

ITEM NO: 5a

Report To:	EXECUTIVE CABINET
Date:	16 December 2015
Executive Member/ Reporting Officer:	Cllr J M Fitzpatrick - First Deputy (Performance and Finance) Peter Timmins – Interim Assistant Executive Director, (Finance)
Subject:	REVENUE MONITORING – QUARTER 2 2015/16
Report Summary:	<p>This report shows that at Quarter 2 the overall net projected outturn revenue position for 2015/16 is £6.390m over budget. This includes the recommended budget adjustment for children’s services area to align its budget with comparable authorities.</p> <p>Strong budget management is required across the Council to ensure that the Council achieves its financial plans. Higher than budgeted spending will need to be addressed. This forecast is set in the context of challenging savings requirements: £24m for 2015/16 and a further £14.1m and £15.4m planned for 2016/17 and 2017/18 respectively.</p> <p>The report is presented shortly ahead of the publication of the government’s Spending Review (expected 25 November). The anticipated adverse impact of that announcement has been provided for, wherever possible, within the current financial plan, and is a key factor in the future savings requirement. The financial plan will be reviewed following the publication of the Spending Review and revised and reported as necessary thereafter.</p>
Recommendations:	<ol style="list-style-type: none">1) That the projected revenue outturn position is noted and corrective action pursued where necessary;2) That the detail for each service area is noted;3) That the changes to revenue budgets as outlined are approved;4) That the intention to review the overall financial plan further to the publication of the government’s spending review is 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)	Failure to secure sustainably balanced budgets within the financial year will leave problems which will need to be resolved in the next financial year. Overall financial balance can only be achieved through each area securing a balanced 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.

Access to Information

The background papers relating to this report can be inspected by contacting the report writer, Peter Timmins, Assistant Executive Director of Finance by:



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1 INTRODUCTION

- 1.1 This is the second revenue monitoring report of the 2015/16 financial year. The report summarises the projected revenue outturn position of the Council at the 31 March 2016.
- 1.2 Details of the various sections and appendices within the report are shown below:
- **Section 2:** a summary of the revenue financial position of the Council.
 - **Section 3:** updated performance position against the agreed savings proposals.
 - **Section 4:** Business Rates and Council Tax collection performance.
 - **Section 5:** the recommendations of this report.

 - **Appendix 1:** the Council's budget and outturn revenue position for 2015/16.
 - **Appendix 2:** details for each directorate showing the revenue outturn position, and:
 - An explanation of significant variations to budget
 - Analysis of expenditure and income
 - A savings update
 - **Appendix 3:** details of the analysis of Children's services
 - **Appendix 4:** details the changes to the Council's in-year revenue budget since March 2014.
 - **Appendix 5:** analysis of the Council Tax and Business Rates collection performance.
- 1.3 This report details Directorates' projected revenue outturn position for 2015/16 against budgets for the year and shows the net of income and expenditure as a variation to budget.
- 1.4 Separate tables, which break down the budgets into elements of expenditure and income, are included in **Appendix 2**, to show how Directorates are utilising their allocated funding.

2 SUMMARY FINANCIAL POSITION AND KEY ISSUES

- 2.4 The Council's overall projected net revenue expenditure in the 2015/16 financial year is expected to exceed the allocated budget by £6.390m. Table 1 shows the projected revenue outturn position for 2015/16. This is included at **Appendix 1** in greater detail. Detail for individual service areas are set out in **Appendix 2**.
- 2.5 A briefing to the Executive Board has recommended that the budget for Children's Services is adjusted, to ensure that the resources for this key service are not a barrier to its effectiveness. The briefing analysed the persistent gap between budgeted and forecast expenditure in the service and compared outcomes in similar councils. It recommended that the gap is addressed through a combination of service efficiency improvements and budget adjustment. The recommended adjustment is reflected in the revised budget provision set out in this report. Further details are provided at **Appendix 3**.
- 2.3 The Public Health budget has been reduced by £1m to reflect the indicative in-year grant reduction and the projected outturn variation has been changed accordingly.
- 2.4 Brief explanations of the variations to budget are included in Table 1 below. The Council is actively developing ways to deliver services differently, but is also continuing to provide necessary services.

Directorate	Service	2015/16 Budget £000	Projected Outturn £000	Variation to Budget £000	Explanation
People	Children's Social Care	19,363	23,245	3,882	Savings are required to be realised as planned to address the in-year overspend. The budget has been reviewed and is in line with best practice in similar authorities.
People	Strategy and Early Intervention	2,623	2,412	(211)	Cost reductions have been identified through vacancies not being filled and the cessation of contracts.
People	Education	3,289	3,094	(195)	Saving has been achieved from not filling vacancies.
People	Adult and Early Intervention Services	49,006	54,362	5,356	Planned savings are not being realised as expected and some previous plans are now in doubt. There is also increasing demand upon services.
People	Stronger Communities	6,955	9,219	2,264	Work is ongoing to identify savings, although the revised plan is yet to be confirmed.
	Total Director of People	81,236	92,332	11,096	
Place	Asset & Investment Partnership	5,487	5,512	25	
Place	Environmental Services	45,501	45,383	(118)	Savings as a result of vacant posts not being filled and efficiencies across the service.
Place	Development Growth and Investment	2,604	2,542	(62)	Savings realised as a result of vacant posts and service re-design.
Place	Digital Tameside	1,822	1,830	7	
	Total Director of Place	55,414	55,267	(148)	
Public Health	Public Health	16,155	16,244	89	In-year indicative reduction of grant assumed.
Governance and Resources	Governance and Resources	12,034	10,392	(1,642)	Savings achieved in advance, including not filling vacant posts and reviewing all contracts.
Other	Corporate Costs, Capital and Financing	26,740	23,734	(3,006)	Efficiencies- review of insurance costs and savings from borrowing.
	Total	191,579	197,969	6,390	

Table 1: Projected outturn revenue position for 2015/16

- 2.5 The ongoing deficit position for Children’s services will need to be tackled through a combination of efficiency improvements and ensuring best practice models of care are used throughout.
- 2.6 The remedial action to address the Adults services position will be delivered as rapidly as possible, but, for some areas of activity, this may only be achievable over the period of the two-year budget set in February 2015 (i.e. to March 2017). This may require re-profiling of some savings planned for the current year to be delivered no in the next year. However, some planned savings are now in doubt. Any budget deficit unaddressed at March 2016 will be carried forward to be resolved by March 2017.
- 2.7 The revenue position reported needs to be considered in the context of the Council’s Medium Term Financial Strategy (MTFS). Below is a summary taken from the MTFS which sets out the £24m savings planned for 2015/16 and the requirement of future savings to 2019/20.
- 2.8 The targets for 2016/17 and 2017/18 are the current estimated position before any mitigating actions are put into place. They take account of known funding reductions and anticipated demand and cost increases. These assumptions will be kept under review.
- 2.9 The report is presented shortly ahead of the publication of the government’s Spending Review (expected 25 November). The anticipated adverse impact of that announcement has been provided for, wherever possible, within the current financial plan, and is a key factor in the future savings requirement, which can be seen in the anticipated 22% overall reduction in resources between 2015/16 and 2019/20, shown below (a 22% overall resource reduction is the gearing impact of a more acute reduction in government funding compared with the combined income from local taxation and government support. Government support is anticipated to be reduced by c30% overall, but with reductions of more than 60% for some funding lines).
- 2.10 The financial plan will be reviewed following the publication of the Spending Review and revised and reported as necessary thereafter

	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Total Planned Expenditure	210,962	195,617	196,917	202,803	209,320
Total Estimated Resources	(210,962)	(195,617)	(181,562)	(172,705)	(164,756)
	0	0	15,355	30,098	44,564
Savings already allocated	24,050	14,100	0	0	0
Savings not yet allocated (annual)			15,355	14,743	14,464
Savings not yet allocated (cumulative)			15,355	30,098	44,564

Table 2: Summary Medium Term Financial Strategy

3 SAVINGS

- 3.1 Savings targets were allocated in line with consideration of the Council's core purpose, policy priorities, and assessed risks. The Council agreed a savings target of £24m for 2015/16 as part of a two year budget plan. Detailed savings proposals were drawn up for 2015/16 and agreed by Full Council in February 2015.

4 COUNCIL TAX AND BUSINESS RATES

- 4.1 The Business Rates Retention Scheme means that a reduction 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 quarter 1 both the level of Business Rates and Council Tax income are slightly under targeted collection rates. Both areas will be closely monitored during the financial year and it is anticipated that all target income will be collected within 2015/16. **Appendix 5** includes two tables that show how the Council is performing against target collection rates in both Business Rates and Council Tax.

5 RECOMMENDATIONS

- 5.1 As set out on the front of the report.

APPENDIX 1

	2015/16 Budget £000	Projected Outturn £000	Variation to Budget £000
<u>DIRECTOR OF PEOPLE</u>			
Children's			
Children's Social Care	19,363	23,245	3,882
Strategy and Early Intervention	2,623	2,412	(211)
Education	3,289	3,094	(195)
	25,275	28,751	3,476
Adult and Early Intervention Services			
Adult Social Care	47,686	53,058	5,372
Adults and Early Intervention	1,320	1,304	(16)
	49,006	54,362	5,356
Stronger Communities			
	6,955	9,219	2,264
TOTAL DIRECTOR OF PEOPLE	81,236	92,332	11,096
<u>DIRECTOR OF PUBLIC HEALTH</u>			
	16,155	16,244	89
<u>DIRECTOR OF PLACE</u>			
Asset and Investment Partnership			
Management	5,487	5,512	25
Environmental Services	45,501	45,383	(118)
Development Growth and Investment	2,604	2,542	(62)
Digital Tameside	1,822	1,830	7
TOTAL DIRECTOR OF PLACE	55,414	55,267	(148)
<u>RESOURCES</u>			
Director of Governance and Resources			
	12,034	10,392	(1,642)
Corporate Costs			
	8,420	7,922	(498)
TOTAL RESOURCES	20,454	18,314	(2,140)
Capital and Financing			
	18,320	15,812	(2,508)
TOTAL	191,579	197,969	6,390

APPENDIX 2

DIRECTOR OF PEOPLE

1. CHILDRENS

	2015/16 Budget	Projected Outturn	Variation to Budget
	£000	£000	£000
Childrens Social Care	19,363	23,245	3,882
Strategy and Early Intervention	2,623	2,412	(211)
Education	3,289	3,094	(195)
TOTAL	25,275	28,751	3,476

a. **Overview**

Children's is expected to exceed its overall budget by £3.476m in 2015/16. Although plans are in place to deliver the specific savings proposals in future years, remaining within the annual budget has proved more difficult due to a combination of more demand for the service and greater complexity of the cases presented. The corporate review of the budget position has now been completed and the budget is adjusted accordingly. The service is committed to reducing placement costs, for example through renegotiating prices and a specialist fostering scheme.

Reasons for the significant variations to budget:

	£000
<u>Children's</u>	
Expenditure Over Budget at Quarter 1	8,816
Corporate Budget allocated to Children's Social Care	(5,100)
Net effect of changed staffing costs within the service.	
Increase in Remand Costs for Children having been placed in Custody/Remand and the council having to fund this.	40
Reduction in Youth Offending Good Practice Grant	60
Minor Variations	(76)
Children's Total	<u>3,882</u>

£000

Strategy and Early Intervention

Expenditure is below budget on employee costs due to the Head of Service being seconded to the Public Services Reform Team for 3 years from June 2015 (£0.057m) and a substantive post (£0.045m) being funded by the Early Help Investment. The funding from the Early Help Investment is due to cease in September 2016 and therefore will not be an ongoing saving. (102)

Expenditure is below budget on employee costs due to a number of part year vacancies within the Early Help Teams and Children's Centre Service. This is a one off In year saving. (87)

Expenditure is below budget on other expenditure due to the cessation of the Action for Children Contract from December 2015 (£0.029m), contracts with Stockport NHS (£0.030m) now being funded by Public Health and Community and Voluntary Action Tameside (0.050m) being funded by the Early Help Investment. The funding from the Early Help Investment is due to cease in September 2016 and therefore will not be an ongoing saving. (109)

Use of One Off Monies:

It is not expected that the full investment allocation (£1m over 2 years) in relation to Early Help will be required due to the current vacancies within the service 113

Other Minor Variations (24)

Other Income (2)

Strategy and Early Intervention Total (211)

Education

Expenditure is below budget on employee costs due to in year vacancies. (177)

Special Education transport: Minor variations under £0.05m 5

Other expenditure: Minor variations under £0.05m 3

Non-Academy Schools Income: Minor Variations under £0.05m 28

Academy Schools Income: Minor Variations under £0.05m (31)

Sales, Fees & Charges: Minor variations under £0.05m (23)

Education Total (195)

b. Budget Analysis

An analysis of expenditure and income for each service within Children's is detailed below:

Children's Social Care

	2015/16 Budget £000	Outturn £000	Variation to Budget £000
Children's Social Care 2015/2016 - Period 5			
Employee costs	8,554	8,326	(228)
External Agency Placements - Residential/Fostering	7,518	7,101	(417)
Internal Carer Payments	5,769	5,826	57
Direct Payments	470	550	80
Placements 16+	1,025	925	(100)
Transport Related Expenses	92	100	8

Transport Related - Car Mileage	177	107	(70)
Other Expenditure	2,119	2,226	107
Savings to be achieved	(4,451)	0	4,451
EXPENDITURE	21,273	25,161	3,888
Grants and Contributions	(201)	(186)	15
Sales, Fees and Charges	(311)	(320)	(9)
Other Income	(388)	(400)	(12)
External Placements Residential	(249)	(249)	0
Government Grant Income	(761)	(761)	0
INCOME	(1,910)	(1,916)	(6)
TOTAL	19,363	23,245	3,882

Strategy and Early Intervention

	2015/16 Budget £000	Outturn £000	Variation to Budget £000
Employee costs	2,916	2,727	(189)
Other Expenditure	2,363	2,231	(132)
EXPENDITURE	5,279	4,958	(321)
Grants and Contributions	(1,016)	(1,017)	(1)
Sales, Fees and Charges	(1)	(1)	0
Other Income	(757)	(759)	(2)
INCOME	(1,774)	(1,777)	(3)
Use of one-off monies	(882)	(769)	113
Savings being planned	0	0	0
TOTAL	2,623	2,412	(211)

Education – Core Services

	2015/16 Budget £000	Outturn £000	Variation to Budget £000
Employee Costs	3,502	3,325	(177)
Special Education Transport	1,254	1,259	5
Other Expenditure	5,186	5,189	3
EXPENDITURE	9,942	9,773	(169)
Grants and Contributions	(512)	(512)	0
Dedicated Schools Grant (DSG)	(2,567)	(2,567)	0
Non-Academy Schools Income	(2,861)	(2,833)	28
Academy Schools Income	(243)	(274)	(31)
Sales, Fees & Charges	(177)	(200)	(23)
Other Income	(170)	(170)	0
INCOME	(6,530)	(6,556)	(26)
B/fwd from 2014/15	4	4	0
Use of one-off monies	(127)	(127)	0
TOTAL	3,289	3,094	(195)

Education - DSG Specific Services

	2015/16 Budget £000	Outturn £000	Variation to Budget £000
Employee Costs	1,689	1,653	(36)
Special Education Transport	0	0	0
Other Expenditure	11,226	11,492	266
EXPENDITURE	12,915	13,145	230
Grants and Contributions	(538)	(538)	0
Dedicated Schools Grant (DSG)	(12,193)	(11,846)	347
Non-Academy Schools Income	(144)	(144)	0
Academy Schools Income	(40)	(34)	6
Other Income	0	(6)	(6)
INCOME	(12,915)	(12,568)	347
Use of one-off monies	0	(577)	(577)
TOTAL	0	0	0

OVERALL EDUCATION TOTAL	3,289	3,094	(195)
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2. ADULT AND EARLY INTERVENTION SERVICES

	2015/16 Budget £000	Projected Outturn £000	Variation to Budget £000
Adult Social Care	47,686	53,058	5,372
Adults and Early Intervention	1,320	1,304	(16)
TOTAL	49,006	54,362	5,356

a. Overview

The original estimated financial gap for Adult Social Care was approximately £7m, as part of a recovery plan to bridge the gap the decision has been taken to reduce the placement profile into Residential and Nursing Care homes by 1 placement per week effective 6th July, a number of other measures areas are in place or being put into place to bridge the funding gap.

	£000
<u>Adult Social Care</u>	
Reduction of the placement profile into Residential and Nursing Care homes by 1 placement per week effective 6 th July. The 2015-16 cost benefit of this decision is £0.7m.	6,086
Reduction in placement profile into residential and nursing care of 1 per week effective 6 th July 2015.	(436)
Income to be received for Deprivation of Living from CCG.	(30)
Direct Payments Clawbacks, expenditure under budget.	(163)

Funding from Public Health to Fund staffing posts in Commissioning team	(60)
SRG Funding Streams from CCG	(105)
Minor Variations	80
Adult Social Care Total	<u>5,372</u>

Adults and Early Intervention

The allocation from the Better Care Fund (BCF) is providing support to the carer's service. This has resulted in a saving in year which has prevented the need for use of savings achieved in advance. (107)

It is not expected that the savings achieved in advance (£0.132m) in relation to Adults Early Intervention will be required due to the support from BCF. 132

Other Minor variations (41)

Adults and Early Intervention Total (16)

b. Budget Analysis

An analysis of expenditure and income for each service within Adult and Early Intervention Services is detailed below:

Adult Social Care

	2015/16 Budget £000	Outturn Qtr 2 £000	Variation to Budget £000
Employee costs	19,448	19,242	(206)
Residential and Nursing Care	23,178	24,071	893
Residential and Nursing Care - FNC	1,327	1,368	41
Direct Payments	3,242	2,839	(403)
Homecare	6,200	6,200	0
Transport Related Expenditure	1,088	932	(156)
Other Expenditure	21,507	20,960	(547)
Savings to be identified	(6,742)	0	6,742
EXPENDITURE	69,248	75,612	6,364
Grants and Contributions	(2,641)	(2,962)	(321)
Sales, Fees and Charges	(8,442)	(8,694)	(252)
Residential and Nursing Care inc Property Income & CHC	(9,065)	(9,468)	(403)
Residential and Nursing Care - FNC	(1,300)	(1,316)	(16)
Other Income	(114)	(114)	0
INCOME	(21,562)	(22,554)	(992)
TOTAL	47,686	53,058	5,372

Adults and Early Intervention

	2015/16 Budget £000	Outturn £000	Variation to Budget £000
Employee Expenses	571	533	(38)
Other Expenditure	1,005	898	(107)
EXPENDITURE	1,576	1,431	(145)
Grants and Contributions	(87)	(87)	0
Sales, Fees and Charges	(37)	(32)	5
Other Income	0	(8)	(8)
INCOME	(124)	(127)	(3)
Use of one-off monies	(132)	0	132
TOTAL	1,320	1,304	(16)

3. STRONGER COMMUNITIES

	2015/16 Budget £000	Projected Outturn £000	Variation to Budget £000
Stronger Communities	6,955	9,219	2,264
TOTAL	6,955	9,219	2,264

a. Overview

Stronger Communities is expected to exceed its budget by £2.264m. The service will continue to be closely monitored as budget pressures increase. The reasons for the service being over budget are:

Stronger Communities Total

2,264

b. Budget Analysis

	2015/16 Budget £000	Projected Outturn £000	Variation to Budget £000
Employee costs	4,964	4,901	(63)
Other Expenditure	5,450	4,980	(470)
EXPENDITURE	10,414	9,881	(533)
Grants and Contributions	(123)	(123)	0
Sales, Fees and Charges	(501)	(539)	(38)
INCOME	(624)	(662)	(38)
B/fwd from 2013/14	(80)	0	80
Savings Planned and Savings to be Identified	(2,755)	0	2,755
TOTAL	6,955	9,219	2,264

4. DIRECTOR OF PUBLIC HEALTH

	2015/16 Budget £000	Projected Outturn £000	Variation to Budget £000
Director of Public Health	16,155	16,244	89
TOTAL	16,155	16,244	89

a. Overview

The current Public Health Position of £89,000 over budget is because Public Health have planned for an in year 7% reduction to the Public Health grant. This has been confirmed (4/11/15) as £943,000.

Due to the in year nature of the reduction, £308,000 that has been allocated to re-negotiating current contracts will not fully materialise until 2016/17. 308

Early Years additional reduction in program spend (144)

Additional in year efficiencies (75)

Public Health Total 89

b. Budget Analysis

	2015/16 Budget £000	Outturn £000	Variation to Budget £000
Employee costs	1,363	1,369	6
Other Expenditure	15,320	15,482	162
EXPENDITURE	16,683	16,851	168
Sales, Fees and Charges	(528)	(607)	(79)
INCOME	(528)	(607)	(79)
TOTAL	16,155	16,244	89

DIRECTOR OF PLACE

5. ASSET AND INVESTMENT PARTNERSHIP MANAGEMENT

	2015/16 Budget	Projected Outturn	Variation to Budget
	£000	£000	£000
Asset and Investment Partnership Management	5,487	5,512	25
TOTAL	5,487	5,512	25

a. Overview

The service is projected to spend more than budget by £0.025m due to minor variations.

b. Budget Analysis

	2015/16 Budget £000	Projected Outturn £000	Variation to Budget £000
Employee costs	3,235	3,270	35
PFI Unitary Charges and FM Service Fees	0	0	0
Other Expenditure	32,264	32,081	(183)
EXPENDITURE	35,499	35,351	(148)
Grants and Contributions	(14,383)	(14,383)	0
Sales, Fees and Charges	(4,049)	(3,913)	136
School / Academy Contributions	(32)	(32)	0
Other Income	(11,543)	(11,511)	32
INCOME	(30,007)	(29,839)	168
Movements to/from Earmarked Reserves	0	0	0
Savings to be identified	(5)	0	5
TOTAL	5,487	5,512	25

6. ENVIRONMENTAL SERVICES

	2015/16 Budget	Projected Outturn	Variation to Budget
	£000	£000	£000
Environmental Services	45,501	45,383	(118)
TOTAL	45,501	45,383	(118)

a. Overview

The service is projected to spend less than budget by £0.118m. In addition the service continues to scrutinise all spending with a view to identifying further savings for future years.

£000

Under achievement of income targets across Environmental Services offset by grants and additional income received from capital projects. (34)

Bin Swap related costs are anticipated to be £138k less than previously anticipated to be transferred to/from reserve. 138

Total **(118)**

b. Budget Analysis

	2015/16 Budget £000	Outturn £000	Variation to Budget £000
Employee costs	14,433	13,908	(525)
Passenger Transport Levy	15,854	15,854	0
Land Drainage Levy	106	106	0
GMC Waste Disposal Levy	16,519	16,519	0
Other Expenditure	21,637	21,940	303
EXPENDITURE	68,549	68,327	(222)
Grants and Contributions	0	(76)	(76)
Sales, Fees and Charges	(15,265)	(15,173)	92
Other Income	(7,330)	(7,380)	(50)
INCOME	(22,595)	(22,629)	(34)
B/fwd from 2014/15	106	106	0
Movements to/from Reserves	(1,111)	(973)	138
Savings being planned	552	552	0
TOTAL	45,501	45,383	(118)

7. DEVELOPMENT GROWTH AND INVESTMENT

	2015/16 Budget £000	Projected Outturn £000	Variation to Budget £000
Development Growth and Investment	2,604	2,542	(62)
TOTAL	2,604	2,542	(62)

a. Overview

Development growth and investment is projected to have a (£0.062m) variation to budget.

Expenditure below budget for Employee costs as a result of vacant posts across the service and service re-design not yet fully complete in all areas. (250)

Professional Consultancy - Contingency plans for external assistance for Building Control due to inability to fill vacant posts £35k	52
Other minor variations across Development Growth and Investment £17k	
Shortfall in Building Control Income as a result of vacant posts, therefore inability to complete work £130k	151
Post 19 Underachievement of Course Fee Income £21k	
Additional contribution for work being completed by Employment and Skills team funded via DWP	(15)
Development Growth and Investment Total	(62)

b. Budget Analysis

	2015/16 Budget £000	Outturn £000	Variation to Budget £000
Employee costs	3,101	2,851	(250)
British Waterways Levy	76	76	0
Other Expenditure	1,663	1,715	52
EXPENDITURE	4,840	4,642	(198)
Grants and Contributions	(1,072)	(1,072)	0
Sales, Fees and Charges	(1,299)	(1,148)	151
Other Income	(100)	(115)	(15)
INCOME	(2,471)	(2,335)	136
B/fwd from 2014/15	228	228	0
Movements to/from Reserves	0	0	0
Savings being planned	7	7	0
TOTAL	2,604	2,542	(62)

8. DIGITAL TAMESIDE

	2015/16 Budget £000	Projected Outturn £000	Variation to Budget £000
Digital Tameside	1,822	1,830	7
TOTAL	1,822	1,830	7

a. Overview

The projected outturn position is set out below :

b. Budget Analysis

	2015/16 Budget £000	Outturn £000	Variation to Budget £000
Employee costs	1,377	1,357	(20)
Supplies & Services Expenses	1,112	1,171	59
EXPENDITURE	2,489	2,529	39
Sales, Fees and Charges	(162)	(194)	(32)
Recharge Income	(504)	(504)	0
INCOME	(667)	(699)	(32)
TOTAL	1,822	1,830	7

DIRECTOR OF GOVERNANCE AND RESOURCES

9. DIRECTOR OF GOVERNANCE AND RESOURCES

	2015/16 Budget £000	Projected Outturn £000	Variation to Budget £000
Director of Governance and Resources	12,034	10,392	(1,642)
TOTAL	12,034	10,392	(1,642)

a. Overview

The projected outturn position of expenditure under budget of £1.642m is due to several factors, including planned savings achieved through reviewing service structure, delays in recruiting to posts and reviewing a number of contracts and the way of working.

b. Budget Analysis

	2015/16 Budget £000	Outturn £000	Variation to Budget £000
Employee costs	12,078	10,876	(1,202)
Housing Benefit Payments	96,002	96,002	0
Other Expenditure	3,169	2,734	(434)
EXPENDITURE	111,249	109,613	(1,636)
Grants and Contributions	(987)	(627)	360
Sales, Fees and Charges	(2,475)	(2,575)	(101)
Housing Benefit Subsidy	(92,554)	(92,554)	0
Other Income	(3,480)	(3,546)	(66)
INCOME	(99,495)	(99,302)	193
B/fwd from 2014/15	280	81	(199)
TOTAL	12,034	10,392	(1,642)

10. CORPORATE COSTS

a. Overview

Corporate Costs include a range of central functions including Insurance, AGMA and Coroners costs and the cost of Democracy. The achievement of efficiencies and the receipt of additional income have resulted in an outturn position of spending below budget of £0.498m, as detailed below:

	£000
Efficiencies achieved as a result of the insurance contract review.	(297)
Efficiencies in the cost of Democracy	(201)
	(498)

b. Budget Analysis

	2015/16 Budget £000	Outturn £000	Variation to Budget £000
Employee costs (incl. employee insurance)	6,875	6,782	(93)
Other Expenditure	4,475	4,066	(409)
EXPENDITURE	11,350	10,848	(502)
Grants and Contributions	(80)	(76)	4
Sales, Fees and Charges	(370)	(370)	0
Other Income	(2,480)	(2,480)	0
INCOME	(2,930)	(2,926)	4
B/fwd from 2014/15	0	0	0
Savings being planned	0	0	0
TOTAL	8,420	7,922	(498)

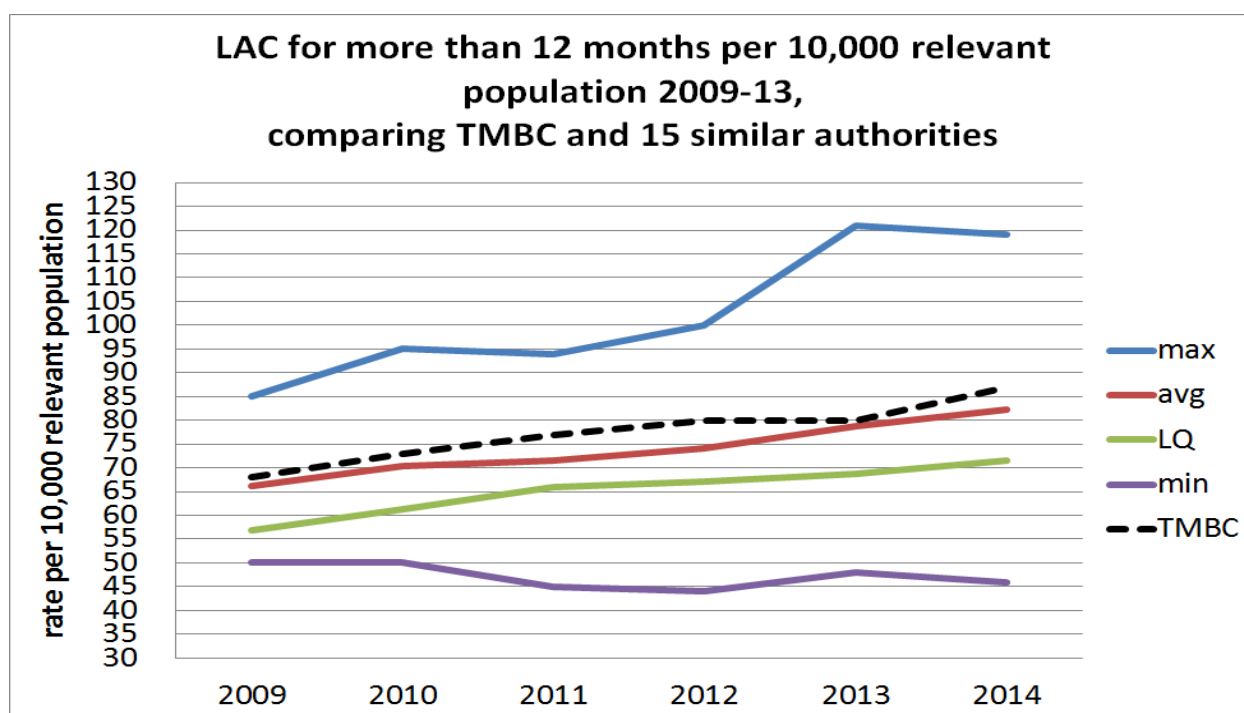
APPENDIX 3

1. Children’s services budget review

- 1.1 The revenue outturn positions of the Children’s, Strategy and Early Intervention Services for the current and previous two financial years are shown in **table 1**. It can be seen that expenditure has remained around £26m, while budgets have reduced from £25m to £17m. This leaves a gap between budgets and expenditure of around £8.8m.
- 1.2 Income includes funding from government for the Youth Offending Team and contributions from schools and other partners towards the cost of the Local Children’s Safeguarding Board (LCSB). All of which are planned to reduce.
- 1.3 Planned budget reductions were supported by clear plans to reduce spending, set out in Council budget reports However, the nature of children’s services spend has meant that savings have not all been achieved as planned.
- 1.4 The proposals by which this gap can be closed, using a combination of service-led efficiency improvements (£3.7m) and corporate budget realignment (£5.1m), as follows in **table 2**.

Summary financial plan to address the £8.8m spending gap

Identified gap (table 1)		£8.8m
To be met through:		
Existing cost reduction plans (table 10)	£2.1m	
Efficiency target set for all services	£1.6m	
Service led spending reductions (tables 8 & 9)		£3.7m
Budget realignment		£5.1m
TOTAL		£8.8m



3.1 **Table 3** provides details of the activity variance being the variation between actual and average cost of looked after children for the Council's comparator neighbours. This shows that if Tameside continued with its current cost of care packages but reduced activity to the lower quartile, there is scope to reduce costs by £3,358,548:

Table 3: Activity variance

Activity Variance		£ m
Tameside number of looked after children		431
Lower Quartile number of looked after children		379
Variation	a	52
Lower Quartile total cost per looked after child (per 0-19 population)	b	£64,792
Activity Variance (a x b)		£3,358,548

4 OTHER OPTIONS CONSIDERED

- 4.1 The previous preferred option was for the service to reduce its costs in line with earlier budget reports. As noted above, this has not proved to be achievable.
- 4.2 It has been considered whether the service would be able to address the situation without budget realignment being necessary. This is not regarded as sustainable in the long term due to the nature of children's safeguarding services. The current level of projected overspending indicates that this is unlikely.
- 4.3 It has also been considered that the implementation of integrated care arrangements in the local health economy could also secure cost reductions in children's services, However, realising the ICO will take a number of years, and the reorganisation of care management will not address the active supplier market for provision of fostering, adoption and other care services in the near term.
- 4.4 A combination of service led expenditure reductions, focussed on reducing the on-flow of children into the care system, complemented by budget realignment, is therefore recommended as the preferred solution.

APPENDIX 4

AMENDMENTS TO THE APPROVED BUDGET

Since the 2015/16 Budget Report was approved at Full Council in March 2015 a number of changes to budgets have been required. Details of the changes are summarised below:

	2015/16 £000	2015/16 £000
Original Budget		208,640
Budget Report March 2015		
Allocation of balances brought forward	1,142	
Leaders pledge- Development & Growth	1,000	
Leaders pledge- Big tidy up	1,000	
Grant additional allocations:		
- Deprivation of Living Grant	123	
- Welfare Reform Funding	55	
- Helping People Home Grant	40	
- Busy Subsidy Grant	12	
- Allocation of Housing Implementation	3	
- Local Reform and Community Voices		
Grant reduction:		
- Education Support Grant	(51)	
- New Homes Bonus Refund	(2)	
- Public Health Grant (indicative)	(1,000)	
Total changes		2,322
MTFS update - Quarter 2		210,962

APPENDIX 5

The tables below detail how the Council is performing against target collection rates in both Business Rates and Council Tax. The aim is to collect 100% of all income due. Arrears are pursued and recovery of current year arrears will continue in future years in the same way that previous year's arrears continue to be recovered.

<u>Council Tax In-year Collection Performance 2015/16</u>				
	Cash Collected £m	Cash Collected %	Cash Target %	Variation %
April 2015	9.208	10.60	10.40	+0.20
May 2015	16.695	19.17	19.50	-0.33
June 2015	24.608	28.24	28.40	-0.16
July 2015	32.619	37.42	37.60	-0.18
August 2015	40.160	46.00	46.20	-0.20
September 2015	48.247	55.10	55.50	-0.40

<u>Business Rates In-year Collection Performance 2015/16</u>				
	Cash Collected £m	Cash Collected %	Cash Target %	Variation %
April 2015	6.679	10.88	9.90	+0.98
May 2015	11.629	18.98	20.90	-1.92
June 2015	17.543	28.96	30.40	-1.44
July 2015	23.289	38.44	39.40	-0.96
August 2015	28.353	46.85	47.20	-0.20
September 2015	33.553	55.20	55.80	-0.40