



ITEM NO: 4(a)

Report To:	EXECUTIVE CABINET
Date:	26 August 2015
Executive Member/ Reporting Officer:	Cllr J M Fitzpatrick - First Deputy (Performance and Finance) Ben Jay – Assistant Executive Director, (Finance)
Subject:	REVENUE MONITORING – QUARTER 1 2015/16
Report Summary:	<p>This report shows that at Quarter 1 the overall net projected outturn revenue position for 2015/16 is £12.7m over budget.</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 targets: £24m for 2015/16 and a further £14.1m and £15.4m planned for 2016/17 and 2017/18 respectively.</p>
Recommendations:	<ol style="list-style-type: none">1) That the projected revenue outturn position is noted;2) That the detail for each service area is noted;3) That the changes to the revenue budgets as outlined are approved4) Note the 2014/15 Summary Annual Accounts Appendix 5
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 deliver balanced budgets within the financial year will leave problems which will need to be resolved in the next financial year.
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	<p>The background papers relating to this report can be inspected by contacting the report writer, Ben Jay, Assistant Executive Director of Finance by:</p> <p> Telephone: 0161 342 3864</p> <p> e-mail: ben.jay@tameside.gov.uk</p>

1 INTRODUCTION

- 1.1 This is the first 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:** 2014/15 Summary Annual Accounts.
 - **Section 6:** the recommendations of this report.
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- **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 the changes to the Council's in-year revenue budget since March 2014.
 - **Appendix 4:** analysis of the Council Tax and Business Rates collection performance.
 - **Appendix 5:** 2014/15 Summary Annual Accounts.
- 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

- 2.1 The Council's overall projected net revenue expenditure in the 2015/16 financial year is expected to exceed the allocated budget by £12.7m. Table 1 shows the projected revenue outturn position for 2015/16. This is included at **Appendix 1** in greater detail.
- 2.2 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	14,264	23,080	8,816	Planned savings are not being realised as rapidly as expected, work is in hand reviewing the level of allocated budget. £2m of efficiency savings are required to be delivered in 15/16 and 16/17.
People	Strategy and Early Intervention	2,623	2,623	0	
People	Education	5,517	5,508	(9)	
People	Adult and Early Intervention Services	48,980	55,062	6,082	Planned savings are not being realised as rapidly as expected along with an increased demand on services.
People	Stronger Communities	6,867	9,709	2,842	Savings to be identified which will materialise following July Board.
	Total Director of People	78,251	95,982	17,731	
Place	Asset and Investment Partnership Management	5,663	5,629	(34)	
Place	Environmental Services	45,502	45,191	(311)	Savings as a result of vacant posts not being filled and other efficiencies across the service.
Place	Development Growth and Investment	2,604	2,604	0	
Place	Digital Tameside	1,824	1,821	(3)	
	Total Director of Place	55,593	55,245	(348)	
Director of Public Health	Director of Public Health	17,155	17,155	0	
Director of Governance & Resources	Director of Governance and Resources	12,034	10,392	(1,642)	Savings achieved in advance, through contract and service review
Other	Corporate Costs and Capital and Financing	24,724	21,715	(3,009)	Efficiencies including the review of insurance costs and savings from internal borrowing.
	Total	187,757	200,489	12,732	

Table 1: Projected outturn revenue position for 2015/16

- 2.3 The position for Children's services will need to be tackled through a combination of efficiency improvements and a review of the base budget. Plans for improved efficiency were set out in the budget report approved by Council in February 2015. Ongoing budget deficits unaddressed at year end will be carried forward to be resolved in future years.
- 2.4 The position for adults services will require remedial action not be taken by the service within the year. Ongoing budget deficits unaddressed at year end will be carried forward to be resolved in future years.
- 2.5 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.
- 2.6 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.

	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Total Planned Expenditure	211,962	195,617	196,917	202,803	209,320
Total Estimated Resources	(211,962)	(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. Progress against these targets is being reviewed on an ongoing basis by the Senior Management Team.

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 4** includes two tables that show how the Council is performing against target collection rates in both Business Rates and Council Tax.

5 2014/15 SUMMARY ANNUAL ACCOUNTS

- 5.1 The summary of the annual accounts during the last financial year has been produced at **Appendix 5**; this will be published with the Council's annual Statement of Accounts for 2014/15.

6 RECOMMENDATIONS

- 6.1 The recommendations of this report are:
- a. That the projected revenue outturn position is noted;
 - b. That the detail for each service area is noted;
 - c. That the changes to the revenue budgets as outlined are approved
 - d. Note the 2014/15 Summary Annual Accounts **Appendix 5**

APPENDIX 1

	2015/16 Budget £000	Projected Outturn £000	Variation to Budget £000
<u>DIRECTOR OF PEOPLE</u>			
Childrens			
Childrens Social Care	14,264	23,080	8,816
Strategy and Early Intervention	2,623	2,623	0
Education	5,517	5,508	(9)
	<u>22,404</u>	<u>31,211</u>	<u>8,807</u>
Adult and Early Intervention Services			
Adult Social Care	47,661	53,747	6,086
Adults and Early Intervention	1,319	1,315	(4)
	<u>48,980</u>	<u>55,062</u>	<u>6,082</u>
Stronger Communities	6,867	9,709	2,842
TOTAL DIRECTOR OF PEOPLE	78,251	95,982	17,731
<u>DIRECTOR OF PUBLIC HEALTH</u>			
	17,155	17,155	0
<u>DIRECTOR OF PLACE</u>			
Asset and Investment Partnership Management	5,663	5,629	(34)
Environmental Services	45,502	45,191	(311)
Development Growth and Investment	2,604	2,604	0
Digital Tameside	1,824	1,821	(3)
TOTAL DIRECTOR OF PLACE	55,593	55,245	(348)
<u>RESOURCES</u>			
Director of Governance and Resources	12,034	10,392	(1,642)
Corporate Costs	6,404	5,903	(501)
TOTAL RESOURCES	18,438	16,295	(2,143)
Capital and Financing	18,320	15,812	(2,508)
TOTAL	187,757	200,489	12,732

APPENDIX 2

DIRECTOR OF PEOPLE

1. CHILDRENS

	2015/16 Budget	Projected Outturn	Variation to Budget
	£000	£000	£000
Childrens Social Care	14,264	23,080	8,816
Strategy and Early Intervention Education	2,623	2,623	0
	5,517	5,508	(9)
TOTAL	22,404	31,211	8,807

a. **Overview**

Children's is expected to exceed its overall budget by £8.807m 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 and a corporate review of the budget position is underway. 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:

Children's Social Care

The service is currently evaluating options and strategies to reduce expenditure in the current year and on a recurrent basis thereafter in line with savings proposals set out in the February 2015 budget report.

Children's Social Care Total

£000

8,816

8,816

Education

Other minor variations.

£000

(9)

b. Budget Analysis

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

Childrens Social Care

	2015/16 Budget £000	Projected Outturn £000	Variation to Budget £000
Employee Costs	8,601	8,184	(417)
External Agency Placements Residential/Fostering	7,518	7,164	(354)
Internal Carer Payments	6,238	6,331	93
Placements 16+	1,025	998	(27)
Other Expenditure	2,481	2,411	(70)
Savings to be achieved	(9,586)	0	9,586
EXPENDITURE	16,277	25,088	8,811
Grants and Contributions	(1,118)	(1,118)	0
Sales, Fees and Charges	(507)	(502)	5
Other Income	(388)	(388)	0
INCOME	(2,013)	(2,008)	5
TOTAL	14,264	23,080	8,816

Strategy and Early Intervention

	2015/16 Budget £000	Projected Outturn £000	Variation to Budget £000
Employee Costs	2,923	2,734	(189)
Other Expenditure	2,298	2,292	(6)
EXPENDITURE	5,221	5,026	(195)
Grants and Contributions	(780)	(780)	0
Sales, Fees and Charges	(104)	(104)	0
Other Income	(826)	(826)	0
INCOME	(1,710)	(1,710)	0
Use of one-off monies	(888)	(693)	195
TOTAL	2,623	2,623	0

Education – Core Services

	2015/16 Budget £000	Projected Outturn £000	Variation to Budget £000
Employee Costs	3,468	3,504	36
Teachers Pensions Costs	1,985	1,985	0
Special Education Transport	1,254	1,254	0
Other Expenditure	4,141	4,116	(25)
EXPENDITURE	10,848	10,859	11
Grants and Contributions	(430)	(430)	0
Dedicated Schools Grant (DSG)	(2,585)	(2,585)	0
Non-Academy Schools Income	(1,849)	(1,865)	(16)
Academy Schools Income	(149)	(153)	(4)
Other Income	(181)	(181)	0
INCOME	(5,194)	(5,214)	(20)
B/fwd from 2014/15	4	4	0
Use of one-off monies	(141)	(141)	0
TOTAL	5,517	5,508	(9)

Education - DSG Specific Services

	2015/16 Budget £000	Projected Outturn £000	Variation to Budget £000
Employee Costs	3,308	3,308	0
Special Education Transport	0	0	0
Other Expenditure	11,654	11,654	0
EXPENDITURE	14,962	14,962	0
Grants and Contributions	(321)	(321)	0
Dedicated Schools Grant (DSG)	(14,457)	(14,457)	0
Non-Academy Schools Income	(144)	(144)	0
Academy Schools Income	(40)	(40)	0
Other Income			0
INCOME	(14,962)	(14,962)	0
TOTAL	0	0	0
OVERALL EDUCATION TOTAL	5,517	5,508	(9)

2. ADULT AND EARLY INTERVENTION SERVICES

	2015/16 Budget	Projected Outturn	Variation to Budget
	£000	£000	£000
Adult Social Care	47,661	53,747	6,086
Adults and Early Intervention	1,319	1,315	(4)
TOTAL	48,980	55,062	6,082

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 areas are currently being considered to further bridge the funding gap.

£000

Adult Social Care

Reduction of the placement profile into Residential and Nursing Care homes by 1 placement per week effective 6th July. The 2015-16 cost benefit of this decision is £0.7m. 7,001

Reduction in placement profile into residential and nursing care of 1 per week effective 6th July 2015. (700)

The decision has been taken to not offer inflationary uplifts to contracts outside residential and homecare. (140)

The creation of St Anne's house younger adults' facility has reduced costs associated with transitions from childrens services. (150)

Other minor variations. 75

Adult Social Care Total **6,086**

Adults and Early Intervention

Other minor variations. **(4)**

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	Projected Outturn £000	Variation to Budget £000
Employee Costs	19,338	19,290	(48)
Residential and Nursing Care	24,505	25,037	532
Other Expenditure	30,507	30,507	0
Savings to be identified	(5,919)	0	5,919
EXPENDITURE	68,431	74,834	6,403
Grants and Contributions	(2,073)	(2,319)	(246)
Sales, Fees and Charges	(8,259)	(8,766)	(507)
Residential and Nursing Care	(10,365)	(9,946)	419
Other Income	(73)	(56)	17
INCOME	(20,770)	(21,087)	(317)
TOTAL	47,661	53,747	6,086

Adults and Early Intervention

	2015/16 Budget £000	Projected Outturn £000	Variation to Budget £000
Employee Costs	571	533	(38)
Other Expenditure	1,005	901	(104)
EXPENDITURE	1,576	1,434	(142)
Grants and Contributions	(87)	(87)	0
Sales, Fees and Charges	(37)	(32)	5
INCOME	(124)	(119)	5
Use of one-off monies	(132)	0	132
TOTAL	1,319	1,315	(4)

3. STRONGER COMMUNITIES

	2015/16 Budget	Projected Outturn	Variation to Budget
	£000	£000	£000
Stronger Communities	6,867	9,709	2,842
TOTAL	6,867	9,709	2,842

a. Overview

Stronger Communities is expected to exceed its budget by £2.842m. The service will continue to be closely monitored budget pressures increase. The reasons for the service being over budget are:

	£000
Savings to be identified within Stronger Communities. Work underway on identifying savings which will materialise following July Board.	2,762
Expenditure in excess of budget brought forward from 2014/15.	80
Total	<u>2,842</u>

b. Budget Analysis

	2015/16 Budget £000	Projected Outturn £000	Variation to Budget £000
Employee Costs	4,938	4,938	0
Other Expenditure	5,679	5,679	0
EXPENDITURE	10,617	10,617	0
Grants and Contributions	(123)	(123)	0
Sales, Fees and Charges	(785)	(785)	0
INCOME	(908)	(908)	0
B/fwd from 2014/15	(80)	0	80
Savings Planned and Savings to be Identified	(2,762)	0	2,762
TOTAL	6,867	9,709	2,842

4. DIRECTOR OF PUBLIC HEALTH

	2015/16 Budget £000	Projected Outturn £000	Variation to Budget £000
Director of Public Health	17,155	17,155	0
TOTAL	17,155	17,155	0

a. Overview

Public Health is projected to have a nil variation to budget. The service will continue to be closely monitored in future years as budget pressures increase. The service is currently planning for an anticipated £962,000 Public Health Grant funding reduction in 2015/16 as per the Emergency Budget announcement on 04/06/2015.

b. Budget Analysis

	2015/16 Budget £000	Projected Outturn £000	Variation to Budget £000
Employee Costs	1,377	1,377	0
Other Expenditure	16,306	16,306	0
EXPENDITURE	17,683	17,683	0
Sales, Fees and Charges	(528)	(528)	0
INCOME	(528)	(528)	0
TOTAL	17,155	17,155	0

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	5,663	5,629	(34)
TOTAL	5,663	5,629	(34)

a. Overview

The service is projected to spend less than budget by £0.034m due to minor variations.

b. Budget Analysis

	2015/16 Budget £000	Projected Outturn £000	Variation to Budget £000
Employee Costs	3,299	3,265	(34)
PFI Unitary Charges and FM Service Fees	19,674	19,674	0
Other Expenditure	13,766	13,765	(1)
EXPENDITURE	36,739	36,703	(35)
Grants and Contributions	(14,383)	(14,383)	0
Sales, Fees and Charges	(3,205)	(3,203)	1
School / Academy Contributions	(6,980)	(6,980)	0
Other Income	(5,522)	(5,526)	(4)
INCOME	(30,090)	(30,093)	(3)
Movements to/from Earmarked Reserves	(981)	(981)	0
Savings to be identified	(5)	0	5
NET	5,663	5,629	(34)

6. ENVIRONMENTAL SERVICES

	2015/16 Budget	Projected Outturn	Variation to Budget
	£000	£000	£000
Environmental Services	45,502	45,191	(311)
TOTAL	45,502	45,191	(311)

a. Overview

The service is projected to spend less than budget by £0.311m. In addition the service continues to scrutinise all spending with a view to identifying further savings for future years.

£000

Savings relating to employee costs across the service arising as a result of vacant posts not being filled. (304)

Other minor variations. (7)

Total (311)

b. Budget Analysis

	2015/16 Budget £000	Projected Outturn £000	Variation to Budget £000
Employee Costs	14,013	13,709	(304)
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	20,782	20,838	56
EXPENDITURE	67,274	67,026	(248)
Sales, Fees and Charges	(15,457)	(15,520)	(63)
Other Income	(7,330)	(7,330)	0
INCOME	(22,787)	(22,850)	(63)
B/fwd from 2014/15	255	255	0
Savings being planned	760	760	0
TOTAL	45,502	45,191	(311)

7. DEVELOPMENT GROWTH AND INVESTMENT

	2015/16 Budget £000	Projected Outturn £000	Variation to Budget £000
Development Growth and Investment	2,604	2,604	0
TOTAL	2,604	2,604	0

a. Overview

Development growth and investment is projected to have a nil variation to budget.

b. Budget Analysis

	2015/16 Budget £000	Projected Outturn £000	Variation to Budget £000
Employee Costs	3,125	3,125	0
British Waterways Levy	76	76	0
Other Expenditure	1,663	1,663	0
EXPENDITURE	4,864	4,864	0
Grants and Contributions	(1,072)	(1,072)	0
Sales, Fees and Charges	(1,278)	(1,278)	0
Other Income	(100)	(100)	0
INCOME	(2,450)	(2,450)	0
B/fwd from 2014/15	228	228	0
Savings being planned	(38)	(38)	0
TOTAL	2,604	2,604	0

8. **DIGITAL TAMESIDE**

	2015/16 Budget	Projected Outturn	Variation to Budget
	£000	£000	£000
Digital Tameside	1,824	1,821	(3)
TOTAL	1,824	1,821	(3)

a. **Overview**

The projected outturn position is due to planned savings achieved through reviewing the service structure.

b. **Budget Analysis**

	2015/16 Budget £000	Projected Outturn £000	Variation to Budget £000
Employee Costs	1,377	1,386	9
Supplies & Services Expenses	1,112	1,179	67
EXPENDITURE	2,489	2,565	76
Sales, Fees and Charges	(122)	(201)	(79)
Recharge Income	(543)	(543)	0
INCOME	(665)	(744)	(79)
TOTAL	1,824	1,821	(3)

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 small contracts and the way of working.

b. Budget Analysis

	2015/16 Budget £000	Projected 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 £0.501m, as detailed below:

Efficiencies achieved as a result of the insurance review.	£000 (299)
Efficiencies in the cost of Democracy	(202)
	<u>(501)</u>

b. Budget Analysis

	2015/16 Budget	Projected Outturn	Variation to Budget
	£000	£000	£000
Employee Costs (incl. employee insurance)	4,904	4,810	(94)
Other Expenditure	4,430	4,021	(409)
EXPENDITURE	9,334		(503)
Grants and Contributions	(80)	(78)	2
Sales, Fees and Charges	(370)	(370)	0
Other Income	(2,480)	(2,480)	0
INCOME	(2,930)	(2,928)	2
TOTAL	6,404	(2,928)	(501)

APPENDIX 3

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	
- Bus Subsidy Grant	12	
- Allocation of Housing Implementation	3	
Grant reduction:		
- Education Support Grant	(51)	
- New Homes Bonus Refund	(2)	3,322
Revised Budget at Quarter 1		211,962

APPENDIX 4

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.

Council Tax In-year Collection Performance 2015/16				
	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

Business Rates In-year Collection Performance 2015/16				
	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

APPENDIX 5

Summary Accounts 2014/15

The full Statement of Accounts, as required under government guidance, runs to 145 pages of detailed and often highly technical information. However, the summary accounts below presents the key elements of the accounts for 2014/15. These are divided into the income received and expenditure incurred by the Council in delivering services (from the income and expenditure statement) and the financial position of the Council in terms of our assets and liabilities at the end of the financial year (the Balance Sheet). *

The full Statement of Accounts is available on the Council's website, at:
<http://www.tameside.gov.uk/statementofaccounts/1415>

Performance against Budget

The final revenue monitoring report for the year showed that the Council spent £2.5m more than the available budget, mainly due to increasing demand for Childrens Social Care Services. Since our available resources from Government will continue to decrease significantly over the coming years, we are working hard to refocus the work of the Council – aligning limited revenue and capital resources with key policy priorities.

The table below shows how the reported position relates to the position set out in the accounts. The Council is required to report the cost of services in a different format in the accounts to that included in our budget reports, which reflect our local priorities and management structure.

	Net Expenditure £000
Service	
Children's Social Care	23,217
Strategy and Early Intervention	2,623
Education	5,599
Adult and Early Intervention Services	51,879
Stronger Communities	9,234
Asset Management	3,744
Environmental Services	42,138
Development Growth and Investment	1,520
Digital Tameside	1,865
Director of Public Health	14,318
Director of Governance	6,073
Director of Finance	4,780
Corporate Costs	5,626
Capital and Financing	19,941
Total net expenditure reported for budget monitoring	192,557
Technical adjustments between internal and statutory formats	(12,712)
Costs shown as service costs for budget purposes but as non-service costs in the accounts	(934)
Total net expenditure for the accounts	178,911

Some items are included in our budget reports but are required to be excluded when reporting the Council's service income and expenditure in the accounts and other items are not included in the budget reports but we are required to include them in the accounts, to ensure that proper accounting practice is adhered to. The net total of these items are shown in the bottom section of the table above and include interest payments, investment income, gains or losses on the disposal of surplus property and payments to levying bodies, as well as movements to/from reserves and non-cash items such as depreciation and the revaluation of land and buildings.

Income and Expenditure

The table below sets out the Council's day to day income and expenditure for the year. The deficit on the provision of services arises as it includes a number of non-cash accounting adjustments (e.g. revaluations of land and buildings) in order to ensure that proper accounting policies are adhered to, as required by Government.

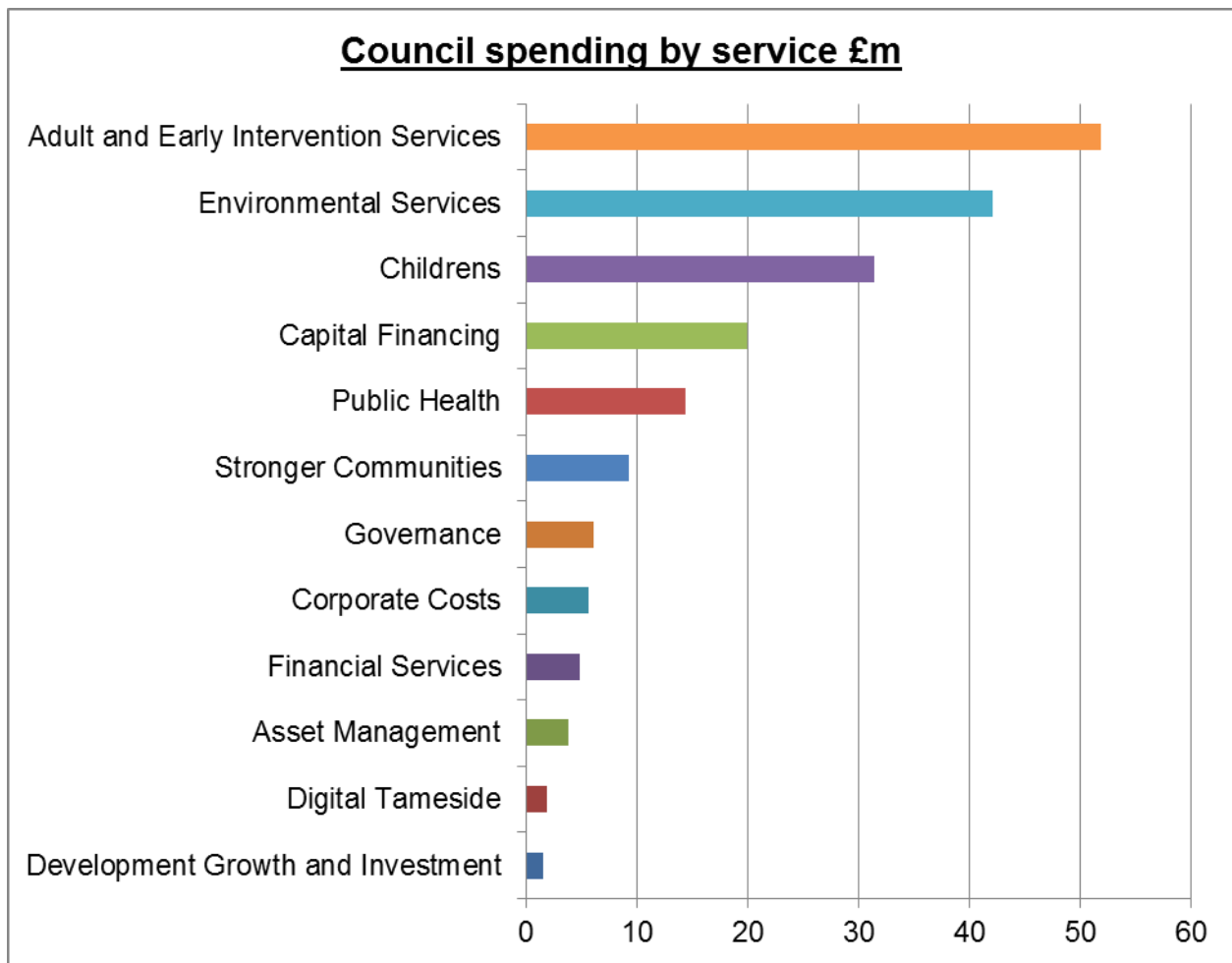
The top section of the table below shows that the gross expenditure of the Council on the services we provide was £517m. After taking into account income from specific government grants and other sources, the net cost of providing Council services was £178.9m.

Further non-service costs are also reported in the accounts, including payments to levying bodies for waste disposal and transport investments (both managed on a Greater Manchester basis), interest payments on our borrowings (used to fund long term investments in buildings and parks, for example), investment income from the cash balances held during the year and any gains or losses on the disposal of surplus property.

The bottom section of the table below shows how this net cost has been financed from Government funding and local taxation (Council Tax and Business Rates). It shows that £95.7m (or about 45%) of the Council's funding is provided by local taxpayers (Council Tax provides 32%). This means that the Council is more dependent on the level of funding we receive from Government, so we will be affected more severely by the reductions in Government funding currently being experienced by all councils.

General Fund Services	Gross Expenditure £000	Gross Income £000	Net Expenditure £000
Central Services to the Public	13,200	(2,907)	10,293
Cultural and Related Services	16,523	(2,351)	14,172
Environmental and Regulatory Services	7,864	(865)	6,999
Planning Services	8,316	(3,700)	4,616
Children's and Education Services	263,091	(185,174)	77,917
Highways and Transport Services	11,083	(4,921)	6,162
Housing Services	103,244	(96,277)	6,967
Adult Social Care	79,259	(27,286)	51,973
Public Health Services	14,416	(14,604)	(188)
Cost Of Services	516,996	(338,085)	178,911
Other Operating Income and Expenditure (including Levies)	49,980	(4,898)	45,082
Financing and Investment Income and Expenditure	41,685	(16,470)	25,215
<u>Financed by Government Grants and Local Taxation:</u>			
Council Tax	0	(68,769)	(68,769)
Retained Business Rates	0	(26,894)	(26,894)
Revenue Support Grant	0	(60,534)	(60,534)
General Government Grants and Other Income	0	(58,234)	(58,234)
(Surplus) or Deficit on Provision of Services	608,661	(573,884)	34,777

The chart below shows the proportion of net expenditure for different services. This chart shows that most of the Council's spending relates to social care – protecting vulnerable children and adults, and ensuring that our residents get both a good start in life and are able to enjoy their old age. It also shows significant investment in other core services such as waste collection and disposal, transportation, highways and other environmental services; community services such as parks, leisure, and libraries; the management of the Council's buildings and related assets; and capital investment and financing.



Financial Position at 31 March 2015

The summarised Balance Sheet set out below shows the Council's overall financial position at 31 March 2015, the last day of the financial year. It is split between what the Council owns or is due (its assets) and what it owes or must pay (its liabilities) as well as the net worth of the Council (assets less liabilities). It shows that at the Balance Sheet date the Council held assets with a total value of £762.5m but after deducting the value of liabilities, the net worth of the Council was £89.3m (£212.9m in 2013/14).

Assets	£000	Liabilities	£000
Property, Plant and Equipment	464,770	Borrowing	(137,344)
Heritage Assets	12,471	Provisions for Future Liabilities	(13,469)
Investment Properties	27,410	Liability for the Pension Scheme	(348,259)
Other Assets	129,368	Grants Received in Advance	(3,250)
Investments	77,439	Value of Donated Assets	(10,658)
Money Owed to the Council	51,083	Money Owed by the Council	(160,241)
Total Assets	762,541	Total Liabilities	(673,221)
Net Worth of the Council			89,320

The value of the Council's Property, Plant and Equipment has seen a significant reduction in 2014/15. This is due to the difference in approach taken by the previous internal valuers of the Council and the Council's current external valuers' (Matthews & Goodman) commercial approach. Tameside Administration Complex has also been revalued down to its land value in light of the imminent demolition of the building, which has also contributed to the significant reduction. The Council's liabilities, which include borrowing, provisions and PFI lease liabilities has increased by

£97.7m in 2014/15, which is mainly due to an increase in the liability for the pension scheme. The value of the Council's investments has reduced by £54.4m in 2014/15, which was mainly as a result of the Council holding an increased amount of cash balances in Money Market Funds (classed as Cash and Cash Equivalents) rather than Fixed Term Deposits (classed as Short Term Investments).

The Council's main General Reserve reduced by £1.2m in 2014/15 as a result of monies being utilised to support revenue spending, where the achievement of 2014/15 savings was below target.

The calculated net worth of the Council is expected to change each year as property assets are acquired or sold, and as assumptions are changed about long term assets and liabilities where the current value must be estimated.

Capital Expenditure

Capital expenditure is related to the purchase or enhancement of assets that have a long term value to the Council, such as land and buildings. This is different to revenue expenditure in that the Council and its residents receive the benefit from capital expenditure over a longer period (more than one year).

Capital Expenditure	£000
Property, Plant & Equipment	32,458
Investment Properties	43
Capital Expenditure not relating to Council Assets	4,526
Other Long Term Investments	474
Total	37,501

This has been spent within the following directorates:

Service	£000
Director of People	18,234
Director of Place	19,267
Total	37,501

** the figures included are correct at the time of preparing this report, but may be changed as a result of the independent external audit of the accounts which takes place between June and September.*