

BUDGET AND FINANCE SCRUTINY COMMITTEE

Minutes of a meeting of the Budget and Finance Scrutiny Committee held on Tuesday, 15th May 2012 at 6.30pm in the Scrutiny Meeting Room, Civic Offices, Telford

PRESENT: Councillors R. Sloan (Chairman), K. Austin, A. Lawrence, C. Mollett and R. Williams (Co-optee).

Also attending: K. Kalinowski, Assistant Director Care & Support; Jo Cornwell, Team Leader – Contracts & Quality Monitoring; Stephanie Jones, Scrutiny Group Specialist.

BFSC-44 MINUTES

RESOLVED – that the minutes of the meeting of the Budget and Finance Scrutiny Committee held on 23rd April 2012 be confirmed and signed by the Chairman.

BFSC-45 APOLOGIES FOR ABSENCE

Cllrs. R. Evans, A. Stanton, C. Turley.

BFSC-46 DECLARATIONS OF INTEREST

None

BFSC-47 SUPPORTING PEOPLE

The Chairman reminded members that this item was being reviewed following questions arising from scrutiny of the budget proposals at a previous meeting. The key issues for members related to the large number of people receiving low cost support: whether real benefits could be delivered for such small amounts, the costs of delivering small amounts of support whether this offered value for money or could be delivered differently and whether the service could be protected in the current climate.

Karen Kalinowski, Assistant Director Care & Support, and Jo Cornwell, Contract & Quality Monitoring Team Leader, summarised the report circulated with the papers for the meeting.

The report explained that Supporting People had a budget of around £3.9 million (2010/11) and £3.7m (2011/12), £3.5m (2012/13) and £3.3m (2013/14) to help vulnerable people maintain or establish independence giving them a better quality of life. The programme currently funded 39 contracts related to housing support, community alarm services and support in extra care housing. Providing this kind of low level preventative support allowed people to live independently at home without

the need for costly care packages.

A large number of the low cost services were for Sheltered Housing and Community Alarm schemes. The Community Alarms helped tenants to maintain their independence in a safe environment, and could be used in the future to plug in other telehealth technologies (such as falls mats) which would help to proactively manage people at home. The alarms contract had just been re-tendered and moved to one provider at a saving of £80k per year.

Supporting People also helped people maintain their tenancies. A small amount of support (e.g. one hour a week) had been shown to help prevent the breakdown of tenancies, and research by CLG backed this up. Appendix 1 gave details of the CLG study which showed that the net financial benefits of Supporting People were estimated nationally at £2.77 billion per year against an overall investment of £1.55 billion. Applied to Telford & Wrekin, the net benefit was estimated at £10.3 million based on an investment of £3.4m. Without the services, the impact on social care and health services budgets would be unsustainable.

Supporting People funding replaced elements of housing benefit and had passed to local authorities to administer. The old benefits were tenancy based rather than needs based which meant that owner occupiers were not eligible for support. The services are currently undergoing a major redesign, moving to a floating support model with eligibility driven by needs and not tenancy.

The services were contracted out at unit costs so there were no additional administration costs to the authority other than contract management and monitoring which was very minimal and based on risk. There was rigorous accountability. Although the government had removed the ring fenced purchasing grant, ceased to provide an administration grant and removed the need to report to Communities and Local Government, providers continued to collect and provide quarterly performance returns which provided a wealth of information about the outcomes in terms of enabling people to live independently. Outcomes were benchmarked with other authorities. A needs analysis had been carried out with service users, providers, stakeholders and commissioners to establish how the services were working and how they should be reshaped for the future. All stakeholders saw the value of the service in terms of preventing the need for expensive social and health care, and in terms of helping people to stay in their own homes.

In summary, Supporting People offered excellent value for money in terms of the benefits and savings delivered, and it was felt an extension to the service would reap even bigger benefits.

Following the report, further information was then provided in response to Members' questions:

- In terms of quantifying the potential savings, this can only be done by making assumptions about what would have been spent had the Supporting People service not been put in place. The model is based on a 3:1 ratio of return. In Telford & Wrekin, Supporting People is being re-modelled to move away from a tenure based system to a floating support service. Under the tenure system,

support can be provided regardless of the level of need, and this needs to change so that support is based on need, irrespective of whether the person is a tenant or owner occupier. Targeting the low level preventative support in the right place will reduce pressure on social care budgets.

- The adult care service has been restructured to move towards preventative services - enablement, re-ablement and rehabilitation. People with a higher level of need than Supporting People will go through a 6 week intensive enablement programme to reduce the level of dependency on expensive care. National evidence shows that this approach can save up to 70% on care costs.
- Currently, around one third of people using the Intermediate Care service are put through the enablement programme, of which, around one third have no on-going care requirements on completion of the period of reablement. The restructure increased capacity in the enablement team so it is expected that over time all people will go through enablement. This will mean more people will have a lower level of need, or no need at all. It will take some time to build up the service and demonstrate the impact on budgets, and savings targets have been set over 3 years.
- There are people in their own homes receiving social care who would have benefited from Supporting People services which is why the service is moving from tenure based care to floating support.
- The Council's preventative agenda will also save money from the health budget. The NHS had passed £2m to the authority under a Section 256 agreement to invest in reablement services. Some of this funding has been used to increase the clinical capacity (physiotherapists etc.) in the multi-disciplinary teams and to enhance community based services, although more investment in this was required.
- The majority of the Supporting People budget was spent on providing small amounts of low level preventative support to a large number of people. An example of the type of support provided at the higher cost end was support for around 12 adults with learning difficulties, supported in their own flats within a shared accommodation scheme. Supporting People had helped them live independently and had gradually reduced the level of care and night staff required. Although the cost was at the high end of the Supporting People range, it was very small when compared to the cost of social care.
- In terms of the service redesign, a wider service was being looked at to provide support to people other than those in social housing in receipt of benefits. Previously, a number of hours support had been allocated according to the fact that a person lived in a registered social landlord property and is in receipt of housing benefit, regardless of need. The aim was to move to an assessment system so that support would be provided as needed, and hours could be adjusted so that more could be provided but within the same cost i.e. hours based contracts tailored to people's needs. Details of the model would be formalised by the end of June and would go back to providers for consultation. Providers were committed to moving forward from a tenure based system to a

floating service model.

- The wish of people to remain independent and living in their own homes could not be underestimated, and the whole approach was to move from an institutional to a community based approach.

At the end of the discussion, the Chairman summed up by saying that the Committee had tested the evidence and were pleased and satisfied by what they had heard. The Committee requested a further report in 12 months time to see what savings had been made and how the service had improved.

RESOLVED - that a further report be brought back in 12 months.

BFSC-48 FORWARD PLAN

The Chairman reminded members that this was the last meeting of the Committee for this municipal year and that the scrutiny work programme for 2012/13 was being planned. Members were invited to put forward their suggestions for the work programme for any area and not just related to the Budget & Finance Committee's remit. The Cabinet Member for Resources would be consulted about the timetable for consultation on the 2013/14 budget proposals to help determine the Committee's schedule of meetings.

The Chairman had not been nominated as the Committee's Chairman for 2012/13 and this would therefore be his last meeting in the Chair. He thanked all Members for their hard work over the last year.

The meeting ended at 7.40 p.m.

Chairman:.....

Date:.....

TELFORD & WREKIN COUNCIL

**CABINET – 28 JUNE 2012
COUNCIL – 12 JULY 2012**

SERVICE & FINANCIAL PLANNING REPORT – 2011/12 OUTTURN

**REPORT OF THE ASSISTANT DIRECTOR: FINANCE, AUDIT &
INFORMATION GOVERNANCE (C.F.O.)**

LEAD CABINET MEMBER – CLLR BILL McCLEMENTS

PART A) – SUMMARY REPORT

1.0 SUMMARY OF KEY ISSUES

1.1 2011/12 Financial Outturn

The gross revenue budget for 2011/12 was £409m and the net budget for reporting purposes just over £129m. The revenue outturn position is within budget with a final net underspend of £1.8m (-1.42% of net budget).

It has been a very challenging year with government grant funding being cut by £13.6m and the major programme of restructuring and services reviews, which began in 2010, continuing across all Council services to deliver the level of savings required. The outlook promises to be equally difficult with local government facing a period of significant pressure on resources and increasing demands on services due to the recession. Given this context it is a particularly positive year end position which demonstrates the stringent financial management in place throughout the year and the efforts of employees across the Council to make efficiency savings wherever possible and to deliver planned savings as early as possible. Within the overall position provision has also been made for the £2.1m required as part of the 2012/13 budget strategy and to create an Invest to Save fund totalling £1m (including £0.5m approved at Cabinet in February) which will assist with the delivery of future savings.

The main pressures experienced during 2011/12 were :

- The cost of Adult Social Care purchasing - a net overspend of £0.993m which is after offsetting other funding available from vacancies and one off reserves and additional NHS grants against the impact of the PCT's withdrawal of funding for some cases of continuing healthcare needs and the use of one off balances available in 2011/12. Most of the cost of supporting these people then falls on the Council. It also takes into account the £0.490m one off winter pressure funds announced by the Government in early January.

- The cost of Children in Care – an overspend of £1.5m relating to both placements and the use of agency workers
- The cost of Specialist Education – an overspend of £0.664m relating to stated provision
- Income shortfalls – a shortfall of £1.9m, the majority relating to PIP rentals, planning fees, building control fees and school meals income.

There are benefits from restructure savings, vacant posts, concessionary transport, treasury management and New Homes Bonus (unringfenced grant).

1.2 Capital

Capital spend ended the year at £71m against an approved estimate of £84m which was in the main due to re-phasing into 2012/13.

1.3 Income Monitoring

Council Tax (£59m), business Rates (£65m) and sales ledger income collection (£35m) were slightly behind target for the year.

1.4 General

The draft formal statement of accounts will be available in July as KPMG begin the external audit and will also be available for public inspection for 20 working days from 2 July over the same period.

- 1.5** Summaries of the outturn on revenue and capital along with major variations are shown as appendices.

2.0 RECOMMENDATIONS

2.1 In relation to the 2011/12 Financial Outturn, Members are asked to approve the following recommendations which will go forward to Full Council for approval:

- (i) The Revenue outturn position and related virements in Appendix III for 2011/12 which is subject to audit by the Council's external auditors. This includes the following transfers into provisions and reserves: £2.145m to support the 12/13 budget strategy; £1m to create an Invest to Save Fund (including the £0.5m approved in February's financial monitoring); £0.330m to support Council Wide Capacity/Training; £1.5m to fund severance costs associated with the delivery of ongoing revenue savings; £0.400m to address Environmental issues.
- (ii) Authority to approve bids against the Capacity and Environmental works reserves be delegated to the Managing Director after consultation with the Cabinet Member for Resources and Service Delivery.

(iii) **Approve the Capital outturn position and related supplementary estimates, virements and re-phasing shown in Appendix IV as summarised in the report.**

(iv) **Note performance against income targets**

3.0 SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Priority Plan objective(s)?	
	Yes	Delivery of all priority objectives depend on the effective use of available resources. Financial management ensures best use of resources.
TARGET COMPLETION/DELIVERY DATE	Outturn forms the basis of the formal statement of accounts which are audited during July and will be published by the end of September.	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	The financial impacts are detailed throughout the report.
LEGAL ISSUES	No	None directly arising from this report. The S151 Officer has a statutory duty to monitor income and expenditure and take action if overspends /shortfalls emerge. There is a requirement to publish the Statement of Accounts by the end of September.
OTHER IMPACTS, RISKS & OPPORTUNITIES	No	
IMPACT ON SPECIFIC WARDS	No	Borough Wide

4.0 PREVIOUS MINUTES

03/03/11 – Full Council, Service & Financial Planning Strategy

26/7/11 – Cabinet, 2011/12 Financial Monitoring

20/10/11 – Cabinet, 2011/12 Financial Monitoring

24/11/11– Council, 2011/12 Financial Monitoring

22/12/11 – Cabinet, 2011/12 Financial Monitoring

23/2/12 – Cabinet, 2011/12 Financial Monitoring

PART B) – ADDITIONAL INFORMATION

5.0 2011/12 REVENUE BUDGET

5.1 The Council had a gross revenue budget of £409m for 2011/12 and the final net revenue outturn position is as follows (a summary is provided in Appendix I):

	£m
Net Budget	129.452
Net Expenditure	127.609
Net Underspend	-1.843
Percentage Net Variance	-1.42

5.2 Variations by Service Delivery Unit are summarised below and further detail is provided in Appendix II.

Service Area	Budget	Outturn	Variance
	£	£	£
Safeguarding	17,961,780	19,602,997	1,641,217
School Improvement	4,889,410	7,950,582	3,061,172
Family & Community Services	15,574,260	13,703,142	(1,871,118)
DSG	0	281,931	281,931
Property & ICT	(3,870,190)	(3,075,954)	794,236
Economy & Skills	3,044,650	2,884,352	(160,298)
Environmental Services	27,606,760	26,651,511	(955,249)
Housing & Planning	5,017,740	4,879,184	(138,556)
Care & Support	43,808,166	44,801,584	993,418
Customer, Leisure & Libraries	8,939,090	8,046,820	(892,270)
Governance	679,350	285,179	(394,171)
Finance	0	(424,770)	(424,770)
Core Services	1,175,590	805,603	(369,987)
Council Wide	4,625,334	(4,158,082)	(8,783,416)
Total Projected Variation	129,451,940	122,234,079	(7,217,861)
Required for 2012/13 budget strategy - Approved at Full Council in March 2012		2,145,000	2,145,000
Creation of Invest to Save Fund - £0.5m approved at Cabinet in February 2012		1,000,000	1,000,000
Creation of Council Wide Environmental Fund		400,000	400,000
Transfer to Council Wide Capacity/Training Fund (Total Fund £698k in 12/13)		330,000	330,000
Transfer to Severance Fund		1,500,000	1,500,000
Projected Year End Position	129,451,940	127,609,079	(1,842,861)

Notes: the above figures are before pensions accounting entries (IAS 19) and impairment costs which will be finalised for the production of the Statement of Accounts – these are technical entries which are reversed out in the Income &


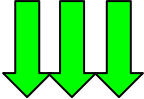







Expenditure Account and do not impact on the overall outturn position shown above. DSG represents the net adjustment to General fund to carry forward unspent DSG to 12/13.











5.3 The position includes the following transfers into provisions and reserves: £2.145m to support the 12/13 budget strategy; £1m to create an Invest to Save Fund; £0.330m to support Council Wide Capacity/Training; £1.5m to fund severance costs associated with the delivery of ongoing revenue savings; £0.400m to address Environmental issues.











5.4 Variances over £0.100m are highlighted below.



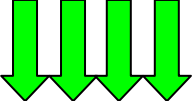
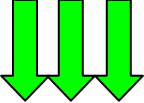


Key		
£0 to £100k	↑ ●	Underspend
£101+to £250k	↑↑ ●	Overspend
£251+to £500k	↑↑↑	
over £500k	↑↑↑↑	

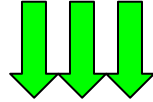





Service Delivery Unit	Actual Variation £m	
<p><u>Safeguarding</u></p> <p>Children in Care – there were 302 children in care at the end of the year. The overspend is after taking into account the additional £1.4m invested in Looked After Children as part of the 11/12 budget strategy.</p> <p>Agency Staff – overspend arising from the use of agency staff to cover vacancies during the year; the position is net of the savings arising from the vacant posts being covered.</p>	+1.062	↑↑↑↑
	+0.462	↑↑↑
<p><u>School Improvement</u></p> <p>School/Premature Retirement/Redundancy Costs – overspend arising from approved schools' redundancies due to the need to reduce costs and mitigate the ongoing financial pressure on schools.</p> <p>Schools Multicultural Development Service/ Alternative Education Provision and Behavioural Partnership – saving arising</p>	+0.294	↑↑↑
	-0.343	↓↓↓

Service Delivery Unit	Actual Variation £m	
<p>from posts being held vacant pending restructure.</p> <p>School Improvement – savings arising from restructures implemented earlier than budgeted.</p> <p>Delegated Schools Budgets – underspend resulting from the change in admission policy for early year children under 5 for the maintained sector.</p> <p>Standard Fund Allocation – flexible use of standards fund grant applied in 2011/12.</p>	<p>-0.420</p> <p>-0.264</p> <p>-0.463</p>	<p></p> <p></p> <p></p>
<p><u>Family & Community Services</u></p> <p>Specialist Education – the majority of the overspend relates to stated provision, which reflects the costs of new statements and additional support hours required during the year.</p> <p>Specialist Education – the overspend is a combination of a shortfall in recoupment income as fewer pupils are placed within T&W schools and the cost of pupils placed outside Telford & Wrekin i.e. in other Local Authority schools.</p> <p>Nursery Provision – the effect of single point of admission to Early Years settings.</p> <p>Restructure Savings – savings arising from restructures delivered earlier than budgeted.</p> <p>Employees – reduced expenditure across a number of service delivery units due to vacancies being held pending finalisation of restructures.</p> <p>Transport – savings resulting from a number of operational efficiencies and demographic changes.</p>	<p>+0.260</p> <p>+0.404</p> <p>-0.261</p> <p>-0.669</p> <p>-0.901</p> <p>-0.323</p>	<p></p> <p></p> <p></p> <p></p> <p></p> <p></p>

Service Delivery Unit	Actual Variation £m	
<p>DSG – the impact of single point of admission for Nursery age children affects both the maintained and independent sectors. The underspend against these budgets (included in Family & Community and School Improvement above) will be carried forward as unspent DSG and re-invested in the schools budget. The £282k is the net adjustment to the General Fund required to carry forward the correct amount of DSG.</p>	+0.282	
<p>Property & ICT</p> <p>PIP Properties – shortfall in rental and service charge income due to the higher level of voids in the current economic climate.</p> <p>Catering – shortfall of income received from paid meals</p> <p>Property & Design – underachievement of fee income; the target will be reviewed in 2012/13.</p> <p>Employees – reduced expenditure arising from vacancies due to restructures.</p> <p>ICT – shortfall in income from schools and council project work relating to a change in policy on internal charging</p> <p>ICT – capitalisation of project related capital costs to mitigate the fee income shortfall above.</p>	<p>+0.199</p> <p>+0.160</p> <p>+0.388</p> <p>-1.164</p> <p>+0.747</p> <p>-0.350</p>	<p>       </p>
<p>Housing & Planning</p> <p>Employees - reduced expenditure arising from vacancies and restructures</p> <p>Planning – shortfall in planning fees due to the downturn in the economy.</p> <p>Building Control – shortfall in fee income</p>	<p>-0.726</p> <p>+0.199</p> <p>+0.188</p>	<p>    </p>

Service Delivery Unit	Actual Variation £m	
Temporary Accommodation – loss of housing benefit due to drop in demand of temporary accommodation	+0.216	
Temporary Accommodation – savings in leasehold rents on temporary accommodation.	-0.161	
<u>Economy & Skills</u>		
Employees – savings from vacancies and restructures	-0.382	
Railfreight – cost of interim management arrangements.	+0.110	
<u>Environmental Services</u>		
Concessionary Transport – net benefit arising from the change in methodology in the scheme administration.	-0.324	
Highways & Transport – New ways of working project (total place) relating to up front enhancement and maintenance of road infrastructure enabling efficiencies in future years	+0.177	
Winter Maintenance – costs in excess of available budget	+0.151	
TWS Staff Oncosts – increased costs due to change in methodology used by Shropshire Pension Fund	+0.112	
Waste Enforcement – replacement costs for refuse and recycling containers across the borough.	+0.218	
Employees - savings from posts held vacant due to restructures	-0.802	

Service Delivery Unit	Actual Variation £m	
<p><u>Care & Support</u></p> <p>Purchasing budgets - the reported overspend is against a gross purchasing budget of £33.8m across all client groups, including residential care, home care, day care and adult placements. The pressure has mainly arisen from the withdrawal of funding by the PCT from clients previously receiving NHS funding due to their ongoing primary health need. These costs are now falling either on the individual or in most cases on Council budgets. This projection is over and above costs impacting and funded ongoing in previous years and reflects the full year impact of clients reassessed by the PCT in 2010/11 and those reassessed in 2011/12. The position is being kept under close review and continues to be discussed with the PCT. The overall position takes into account the use of one-off monies available in 2011/12.</p> <p>Loss of internal services income due to PCT review of CHC clients.</p> <p>NHS Funding – a mix of additional one off and ongoing funding from the Government and PCT to fund Local Authority Social Care, and having to be deployed against displaced PCT spending.</p> <p>Winter Pressures Funds – one off funds in recognition of the care pressures experienced during the winter period; given to the PCT and transferred to Local Authorities to support Social Care Services.</p> <p>Other funding available to offset the purchasing overspend including vacancies and the use of one off reserves</p>	<p>+4.749</p> <p>+0.475</p> <p>-2.108</p> <p>-0.490</p> <p>-2.040</p>	<p></p> <p></p> <p></p> <p></p> <p></p>
<p><u>Customer & Leisure Services</u></p> <p>Restructure savings – employee savings arising from restructures across the whole service area.</p>	<p>-0.911</p>	<p></p>

Service Delivery Unit	Actual Variation £m	
Finance – employee savings arising from the service restructure	-0.318	
Governance – employee savings arising from the service restructure	-0.101	
Core Services – employee savings arising from the service restructure	-0.187	
Treasury – benefits from the re-phasing of schemes from 2010/11 to 2011/12 and the impact of new investments taken early in the year, together with the impact of the 100 day budget and changes to the investment portfolio	-0.496m	
New Homes Bonus - Unringfenced grant	-0.741m	
Accelerated Non-Staff Savings – 2012/13 savings proposals delivered early in 2011/12.	-0.576	

6.0 **RESERVES & BALANCES**

6.1 The main General and Special Fund balances were £3.686m at 31st March 2012. Subsequent to closedown the full risk based evaluation of all balances will be undertaken to determine an updated view of balances available for the budget strategy.

6.2 The position on the main General and Special Fund Balances is:

	£m
Balances at 1 st April 2011	3.263
Contribution to General Fund Balances	0.423
Balances at 31st March 2012	3.686

The General/Special Fund balance forms part of the Council's overall reserves and balances.

- 6.3 As agreed at Full Council in March 2012, £2.145m funds have been carried forward as part of the 2012/13 budget strategy.
- 6.4 Following a detailed review, it is proposed that the following transfers to reserves are approved:
- (i) **Council Wide Environmental Fund:** £0.400m; resources to meet a range of environmental issues across the borough, such as pot-holes and fly-tipping.
 - (ii) **Council Wide Capacity/Training Fund :** £0.330m (together with other available reserves this gives a total of £0.698m to invest in capacity/training); to provide capacity in the Council, to support major projects and deliver savings, together with training as part of the Corporate Training Programme.
 - (iii) **Severance Fund :** £1.5m; to meet one-off costs associated with the Council restructure programme which is delivering ongoing savings of over £9.6m in 12/13.
 - (iv) **Invest to Save Fund :** £1m to create an Invest to Save Fund which will be used to support projects to deliver future savings (note £0.5m of this was approved by Cabinet in February)
- 6.5 Transfers to reserves and balances are included in the overall financial outturn position shown. Another review of reserves and balances will be undertaken over the Summer.

7.0 2011/12 CAPITAL PROGRAMME

- 7.1 The capital programme for 2011/12 was £84.2m; spend at year end was £71.7m giving a year end variation of £12.6m which is summarised in the table below:

Priority	Budget		Spend		Variance
	£m		£m	%	£m
Adult Care & Support	1.270		0.558	44	-0.712
Active Lifestyles	0.738		0.640	87	-0.098
Community Protection & Cohesion	1.938		1.751	90	-0.187
Children & Young People	40.341		28.529	71	-11.812
Housing, Regeneration & Prosperity	24.958		23.318	93	-1.640
Efficient, Community Focussed Council	4.778		4.394	91	-0.384
Environment	10.246		12.478	122	+2.232
Total	84.269		71.668	85	-12.601

7.2 The main scheme delays/re-phasing to 2012/13 are shown below with detail included in Appendix IV.

	£m
<ul style="list-style-type: none"> Children & Young People - Building Schools for the Future: programme delays resulting in re-phasing to 12/13 	9.342
<ul style="list-style-type: none"> Children & Young People – Schools: various schemes which will be re-phased into 12/13 including St Georges Primary extension, Muxton Primary extension, Teagues Bridge Primary extension. 	2.470
<ul style="list-style-type: none"> Adult Care & Support - Social Care ICT Review: review commenced later than anticipated and plans have been updated which has resulted in re-phasing 	0.588
<ul style="list-style-type: none"> Parks & Play Areas – re-phasing due to consultation activities 	0.228
<ul style="list-style-type: none"> Environment - Highways Maintenance: a combination of: the A442 drainage scheme being delayed due to traffic management implications; a review of the column replacement programme (due to be completed in July 2012); the need for road closures for other small scale maintenance schemes; and other minor schemes 	0.518
<ul style="list-style-type: none"> Environment – Transport: a combination of: DfT grant funding received late in 11/12 and therefore being slipped to 12/13; consultation ongoing on a number of projects; work on illuminated signs and bollards on roundabouts which will be combined with resurfacing work in 12/13; other minor schemes. 	0.372
<ul style="list-style-type: none"> Environment – Property Investment Portfolio: acquisitions under delegated authority (covered by new approval requests in this report) 	-3.460
<ul style="list-style-type: none"> Housing, Regeneration & Prosperity: market engagement fund and housing strategy – schemes progressing through legal process 	1.173

- Housing, Regeneration & Prosperity - Sutton Hill: re-phased to 12/13 0.368
- Housing, Regeneration & Prosperity - Town Centre: spend profile updated in line with current plans; the overall project is within budget. -0.953

7.3 There are a number of new approvals and virements which are also detailed in Appendix IV and require formal approval.

7.4 The funding for the capital programme in 2011/12 included £2.683m estimated income from capital receipts . The actual income received in year was lower at £1.214m which was attributable in the main to the Council's share of the receipt from the sale of West Mercia Supplies completing in 2012/13 and not 2011/12 as anticipated.

8.0 CORPORATE INCOME MONITORING

8.1 The Council's budget includes significant income streams which are regularly monitored to ensure they are on track to achieve targets that have been set and so that remedial action can be taken at a very early stage. The three main areas are Council Tax, NNDR (business rates) and Sales Ledger. The Council pursues outstanding debt vigorously, until all possible recovery avenues have been exhausted, but also prudently provides for bad debts in its accounts.

8.2 In Summary, the overall position shows collection of NNDR and Council Tax collection Sales Ledger debt behind the target set for the year.

INCOME COLLECTION – 2011/12 YEAR END			
	Actual	Target	Performance
Collection Levels:			
Council Tax Collection	97.8%	98.0%	0.2% Outside Target
NNDR Collection	98.3%	99.1%	0.8% Outside Target
Debt Levels:			
Sales Ledger	6.39%	4.50%	1.89% outside target

8.3 Council Tax (£59.2m)

The percentage of the current year liability for council tax which the authority should have received during the year, as a percentage of annual collectable debit. The measure does not take account of debt that continues to be pursued and collected after the end of the financial year in which it became due. The final collection figure for all financial years exceeds 99%.

Year end performance 2010/11	98.0%
Year End Target for 2011/12	98.0%

Performance is cumulative during the year and expressed against the complete year's debit.

Year End Target	Year End Actual	Last year Actual
98.0%	97.8%	98.0%

The actual percentage collection for 2011/12 equates to payments received of £57,972,012 against a gross liability of £59,204,111. Performance is below target and behind performance in 2010/11. The benefits case load has exceeded 20,000 live cases for the first time which is a reflection of the current financial climate. This is an indication of the impact of the economic climate on the citizens of the borough and that people within the area are genuinely struggling to pay their bills.

8.4 **NNDR-Business Rates (£64.8m)**

The % of business rates for 2011/12 that should have been collected during the year. This target, as for council tax, ignores our continuing collection of earlier years' liabilities.

The measure does not take into account the debt that continues to be pursued and collected after the end of the financial year in which it became due. As a general rule the final collection figure for any financial year exceeds 99%.

Year end performance 2010/11	99.1%
Year End Target for 2011/12	99.1%

Year End Target	Year End Actual	Last year Actual
99.1%	98.3%	99.1%

The actual percentage collection for 2011/12 equates to payments received of £63,616,766 against a gross liability of £64,828,803. Performance is below target and behind performance in 2010/11. Benchmarking with other local authorities shows that this follows a national trend, with most authorities experiencing an average one percent decrease in performance from this time last year.

8.5 Sales Ledger (£34.9m)

This includes general debt and Social Care debt. Debt below 2 months is classified as a normal credit period.

The target percents is set relating cumulative debt outstanding from all years to the current year annual debit. The targets and performance of income collection are as follows:

Age of debt	Annual Target %	March 2012	
		£m	%
Total	4.50	2.23	6.39

There is £2,230,038 outstanding which is older than 2 months, which is 6.39% of the rolling debt figure. Performance is outside target on all debt categories, however there are plans in place to reduce the debt outstanding over the coming months.

9.0 **BACKGROUND PAPERS**

2011/12 Budget Strategy and Financial Ledger reports
2012/13 Budget Strategy

Report Prepared by:

Ken Clarke, Assistant Director: Finance, Audit & Information Governance – 01952 383100; Pauline Harris, Corporate Finance Manager – 01952 383701

Summary of 2011/12 Variations

Service Area	Budget	Outturn	Variance	Analysis of Variances					
				Accelerated Non Staff Savings	Accelerated Restructure Savings	Asset Rents	Corporate	Service	Total
				£	£	£	£	£	£
Safeguarding	17,961,780	19,602,997	1,641,217	0	0	16,269	0	1,624,948	1,641,217
School Improvement	4,889,410	7,950,582	3,061,172	(90,000)	(420,109)	4,307,850	0	(736,569)	3,061,172
Family & Community Services	15,574,260	13,703,142	(1,871,118)	(115,000)	(669,034)	157,985	0	(1,245,069)	(1,871,118)
DSG	0	281,931	281,931					281,931	281,931
Property & ICT	(3,870,190)	(3,075,954)	794,236	0	(6,228)	1,316,848	(380,719)	(135,665)	794,236
Economy & Skills	3,044,650	2,884,352	(160,298)	(34,000)	0	111,258	0	(237,556)	(160,298)
Environmental Services	27,606,760	26,651,511	(955,249)	(187,000)	(60,084)	604,125	(64,000)	(1,248,290)	(955,249)
Housing & Planning	5,017,740	4,879,184	(138,556)	0	(1,119)	31,565	130,396	(299,398)	(138,556)
Care & Support	43,808,166	44,801,584	993,418	0	0	25,391	92,000	876,027	993,418
Customer, Leisure & Libraries	8,939,090	8,046,820	(892,270)	(67,481)	(911,410)	229,654	144,250	(287,283)	(892,270)
Governance	679,350	285,179	(394,171)	(39,710)	(100,981)	(114)	0	(253,366)	(394,171)
Finance	0	(424,770)	(424,770)	0	(318,821)	0	(13,185)	(92,764)	(424,770)
Core Services	1,175,590	805,603	(369,987)	(42,600)	(187,248)	0	3,650	(143,789)	(369,987)
Council Wide	4,625,334	(4,158,082)	(8,783,416)	0	1,300,000	(6,800,831)	(694,193)	(2,588,392)	(8,783,416)
Total Projected Variation	129,451,940	122,234,079	(7,217,861)	(575,791)	(1,375,034)	0	(781,801)	(4,485,235)	(7,217,861)
Required for 2012/13 budget strategy - Approved at Full Council in March 2012		2,145,000	2,145,000						2,145,000
Creation of Invest to Save Fund - £0.5m approved at Cabinet in February 2012		1,000,000	1,000,000						1,000,000
Creation of Council Wide Environmental Fund		400,000	400,000						400,000
Transfer to Council Wide Capacity/Training Fund (Total Fund £698k in 12/13)		330,000	330,000						330,000
Transfer to Severance Fund		1,500,000	1,500,000						1,500,000
Projected Year End Position	129,451,940	127,609,079	(1,842,861)						(1,842,861)

0

2011/12 Revenue Budget Variations											
Description		Budget	Outturn	Variance	Analysis of Variances					Comments	Flag for Service Variation
					Accelerated Non-Staff Savings	Accelerated Restructure Savings - VRs & Vacancies	Asset Rents	Corporate	Service		
		£			£	£	£	£	£		
Safeguarding											
Children in Care	Placements	10,688,530	11,750,128	1,061,598					1,061,598	Based on all known CiC placements and projected for expected leave dates where known - this will reflect a change in both periods of care and numbers within residential care. CiC numbers for 31.3.12 were 302	
Staffing	Staffing - Agency	2,044,386	2,506,463	462,077					462,077	This is based on the net cost of agency staff, taking their forecast costs and taking off budgets for posts being covered. There were various different agency staff used throughout the year which in total were in line with the last quarter's usage of around 13.7 FTE Agency staff. The cost of agency staff is offset by any vacancies being covered by such staff.	
Support for Children in Need/Legal Costs and Assessments	Staffing - other	224,390	320,592	96,202					96,202	Reflects the costs associated with court proceedings, specific support for children in need and specific assessment requests. The level of such costs are subject to the individual cases which present during the year.	
Asset Rentals		13,849	30,118	16,269			16,269				
Other Variances under £50,000		4,990,625	4,995,696	5,071					5,071		
Total Safeguarding		17,961,780	19,602,997	1,641,217	0	0	16,269	0	1,624,948		
School Improvement											
Staffing	Premature retirement and redundancy costs for school staff	1,419,130	1,713,535	294,405					294,405	This reflects costs of approved schools' redundancies and premature retirements. These result from a need to reduce costs to mitigate the continuing financial pressure on schools.	
Premises	NNDR	0	69,378	69,378					69,378	A revaluation of school properties has resulted in an additional cost above the budget provided to schools	
Schools Multicultural Development Service	Employees	526,850	361,524	(165,326)					(165,326)	Reduced expenditure due to vacancies being held pending finalisation of the Phase 2 service restructure	
School Improvement	Employees	1,135,970	799,970	(336,000)		(336,000)				Reduced expenditure due to vacancies being held pending finalisation of the Phase 2 service restructure	
Alternative Education Provision		1,537,160	1,431,219	(105,941)					(105,941)	Reduced expenditure due to vacancies being held pending finalisation of the Phase 2 service restructure	
School Governance Service		119,380	35,271	(84,109)		(84,109)				Reduced expenditure due to vacancies being held pending finalisation of the Phase 2 service restructure	
School Improvement Service		0	(95,000)	(95,000)					(95,000)	Successful negotiation of a tax liability relating to School Improvement Partners has resulted in an underspend against expected costs.	
Behavioural and Learning Support	Income	358,720	438,062	79,342					79,342	Reductions to income across the service.	
Special Contingency		80,530	23,946	(56,584)					(56,584)	flexible use of standards fund grant applied in 2011/12 and reduced expenditure in year	
Behavioural Partnership		143,380	71,807	(71,573)					(71,573)	Reduced expenditure due to vacancies being held pending finalisation of the Phase 2 service restructure	
Delegated Schools Budgets			(263,845)	(263,845)					(263,845)	In line with previous monitoring reports this reduction relates to the impact of the change in Nursery age admissions	
Standards Fund Allocation		0	(463,000)	(463,000)					(463,000)	flexible use of standards fund grant applied in 2011/12	
Asset Rentals		3,043,486	7,351,336	4,307,850			4,307,850				
Other Variances under £50,000		(3,475,196)	(3,523,621)	(48,425)	(90,000)				41,575		
Total School Improvement		4,889,410	7,950,582	3,061,172	(90,000)	(420,109)	4,307,850	0	(736,569)		
Family and Community Services											
Early Intervention	Employees	1,176,722	1,000,106	(176,616)		(176,616)				Reduced expenditure due to vacancies being held pending finalisation of the Phase 2 service restructure and early delivery of Phase 1 savings	
Nursery Provision	Third party payments	3,667,000	3,405,385	(261,615)					(261,615)	This underspend reflects the full impact of the effect of the single point of admission to Early Years settings.	
Community Cohesion	Employees	553,655	422,725	(130,930)		(130,930)				Reduced expenditure due to vacancies being held pending finalisation of the Phase 2 service restructure	

2011/12 Revenue Budget Variations											
Description		Budget	Outturn	Variance	Analysis of Variances					Comments	Flag for Service Variation
					Accelerated Non-Staff Savings	Accelerated Restructure Savings - VRs & Vacancies	Asset Rents	Corporate	Service		
		£			£	£	£	£	£		
Specialist Education	Placements/Recoupment	2,064,717	2,468,648	403,931					403,931	This reflects a combination of the costs of T&W pupils with SEN placed within other LAs schools and the income derived from other LAs pupils placed in T&W schools. Changes in numbers of pupils placed with us result in a shortfall against income, additional or increased needs in placements outside the Borough to other maintained schools result in additional costs being borne by the Council.	
Specialist Education	Statemented Provision	198,923	459,526	260,603					260,603	Reflects costs of new statements and additional hours required in year.	
Family Placements Service	Employees	228,340	124,172	(104,168)					(104,168)	Reduced expenditure due to vacancies being held pending finalisation of the Phase 2 service restructure	
Extended Services	Employees	204,580	46,112	(158,468)					(158,468)	Reduced expenditure due to vacancies being held pending finalisation of the Phase 2 service restructure	
Parenting Experts	Employees	313,480	158,967	(154,513)					(154,513)	Reduced expenditure due to vacancies being held pending finalisation of the Phase 2 service restructure	
Family Support Team	Employees	102,140	42,754	(59,386)					(59,386)	Reduced expenditure due to vacancies being held pending finalisation of the Phase 2 service restructure	
Play and Activities Services	Employees	262,460	176,089	(86,371)					(86,371)	Reduced expenditure due to vacancies being held pending finalisation of the Phase 2 service restructure	
Pathfinder Short breaks	Employees	204,060	105,029	(99,031)					(99,031)	Reduced expenditure due to vacancies being held pending finalisation of the Phase 2 service restructure	
Children's Centres	Employees	192,159	26,034	(166,125)					(166,125)	Reduced expenditure due to vacancies being held pending finalisation of the Phase 2 service restructure	
Youth Services	Employees	1,218,460	962,694	(255,766)		(255,766)				Savings resulting from a number of operational efficiencies and demographic changes	
Transport		3,287,780	2,965,222	(322,558)					(322,558)	Reduced expenditure	
Community Cohesion		121,050	15,328	(105,722)						Reduced expenditure due to vacancies being held pending finalisation of the Phase 2 service restructure	
Edge of Care		240,960	168,161	(72,799)					(72,799)		
Asset Rentals		194,637	352,622	157,985			157,985				
Other Variances under £50,000		1,343,137	803,568	(539,569)	(115,000)				(424,569)		
Total Family and Community Services		15,574,260	13,703,142	(1,871,118)	(115,000)	(669,034)	157,985	0	(1,245,069)		
Dedicated Schools Grant	Net adjustment for DSG carry forward		281,931	281,931					281,931	The variances shown in Families & Communities and School Improvement above include variances against DSG which relate in the main to the impact of single point of admission for Nursery age children which affects both the maintained and independent sector. The underspend against these budgets will be carried forward as unspent DSG and reinvested in the Schools Budget which encompasses both the delegated funding for schools and the Council's central education expenditure. The £282k is the net adjustment to General Fund to carry forward the correct amount of DSG.	
Property & ICT											
Property & ICT	PIP Rental Income	(5,998,232)	(5,799,099)	199,133					199,133	Projected shortfall in PIP rental income (of income target) due to high levels of voids in the current economic climate.	
Property & ICT	Catering - school meal income	(1,559,280)	(1,499,983)	59,297					59,297	Reduction in funding for free school meals as a result of changes in grant funding	
Property & ICT	Catering - other meal income	(1,946,014)	(1,786,044)	159,970					159,970	Fall in income received from paid meals	
Property & ICT	Fee Income	(1,741,860)	(1,354,017)	387,843					387,843	Underachievement of fees on Property & Design	
Property & ICT	Darby House	(27,020)	(97,831)	(70,811)					(70,811)	Underspends on various building related expenses due to building being partially empty during the year - negotiation of rent reduction.	
Property & ICT	Salary savings	7,509,480	6,933,229	(576,251)					(576,251)	Various underspends due to restructures	
Property & ICT	ICT Schools and Corporate Service	3,758,030	3,170,030	(588,000)					(588,000)	Various underspends due to restructures	
Property & ICT	Schools Income	(907,000)	(642,000)	265,000					265,000	ICT - Shortfall in income from schools - sustainable position now secured	
Property & ICT	project income	(749,860)	(267,147)	482,713					482,713	ICT - Shortfall in fees charged for project work - sustainable position now secured	

2011/12 Revenue Budget Variations											
Description		Budget	Outturn	Variance	Analysis of Variances					Comments	Flag for Service Variation
					Accelerated Non-Staff Savings	Accelerated Restructure Savings - VRs & Vacancies	Asset Rents	Corporate	Service		
		£			£	£	£	£	£		
Property & ICT	charge to capital		(350,000)	(350,000)					(350,000)	ICT -Capitalisation of project related salary costs to mitigate shortfall in fees - sustainable position now secured	
Property & ICT	ICT leases - over recovery	552,000	158,000	(394,000)				(394,000)		This as a result of the ICT strategy adopted early 2011 which will allow ICT to be managed centrally so as to drive out further efficiencies and improve quality of the service	
Asset Rentals		301,480	1,618,328	1,316,848			1,316,848				
Variances under £50,000		(3,061,914)	(3,159,420)	(97,506)		(6,228)		13,281	(104,559)		
Total Property & ICT		(3,870,190)	(3,075,954)	794,236	0	(6,228)	1,316,848	(380,719)	(135,665)		
Economy & Skills											
Economic Development	Employees	2,069,370	1,687,381	(381,989)					(381,989)	Various underspends due to restructures	
One Telford	Railfreight	233,900	344,347	110,447					110,447	Interim management of Railfreight terminal	
Asset Rentals		178,060	289,318	111,258			111,258				
Variances under £50,000		563,320	563,306	(14)	(34,000)				33,986	Various underspends including vacancy management.	
Total Economy & Skills		3,044,650	2,884,352	(160,298)	(34,000)	0	111,258	0	(237,556)		
Environmental Services											
Environmental Services	Concessionary Transport	1,742,520	1,418,052	(324,468)					(324,468)	Net benefit arising from the change in methodology in the scheme administration	
Environmental Services	Transport operations	90,000	0	(90,000)					(90,000)	Accelerated non-staff savings	
Environmental Services	Transport operations - Income	(27,520)	50,727	78,247					78,247	Net shortfall in operation of ticket sales	
Environmental Services	Transport operations	570,830	503,484	(67,346)					(67,346)	Re-tendered subsidised bus contract	
Environmental Services	Integrated Transport Unit - supplies & services	105,490	24,007	(81,483)					(81,483)	Fuel savings from inflation allowed	
Environmental Services	Integrated Transport Unit - supplies & services	0	64,327	64,327					64,327	Bus Services Operators Grant not budgeted	
Environmental Services	Engineers - fee shortfall	(1,322,130)	(1,266,030)	56,100					56,100	Engineers fess shortfall on income target	
Environmental Services	Engineers - flooding	97,000	2,384	(94,616)					(94,616)	Deployment of flood barriers not required during the year.	
Environmental Services	Engineers - signal maintenance	48,940	100,215	51,275					51,275	Increased maintenance costs on illuminated signs and signals	
Environmental Services	Public Realm - winter maintenance	484,890	636,033	151,143					151,143	Winter Maintenance - costs in excess of available budget.	
Environmental Services	Public Realm - LEAN	0	177,069	177,069					177,069	LEAN project - proactive enhancement/maintenance of road infrastructure. Funded from various service underspends, delivering future efficiencies.	
Environmental Services	Public Realm & Waste Enforcement	0	112,000	112,000					112,000	TWS Pension costs - Shropshire Pension Fund change in methodology which has had a detrimental impact on Telford & Wrekin's contribution.	
Environmental Services	Waste Enforcement - domestic refuse	74,160	292,556	218,396					218,396	Replacement costs for refuse and recycling containers across the Borough	
Environmental Services	Waste Enforcement - community recycling centres	884,350	788,501	(95,849)					(95,849)	Savings arising through recycling initiatives and management changes at the CRCs	
Environmental Services	Waste Disposal	4,116,790	4,047,305	(69,485)					(69,485)	Various recycling initiatives resulting in savings on landfill tax and disposal	
Environmental Services	Employee related savings	4,462,626	3,599,819	(862,807)		(60,084)			(802,723)	Underspends on employee related budgets relating to vacant posts and restructures	
Environmental Services	Highways & Strategic Policy	60,000	0	(60,000)					(60,000)	Car Parking Enforcement - delays in procuring software and appointment of temporary post. Corporate bid to ensure work completed in 12/13.	
Environmental Services	Debt charge	0	(64,000)	(64,000)				(64,000)			
Asset Rentals		567,730	1,171,855	604,125			604,125				
Variances under £50,000		15,651,084	14,993,207	(657,877)	(187,000)				(470,877)		
Total Environmental Services		27,606,760	26,651,511	(955,249)	(187,000)	(60,084)	604,125	(64,000)	(1,248,290)		
Housing & Planning											
Housing & Planning	Employees	4,706,500	3,978,726	(727,774)		(1,119)			(726,655)	Restructure and vacancy savings	

2011/12 Revenue Budget Variations											
Description		Budget	Outturn	Variance	Analysis of Variances					Comments	Flag for Service Variation
					Accelerated Non-Staff Savings	Accelerated Restructure Savings - VRs & Vacancies	Asset Rents	Corporate	Service		
		£			£	£	£	£	£		
Housing & Planning	Planning	(1,057,340)	(857,377)	199,963					199,963	Shortfall in planning fees due to downturn in economy	
Housing & Planning	Building Control	(437,210)	(248,552)	188,658					188,658	Shortfall in building control fee income due to a downturn in the economy	
Housing & Planning	Public Protection	(352,860)	(260,950)	91,910					91,910	Loss of income from Taxi Licensing fees	
Housing & Planning	Temporary accommodation	(377,690)	(161,497)	216,193					216,193	Loss of housing benefit due to drop in demand of temporary accommodation	
Housing & Planning	Temporary accommodation	293,240	132,697	(160,543)					(160,543)	Savings in leasehold rents on temporary accommodation	
Housing & Planning	Home improvement & renewal	(132,870)	(197,207)	(64,337)					(64,337)	Surplus generated on Home fix facility provided across the Borough.	
Housing & Planning	Planning Appeals Legal Fees	-	60,619	60,619				60,619			
Housing & Planning	Income shortfall	(288,030)	(235,503)	52,527				52,527			
Housing & Planning	Departmental Recharges	804,590	821,840	17,250				17,250			
Asset Rentals		82,260	113,825	31,565			31,565				
Variances under £50,000		1,777,150	1,732,563	(44,587)					(44,587)		
Total Housing & Planning		5,017,740	4,879,184	(138,556)	0	(1,119)	31,565	130,396	(299,398)		
Care & Support											
All adult client groups purchasing, including residential care, home care, day care, adult placements etc		33,816,000	38,564,980	4,748,980					4,748,980	The reported overspend is against the gross purchasing budget of £33.8m and represents the gap in the base budget for funding Social Care purchasing in adults. The pressure has arisen mainly because clients formerly funded by the PCT who were assessed as having a Primary health Need, have had their funding withdrawn. These clients, who were funded from the PCT from Continuing Health Care funding, are now assessed as having a Community Care need and are the funding responsibility of the Council. The reduction in funding and increasing demand for financial support is continuing to add significant financial pressure to Council budgets approved for Social Care purchasing. In addition reported below is the impact of losing reimbursement from the PCT for clients who were formerly funded for services provided by the Council run Community Support and Day Centres etc. This lost income has also putting significant pressure on the funding available for Social Care in 2011/12 and ongoing.	
Transformation budgets		789,520	-	(789,520)					(789,520)	Freeing up of resources formerly used for the funding of transformation now funding services implemented under the Transformation Programme	
Income towards internal services		(542,850)	(68,157)	474,693					474,693	This deficit against income budgets has arisen as client's eligibility for health funding for clients looked after in services run and funded by the Council are no longer eligible for funding following a review of clients funded from PCT "Continuing Health Care" funding for clients with a primary health need	
Funding from one off Government allocations and funding allocated to the PCT for the purpose of funding LA Social Care		-	(2,108,000)	(2,108,000)					(2,108,000)	This funding has arisen from the allocation of one off funds to the Local Authority by the PCT and Government in 2010/11, and further resources announced in the December RSG settlement and passported through the PCT in 2011/12 and 2012/13. of around £2.1m in each year.	
Staff vacancies, phase 1 and accelerated phase 2 savings		12,963,181	12,434,841	(528,340)					(528,340)	The saving has resulted from phase 1 savings, accelerated phase 2 savings and posts vacant where we are not expecting to fill the posts	
Use of one off reserves		-	(723,570)	(723,570)					(723,570)	Following a review of reserves a number of one off funds can be used in 2011/12 to offset the expenditure pressures being faced. These reserves were, in the main, set aside to deal with client purchasing pressures	
One Off Winter Pressure Funds from the Government to invest in Social Care Services		-	(490,376)	(490,376)					(490,376)	One off funds allocated by the Government in recognition of the social care pressures experienced during the winter period. The funds were transferred from the PCT to the Local Authority to invest in Social Care Services.	

2011/12 Revenue Budget Variations											
Description		Budget	Outturn	Variance	Analysis of Variances					Comments	Flag for Service Variation
					Accelerated Non-Staff Savings	Accelerated Restructure Savings - VRs & Vacancies	Asset Rents	Corporate	Service		
		£			£	£	£	£	£		
Asset & Case Management		24,370	102,660	78,290				78,290			
Asset Rentals		126,605	151,996	25,391			25,391				
Variances under £50,000		(3,368,660)	(3,062,790)	305,870				13,710	292,160		
Total Care & Support (Adults & Children)		43,808,166	44,801,584	993,418	0	0	25,391	92,000	876,027		
Customer, Leisure & Libraries											
Revenues & Benefits	Employees	2,740,470	2,518,219	(222,251)		(166,412)			(55,839)	Savings arising from posts held vacant in preparation for the restructure, including changes in hours,	
Revenues & Benefits	Income	(2,221,380)	(2,157,706)	63,674					63,674	Shortfall against Court Fees income	
Revenues & Benefits	NNDR Relief	60,560	151,751	91,191				91,191			
Wellington Leisure Centre	Various	460,250	541,034	80,784					80,784	Impact of closure of site for 11 months due to capital works.	
Telford Ice Rink	Employees	509,450	453,421	(56,029)					(56,029)	Posts held vacant to part offset income shortfalls	
Telford Ice Rink	Income	(965,010)	(882,710)	82,300					82,300	Shortfall against income targets for events, vending, bar and cafe	
Telford Ice Rink	Other		70,000	70,000					70,000	Contribution to reserves	
Oakengates Leisure Centre	Income	(720,770)	(653,222)	67,548					67,548	Shortfall against income targets for the tennis centre which has been offset by savings in employee costs	
Aspirations	Employees	249,090	165,189	(83,901)					(83,901)	Savings arising from posts held vacant in preparation for the restructure. This is being used to offset service pressures elsewhere.	
Aspirations	Income	(507,240)	(590,920)	(83,680)					(83,680)	Additional income generated at Abraham Darby and Oakengates	
Madeley Court Centre	Joint Financing	294,850	227,369	(67,481)	(67,481)					Early delivery of staffing savings at Telford Trust which has resulted in a saving on the Council contribution to the Trust.	
Arts & Culture	Employees	453,670	504,302	50,632		(10,179)			60,811	Additional staffing costs incurred by the Music Service which are funded from additional income generated	
Restructure Savings - across the whole service area	Employees	6,577,210	5,842,391	(734,819)		(734,819)				Underspends due to vacant posts and restructures	
Asset Rentals		513,750	743,404	229,654			229,654				
Variances under £50,000		1,494,190	1,114,298	(379,892)				53,059	(432,951)		
Total Customer, Leisure & Libraries		8,939,090	8,046,820	(892,270)	(67,481)	(911,410)	229,654	144,250	(287,283)		
Governance											
Land Charges	Income	(89,570)	(177,707)	(88,137)					(88,137)	Additional income generated from searches	
Members Services	Supplies & Services	903,150	829,025	(74,125)					(74,125)	Underspend against member allowances	
Restructure Savings		2,300,690	2,199,709	(100,981)		(100,981)					
Asset Rentals		4,280	4,166	(114)			(114)				
Variances under £50,000		(2,439,200)	(2,570,014)	(130,814)	(39,710)				(91,104)	Savings arising from posts held vacant in preparation for the restructure.	
Total Governance		679,350	285,179	(394,171)	(39,710)	(100,981)	(114)	0	(253,366)		

2011/12 Revenue Budget Variations											
Description		Budget	Outturn	Variance	Analysis of Variances					Comments	Flag for Service Variation
					Accelerated Non-Staff Savings	Accelerated Restructure Savings - VRs & Vacancies	Asset Rents	Corporate	Service		
		£			£	£	£	£	£		
Finance											
Restructure savings	Employees	4,169,200	3,850,379	(318,821)		(318,821)					Savings arising from vacant posts relating to the restructure.
Variations under £50,000		(4,169,200)	(4,275,149)	(105,949)				(13,185)	(92,764)		
Total Finance		0	(424,770)	(424,770)	0	(318,821)	0	(13,185)	(92,764)		
Core Services											
Restructure Savings	Employees	1,871,440	1,684,192	(187,248)		(187,248)					Savings arising from posts held vacant in preparation for the restructure and restructure savings delivered early.
Variations under £50,000		(695,850)	(878,589)	(182,739)	(42,600)			3,650	(143,789)		Mainly staffing savings due to officers not being at top of grade or officers not in pension scheme.
Total Core Services		1,175,590	805,603	(369,987)	(42,600)	(187,248)	0	3,650	(143,789)		
Council Wide											
Treasury Management		9,099,000	8,603,490	(495,510)					(495,510)		Benefit from slippage on capital programme, interest earned on new investments and the impact of the 100 day budget.
New Homes Bonus Grant		0	(741,159)	(741,159)				(741,159)			Additional grant awarded after the budget for 2011/12 had been set
Coroner	Employees	49,130	102,907	53,777				53,777			Additional costs incurred in respect of the Coroner's Service
Contingency		2,668,450	575,568	(2,092,882)					(2,092,882)		Unused element of budgeted contingency
Asset Rentals & Other Council Wide Items		(12,140,236)	(17,672,582)	(5,532,346)		1,300,000	(6,800,831)	(31,515)			Asset rentals have increased due to changes required by International Financial Reporting Standards relating to how assets are accounted for. They are a notional charge made to individual services which are then reversed out of the accounts and so have no bottom line impact.
Variations under £50,000		4,948,990	4,973,694	24,704				24,704			
Total Council Wide		4,625,334	(4,158,082)	(8,783,416)	0	1,300,000	(6,800,831)	(694,193)	(2,588,392)		
Total Variations		129,451,940	122,234,079	(7,217,861)	(575,791)	(1,375,034)	0	(781,801)	(4,485,235)		
Overall Variation									(7,217,861)		

Key

£0 - £100k

£101 - £250k

£251 - £500k

£501k and above

Underspend

Overspend

2011/12 Revenue Virements Required

Virements To:	£	Virements From:	£
Safeguarding			
Children In Care Placements	1,061,598		
Agency Staff	462,077		
Support for Children In Care / Legal Costs	96,202		
	1,619,877		-
School Improvement			
Employee Costs	294,405	Employees - Vacant Posts	342,840
Premises - NNDR	69,378	Grant Income	100,285
Behavioural & Learning Support Income Shortfall	79,342		
	443,125		443,125
Family & Community Services			
Specialist Education Provision	664,534	Employees - Vacant Posts	664,534
	664,534		664,534
Dedicated Schools Grant			
Net adjustment for DSG carried forward	281,931		

2011/12 Revenue Virements Required

Virements To:	£	Virements From:	£
	281,931		-
Property & ICT			
PIP Rental Shortfalls	199,133	Employees - vacancies	1,164,251
Catering Meals Income Shortfall	219,267	Income	350,000
Property & Design Fees	387,843	Variations under £50,000	39,705
ICT Fee Income	747,713		
	1,553,956		1,553,956
Economy & Skills			
One Telford - Railfreight	110,447	Economic Development - employees	110,447
	110,447		110,447
Environmental Services			
Transport - income shortfall	78,247	Employee Costs	802,723
Integrated Transport Unit - supplies & services	64,327	Waste Enforcement - CRCs	95,849
Engineers - fee income	56,100	Waste Disposal - landfill tax and disposal	9,985
Engineers - maintenance	51,275		
Winter Maintenance	151,143		

2011/12 Revenue Virements Required

Virements To:	£	Virements From:	£
Public Realm - Lean Project	177,069		
TWS Pension Costs	112,000		
Waste Enforcement - domestic refuse	218,396		
	<u>908,557</u>		<u>908,557</u>
Housing & Planning			
Planning Fees	199,963	Employees - vacancies	726,655
Building Control Fees	188,658	Temporary Accommodation - rents	83,215
Public Protection - loss of licensing income	91,910		
Temporary Accommodation - income loss	216,193		
Planning Appeals - legal fees	60,619		
Hsg & Plng - income shortfall	52,527		
	<u>809,870</u>		<u>809,870</u>
Care & Support			
Care Purchasing Budgets	4,748,980	Transformation budgets	789,520
Income shortfall	474,693	Govt. / PCT funds	2,108,000
Asset & Case Management	78,290	Employees	528,340
		One Off Income	1,213,946

2011/12 Revenue Virements Required

<u>Virements To:</u>	£	<u>Virements From:</u>	£
	5,301,963		4,639,806

2011/12 Revenue Virements Required

Virements To:	£	Virements From:	£
Customer & Leisure Services			
Court Fee Income	63,674	Revenues & Benefits - employees	55,839
Telford Ice Rink - Income	82,300	Telford Ice Rink - employees	56,029
Telford Ice Rink - other	70,000	Aspirations - employees	83,901
Oakengates Leisure Centre - Income	67,548	Aspirations - income	83,680
Arts & Culture - Music Service - employees	60,811	Variances under £50,000	236,859
Wellington Leisure Centre shortfall	80,784		
NNDR Relief	91,191		
	516,308		516,308
Council Wide			
Coroner	53,777	Treasury Management	495,510
Asset Rentals - Services	6,800,831	Asset Management Account	6,800,831
		Budgeted contingency	2,092,882
		New Homes Bonus	29,350
	6,854,608		9,418,573
Total	19,065,176		19,065,176

Capital - Slippage, Supplementary Estimates & Virements

Slippage - Scheme	Priority	Slippage - £	Funding
Telford Ice Rink	Active Lifestyles	-81,948.07	pru
AFC 5 A Side	Active Lifestyles	93,408.89	Pru
Tennis Centre Oakengates	Active Lifestyles	-13,503.20	Pru
Upgraded Tennis Facilities	Active Lifestyles	-95,170.30	Grant
Donnington House	Adult Care & Support	-39,305.08	SCE C
Social Care ICT review	Adult Care & Support	-337,554.77	SCE C
Social Care ICT review	Adult Care & Support	-250,000.00	Pru
Social Care Capital Grant	Adult Care & Support	-65,000.00	SCE C
Stirchley Training Centre	An Efficient, Community Focussed Council	8,506.12	Pru
ADSLC - Abraham Darby Academy	Children & Young People	-4,274,734.07	Grant
Madeley Academy	Children & Young People	-49,334.40	Grant
Dawley SLC - Phoenix School	Children & Young People	-1,443,379.83	Grant
Newport High School	Children & Young People	-470,955.21	Grant
Mount Gilbert Special School	Children & Young People	-210,556.25	Grant
ADSLC - Leisure	Children & Young People	-30,197.27	Capital Rec
Dawley SLC - Community Services	Children & Young People	-383,614.00	Grant
ADSLC - Multi-agency provision	Children & Young People	-21,093.38	Pru
ADSLC - PCT consulting rooms	Children & Young People	-7,281.29	external
Dawley SLC - PCT Consulting room	Children & Young People	-162,881.11	Grant
BSF ICT General / unspecified	Children & Young People	-42,849.97	Grant
BSF ICT Test Bed Centres	Children & Young People	-207,795.75	Grant
BSF ICT Virtualisation	Children & Young People	-80,621.22	Grant
BSF ICT Video Conferencing	Children & Young People	-80,414.19	Grant
BSF ICT Wireless	Children & Young People	-15,000.10	Grant
BSF ICT Whiteboards	Children & Young People	-103,819.98	Grant
BSF ICT CPD	Children & Young People	-231,636.70	Grant
Abraham Darby Academy / SLC	Children & Young People	-309,644.57	Grant
Lord Silkin School / SLC	Children & Young People	-13,401.35	Grant
Wrockwardine Wood Arts College	Children & Young People	423.88	Grant
Charlton School	Children & Young People	-79,907.69	Grant
Ercall Wood Tech. College	Children & Young People	-3,220.42	Grant
Adams' Grammar School	Children & Young People	-4,479.27	Grant
Burton Borough School	Children & Young People	-123,836.34	Grant
Newport High School	Children & Young People	0.09	Grant
Mount Gilbert Special School	Children & Young People	-4,662.03	Grant
Southall Special School	Children & Young People	-33,522.48	Grant
Thomas Telford CTC	Children & Young People	-71,571.56	Grant
Pupil Referral Units	Children & Young People	-4,189.48	Grant
Hadley Learning Community (Secondary)	Children & Young People	-11,349.28	Grant
The Bridge Special School	Children & Young People	-10,569.98	Grant
Project Support	Children & Young People	-1,115,590.96	Pru
Site Surveys and Investigations	Children & Young People	-308,603.94	Capital Rec
Revenue funding re rest of CYP	Children & Young People	333,333.00	Revenue funding
Redhill Demountable	Children & Young People	10,000.00	Cap Rec
St Georges - 3 New Classbases	Children & Young People	-396,184.72	Grant
Burton Borough - Roof Works	Children & Young People	-10,700.41	SCEr
Burton Borough - Roof Works	Children & Young People	-145.30	Cap Rec
Charlton School - car Park	Children & Young People	-5,092.42	Pru
Contingency for reactive works	Children & Young People	-27,153.24	SCEr
Contingency for reactive works	Children & Young People	-2,667.27	Pru
Contingency for reactive works	Children & Young People	-14,319.79	Cap rec
Asbestos Surveys	Children & Young People	-33,032.57	Grant
Asbestos Surveys	Children & Young People	-15,589.28	SCEr
Asbestos Surveys	Children & Young People	-14,401.36	Cap rec
Grange Park Primary New Build / Remodelling	Children & Young People	-8,682.25	Cap rec
John Fletcher/ Madeley Infant Amalgamation	Children & Young People	-73,831.74	Grant
Millbrook Primary - library and external works	Children & Young People	-3,894.83	Grant
Muxton Primary - 3 Classbase extension	Children & Young People	-34,150.48	Pru
Muxton Primary - 3 Classbase extension	Children & Young People	-32,000.00	Cap rec
Muxton Primary - 3 Classbase extension	Children & Young People	-49,917.10	Grant
Muxton Primary - 3 Classbase extension	Children & Young People	-83,932.42	SCEr
Meadows Primary	Children & Young People	-135,462.97	Grant
Meadows Primary	Children & Young People	-44,550.38	SCEr
Meadows Primary	Children & Young People	-16,000.00	Pru
Meadows Primary	Children & Young People	-420.09	Cap rec
Meadows Primary	Children & Young People	-4,000.00	Grant
Access	Children & Young People	-25,899.23	SCEr
Access	Children & Young People	-5,000.00	Grant
Pupil Services DDA Access works & Equipment	Children & Young People	-14,220.00	Revenue funding
Leegomery Changing rooms - showers	Children & Young People	-23,000.00	Grant
Admaston Tuition Centre - Capital works following Ofsted Inspection	Children & Young People	-3,620.80	External
Admaston Tuition Centre - ICT works	Children & Young People	-10,000.00	External
Madeley Court Academy - School Demolition Costs	Children & Young People	9,755.71	Capital Rec
Newdale Primary - classbase extension	Children & Young People	-241,334.40	Capital Rec
Newdale Primary - classbase extension	Children & Young People	-70,000.00	SCEr
Newdale Primary - classbase extension	Children & Young People	-212,759.19	Grant

Capital - Slippage, Supplementary Estimates & Virements

Teagues Bridge Primary - 3 classbase extension	Children & Young People	-231,103.71	Capital Rec
Woodlands Primary (Abraham Darby SLC)	Children & Young People	-408,754.86	Pru
Short Breaks for Disabled Children Capital	Children & Young People	-97,843.00	Grant
Short Breaks- Athletics Track Accessible Porta Loo	Children & Young People	-4,129.00	Grant
Short Breaks- Athletics Track Accessible Porta Loo	Children & Young People	-1,000.00	Capital Rec
Crudgington Primary -Car Park and Walking Bus	Children & Young People	-65,870.30	Grant
Sustainability Schemes - Energy Monitoring System	Children & Young People	-31,577.48	Grant
Sustainability Schemes - Energy Monitoring System	Children & Young People	-117,504.73	SCEr
William Reynolds Jnr - Amalgamation	Children & Young People	-6,047.13	SCEr
William Reynolds Jnr - Amalgamation	Children & Young People	-25,000.00	Capital Rec
William Reynolds Jnr - Amalgamation	Children & Young People	-242,484.44	Grant
Newport Girls High - Demountable Phase 2 and Food Technology	Children & Young People	16,500.00	Capital Rec
Charlton - PRU Bungalow	Children & Young People	35,234.76	Capital Rec
Fly Screens - various schools	Children & Young People	-11,010.11	Grant
Newprt Junior - Heating	Children & Young People	-30,000.00	Grant
Redhill Primary - Remodelling	Children & Young People	-29,113.75	Grant
Various Schools- Tree Maintenance	Children & Young People	-60,000.00	Grant
Donnington Wood Infants -Main Block Roof	Children & Young People	-91,241.39	Capital Rec
Roofing and Window Replacement Phase 2	Children & Young People	-12,838.94	SCEr
Newport Feasibility	Community Focused Efficient Council	-2,755.78	pru
- Disabled Facilities Grants (DFG's)	Community Protection & Cohesion	-146,581.53	Pru
- Home Repair Grants	Community Protection & Cohesion	-51,647.71	Pru
- Loan Contingency Grant	Community Protection & Cohesion	-14,421.42	Pru
- Landlord Grants	Community Protection & Cohesion	-13,081.59	Pru
- HMO Grants	Community Protection & Cohesion	-13,861.73	Pru
- Fuel Poverty	Community Protection & Cohesion	-5,568.51	Pru
- Healthy Homes	Community Protection & Cohesion	-7,080.25	Pru
Improving Fire Safety Borough Wide	Community Protection & Cohesion	-1,628.98	Pru
- Bond scheme	Community Protection & Cohesion	-2,776.46	Pru
- Housing Needs Property Maintenance	Community Protection & Cohesion	-34,795.40	Pru
ICT/ eGov	Efficient, Community Focussed Council	-67,981.19	Pru
FMS project (overspend due to delayed start)	Efficient, Community Focussed Council	-55,106.06	Pru
Web & On Line forms - from ICT E Gov Above	Efficient, Community Focussed Council	-5,000.00	Pru
General Works & Surveys	Efficient, Community Focussed Council	-78,716.01	Pru
Wellington Cemetery	Efficient, Community Focussed Council	-124,900.00	Pru
Stoney Hill	Environment	-81,781.84	Pru
Highways additional £3m	Environment	-85,984.36	Pru
Parks & Play	Environment	-181,893.61	Pru
Brindleyford	Environment	-7,955.53	S106
Playbuilder 2	Environment	-12,882.95	pru
Playbuilder 2	Environment	-25,000.00	pru
Infrastructure	Environment	-85,344.67	pru
Sustainable Travel	Environment	-19,805.71	pru
Local Safety Schemes	Environment	52,313.21	pru
BTI/Public Realm	Environment	-188,744.58	pru
Policy	Environment	-130,019.47	SCEr
Highways General	Environment	-270,692.93	Grant
Highways General	Environment	-161,038.66	SCE
Bridge Maintenance	Environment	-109,542.02	Grant
Local Sustainable Transport Fund(LSTF)	Environment	99,891.11	Grant
Parks for People - Phase 2	Environment	-11,881.98	pru
Parks for People - Phase 2	Environment	-50,000.00	Grant
Town Centre	Housing Regeneration, Prosperity	-2,300,244.57	Grant
Town Centre	Housing Regeneration, Prosperity	3,253,071.18	pru
Accomodation Strategy	Housing Regeneration, Prosperity	143,093.32	pru
Borough Towns Initiative-Dawley	Housing Regeneration, Prosperity	-3,495,450.96	Prudential
Borough Towns Initiative-Dawley	Housing Regeneration, Prosperity	-2,000,000.00	Capital Rec
Borough Towns Initiative-Dawley	Housing Regeneration, Prosperity	5,750,000.00	Prudential
Borough Towns Initiative-Dawley	Housing Regeneration, Prosperity	-100,000.00	Prudential
Newport High Street	Housing Regeneration, Prosperity	-752.10	Prudential
Victoria park	Housing Regeneration, Prosperity	-2,924.37	Prudential
Newport Canal	Housing Regeneration, Prosperity	-1,318.69	Prudential
Borough Towns Initiative-Wellington Civic	Housing Regeneration, Prosperity	2,589,748.51	Prudential
Borough Towns Initiative-Wellington Civic	Housing Regeneration, Prosperity	-2,455,000.00	Capital Rec
Wellington High street	Housing Regeneration, Prosperity	-61,926.27	Prudential
Borough Towns Initiative-Ironbridge	Housing Regeneration, Prosperity	-16,305.83	Prudential
Borough Towns Initiative-Oakengates	Housing Regeneration, Prosperity	81,169.75	Prudential
Borough Towns Initiative-Hadley	Housing Regeneration, Prosperity	-212,189.11	Prudential
Borough Towns Initiative-Hadley	Housing Regeneration, Prosperity	234,448.81	Grant
Dawley	Housing Regeneration, Prosperity	-24,164.03	Prudential
Wellington	Housing Regeneration, Prosperity	-7,500.00	Prudential
Oakengates	Housing Regeneration, Prosperity	-7,500.00	Prudential
Newport	Housing Regeneration, Prosperity	-7,500.00	Prudential
Malinslee Local Centre	Housing Regeneration, Prosperity	-47,016.75	Prudential
- North & South (5900 total Project)	Housing Regeneration, Prosperity	52,328.00	Prudential
- Local Centre (1220 total project)	Housing Regeneration, Prosperity	-40,215.32	Prudential
- West 2	Housing Regeneration, Prosperity	14.33	Prudential
Regeneration - Project staff/fees	Housing Regeneration, Prosperity	263.93	Prudential

Capital - Slippage, Supplementary Estimates & Virements

Brookside	Housing Regeneration, Prosperity	-70,000.00	Capital Rec
Brookside	Housing Regeneration, Prosperity	6,910.27	Prudential
Sutton Hill	Housing Regeneration, Prosperity	-170,551.36	Prudential
Sutton Hill	Housing Regeneration, Prosperity	78,000.00	Grant
Sutton Hill	Housing Regeneration, Prosperity	-275,000.00	Capital Rec
- Market Engagement Fund	Housing Regeneration, Prosperity	-447,520.76	Prudential
- Market Engagement Fund	Housing Regeneration, Prosperity	-159,644.83	Grant
- Programme Management and Consultancy	Housing Regeneration, Prosperity	-80,000.00	Prudential
- Programme Management and Consultancy	Housing Regeneration, Prosperity	-5,659.36	Grant
- Small sites	Housing Regeneration, Prosperity	-250,000.00	Prudential
- Small sites	Housing Regeneration, Prosperity	-34,766.75	Grant
- Infrastructure	Housing Regeneration, Prosperity	-70,000.00	Prudential
- Infrastructure	Housing Regeneration, Prosperity	-37,677.50	Grant
Increasing supply of social housing (was HZK)	Housing Regeneration, Prosperity	-566,479.24	Prudential
Extra-Care Housing (Lightmoor) was part HZE	Housing Regeneration, Prosperity	-3,681.00	Prudential
Extra-Care Housing (Lawley) (was part HZE)	Housing Regeneration, Prosperity	-800,000.00	Prudential
Borough Towns Initiative-Leegomery	Housing Regeneration, Prosperity	-5,000.00	Grant

-16,826,721.43

New Allocations	Priority	Value - £	Funding
Donnington House	Adult Care & Support	-20,000.00	Revenue
Abraham Darby Academy / SLC	Children & Young People	198,000.00	ICT BSF Grant
Lord Silkin School / SLC	Children & Young People	37,000.00	ICT BSF Grant
Wombridge Primary School - New Entrance & Fencing	Children & Young People	-16,907.36	Other
Burton Borough - Roof Works	Children & Young People	3,566.80	other
Contingency for reactive works	Children & Young People	0.01	Other
Muxton Primary - 3 Classbase extension	Children & Young People	10,000.00	Other
Pupil Services DDA Access works & Equipment	Children & Young People	14,220.00	Revenue
Access	Children & Young People	5,000.00	Grant
Admaston Tuition Centre - Capital works following Ofsted Inspection	Children & Young People	10,000.00	Pru
Admaston Tuition Centre - Capital works following Ofsted Inspection	Children & Young People	500.00	Revenue
Admaston Tuition Centre - ICT works	Children & Young People	10,000.00	Pru
Admaston Tuition Centre - Roof	Children & Young People	32,940.18	Pru
Newdale Primary - classbase extension	Children & Young People	41,334.40	other
Teagues Bridge Primary - 3 classbase extension	Children & Young People	281,103.71	other
Woodlands Primary (Abraham Darby SLC)	Children & Young People	9,000.11	other
Private Providers - Capital Projects	Children & Young People	560.00	External
Short Breaks- Athletics Track Accessible Porta Loo	Children & Young People	1,000.00	Revenue
Newport Girls High - Demountable Phase 2 and Food Technology	Children & Young People	906.00	Grant
Wombridge Primary - Drainage works & Roof Lead Theft repairs	Children & Young People	6,430.00	Grant
Donnington Wood Infants -Main Block Roof	Children & Young People	91,241.39	Other
Apley Wood Primary - Stop Loss Flood Damage	Children & Young People	12,112.75	Grant
Burton Borough - Main roof	Children & Young People	23,255.94	Grant
Ercall Wood - Roof	Children & Young People	1,765.00	Grant
Devolved Formula Capital -Schools	Children & Young People	376.00	Grant
- Disabled Facilities Grants (DFG's)	Community Protection & Cohesion	77,672.00	Grant
- Loan Contingency Grant	Community Protection & Cohesion	9,000.00	External
Works In Default	Community Protection & Cohesion	20,530.89	Capital Rec
Parks & Play	Environment	1,400.00	Other
Parks & Play	Environment	8,454.33	S106
Local Sustainable Transport Fund(LSTF)	Environment	36,165.06	Grant
PIP Purchases	Environment	3,460,284.16	Capital Rec
Malinslee Local Centre	Housing Regeneration, Prosperity	4,236.00	Other

4,371,147.37

Virements	Priority	Value - £	Funding
Social Care ICT review	Adult Care & Support	250,000.00	Pru
Invest to Save	An Efficient, Community Focussed Council	-500,000.00	Pru
Short Breaks for Disabled Children Capital	Children & Young People	-195,000.00	Grant
Unallocated Funding	Community Protection & Cohesion	-332,000.00	Pru
ICT/ eGov	Efficient, Community Focussed Council	-250,000.00	Pru
Parks & Play	Environment	-21,000.00	Pru
Brindleyford	Environment	-155,000.00	S106
Malinslee Local Centre	Housing Regeneration, Prosperity	21,000.00	Pru
Brookside	Housing Regeneration, Prosperity	155,000.00	S106
Supporting sustainable home ownership (HZR)	Housing Regeneration, Prosperity	2,000.00	Pru
Brookside	Housing Regeneration, Prosperity	330,000.00	Pru
Brookside	Housing Regeneration, Prosperity	500,000.00	Pru
Town Centre	Housing Regeneration, Prosperity	195,000.00	Grant

0.00

TELFORD & WREKIN COUNCIL

CABINET – 28 JUNE 2012

SERVICE & FINANCIAL PLANNING UPDATE

**REPORT OF THE MANAGING DIRECTOR AND THE ASSISTANT
DIRECTOR: FINANCE, AUDIT & INFORMATION GOVERNANCE (CHIEF
FINANCIAL OFFICER)**

LEAD CABINET MEMBER – CLLR BILL McCLEMENTS

1. PURPOSE

When the budget for the current year was set specific savings proposals totalling over £19m were approved. However, a target of £0.88m remained where specific proposals needed to be developed. This report gives a progress update against this remaining target for 2012/13 and on the more significant challenge of identifying proposals for the further remaining projected gap of around £3.7m for 2013/14.

2. RECOMMENDATIONS

2.1 The additional 2012/13 savings proposals included in Appendix 1 be approved and an Impact Statement completed.

2.2 Authority to approve Invest to Save bids be delegated to the Managing Director after consultation with the Cabinet Member for Resources and Service Delivery.

3. INFORMATION

3.1 Service and Financial Planning Strategy.

The Service and Financial Planning report approved at Council in March included a set of principles used in developing the strategy and articulated the key features of the strategy that was adopted. It is now timely to review both the principles and strategy as these should inform the development of further savings proposals and particularly to express these as concisely as possible so that they can be more easily communicated both within and outside the Council.

Four key principles have been agreed, i.e. that when developing the service and financial planning strategy we should:

- In line with our co-operative values, work together with and involve our residents and employees in developing our strategy;
- Adopt a commercial approach and facilitate growth;
- Minimise the impact of savings on front-line service delivery;
- Minimise the impact of savings on our employees as far as possible.

In line with these principles, the starting point for our strategy is to focus on areas that do not have significant impact on front-line service delivery or employees, such as:

- **Improving procurement** e.g. re-tendering contracts, reviewing and robustly re-negotiating existing contracts, making greater use of framework agreements and getting added social value from procurement;
- **Property rationalisation and generation of capital receipts** – we have ambitious plans to invest in schools, regeneration and other capital projects to transform the Borough. In order to minimise the burden of ongoing debt repayments we're committed to a significant programme of asset sales totalling £110m over the medium term;
- **Driving down non-staffing costs that have minimal impact on service delivery** - reviewing and challenging budgets 'line by line' e.g. stationery, hospitality etc to ensure we have exhausted as many options as possible before considering changes or reductions to services.

However, due to the scale of the budget gap, some impact on service delivery and employees is inevitable. Our approach involves:

- **Carrying out planned, long-term service re-design, based around priorities**, not quick-fix options, such as withdrawing services or changing eligibility criteria e.g.
 - Children's Services – better help for people in the early stages of difficulties and more targeted help for families with complex needs;
 - Adults' Services – re-ablement to help ill or disabled adults learn or re-learn how to live independently;
 - Customer Services – more enquiries dealt with first time through a single point of contact
- **Facilitating growth** – becoming a business-winning council, increasing prosperity in the Borough and maximising income from business rates and the New Homes Bonus;
- **Working co-operatively with local people, organisations and partners** e.g.
 - Co-production and other new service delivery partnerships with the community;
 - Joining up services better to remove overlap and duplication;

- Partnership with Town and Parish Councils to secure environmental improvements;
 - Encouraging local people to recycle more and reduce waste disposal costs.
- **Increasing income generation and external trading** – a more commercial approach and a particular focus on providing support services at affordable cost to local Voluntary & Community Sector organisations, Town & Parish Councils, partners, schools;
 - Our aim is to actively seek applications for voluntary redundancy and to promote flexible working arrangements in order to keep compulsory redundancies to a minimum although some continuing **targeted restructuring activity** is inevitable.

3.2 2012/13 - Remaining Budget Gap.

When the budget for the current year was approved in March, specific savings proposals totalling £19m gross were agreed (on top of over £22m of ongoing savings achieved during the 2009/10 to 2011/12 period). However, a further £0.88m of savings were needed but had not been specifically identified at that stage. Appendix 1 details just over £0.9m of proposals that will meet this remaining target for 2012/13.

3.3 2013/14 - Remaining Budget Gap.

On 17th May 2012, the Government issued a series of documents that provide more information on how the new Local Government Finance system will operate. However, there are still many gaps in the information needed before accurate projections of the actual funding shortfall for next year can be made. It is therefore proposed that for the time being the projections used in the March Council report are retained although as additional information becomes available on the new system these projections will be kept under review.

The March projections showed that around a £3.7m further savings will be needed for 2013/14 on top of the £9.3m gross savings proposals already included in the March Council report for next year (and assuming that the £0.9m required in 2012/13 is found on an ongoing basis – per Appendix 1).

These projections assume that the Council's £2.1m share of national NHS funding passported via the PCT for adult social care expenditure is still available in 2013/14 although this has not yet been confirmed but we are aware that this funding remains in the national control totals for 2013/14 and 2014/15.

Following positive discussions with the PCT on the approach to redressing to some extent the significant shift in funding for Continuing Healthcare cases, it is considered appropriate to reduce the projected shortfall of £3.7 to £2.7m to reflect an anticipated reduced cost to the Council from 2013/14 for Continuing Healthcare cases.

Clearly identification of further savings becomes increasingly difficult each year but proposals that would generate £2.7m are detailed below:-

	£m
Improved procurement – New arrangements for supporting people	0.350
Driving down non-staffing costs with minimal front-line service impact – various operational efficiencies	0.820
Service reviews – Oakengates Theatre and Employment Services	0.150
Additional income including dividends from West Mercia Energy and income from invest to save projects	0.480
Targeted restructures in OI/HR, Finance, Audit & Information Governance and Development, Business & Housing (Full year impact £0.5m)	0.300
Phasing of one-off funding available to smooth the introduction of the new local Council Tax Support scheme following the Government’s proposed cut of 10% to Council Tax Benefit subsidy. To be funded from further ongoing savings in 2014/15.	0.600
Total	2.700

3.4 Invest to Save Initiatives/New Income Opportunities.

A different approach has been used to identify these further savings with no specific targets being set for service areas and no differentiation between staffing and non-staffing budgets and the active pursuit of “invest to save” and new income opportunities.

The Government have given clear messages that local authorities should seek to reduce their reliance on Government grant given the severe financial constraints on public expenditure currently being experienced and which are expected to increase in severity beyond the current Comprehensive Spending Review period. It is therefore essential that public services identify and actively develop opportunities for new income streams whilst at the same time seeking to address community needs.

The Council has a £0.5m revenue invest to save reserve which was approved at Cabinet in February and a number of the savings proposals now put forward are dependent upon investment up front in order to achieve ongoing revenue savings. It is recommended that these invest to save bids are reviewed by the Cabinet Member for Resources and Service Delivery and authority delegated to the Managing Director after consultation with the Cabinet Member to approve the bids. However, bids total well in excess of the resources available although some of the investment could potentially be capitalised. Subject to consideration by the managing Director and Cabinet Member, revenue bids totalling just over £0.6m could initially be approved and

capital expenditure of £2.7m in order to generate ongoing revenue savings although the amount of debt outstanding will increase. The Final Accounts report for 2011/12, also on this agenda, recommends the contribution of a further £0.5m in to the Invest to Save Reserve, this would leave a balance of around £0.4m to help fund any further bids that come forward as further work on developing further savings proposals progresses

3.5 Next Steps.

To ensure we are meeting our duty under the Equality Act an initial scoping exercise of individual future budget savings proposals has been carried out. This scoping exercise has identified suggested requirements for impact assessments and consultations, as follows:

- No specific impact assessments or engagement activities have been identified for the individual 2012/13 proposals included at Appendix 1 and the planned review of fees and charges in mid 2012/13. An overarching Impact Statement will however be prepared.
- Individual impact assessments and engagement activities have been initially identified for some of the 2013/14 additional savings proposals and the 2013/14 and 2014/15 proposals included in the March Council report. This scoping exercise will be discussed with Cabinet Members for agreement to action from lead Cabinet Members.
- Following Cabinet Members agreement, impact assessments and engagement activities will be carried out over the coming months - starting well in advance of previous Council practise to ensure maximum opportunity for those affected by savings proposals to comment on them.

Further work is currently in progress to generate further savings proposals including:-

- Further review of income sources and opportunities from adopting a more commercial approach in appropriate circumstances.
- Under-taking a strategic review of budgets by reviewing the out-turn position for 2011/12 to identify any potentially ongoing areas of underspend and other opportunities for ongoing savings not already included in savings proposals.
- Review of the level and apportionment of Central Establishment/Support Service Charges.
- Work co-ordinated through the Procurement Steering Group to identify further opportunities for savings from better procurement.
- Seeking to firm-up the position on Continuing HealthCare costs
- Assessing whether additional income from New Homes Bonus over and above the levels already assumed could reasonably be expected and built in to financial projections.

As further information becomes available on the implications of the new Local Government Finance system which will be operational from 2013/14 updates will be brought to Members.

Regular monitoring will be undertaken to ensure that savings proposals are implemented on time and that the Council's overall service and financial planning strategy remains on track.

Report Prepared by Ken Clarke, Assistant Director: Finance, Audit & Information Governance & Chief Financial Officer, (01952) 383100

TELFORD & WREKIN COUNCIL

**CABINET – 26 JULY 2012
COUNCIL – 13 SEPTEMBER 2012**

2012/13 FINANCIAL MONITORING REPORT

**REPORT OF THE ASSISTANT DIRECTOR: FINANCE, AUDIT &
INFORMATION GOVERNANCE (CHIEF FINANCIAL OFFICER)**

PART A) – SUMMARY REPORT

1.0 SUMMARY OF KEY ISSUES

1.1 2012/13 Revenue

Initial financial monitoring shows revenue spending for the year is projecting to be within budget at year end which is after using £2.6m of the budgeted contingency. More detailed monitoring will take place over the coming months which will feed into future reports.

The main pressures identified are:

- The cost of Children in Care Placements together with the use of agency staff in the Children's Safeguarding Service and associated legal costs – showing a combined variation of £1.970m
- The cost of Adult Social Care purchasing is projected to overspend by £0.320m which is after offsetting anticipated one-off funding from the NHS totalling £4.7m. The majority of the overspend relates to the PCT's withdrawal of funding for some clients with healthcare needs and the costs of supporting these people falling on the Council.
- A shortfall in client contributions towards Adult Social Care costs estimated at £0.400m
- The cost of Specialist Education – projected overspend of £0.300m which relates to stated provision; this is being partly offset by DSG funding brought forward from 2011/12.
- School Meals Income shortfall – a projected shortfall of £0.200m which is mainly due to fewer schools buying back into the catering service

Benefits from active treasury management, vacancies and other small service variances are also reported.

1.2 Capital

The capital programme totals £112.7m which includes re-phasing approved as part of outturn. Robust programme management and monitoring is in place.

The capital programme funding includes a significant amount of capital receipts anticipated to be delivered over the medium term. Failure to achieve, or delays to, the receipts would have financial implications for the Council. The position is being closely monitored and while there have been some changes since the budget was set, total receipts are currently on track.

1.3 Corporate Income Collection

NNDR Collection is ahead of target; collection levels for council tax and Sales Ledger outstanding debt are behind target.

2.0 <u>RECOMMENDATIONS</u>
2.1 Members are asked to
(i) Note that 2012/13 revenue spend is currently projecting to be within budget at year end
(ii) Approve the proposed uses of the budgeted contingency detailed in para. 6.1 and extend the existing delegated authority in relation to approving bids against the capacity fund to cover the additional amount approved.
(iii) Note the position in relation to capital spend and make a recommendation to Full Council that the slippage and new allocations identified in Appendix 3 are approved
(iv) Note that collection of nndr income is ahead of target while Council Tax collection and Sales Ledger outstanding debt are behind targets set.

3.0 SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Priority Plan objective(s)?	
	Yes	Delivery of all priority objectives depend on the effective use of available resources. Regular financial monitoring helps to highlight variations from plan.
	No	
TARGET COMPLETION/DELIVERY DATE	To outturn within budget at 31/3/13	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	The financial impacts are detailed throughout the report.
LEGAL ISSUES	No	None directly arising from this report. The S151 Officer has a statutory duty to monitor income and expenditure

		and take action if overspends /shortfalls emerge.
OTHER IMPACTS, RISKS & OPPORTUNITIES	No	
IMPACT ON SPECIFIC WARDS	No	Borough Wide

4.0 **PREVIOUS MINUTES**

01/03/12 – Full Council, Service & Financial Planning Strategy









PART B) – ADDITIONAL INFORMATION


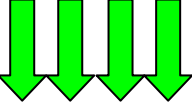





5.0 **2012/13 REVENUE BUDGET**

- 5.1 Financial monitoring is undertaken following a risk based approach: more focus is given to high risk areas (high value/highly volatile); less frequent monitoring is undertaken on low risk areas with budget holders having a role in reviewing their own service position.
- 5.2 Initial monitoring shows that spend is projected to be within budget at year end which includes use of £2.6m of the remaining corporate contingency.
- 5.3 Variations of more than £0.100m are detailed in section 5.4 for each Service Delivery Unit. The overall 2012/13 budget position is summarised in the table below :

Service Delivery Unit	Total Variation
	£
Children's Safeguarding	1,941,821
Education, Culture & Skills	(34,000)
Family & Cohesion Services	(81,468)
Care & Support	833,000
Customer & People Services	293,883
Finance, Audit & Information Governance	(118,820)
Council Wide	(200,000)
Total Projected Variation	2,634,416
Call on Corporate Contingency	(2,634,416)
Projected Year End Position	0

5.4 Projected variances over £0.100m are highlighted below.

Key			
£0 to £100k	↑		Underspend
£101+to £250k	↑↑		Overspend
£251+to £500k	↑↑↑		
over £500k	↑↑↑↑		
Service Delivery Unit		Projected Variation £m	
<u>Safeguarding</u>			
Children in Care – based on a total of 305 Children in Care (mid June). This takes into account the £0.5m budget reduction as part of the 12/13 savings package.		+1.395	
Agency Staff – overspend arising from the use of agency staff employed to cover vacancies.		+0.324	
Support for Children in Need/Legal Costs and Assessments – costs associated with court proceedings, specific support for children in need and specific assessment requests.		+0.254	
<u>Education, Culture & Skills</u>			
Employees – anticipated impact from the restructure and vacancies. There is also a potential risk of reduced income relating to traded services; further work is needed to establish the financial impact.		-0.130	
<u>Family & Cohesion Services</u>			
Specialist Education – projected overspend based on numbers currently in the system and an estimate of future statements. Projections of expenditure in this area are volatile due to the constant updating of information.		+0.300	
DSG – funding brought forward from 2011/12 and provisionally agreed by the Schools Forum to be used against pressures on statements.		-0.250	

<p>There is also a potential risk of reduced income relating to traded services; further work is needed to establish the financial impact.</p>		
<p><u>Care & Support</u></p> <p>Purchasing budgets – continuing the trend reported in 2011/12, resulting mainly from the impact of the PCT’s withdrawal of funding to clients due to their review of eligibility criteria resulting in more Continuing Health Care (CHC) costs falling on the council. The Council is engaged in productive dialogue with the PCT and it is anticipated that the impact in 12/13 will be mitigated – see below.</p> <p>NHS/PCT Funding – anticipated funding from the PCT in relation to clients with a Primary Health Need (CHC clients) as they rebalance their spending.</p> <p>Other NHS Funding - funds passed to the PCT by the Department of Health to support Social Care in Local Authorities.</p> <p>Income – shortfall of client contributions from all client groups.</p> <p>Care Leavers – overspend relating to the cost of supporting 16-18 year olds as they leave care.</p>	<p>+5.050</p> <p>-2.700</p> <p>-2.030</p> <p>+0.400</p> <p>+0.113</p>	<p></p> <p></p> <p></p> <p></p> <p></p>
<p><u>Customer & People Services</u></p> <p>Education catering client account – shortfall against free school meals income budget partly due to schools not buying back into the service.</p>	<p>+0.199</p>	<p></p>
<p><u>Treasury Management</u></p> <p>Benefit of low interest rates and lower borrowing than anticipated in the early part of the year.</p>	<p>-0.200</p>	<p></p>

6.0 CONTINGENCIES

- 6.1 The 2012/13 budget includes combined contingencies of £7.391m, which are set aside to meet any unforeseen expenditure.

	£m
General Revenue Contingency	1.596
Inflation Contingency *	2.550
Additional One Off Contingencies (held in reserves)	3.245
Total Contingency	7.391
Proposed Uses:	
Insurance premium – additional costs at renewal	0.010
Payment to the Information Commissioner	0.072
West Midlands Council European Service – contractual obligations	TBC
Council Wide Capacity Fund – additional resources to provide capacity required to support major projects and deliver savings	0.500
Amount required to meet current Revenue Shortfall	2.634
Balance remaining in Contingencies	4.175

*A review of all the Council's reserves and balances will be undertaken over the next few months which will include known commitments/uses of the inflation contingency shown above.

7.0 CAPITAL

7.1 2012/13 Capital Programme

The capital programme approved as part of the Service & Financial Planning Strategy for 2012/13 was £95.9m. Re-phasing of schemes from 2011/12 (approved as part of the outturn report) was £16.8m giving a total approved programme of £112.7m. Robust programme management and monitoring is in place.

New allocations (including Invest to Save bids approved under the delegated authority granted by Cabinet in June 2012) and rephasing of schemes which require approval and are detailed in Appendix 3.

- 7.2 The capital programme funding includes a significant amount of receipts anticipated to be delivered over the medium term. Failure to achieve, or delays to, the receipts would have financial implications for the Council. The position is being closely monitored and while there have been some changes since the budget was set, total receipts are currently on track.

8.0 CORPORATE INCOME MONITORING

8.1 The Council's budget includes significant income streams which are regularly monitored to ensure they are on track to achieve targets that have been set and so that remedial action can be taken at a very early stage. The three main areas are Council Tax, NNDR (business rates) and Sales Ledger. Current monitoring information relating to these is provided below. The Council pursues outstanding debt vigorously, until all possible recovery avenues have been exhausted, but also prudently provides for bad debts in its accounts.

8.2 In summary, the overall position shows collection levels NNDR ahead of target and sales ledger debt and council tax are outside the targets set.

INCOME COLLECTION – JUNE 2012			
	Actual	Target	Performance
Collection Levels:			
Council Tax Collection	29.36%	29.53%	0.17% behind target
NNDR Collection	33.60%	33.28%	0.32% inside target
Sales Ledger Outstanding Debt	9.39%	5.50%	3.89% behind target

8.3 **Council Tax (£61.1m)**

The percentage of the current year liability for council tax which the authority should have received during the year, as a percentage of annual collectable debit. The measure does not take account of debt that continues to be pursued and collected after the end of the financial year in which it became due. The final collection figure for all financial years exceeds 99%.

Year end performance 2011/12	97.8%
Year End Target for 2012/13	97.8%

Performance is cumulative during the year and expressed against the complete year's debit. Performance to the end of June is 0.17% behind of the target set for this year and the performance at the same time last year:

Month End Target	Month End Actual	Last year Actual
29.53%	29.36%	29.53%

8.4 **NNDR-Business Rates (£68.8m)**

The % of business rates for 2012/13 that should have been collected during the year. This target, as for council tax, ignores our continuing collection of earlier years' liabilities.

The measure does not take into account the debt that continues to be pursued and collected after the end of the financial year in which it

became due. As a general rule the final collection figure for any financial year exceeds 99%.

Year end performance 2011/12	98.3%
Year End Target for 2012/13	98.3%

Performance at the end of June is 0.32% inside the month end target and the collection at the same time last year.

Month End Target	Month End Actual	Last year Actual
33.28%	33.60%	33.28%

8.5 **Sales Ledger (£32.7m)**

This includes general debt and Social Care debt. Debt below 2 months is classified as a normal credit period.

The target percent is set relating cumulative debt outstanding from all years to the current annual debit. The targets and performance of income collection for are as follows:

Age of debt	Annual Target %	June 2012	
		£m	%
Total	5.50	3.226	9.39%

Performance for sales ledger outstanding debt is currently outside target. The majority of the debt relates to invoices under 6 months old, and over 12 months old. The service area has actively pursued higher debts during June and will continue to do so for the forthcoming months until the debt is reduced.

9.0 **BACKGROUND PAPERS**

2012/13 Budget Strategy / Financial Ledger reports

Report Prepared by:

Ken Clarke, Assistant Director: Finance, Audit & Information Governance (Chief Financial Officer) – 01952 383100;
Pauline Harris, Corporate Finance Manager – 01952 383701

Summary of 2012/13 Projected Variations

Service Delivery Unit	Total Variation
	£
Children's Safeguarding	1,941,821
Education, Culture & Skills	(34,000)
Family & Cohesion Services	(81,468)
Development, Business & Housing	0
Environmental & Leisure Services	0
Care & Support	833,000
Customer & People Services	293,883
Law, Democracy & Public Protection	0
Finance, Audit & Information Governance	(118,820)
Cooperative Council Delivery Unit	0
Council Wide	(200,000)
Total Projected Variation	2,634,416
Call on Corporate Contingency	(2,634,416)
Projected Year End Position	0
check = 0	0

2012/13 Revenue Budget Variations					
Description		Budget	Service	Comments	Flag for Service Variation
		£	£		
Childrens Safeguarding					
Children in Care Placements		9,812,530	1,395,395	Based on all known CiC placements and projected for expected leave dates where known - this will reflect a change in both periods of care and numbers within residential care. Latest CiC numbers for mid June were 305 (31 st March 2012 – 302)	↑↑↑↑
Child Protection and Assessment Staffing		2,079,250	323,966	This is based on the net cost of agency staff, taking their forecast costs and taking off budgets for posts being covered. There are various different agency staff used but in total the expenditure is for an average of 13.4 fte Agency staff . The cost of agency staff is offset by any vacancies being covered by such staff.	↑↑↑
Support for Children in Need/Legal Costs and Assessments		224,390	253,668	Reflects the costs associated with court proceedings, specific support for children in need and specific assessment requests. The level of such costs are subject to the individual cases which present during the year.	↑↑↑
Other Variances under £50,000		5,827,350	(31,208)		↓
Total Children's Safeguarding		17,943,520	1,941,821		
Staffing			(130,000)	There are expected to be some impact from vacancies arising in this year and the implementation of the restructure.	↓↓
Premature Retirement costs			96,000	Additional retirement costs are expected to arise after taking into account reductions from expenditure no longer being paid out.	↑
Income				There is a risk of reduced levels of income in particular around Traded Income services. There is currently insufficient information to determine the levels of service bought from the Council. Therefore, further detailed work is required to forecast income in order to determine levels of income to be generated with accuracy.	
Total Education, Culture & Skills			(34,000)		
Family & Cohesion Services					
Statements			300,000	Reflects the current projections based on known numbers in the system and a forecast of future statements. Projections of expenditure in this area are volatile due to the constant updating of information.	↑↑↑


2012/13 Revenue Budget Variations					
Description		Budget	Service	Comments	Flag for Service Variation
		£	£		
DSG			(250,000)	Funding brought forward from 2011/12 provisionally agreed by School's Forum to be used against pressures on statements. This will be ratified in due course.	↓↓
Community Cohesion				There is a risk of reduced levels of income in some areas of the Community Cohesion service. Further work is required in order to determine whether income targets can be met, but it is too early to determine with accuracy potential income shortfalls.	
Variations under £50k			(131,468)		↓↓
Total Family and Cohesion Services			(81,468)		
Care & Support					
Purchasing - all client groups		32,679,000	5,050,000	In the 2011/12 financial year the financial impact of the PCTs review of eligibility for clients with a Primary Health need had a major impact. The budget was overspent by £4.7m because of the increasing financially supported caseload the Council had inherited. The impact of this course of action continues into 2012/13. The increase in expenditure resulting from the full year impact of clients reassessed in 2011/12 is an estimated £1.3m (net of client income etc) falling to the Council. The anticipated expenditure falling to the Council in 2012/13 is £6.0m.	↑↑↑↑
Funding from the PCT			(2,700,000)	The rebalancing of spending on clients with a Primary Health Need referred to as Continuing Health Care will result in further funding being made available to the Council by the PCT. The expectation is that £2.7m will be made available as a grant to the Council.	↓↓↓↓
Funding from the PCT(DH funding)			(2,030,000)	£2.03m of this funding was passed to PCTs by the Department of Health to support Social Care. The funding was first made available in 2011/12. This funding is made available by way of a grant to the Council.	↓↓↓↓
Subtotal			320,000		
Income -client contributions for all client groups		-10,113,000	400,000	Further work is required to determine if client contributions are falling short of target. Contributions fell short of target in 2011/12 but a shortfall of this magnitude is cause for concern.	↑↑↑

2012/13 Revenue Budget Variations					
Description		Budget	Service	Comments	Flag for Service Variation
		£	£		
Care Leavers		684,000	113,000	This is as a result of pressure on supported accommodation budgets. Spend depends on the level of support and accommodation required; work is ongoing with the aim of reducing costs.	↑↑
Total Care & Support			833,000		
Customer & People Services					
ICT	Various Budgets	628,740	77,449	Net overspend against corporate ICT contracts which are being offset by savings on staffing costs.	↑
Education Catering Client Account - Free School Meals Variations under £50k	Income	(795,700)	199,862	Shortfall against Free School Meals Income due to schools not buying back into service.	↑↑
			16,572		↑
Total Customer & People Services			293,883		
Finance, Audit & Information Governance					
Variations under £50k			(118,820)	Under spends mainly arising against employees due to vacant posts, reduced hours and staff not at the top of salary scales.	↓↓
Total Finance, Audit & Information Governance			(118,820)		
Council Wide					
Treasury Management			(200,000)	Benefits of low interest rates and less borrowing than anticipated in the early part of the year.	↓↓
Total Council Wide			(200,000)		
Total Variations			2,634,416		

Key
£0 - £100k

Underspend



2012/13 Revenue Budget Variations					
Description		Budget	Service	Comments	Flag for Service Variation
		£	£		
£101 - £250k	↑	Overspend			
£251 - £500k	↑↑				
£501k and above	↑↑↑				
	↑↑↑↑				

Capital Approvals**Slippage**

Scheme	£	Comment
BTI - Dawley	100,000	Rephasing of spend - accelerated to 12/13
Extra Care Housing	(200,000)	Final payment slipped to 13/14
Disabled Facilities Grants	(150,000)	Rephasing of funding - to 13/14
Home Repairs Grants	(50,000)	Rephasing of funding - to 13/14
Housing Needs Property Maintenance	(100,000)	Rephasing of funding - to 13/14

New Allocations

Scheme	2012/13 £	2013/14 £	
Local Sustainable Transport Fund	143,835		PCT grant allocated to be used in 12/13
Invest to Save Initiatives:			
Town Centre Regeneration		300,000	Addition of 8th floor to multi-storey car park
Oakengates Leisure Centre Refurbishment	240,000		
Fitness Facility at Newport Pool		750,000	
Crazy Golf Course in Town Park	100,000		
Street Lighting - energy programme	325,000	325,000	Proposal is £325k p.a. For 4 years 12/13 to 15/16

TELFORD & WREKIN COUNCIL**BUDGET & FINANCE SCRUTINY COMMITTEE – 31 JULY 2012****2012/14 WORK PROGRAMME****REPORT OF SCRUTINY OFFICER****1.0 PURPOSE**

- 1.1 To enable the Budget & Finance Scrutiny Committee to agree the Committee's work programme.

2.0 RECOMMENDATIONS

- 2.1 To endorse the proposed schedule of meetings and the approach to the work programme set out in Appendix 1.
- 2.2 To agree provisional meeting dates for the year.

3.0 PREVIOUS MINUTES

- 3.1 None

4.0 BACKGROUND INFORMATION

- 4.1 The Scrutiny Management Board met on 4th July 2012 to consider the scrutiny work programme and the suggestions which had been put forward. The Board agreed:
- That there would be a two year work programme, refreshed after 12 months, to allow for continuity of work.
 - The allocation of suggestions to each Scrutiny Committee for further consideration by the Committees, and the endorsement of recommendations made by the Chairmen.
 - That resource would be allocated to support 6 formal meetings per Scrutiny Committee per year, with additional resource allocated by the Scrutiny Management Board according to the demands of the work programme.
 - That the role of the Scrutiny Management Board would include holding Cabinet members to account.

- 4.2 The Budget & Finance Scrutiny Committee now needs to consider and agree a schedule of meetings for its work programme which is aligned to the budget setting and consultation process.

5.0 BUDGET & FINANCE SCRUTINY COMMITTEE WORK PROGRAMME

- 5.1 There was only one new suggestion for the Budget & Finance Scrutiny Committee which was the changes to local government finance from the Local Government Resources review. This could be delivered as an informal briefing, or at a Members' Information Seminar.
- 5.2 Appendix 1 sets out the new scrutiny suggestion and the items carried over from the 2011/12 work programme with a proposed schedule of meetings. The schedule has been designed to take account of the items in the forward plan, the indicative timetable for consultation on the budget proposals and to eliminate duplication of work with other Scrutiny Committees or other Committees of the Council.
- 5.3 Monitoring capital receipts is on both the Budget & Finance Scrutiny and Audit Committee work plan. A report will be taken to the Audit Committee in September and it is proposed that Members of the Budget & Finance Scrutiny Committee attend that meeting to avoid duplicating work. Thereafter, further concerns will be taken up by the Budget & Finance Scrutiny Committee and capital receipts may also be looked at as part of scrutinising the budget proposals.
- 5.4 The Cabinet Member for Resources & Service Delivery had indicated the intention to start consultation on the budget earlier than usual. A report will be brought to Cabinet in September and a scrutiny meeting has been scheduled around this early consultation.
- 5.5 Notwithstanding early consultation, the Council's grant settlement is not expected until December 2012 and the Service & Financial Planning Strategy proposals are therefore unlikely to be agreed by Cabinet for consultation until late December 2012 or early January 2013. The Committee's work schedule will therefore be concentrated around this period in order to scrutinise the published proposals.
- 5.6 Scrutiny of the budget proposals will include detailed consideration of revenue and capital proposals and may include: savings proposals and the impact of service changes; the capital programme, capital receipts and levels of borrowing; the use of one-off resources, the level of balances and contingencies; the budget consultation process, views of the public and whether spending proposals reflect the needs and wants of residents; Council Tax increases recommended by Cabinet;

assumptions made in the medium term financial strategy. The Committee will also consider any alternative budget proposals.

- 5.7 Members may choose to scrutinise any aspect of the proposals during the consultation period before making recommendations to Cabinet, and may wish to look at issues previously identified such as the cost of care placements, Supporting People or savings through procurement as part of this process.
- 5.8 The schedule highlights some of the work of other scrutiny committees which may involve elements of financial scrutiny and joint meetings may be held in these cases.
- 5.9 The work programme is Member-led and changes may be made by agreement of the Committee within the provisions agreed by the Scrutiny Management Board. Where there are competing demands for resources, the Scrutiny Management Board will agree the allocation of resources.

6.0 EQUAL OPPORTUNITIES

There are no specific equal opportunity impacts arising from this report.

7.0 ENVIRONMENTAL IMPACT

There are no specific environmental impacts arising from this report.

8.0 LEGAL COMMENT

The proposals accord with the Scrutiny Procedure Rules set out in Part 4 Section 5 of the Council's Constitution and the provisions of the Scrutiny Handbook.

9.0 LINKS WITH CORPORATE PRIORITIES

Budget & Efficiency and capital receipts are key priorities for the Council.

10. OPPORTUNITIES AND RISKS

There is an opportunity for scrutiny to take part in consultation on budget proposals earlier than in previous years. There is a risk that the

heavy work load around January may put undue pressure on members' diaries.

11. FINANCIAL IMPLICATIONS

The proposed scrutiny work programme will have to be managed within existing resources and adjustments made accordingly to ensure that this is the case. Any variances will be reported through financial monitoring. A key piece of work is scrutiny of the budget proposals. Consultation is an important part of the budget setting process and once Cabinet has published its proposed Service & Financial Planning Strategy (anticipated in December/January) there is an opportunity for Scrutiny to review and comment on the detailed proposals. Responses will be considered by Cabinet prior to the final strategy being presented to Council in March. The outcome of the Local Government Resources Review will fundamentally change the way local authorities are funded. The Government is currently consulting on proposals, based around local retention of business rates, and a briefing will be provided to the Budget & Finance Scrutiny Committee Members outlining the changes and impact when more information is available.

12. WARD IMPLICATIONS

There are no specific ward implications arising from this report.

13. BACKGROUND PAPERS

None

Report prepared by Stephanie Jones, Scrutiny Officer 01952 383114

Budget & Finance Scrutiny Committee Work Programme

Items on the Forward Plan:

- Budget consultation and proposals
- Procurement – monitoring savings
- Capital receipts – monitoring
- Cost of care placements – position against budget
- Supporting People - update
- Small Business Loans Fund – model and impact of investment
- Local Government Finance (new suggestion)

Proposed schedule of Budget & Finance Scrutiny Committee meetings:

Date	Type of meeting	Items
Late Sept/early October	Formal Committee meeting	Budget consultation
25 th September	Audit Committee	Report on Capital Receipts. Members of the Budget & Finance Scrutiny Committee invited to attend.
Autumn	Informal briefing (or Members' Information Seminar): Local Government Finance	To brief members on the changes to and impact of the Local Government Resources Review.
October/November	CfPS regional scrutiny development session on budget scrutiny.	For Chairman plus one other Member.
October/November	Informal meeting	Meeting to agree framework/questions for budget scrutiny meetings. Members attending the regional session to feedback.
Late December / early January.	Formal Committee meeting	To receive the Service & Financial Planning Strategy proposals. Scrutiny of proposals and consultation process. Identify areas for further scrutiny.
January	Formal Committee meeting	Detailed scrutiny of budget proposals. <ul style="list-style-type: none"> - To consider further information requested by members. - Alternative budget proposals if appropriate/available
January (Optional)	Formal Committee meeting	Detailed scrutiny of budget proposals. <ul style="list-style-type: none"> - Further evidence gathering - Alternative budget proposals if

		appropriate/available
Early February	Formal Committee meeting	Agree recommendations on Service & Financial Planning Strategy.
End Feb	Cabinet	Chairman to present Budget & Finance Scrutiny Committee recommendations on the Service & Financial Planning Strategy proposals to Cabinet.
March-May	Formal Committee meeting	Items to be agreed by Committee e.g. procurement savings, income generation proposals, Small Business Loans Fund.

Joint Committee meetings:

18 th September	Children & Young People Scrutiny Committee	Children in Care Placement Strategy. May include element of costs. One or two members of Budget & Finance committee may be nominated to attend.
TBC	Co-operative & Communities Scrutiny Committee	Welfare benefit reforms. Costs to the Council and impact on communities.
TBC	Health & Adult Care Scrutiny Committee Formal	Scrutiny suggestion to look at Continuing Health Care may include budget element.
TBC	Housing, Economy & Infrastructure	Scrutiny of Waste Management Procurement may include financial elements.