL</b>	<b>8,492</b>	<b>8,804</b>	<b>312</b>

**E. DEVELOPMENT GROWTH AND INVESTMENT**

	<b>£000</b>
Expenditure forecast to be less than budget due to: - delayed recruitment to vacant posts (£300k) - Local Innovation awards received in 2010/11 carried forward (£64k) - Leader's Pledges underspent due to delays in recruitment (£296k)	(660)
Expenditure forecast to be in excess of budget due to: - High cost of temporary agency support in Planning (£75k) - Ashton Old Baths operating costs for the building in excess of income (£101k). This is in line with the business plan which set out an expected loss for the first three years. - Other variations across across the service (£112k)	288
Realisation of additional grant related income (£25k) and other minor variations across the service (£43k)	(68)
Income less than budget for Building Control as a result of vacant posts. Income for the building control service is driven by the quantum of work undertaken. Due to vacancies the service has been unable to undertake all planned work and income is less than budget as a result.	160
Transfers to Reserves for the ringfenced Leader's Pledges not spent as detailed above: Pledge - Loyalty Scheme £11k Pledge - Business Grant Scheme £34k Pledge - Trade Grant Scheme £70k Pledge - Inward Investment £39k Pledge - Youth Employment £88k Pledge - Tameside Free Travel Scheme £25k Pledge - Ex Forces Scheme £29k	296
<b>DEVELOPMENT GROWTH AND INVESTMENT</b>	<b>16</b>



## **F. ASSET AND INVESTMENT PARTNERSHIP MANAGEMENT**

	<b>£000</b>
Catering Costs coming in less than budget (£474k)	(99)
Catering income less than budget £375k	
Expenditure forecast to be less than budget due to:	
- Salary costs less than budget due to vacancies (£33k)	(202)
- Refunds on business rates (£117k)	
- Expenditure associated with the disposal of assets less than budget (£52k)	
Expenditure forecast to be in excess of budget due to:	<b>389</b>
- Overspend on the Facilities Management Contract £72k. This is currently being reviewed as a result of the liquidation of Carillion and the on-going provision of this service. It is likely that costs will exceed the current projected outturn.	
- Overspend on asset disposal abortive costs £160k. This includes £117k relating to the former Little Moss High School which is being transferred to be used as a Free School.	
- Dilapidation costs for the Learn at St Anne's accommodation for the post 19 service following vacation of the building £75k. Savings will be realised from the termination of this lease.	
- Increase in expenditure on security costs across the corporate estate including Stamford Park, Tame Street, Two Trees, Ashton Town Hall and Ashton Library £82k	
Loss of industrial estate income including £71k for Unit 7 Plantation Industrial Estate	<b>157</b>
Estates income in respect of rechargeable works is lower than estimated due to reduced activity.	<b>73</b>
Arrears related to previous years income (£31k) and other minor variations across the service £9k.	(22)
<b><u>ASSET AND INVESTMENT PARTNERSHIP MANAGEMENT</u></b>	<b><u>296</u></b>

**DIRECTOR OF NEIGHBOURHOOD & OPERATIONS**

	2017/18 Budget £000	Outturn £000	Variation to Budget £000
<b>G. Environmental Services</b>	41,371	41,662	291
<b>H. Stronger Communities</b>	6,885	6,595	(290)
<b>TOTAL</b>	<b>48,256</b>	<b>48,257</b>	<b>1</b>

**G. ENVIRONMENTAL SERVICES**

	£000
Expenditure forecast to be less than budget as a result of delayed recruitment to vacant posts following service re-designs across Environmental Services (£666k). It is anticipated that all posts are will be filled as soon as possible. Unspent drainage grant (57k)	(723)
Expenditure in excess of budget for the Waste Levy, this has arisen in the main due to changes in the split of tonnages collected across Greater Manchester and the impact this has on how the levy is calculated. This will be managed by utilising the Waste Reserve which was set up to manage this type of situation.	1,297
Expenditure anticipated to be in excess of budget due to:	984
<ul style="list-style-type: none"> <li>- Agency staffing costs to enable the implementation of new collection rounds 224k. It was originally expected that corresponding savings to the waste levy would be achieved through reduced tonnages</li> <li>- Transport related costs to cover the implementation of new waste collection rounds £126k.</li> <li>- Operations Services for Waste Disposal related costs £100k.</li> <li>- Sub-contractors in Engineering service £225k</li> <li>- Additional Winter Maintenance costs £309k</li> </ul>	
Income from sales, fees and charges anticipated to be less than budget in the following areas across Environmental Services:	533
<ul style="list-style-type: none"> <li>- Highways Utility Control Fee Income £71k - This is due to a reduction of defective works by Utility companies.</li> <li>- Ashton Market Ground £195k due to the redevelopment of the market.</li> <li>- Car parks Pay &amp; Display Income £188k, Contract Passes £34k, and Fee Notice Income £45k</li> </ul>	
Other income anticipated to be in excess of budget in Civil Engineering Service, for works carried out on construction related projects.	(252)
Contributions to/(from) reserves:	(1,548)
<ul style="list-style-type: none"> <li>- Ring fenced Drainage Grant unspent, to be carried forward to 2018/19 £57k</li> <li>- Draw down from Waste Reserve (£1,296k)</li> <li>- Draw down from Winter Maintenance Reserve (£309k)</li> </ul>	
<b>ENVIRONMENTAL SERVICES TOTAL</b>	<b><u>291</u></b>

## **H. STRONGER COMMUNITIES**

	<b>£000</b>
Expenditure forecast to be less than budget on salaries across all services due to vacant posts throughout the year. However, this underspend will be required in 18/19 to support relocation costs within the Libraries and Museums service areas, fund a temporary Debt Advisor to help deal with the impact of Universal Credit and support the refurbishment of Astley Cheetham Art Gallery.	(239)
Overspend on temporary accommodation due to an increase in the number of people being placed in temporary accommodation, an increase in the amount that is not recoverable and the increase in time it takes Housing Benefit to process claims.	83
Underspend on budget required for Homelessness Prevention Bill as only part year costs applicable in 17/18.	(100)
Other minor variations	(34)
<b>STRONGER COMMUNITIES TOTAL</b>	<b><u>(290)</u></b>

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**DIRECTOR OF GOVERNANCE**

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**I. DIRECTOR OF GOVERNANCE**

	<b>2017/18 Budget £000</b>	<b>Outturn £000</b>	<b>Variation to Budget £000</b>
<b>I. Director of Governance</b>	7,186	5,981	(1,205)
<b>TOTAL</b>	<b>7,186</b>	<b>5,981</b>	<b>(1,205)</b>

	<b>£000</b>
On-going restrictions in recruitment, and delays in the implementation of Service redesigns, have resulted in a projected expenditure level under budget in relation to employee costs across the service.	(699)
Continuing restrictions in expenditure, and efficiencies across the service, have resulted in a projected expenditure level under budget relative to supplies and services expenditure.	(561)
Other minor income variations under £50k	55
<b>Director of Governance and Resources Total</b>	<b>(1,205)</b>

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**DIRECTOR OF FINANCE & IT**

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**J. DIRECTOR OF FINANCE & IT**

	2017/18 Budget £000	Outturn £000	Variation to Budget £000
<b>J. Finance</b>	2,466	1,553	(913)
<b>K. Digital Tameside</b>	1,967	1,862	(105)
<b>TOTAL</b>	<b>4,433</b>	<b>3,415</b>	<b>(1018)</b>

**J. FINANCE**

	£000
Finance Services - in year savings due to delays in recruitment £597k and a reduction in expected cost for STaR work as the work will be completed in the next financial year. Other minor savings under £50k.	(667)
Cashiers - £132k savings on cash collection cost. Other minor savings less than £50k	(141)
Internal Audit - Savings due to delays to recruitment of vacant posts and secondment of an insurance officer. £105k in year saving.	(105)
<b>Finance Total</b>	<b>(913)</b>

**K. DIGITAL TAMESIDE**

	£000
Corporate Costs - There have been a number of unexpected legacy systems charges, and an increase charges for in data backup.	106
IT Services - Savings in relation to staffing and agency budgets and other minor savings.	(72)
Multi-Functional Devices (MFD's) - This is income generated from charging services for photocopying, printing and scanning services through MFDs across the council.	(114)
Schools Trading Account - More buy in than anticipated, and the expenditure has been managed.	(25)
<b>Digital Tameside Total</b>	<b>(105)</b>

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**CORPORATE BUDGETS**

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	<b>2017/18 Budget £000</b>	<b>Outturn £000</b>	<b>Variation to Budget £000</b>
Corporate Costs, Capital and Financing and Other Cost Pressures	9,559	1,665	(7,894)
<b>TOTAL</b>	<b>9,559</b>	<b>1,665</b>	<b>(7,894)</b>

<b>Corporate Budgets</b>	<b>£000</b>
<b>Capital Financing</b>	
The 2017/18 budget assumed additional borrowing of £30m from 1 April 2017. No additional borrowing has yet be undertaken during 2017/18. Forecast outturn assumes this additional borrowing will be required from 1 January 2018.	(812)
<b>Contingency</b>	
The 2017/18 budget included operational contingencies to cover unforeseen expenditure. It is proposed that this contingency is released to partially offset the forecast overspend in Children's services.	(4,063)
The council has received additional grant funding, some of which is one-off (Business Rates Section 31 grant and Education Services Grant).	(1,996)
<b>Corporate Costs</b>	
On-going restrictions in expenditure and other minor variations in employee costs and income have resulted in a projected outturn less than budget.	(211)
Receipt of increased Manchester Airport Dividend	(812)
<b>CORPORATE BUDGETS TOTAL</b>	<b><u>(7,894)</u></b>

## APPENDIX 3

The tables below detail how the Council is performing against target collection rates in both Business Rates and Council Tax for the first three months of 2017/18. Arrears are pursued and recovery of current year arrears will continue in future years.

<b><u>Council Tax In-year Collection Performance 2017/18</u></b>				
	<b>Cash Collected £m</b>	<b>Cash Collected %</b>	<b>Cash Target %</b>	<b>Variation %</b>
April 2017	10.077	10.36	10.45	-0.09
May 2017	18.884	19.39	19.30	+0.09
June 2017	27.470	28.16	28.30	-0.14
July 2017	36.010	36.87	37.00	-0.13
August 2017	44.642	45.66	46.00	-0.34
September 2017	53.240	54.41	54.90	-0.49
October 2017	61.951	63.27	63.70	-0.43
November 2017	70.658	72.14	72.70	-0.56
December 2017	78.911	80.57	81.00	-0.43
January 2018	87.645	89.44	90.00	-0.56

<b><u>Business Rates In-year Collection Performance 2017/18</u></b>				
	<b>Cash Collected £m</b>	<b>Cash Collected %</b>	<b>Cash Target %</b>	<b>Variation %</b>
April 2017	10.134	16.95	11.00	+5.95
May 2017	15.601	26.29	20.00	+6.29
June 2017	21.226	35.71	30.00	+5.71
July 2017	26.225	44.31	38.00	+6.31
August 2017	30.677	51.76	47.00	+4.76
September 2017	33.156	56.10	55.50	+0.60
October 2017	38.124	64.48	64.00	+0.48
November 2017	43.145	73.28	72.90	+0.38
December 2017	47.077	80.01	80.00	+0.01
January 2018	51.957	88.55	88.50	+0.05