

Audited Annual Report
2012/13

Tameside Metropolitan Borough Council: **Operational Review and Accounts, 2012/13**

In line with our commitment to transparency and accountability to our residents, and to others with an interest in the Council, we have produced a summary review of our operations during the last financial year and of the Council's annual Statement of Accounts for 2012/13 for non-technical users.

The detailed performance review of the 2012/13 and the full Statement of Accounts are both available on the Council's website, at:

www.tameside.gov.uk (will expand link when it is on the website)

Operational Review of 2012/13

Tameside Council is committed to maximising the wellbeing of people in the Borough through supporting economic growth, increasing self sufficiency of individuals and families, and protecting the most vulnerable.

Economic Growth

The Council is committed to helping support business and employment opportunities in Tameside, through helping to develop strong foundations and good connections with local and regional centres.

Metrolink has been extended in the borough, with new routes to and from Droylsden opening in February 2013. Journey times to Piccadilly take around 20 minutes, with eight new stops on the way calling at Cemetery Road, Edge Lane, Clayton Hall, Velopark, Etihad Campus, Holt Town, and New Islington, and trams running every 12 minutes. The new line and construction works will also give Tameside the opportunity to bring superfast broadband internet access, enabling the borough to offer cutting edge digital access to local communities and businesses as well as potential investors. The Greater Manchester family of Local Authorities are currently working on a number of proposals for the installation of a fibre optic backbone connection to provide ultrafast broadband connectivity across the conurbation. We are fully engaged in this project and have already identified assets and funding that can be used to support this work.

The Council has an important and vital role in the local economy, and where possible we look to ensure that local suppliers and providers benefit. The estimated current level of local spend by the Council was around 43% in 2012/13, contributing some £130 million worth of value to the local economy. 92% of invoices to our local suppliers were paid within 10 working days.

Nearly 550 new homes were built in the borough during 2012/13, and we have invested £1 million in the 'Local Lend a Hand' scheme run in conjunction with Lloyds TSB. Subject to their usual lending criteria, first time buyers with a deposit of 5% or more are now able to select any property in the Borough up to a maximum loan of £130,000, and the Council will provide a cash-backed indemnity of up to 20% as additional security. In addition, there is a range of fixed-rate mortgages at a lower rate of interest.

Following the 2011 'Portas Review' recommendation that members of the public, private and community sectors come together to create independent and non-political Town

Teams, Stalybridge Town Team was formed in April 2012. An events programme has been put in place to increase footfall, and improvements have been made to parking provision and traffic flow, with several new businesses opening over the summer. Local schools have agreed to become involved in the Town Team and New Charter Housing Trust are engaging with the Team over plans for the former Casablanca Health and Fitness Club site. As a result of this success, we have also set up Town Teams in Ashton, Denton, Droylsden, Hattersley, Hyde, and Mossley, to work towards creating the conditions in which local businesses and communities can flourish. The Teams have all been awarded money as part of the governments High Street Innovation Fund.

Hyde town centre has been developed further, with a new Civic/Market Square; a refined, revitalised outdoor market; public realm improvements to the core of the town centre; signage and gateway improvements across Hyde town centre; and improved appearance and signage for the Indoor Market.

One example of this approach is the £4m development of the new Hattersley Community Hub, which provides accommodation for a new library, community centre and office space for Hattersley Neighbourhood Partnership, GM Police and Peak Valley Housing Association.

Furthermore, £23m has been invested in a new superstore in Hattersley, opened by the Mayor of Tameside in July 2012. It provides 300 full-time and part-time jobs, around 100 of which went to local people who had previously been long-term unemployed. Further opportunities to bring jobs into the borough are being actively pursued.

The Greater Manchester Fairer Energy Scheme used the collective buying power of residents who sign up across all ten Greater Manchester authorities, to gain a cheaper tariff for residents. A total of 4,355 Tameside residents signed up, with the overall average savings per household estimated at £122.

People

Tameside has a growing population, increasing by almost 3% between 2001 and 2011, with numbers of over 65 year olds increasing by nearly 7.5%. More and more residents believe Tameside is a good place to live – 73% in total. The number of residents who agree that people from different backgrounds get on well together has also gone up to over 56%.

Schools in the borough continue to improve. We have reduced absences year on year in our Primary and Secondary schools, and we have seen an increase in the number of pupils achieving 5 or more A*-C (incl. English & Maths) at GCSE. The number of our young people who are Not in Education, Employment or Training has decreased year on year from 8.4% in 2006 to 6.6% in 2013. There has also been an increase in skills amongst the working age population, with 44% of people aged 16-64 having skills at NVQ Level 3 or equivalent (up 3% from 2011).

We also have an Information Ambassador Network, which has 169 members from community, voluntary and faith groups which between them represent more than 13,000 people.

Self sufficiency

We have engaged with around 200 'troubled families' in Tameside, in an attempt to reduce the support they need and to improve people's life chances and outcomes for both children and adults.

Over the past two years our 'You Choose' programme of community engagement and funding has awarded grants totalling over £780,000 to 335 successful applicants. Over 1,700 residents have attended these events.

The success of 'You Choose' has been recognised by the National Centre for Voluntary Organisations, featuring as one of four case studies for their 'Best Practice Guide for Local Authorities and Voluntary and Community Sector'. Furthermore, the national Participatory Budgeting Unit viewed 'You Choose' as an 'excellent' example of Participatory Budgeting. You Choose is made possible by money saved from reducing the cost of waste disposal and recycling, and this year saw the roll out of food waste recycling caddies to every property in Tameside. Each household has been given a 7 litre food waste recycling bin, which is collected on a weekly basis.

Following last year's library services reorganisation, use of the service has increased, with members being able to take advantage of excellent lending facilities, free internet access and PC use, and reading groups.

Vulnerability

With support from Adult Social Care, over 9,000 people were helped to live at home and remain independent. In addition, there was an increase in supporting people to move from short term supported accommodation to independent living.

In 2012 we rolled out a joint venture with Oldham MBC supported by the Department of Health, introducing a Multi-Systemic Therapy (MST) Team. MST is an intensive programme which uses evidence-based holistic family methodology to prevent children and young people entering custody or the care system. The team contains a Practice Manager and four therapists, and focusses on the most complex children at the very edge of care and custody.

In addition, our boiler scrappage scheme focussed on the dozen most deprived areas of the borough targeting low efficiency heating appliances in low income households, as a way to help reduce fuel costs of our more vulnerable residents.

We have seen a steady reduction in victim based crimes, from 84 per 1,000 of the population in 2008/09, to 66 per 1,000 in 2011/12. Almost 98% of residents say that they feel safe in their local neighbourhood, a figure which has held steadily since for several years.

A successful pilot to work to reduce reoffending in the St Peters Ward, aimed at males aged 16-25 years old and females of all ages, supporting them with employment, volunteering, health services and accommodation issues. Only two of the 32 offenders on the programme reoffended, well below the local, regional and national average. The programme also helped double the number of participants registered with a dentist, and over a third had received some form of work experience as a result of the programme.

We have invested time and energy into projects designed to counter hate crime and anti-social behaviour. The 'I Love Hyde' event was successfully held in October 2012, attracting some 3,000 people from different backgrounds and different walks of life to celebrate the strong communities within Hyde.

A project producing pieces of display art by people with physical and learning disabilities who have experienced bullying and harassment, saw the resultant artwork and audio recordings exhibited at Portland Basin Museum, and involved around 175 people.

We also launched the 'I'm Not Laughing' campaign, aimed at encouraging people to report hate crime and raise awareness of what hate crimes are and the support available to victims.

Financial performance 2012/13

The full statement of accounts, as required under government guidance, runs to more than 150 pages of detailed and often highly technical information. However, the summary below presents the key elements of the accounts for 2012/13. These are divided into the income received and expenditure incurred by the Council in delivering services (from the income and expenditure statement) and the position of the council in terms of our assets and liabilities at the end of the year (the balance sheet).

Income and Expenditure

The table below sets out the Council's day to day income and expenditure for the year. It includes accounting adjustments to ensure proper accounting policies are adhered to as required by government.

The table below shows that the gross expenditure of the Council on the services we provide was £499.155m. After taking into account income from specific government grants and other sources, the net cost of providing Council services was £162.003m.

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

Taking service and non-service costs together, the total reported Council expenditure for the year is £210.630m.

General Fund Services	Gross Expenditure £000	Gross Income £000	Net Expenditure £000
Central Services to the Public	25,909	(22,127)	3,782
Cultural and Related Services	21,510	(2,965)	18,545
Environmental and Regulatory Services	12,801	(3,736)	9,065
Planning Services	5,075	(2,238)	2,837
Children's and Education Services - Education Services	195,189	(171,406)	23,783
Children's and Education Services - Children's Social Care	30,671	(1,878)	28,793
Highways and Transport Services	14,573	(4,044)	10,529
Housing Services	104,799	(98,342)	6,457
Adult Social Care	82,557	(30,404)	52,153
Corporate Core	3,191	(12)	3,179
Non Distributed Costs	2,880	0	2,880
Cost Of Services	499,155	(337,152)	162,003
Other Operating Income and Expenditure (including Levies)	45,846	(458)	45,388
Financing and Investment Income and Expenditure	33,424	(13,123)	20,301
Contributions to / (from) Balances and Reserves			(17,062)
Amount to be met from Government Grants and Local Taxation			210,630
<u>Financed By:</u>			
Council Tax			(78,439)
Formula Grant (including Revenue Support Grant)			(100,600)
General Government Grants and Other Income			(31,591)
Total General Income			(210,630)

The bottom section of the table shows how this net cost has been financed from government funding and local taxation. This shows that £78m (or about 37%) of the net cost of running the council is provided by local taxpayers. This means that Tameside is more dependent on the level of funding we receive from government, so we will be affected more severely by the reductions in government funding currently being experienced by all councils.

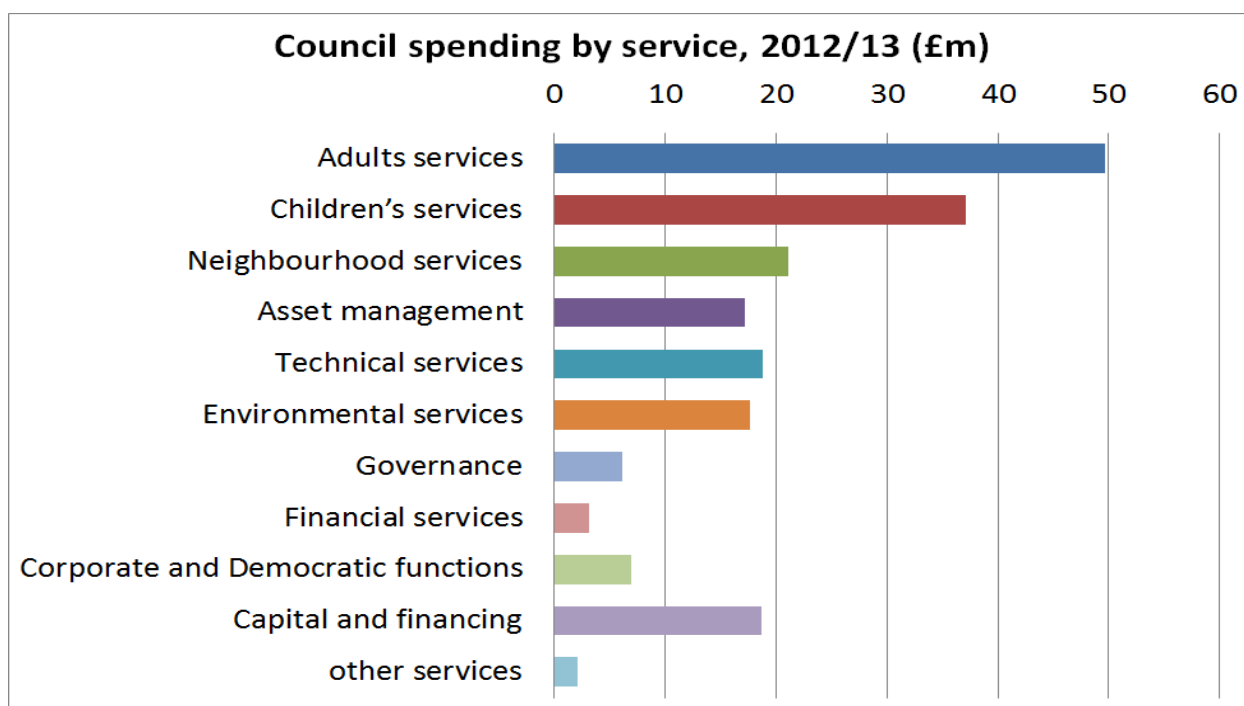
Performance against budget

The final revenue monitoring report for the year showed that the Council had spent £198.242m of the available budget for the year of £205.729m, leaving a surplus at the end of the year of £7.488m. This is in line with our wider financial strategy: Since our available resources from government will continue to decrease significantly over the next 3 years and beyond, we are working hard to refocus the work of the Council – reducing costs where possible and services where necessary. The position reported for 2012/13 is the result of some savings being achieved ahead of plan, and that will help us to ensure that we deliver our financial plans for future years.

The table below shows how the reported budget position relates to the position set out above for the accounts, as the format required for the accounts is different to that used for management of the council within the year (- the accounts are defined nationally, while our budget reports reflect our local priorities and management structure).

Service	£m
Adults services	49.635
Children's services	37.112
Neighbourhood services	21.066
Asset management	17.194
Technical services	18.767
Environmental services	17.631
Governance	6.076
Financial services	3.111
Corporate and Democratic functions	6.956
Capital and financing	18.620
other services	2.074
Total Net Expenditure reported for budget monitoring	198.242
Technical adjustments between internal and statutory formats	13.661
Costs shown as service costs for budget purposes, but as non-service costs in the accounts	- 49.900
Total Net Expenditure for the accounts	162.003

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



Financial Position at 31 March 2013

The summarised Balance Sheet set out below shows the Council's overall financial position at 31 March 2013, the last day of the financial year. It is split between what the Council owns or is due (its assets) and what it owes or must pay (its liabilities) as well as the net worth of the Council (assets less liabilities). It shows that at 31 March 2013 the Council held assets with a total value of £846.1m but after deducting the value of liabilities, the net worth of the Council was £229.3m (£284.4m in 2011/12).

Assets	£000	Liabilities	£000
Property, Plant & Equipment	618,510	Borrowing	(153,735)
Heritage Assets	12,471	Provisions for Future Liabilities	(10,622)
Investment Properties	33,584	Liability for the Pension Scheme	(281,000)
Other Assets	60,589	Capital Grants Received in Advance	(119)
Investments	66,697	Value of Donated Assets	(10,658)
Money Owed to the Council	54,289	Money Owed by the Council	(160,736)
Total	846,140	Total	(616,870)
Net Worth of the Council			229,270

The net 'worth' of the Council

The value of the Council's long term assets has remained stable in 2012/13 with only a 2% reduction. The Council's liabilities, which include borrowing, provisions, the pensions liability and PFI lease liabilities has increased by £35.5m in 2012/13. This is mainly due to the annual accounting adjustment for the pension scheme liability, offset by repayments of borrowing and a reduction in the value of short term creditors. The value of short term debtors has reduced by £7.3m in 2012/13, highlighting the more efficient way in which the Council collects money owed.

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

Capital Expenditure

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

Capital Expenditure	£000
Property, Plant & Equipment	17,138
Heritage Assets	1
Investment Properties	32
Intangible Assets	139
Capital Expenditure not relating to Council Assets	6,216
Other Long Term Assets	7,775
Total	31,301

This has been spent within the following service areas:

Service	£000
Adult Services	243
Children Services	17,257
Neighbourhood Services	2,208
Economic Growth, Investment & Sustainability	11,316
Director of Finance	14
Director of Governance	263
Total	31,301