

Report To:**EXECUTIVE CABINET****Date:**

20 June 2018

**Executive Member/
Reporting Officer:**

Cllr Fairfoull – Executive Member (Performance and Finance)

Kathy Roe – Director of Finance

Tom Wilkinson – Assistant Director of Finance

Subject:**REVENUE MONITORING – OUTTURN 2017/18****Report Summary:**

This report shows that the actual 2017/18 revenue budget outturn position for the Council is a net position of £3.342m under budget, as set out in Table 1. This is a movement of £0.736m from the Period 10 monitoring report which reported a forecast outturn position of £2.607m under budget. This movement is net of the release of some provisions within Governance and further cost pressures in Children's Services.

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's outturn is £8.655m 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 3 the report.
- The Director of Governance is outturn is within budget by £2.505m due to the effect of staff turnover, restrictions in spending, the release of some large one-off provisions and the bringing forward of savings for the 3 year budget period in light of the service pressures being felt elsewhere within the Council.
- The Director of Finance and IT outturn is within budget by £0.928m due to delays in recruitment and other restrictions in spending.
- Corporate costs outturn is £8.263m under budget for 2017/18. This is due to a combination of the release of operational contingencies, which will be used to 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.

Recommendations:

- 1) That the final actual revenue outturn position is noted (**Table 1**).
- 2) That the detail for each service area (**Section 3**) is noted and that Directors be required to identify measures to ensure expenditure is maintained within the approved budget for the 2018/19 and future years.
- 3) That the position on the Integrated Commissioning Fund, including the transaction of the risk share (**Section 5**) is noted.
- 4) That the emerging risks and financial pressures (**Section 6**) are noted.

Links to Community Strategy:

Budget is allocated in accordance with the Community Strategy.

Policy Implications:

Budget is allocated in accordance with Council Policy.

**Financial Implications:
(Authorised by the Section 151 Officer)**

This monitoring report for the current financial year confirms that service expenditure has exceeded the approved budget for 2017/18. Services areas need to take action to address the issues that are leading to these budget pressures, to ensure the 2018/19 budget and future years can be delivered sustainably.

The overall outturn position of £3.342m 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.

The Medium Term Financial Plan (MTFP) for the period 2018 - 2022 identifies significant savings requirements for 2019/20, 2020/21 and 2021/22. If budget pressures in service areas in 2017/18 are sustained during 2018/19, this will inevitably lead to an increase in the level of savings required in future years to balance the budget.

**Legal Implications:
(Authorised by the Borough Solicitor)**

There is a statutory duty to ensure the Council sets a balanced budget and that it is monitored to ensure statutory commitments are met.

Risk Management:

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 is 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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REVENUE MONITORING 2017/18 – OUTTURN

1 INTRODUCTION

- 1.1 This is the final revenue monitoring report of the 2017/18 financial year. The report summarises the actual revenue outturn position at 31 March 2018 for the Council.
- 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:** Summary of budget changes since period 10.
 - **Appendix 3:** Analysis of the Council Tax and Business Rates collection performance.
- 1.3 This report details the Council's actual 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 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 the actual net revenue expenditure for services for the 2017/18 financial year is £4.920m in excess of budgeted resources. The outturn revenue position by service area is summarised in Table 1.

- 2.2 The overall outturn position for the Director of Children is net expenditure of £8.655m in excess of budget, primarily due to the outturn for Children's Social Care. Further details are set out in section 4 of this report.
- 2.3 The Director of Governance outturn is within budget by £2.505m due to the effect of staff turnover allowing vacancies to be held, restrictions in spending in light of the service pressures being felt elsewhere within the Council, and a release of a large one off provision in relation to housing benefit. This review of provisions is the main reason for the increased budget underspends from period 10.
- 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. This budget outturn is £8.263m 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 outturn position for the Council is a net position of £3.342m under budget, as set out in Table 1. . This is a movement of £0.736m from the Period 10 monitoring report which reported a forecast outturn position of £2.307m under budget. This improved position is due primarily to a combination of one-off the release of bad debt contingencies and some additional business rates income.

Table 1 – Outturn revenue position for 2017/18

Directorate	Service	2017/18 Budget £000	Forecast Outturn £000	Variation to Budget £000	Movement since P10 £000s
Children	Children's Social Care	35,192	43,801	8,609	796
Children	Education	2,841	2,887	46	(34)
Director of Children's Services		38,033	46,688	8,655	762
Adults	Adult and Early Intervention Services ¹	44,185	43,641	(544)	(19)
Director of Adults Services		44,185	43,641	(544)	(19)
Population Health	Population Health	16,708	16,527	(180)	(10)
Director of Population Health		16,708	16,527	(180)	(10)
Place	Development Growth & Investment	2,368	2,287	(81)	(97)
Place	Asset & Investment Partnership Management	3,549	3,888	329	43
Director of Place		5,916	6,175	259	(53)
Neighbourhood & Operations	Environmental Services	41,371	42,150	779	489
Neighbourhood & Operations	Stronger Communities	6,885	6,270	(616)	(326)
Director of Neighbourhoods and Operations		48,256	48,420	164	163
Governance	Governance	7,186	4,681	(2,505)	(1,300)
Director of Governance		7,186	4,681	(2,505)	(1,300)
Finance & IT	Finance	2,491	1,722	(769)	144
Finance & IT	Digital Tameside	1,967	1,808	(159)	(54)
Director of Finance and IT		4,458	3,530	(928)	115
Total Service Position		164,742	169,662	4,920	(366)
	Corporate Costs, Capital and Financing and Other Cost Pressures	12,654	4,391	(8,263)	(369)
Total		177,396	174,054	(3,342)	(735)

¹ 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. The MTFP will be refreshed during June and July 2018.
- 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, the updated MTFP approved in February 2018 includes significant additional investment 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 includes 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)

MTFP	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
<u>Spending Plans</u>					
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
Total Spending	177,396	186,514	182,719	190,833	195,977
<u>Resources</u>					
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
Total Resources	(177,396)	(186,514)	(178,712)	(173,125)	(169,935)
Remaining Gap to be addressed	0	0	4,007	17,708	26,042

3. CHILDREN'S SOCIAL CARE

- 3.1 The Council has experienced extraordinary increases in demand for Children's Social Care Services during 2017, placing significant pressures on staff and resources. The number of Looked after Children has gradually increased from 519 at April 2017 to 612 at 31 March 2018. 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, the service exceeded the approved budget by more than £8.6m during the year due mainly to additional placement costs (£7.1m) and additional staffing costs (£1.5m).
- 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.
- 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 interim 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 For 2017/18 the level of Council Tax income collected in year is marginally under target collection rates and Business Rates exceeded the target. Both areas are 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 There continues to be an increasing number of people that need access to adult social care services. This is a national challenge and Tameside is not unique in facing growing demands for NHS and social care services as a result of people living longer. There is a national recognition that the response to this growing demand is to invest more in social care, and some additional investment was made available through the Adult Social Care grant announced in March 2017.
- 5.2 Our response to this growing demand in Tameside is Care Together. Care Together is a transformational approach which aims to significantly improve the health and wellbeing of residents, and deliver a clinically and financially sustainable health and social care service through a Strategic Commissioning Function and Integrated Care Foundation Trust. Delivery of this transformational approach provides an opportunity to address the financial challenge presented by rising demand for Adult social care services, but also exposes the Council to a greater degree of risk in the short term.
- 5.3 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.
- 5.4 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 2017/18 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.
- 5.5 The risk share contributions were transacted in Month 10. 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.
- 5.6 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.
- 5.7 The outturn revenue position will be reported to the Strategic Commissioning Board on 23 May 2018. The full year outturn and risk share position is also summarised in table 5 below. Table 5 provides details of the summary 2017/18 budgets and 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 have resulted in additional expenditure of £8,600k when compared to the available budget
- The ICFT are working to a planned deficit of £22,088k for 2017/18. However it should be noted that efficiencies of £10,400k are required in 2017/18 in order to meet this sum.

5.8 The Strategic Commission net funding gap of £7,851k 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 Outturn and Risk Share

	2017/18		
	Budget	Actual	Variance
	£'000	£'000	£'000
Strategic Commission	485,466	493,351	(7,885)
ICFT	(22,088)	(22,054)	34
Total Whole Economy	463,378	471,297	(7,851)

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

5.9 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>

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 overspend 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.

DIRECTOR OF CHILDREN

	2017/18 Budget £000	Outturn £000	Variation to Budget £000
A. Children's Social Care	35,192	43,801	8,609
B. Education	2,841	2,887	46
TOTAL	38,033	46,688	8,655

A. CHILDREN'S SOCIAL CARE

Children's Social Care	£000
Employees Additional agency social workers as a result of increased demand during the year. 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. There have also been appointments to senior posts within the service to the approved budget allocation to lead and support the implementation of required improvements.	1,472
Independent Sector and Internal Carer Placements The number of Looked After Children has increased from 519 at April 2017 to 613 at 31 March 2018 (590 in January 2018). It should be recognised that the current budget allocation will finance approximately 450 placements, assuming average weekly unit costs for placements.	7,129
Other minor variations across the service	8
TOTAL VARIATION	<u>8,655</u>

B. EDUCATION

	£000
Employee Costs	
Expenditure is below budget on employee costs due to a number of vacant posts and other minor variations under £50k.	(513)
Special Education Transport	
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.	368
Other Expenditure	
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 (£115k) due to a reduction in the use of associates and overheads which is offset against the reduction in income. SEN Implementation-under budget by (£84k), grant transferred to reserve for use in following year. There are other minor variations under £50k.	(203)
Grants & Other Contributions	
There are a number of small increases in grant funding, individually under £50k.	(99)
Non-Academy Schools Income	
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.	238
Academy Schools Income	
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.	23
Sales, Fees & Charges	
Minor Variations Under £50k	(41)
Other Income	
LAC Pupil Premium grant transferred to Virtual Team to fund specific posts (£82k). There are other minor variations under £50k.	(72)
Use of one-off monies	
DSG Grant transfers to and from reserve £43k; SEND Implementation Grant transfer to reserve £85k; RCCO transfer to PFI Reserve £18k. £200k School Improvement agreed transfer to reserve. £40k Education Welfare - Penalty Notice Income Agreed transfer to reserve.	345
Maternity Cover Insurance	
This is an insurance scheme for Maternity Cover which has collected more contributions than monies paid out. The balance has been transferred to a reserve for use in the following year.	0
TOTAL VARIATION	<u>46</u>

DIRECTOR OF ADULTS

	2017/18 Budget £000	Outturn £000	Variation to Budget £000
C. Adult and Early Intervention Services	44,185	43,641	(544)
TOTAL	44,185	43,641	(544)

C. ADULT AND EARLY INTERVENTION SERVICES

	£000
Employee Expenditure was less than budget for the year due to a combination of vacant posts and the number of hours required for the Council provided Learning Disabilities Homemaker Service being less than the budgeted amount. This is due to services being delivered by the independent sector.	(523)
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.	855
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).	(198)
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). Work will be undertaken in 2018-19 in partnership with the Exchequer department to establish the reasons for this in further detail to improve future forecasting	(936)
Actual homecare hours ended the year slightly higher than the budgeted amount. The costs attributable to implementation of the new Support at Home model from February 2018 (£90k) have been fully funded by GM Transformation monies.	82
Other Minor Service variations (0.21% of total spend)	176
TOTAL VARIATION	<u>(544)</u>

DIRECTOR OF POPULATION HEALTH

D. DIRECTOR OF POPULATION HEALTH

	2017/18 Budget £000	Outturn £000	Variation to Budget £000
D. Population Health	16,708	16,527	(180)
TOTAL	16,708	16,527	(180)

	£000
Prudential Borrowing Costs - Active Tameside	106
Total employee expenditure less than budget due to vacant and deleted posts within the service.	(238)
Public Health England income received 31/3/2018 due to targets met by Service Area	(41)
Minor Variations	(9)
TOTAL VARIATION	<u>(180)</u>

DIRECTOR OF PLACE

	2017/18 Budget £000	Outturn £000	Variation to Budget £000
E. Development Growth and Investment	2,368	2,287	(81)
F. Asset and Investment Partnership Management	3,549	3,888	339
TOTAL	5,916	6,175	259

E. DEVELOPMENT GROWTH AND INVESTMENT

Employees Expenditure is less than budget as a result of delayed recruitment to vacant posts.	(306)
Expenditure in excess of Budget for Waterway Levy	14
Ashton Old Baths operating costs for the building in excess of income. This is in line with the business plan which set out an expected loss for the first three years.	62
Development & Control - Temporary agency support in Planning due to the high cost of agency staff where no Budget allocated	72
Godley Green spend where no budget allocated	90
Expenditure less than budget on Employment and Skills Projects	(165)
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	177
Advertising income not received	65
Capitalisation of Salaries in excess of Budget	(62)
Repayment of Local Authority Mortgage Scheme LAMS. The scheme ended in February 2018	(1,000)
GM Ecology Unit in year income less than in year spend	94
Other minor variations across the service	222
<u>Drawdown from Reserves at beginning of 2017/18:</u> <ul style="list-style-type: none"> - Leaders Pledge - Loyalty Scheme (£14K) - Leaders Pledge - Business Grant Scheme (£28K) - Leaders Pledge - Trade Grant Scheme (£164K) - Leaders Pledge - Inward Investment Scheme (£39K) - Leaders Pledge - Youth Employment Scheme (£266K) - Leaders Pledge - Tameside Free Travel Scheme (£25K) - Leaders Pledge – Ex-Forces Pilot Scheme (£33K) - Godley Green Garden Village (£299K) - Housing Strategy (£46K) 	(1,551)

<ul style="list-style-type: none"> - Local Plan carried forward to next year for Investment Schemes over more than one financial year (£153K) - Local Innovation awards received in 2010/11 carried forward (64k) - GM Ecology Unit (£274K) - Post 19 Adult Education Budget (£96K) - Heat Delivery Networks (£40K) 	
<p><u>Movements to Reserves:</u></p> <ul style="list-style-type: none"> - Leaders Pledge - Loyalty Scheme (£11K) - Leaders Pledge - Business Grant Scheme (£25K) - Leaders Pledge - Trade Grant Scheme (£49K) - Leaders Pledge - Inward Investment Scheme (£39K) - Leaders Pledge - Youth Employment Scheme (£48K) - Leaders Pledge - Tameside Free Travel Scheme (£25K) - Leaders Pledge – Ex-Forces Pilot Scheme (£29K) - Repayment of LAMS. The scheme ended in February 2018 £1,000K - Godley Green Garden Village £209K - Local Plan £191K - Local Innovation awards received in 2010/11 carried forward £64K - GM Ecology Unit £185K - Quick Response - Hattersley - Money to be claimed from Barrets £55K - Employment & Skills Contribution from Greater Manchester Combined Authority for the Youth Employment Scheme £139K - Other Minor Variations £139K 	2,208
TOTAL VARIATION	(81)

F. ASSET AND INVESTMENT PARTNERSHIP MANAGEMENT

Catering	
Catering Costs were less than originally anticipated	-432
Income less than budgeted due to schools moving to academies	502
AIPM	
Expenditure - expenditure forecast to be less than budget on salaries due to vacancies during the year	(37)

Other Expenditure - Overspend on costs incurred in respect of anticipated capital receipts which have not materialised and are now classed as abortive costs. An example is £117,000 of expenditure has been incurred relating to the former Littlemoss High School anticipated receipt which are now abortive costs due to the asset be being transferred to be used as a Free School	210
Other Expenditure - Costs in respect of charges payable to PWC which have been incurred following the Liquidation of Carillion	193
Other Expenditure - Increase in expenditure for security costs across the corporate estate including Stamford Park, Tame Street, Two Trees, Ashton Town Hall and Ashton Library	123
Other Expenditure - Rent in relation to previous years in respect of Ashton Primary Care Building	116
Other Expenditure - Emergency building repairs in excess of Budget	83
Other Expenditure - Delapidation costs following the termination of the lease 'for the Learn at St Annes accommodation' for the Post 19 service following the vacation of the building were not provided for within the current budget. Savings will be realised from the termination of the lease on this property and have been factored into the current service budget.	75
Other Expenditure - other minor variations	23
Other Expenditure - Refund on business rates for Hyde Town Hall, Union Street, Dukinfield Town Hall and Stalybridge Public Toilets related to previous financial years	(98)
Other Expenditure- Expenditure less than estimated on general supplies and services within Corporate Landlord	(143)
Other Expenditure - credit received in respect of Facilities Management charge for period April 2015 to March 2017.	(170)
Income - Income received for Accommodation costs from the CCG	(150)
Income - Rent received in respect of Guardsman Tony Downes House following the Purchase of the Building. Budget has been included in future years.	(96)
Income - Additional Income received in respect of Accommodation recharges for Stamford Chambers (£37K) and Denton Festival Hall (£21K)	(59)
Income - Loss of industrial estate income including Plantation Industrial Estate	262
Income - other minor variations	(2)
Capital Items & Movements to/from Earmarked Reserves - Revenue Contribution was less than anticipated	(61)
TOTAL VARIATION	339

DIRECTOR OF NEIGHBOURHOOD & OPERATIONS

	2017/18 Budget £000	Outturn £000	Variation to Budget £000
G. Environmental Services	41,371	42,150	779
H. Stronger Communities	6,885	6,270	(616)
TOTAL	48,256	48,420	169

G. ENVIRONMENTAL SERVICES

	£000
Expenditure is less than budget as a result of delayed recruitment to vacant posts following service re-designs across Environmental Services. It is anticipated that all posts are expected to be filled as soon as possible.	(723)
Agency staffing costs are in excess of budget in respect of waste services to enable the implementation of new collection rounds. No budget provision was made at the time as it was expected that corresponding savings to the waste levy would be achieved through reduced tonnages.	195
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 has been managed by utilising the Waste Reserve which was originally set up to manage this type of situation.	1,294
Expenditure in excess of budget was incurred in Environmental Services for: - Transport related costs to cover the implementation of new waste collection rounds" - The purchase of caddy liners for recycling of food waste. This encourages recycling which in turn delivers reductions in cost for the Council. There was no budget for this in 2017/18. - In Operations Services for Waste Disposal related costs. - For Risk Management work - repairing potholes and road surfaces. - For maintaining and managing parks and land within the Borough, including one-off projects and repairs to retaining walls. This was partially offset by additional income shown below.	110 147 109 440 104
"Expenditure relating to Council Car Parks varied to budget by: - Maintenance and repair of council car parks was in excess of budget." - Car Parking contractor fees (NSL) were less than budget.	69 (82)
Expenditure less than budget was incurred within Transport Services due to the cyclical nature of maintaining the fleet of vehicles. An element of the planned in-year saving has been used to fund capital expenditure in 17/18. The remaining will be re-invested in the fleet in future years (see below).	(916)
Expenditure in excess of budget for Winter Maintenance as a result of the requirement to fulfil our statutory duties, which is determined by the weather conditions.	491

"Income from sales, fees and charges was less than budget in the following areas across Environmental Services: - Ashton Market Ground rental income. The reduction in rental income from stall holders due to the redevelopment of the market and the reduced no. of stalls." - Car parks: Pay & Display Income as a result of reduced demand." Contract Passes - there was an underachievement of income at the new multi storey car park at Dale St. - Fewer Excess Fee Notices (Parking Fines) were issued resulting in a reduction of income	197 111 36 41
Income from sales, fees and charges was in excess of budget in the following areas across Environmental Services: - Bereavement Services as a result of increased demand for burial, cremation and other bereavement services. - Trade Waste services as a result of increased demand for commercial waste services.	(206) (73)
Other minor variations across the service for example increased Pest Control income, increased internal recharge income for skip hire, engineers works.	(186)
Waste Disposal Levy - Draw down from Reserve for costs in excess of budget (see above)	(1,294)
Winter Maintenance - Draw down from Reserve for costs in excess of budget (see above)	(491)
Draw down from reserve to fund capital expenditure in 2017/18 on vehicles for Transport and Operations Services	(1,162)
Contribution to reserve for future years expenditure on vehicles for Transport and Operations Services	1,193
Movements to/from Reserves for monies held by Tameside MBC in trust/on behalf of other groups e.g. Allotments	20
Leader's Pledge Monies - Big Tidy Up moved to reserve for continued use.	16
Unspent Drainage Grant Carried Forward	57
Revenue Contribution to Capital Outlay for expenditure in 2017/18 on vehicles for Transport and Operations Services	1255
TOTAL VARIATION	<u>779</u>

H. STRONGER COMMUNITIES

	£000
Expenditure is less than budget on salaries across all services due to vacant posts throughout the year.	(152)
Expenditure in excess of budget 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 Benefits to process claims.	91
The Homelessness support budget was not fully utilised as a result of receiving grant income relating to the Homelessness Prevention Bill.	(338)
Expenditure less than budget on Domestic Abuse support as a result of utilising grant income received.	(191)
Expenditure is less than budget on fixtures and fittings under Tameside Resettlement Scheme	(89)
Grants brought forward from 2016/17 with no budget provision, including Community Safety Funding.	(261)
Minor Variations under £50k	(235)
Unspent grants carried forward to 18/19	337
Movement to Reserve for use on major projects in 2018/19; relocation costs within Libraries and Museums, refurbishment of Astley Cheetham Art Gallery and to fund a temporary Debt Advisor to help deal with the impact of Universal Credit.	218
Revenue Contribution to Capital Outlay	4
TOTAL VARIATION	(616)

DIRECTOR OF GOVERNANCE

I. DIRECTOR OF GOVERNANCE

	2017/18 Budget £000	Outturn £000	Variation to Budget £000
I. Director of Governance	7,186	4,681	(2,505)
TOTAL	7,186	4,681	(2,505)

	£000
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 human resource costs across the directorate.	(750)
One off movement from Bad Debt Provision for Housing Benefit as the provision currently held was in excess of required value as per Housing Benefits analysis, also meaning the planned in year contribution to this provision was not required	(1,000)
Continuing restrictions in expenditure, and efficiencies across the service, have resulted in a projected expenditure level under budget in relation to supplies and services across the directorate	(951)
Movement to reserve in relation to Election duties	243
Other Minor Variation across the directorate	(47)
TOTAL VARIATION	<u>(2,505)</u>

DIRECTOR OF FINANCE & IT

	2017/18 Budget £000	Outturn £000	Variation to Budget £000
J. Finance	2,490	1,722	(768)
K. Digital Tameside	1,967	1,808	(159)
TOTAL	4,457	3,530	(927)

J. FINANCE

	£000
Finance Services - in year savings due to delays in recruitment £594k, Other minor variations under £50k.	(673)
Movement to Reserve for STAR Procurement and Commissioning Work	150
Cashiers - £119k savings on cash collection cost. Other minor savings less than £50k	(125)
Internal Audit and Insurance Services - Savings due to delays to recruitment of vacant posts and secondment of an insurance officer. Other minor variations less than £50K	(132)
Movement to Reserve for Insurance Services	12
TOTAL VARIATION	<u>(768)</u>

K. DIGITAL TAMESIDE

	£000
Schools Trading Account - More buy in than anticipated, and the expenditure has been managed.	(24)
IT Services - Savings in relation to staffing and agency budgets and other minor savings.	(75)
Multi-Functional Devices (MFD's) - This is income generated from charging services for photocopying, printing and scanning services through MFDs across the council.	(98)
TOTAL VARIATION	<u>(159)</u>

CORPORATE BUDGETS

	2017/18 Budget £000	Outturn £000	Variation to Budget £000
Corporate Costs, Capital and Financing and Other Cost Pressures	12,654	4,391	(8,263)
TOTAL	12,654	4,391	(8,263)

Corporate Budgets	£000
Capital Financing The 2017/18 budget assumed additional borrowing of £30m from 1 April 2017. No additional borrowing has been undertaken during 2017/18.	(780)
Contingency The 2017/18 budget included operational contingencies to cover unforeseen expenditure.	(359)
The council has received additional grant funding, some of which is one-off (Business Rates Section 31 grant, Business Rates amount received over the baseline and Education Services Grant).	(5,543)
Corporate Costs Reduction in Pension Increase Act costs following the revised mid year estimate adjustment	(145)
Budget in excess of requirement - Teachers Retirement benefits	(182)
Ongoing restrictions in Other expenditure has resulted in a projected expenditure level of £217k under budget	(217)
Expenditure - Minor Variations under £50k	2
Overachievement in relation to the savings target for advance payment of Pension fund contributions relative to a return on the early payment of contributions rate	(98)
Receipt of Insurance Funds - MMI	(116)
Receipt of increased Manchester Airport Dividend	(813)
Income - Minor Variations under £50k	(13)
TOTAL VARIATION	<u>(8,263)</u>

Budget changes since Period 10

	2017/18 Budget at Period 10 £000s	2017/18 Budget Outturn £000s	Change £000s	Reason for change
Director of Children's Services				
Education	3,385	2,841	-544	Release of council budget supported by DSG
Director of Place				
Asset & Investment Partnership Management	6,126	3,549	-2,577	Move PFI financing related budgets to corporate
Director of Finance and IT				
Finance	2,466	2,491	25	Funding for local partnership work
Corporate Budgets				
Corporate Costs, Capital and Financing and Other Cost Pressures	9,559	12,654	3,096	Funding provided to service areas as above.
Total			0	

APPENDIX 4

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.

<u>Council Tax In-year Collection Performance 2017/18</u>				
	Cash Collected £m	Cash Collected %	Cash Target %	Variation %
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
February 2018	90.351	92.29	92.60	-0.31
March 2018	91.428	93.42	94.50	-1.08

<u>Business Rates In-year Collection Performance 2017/18</u>				
	Cash Collected £m	Cash Collected %	Cash Target %	Variation %
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
February 2018	53.541	93.50	93.00	+0.50

March 2018	56.397	96.68	96.50	+0.18
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