ANNEX 1

Cheshire East Council

Mid Year Review of Performance 2012 / 2013

November 2012

Introduction

As part of the annual performance reporting framework set out in the Finance and Contract Procedure Rules, regular reports are required to be published. The Council is committed to high standards of achievement and continuing improvement. The report reflects a developing framework to embed performance management culture throughout the organisation.

The report provides an update of the Council's financial and non-financial performance at the mid -year stage of 2012/2013, and also seeks Member approval to Supplementary Revenue and Capital Estimates and Virements. An overview and summary financial table are provided at the beginning of the report.

Section 1 of the report provides projections of Service financial performance for the 2012/2013 financial year. It focuses on the key financial pressures which the Council's services are facing, areas of high financial risk to the Council, and the strong remedial actions identified by services to mitigate these pressures. Key issues affecting Services' capital programmes are also reported.

The figures included in this section reflect the original Business Plan adjusted for Supplementary Estimates and Virements, including those requested in the report. These updated budget figures will be reflected in Version 3 of the Budget Book which will be published shortly.

Section 2 provides an update on the overall Financial Stability of the Council, including the positions on Grants received, Council Tax and Business Rates, the Council's overall Capital Programme and its funding, Treasury Management, Centrally held budgets, and the Management of the Council's Reserves.

Section 3 provides a summary of the key non financial performance headlines for the year to date.

Appendices are provided as follows:-

- **Appendix 1** provides explanations of changes to the Revenue Budget reported to Cabinet at the First Quarter Review (FQR) in August 2012 which have been authorised or require authorisation via this quarterly report.

- **Appendix 2** analyses the position on Outstanding Debt.

- **Appendix 3** summarises revised in year Capital budgets and the revised forecasts of total Capital Programme expenditure and its funding.

- **Appendix 4** lists reductions to the total approved budgets of projects within the Capital programme.

- **Appendix 5** lists requests for Supplementary Capital Estimates and Virements.

- **Appendix 6** shows the latest position on the Corporate Grants register.

- **Appendix 7** provides details of Treasury Management investments.

- **Appendix 8** details progress against Performance Indicators.

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2012/2013 Outturn Forecast at Mid Year Review
Financial Position

2012/2013 Mid Year Review	REVENUE Revised Net Budget £m	Emerging Pressures £m	Remedial Actions Identified to Date £m	Current Forecast Over / (Underspend) £m	Change from FQR £m	For Further information please see the following sections
DIRECTORATES						
Children & Families	59.1	5.5	-4.2	1.3	0.5	Section 1, Paragraphs 2-11
Adults	98.7	11.0	-6.9	4.1	0	Section 1, Paragraphs 20-33
Places & Organisational Capacity	77.0	4.7	-3.2	1.5	-0.8	Section 1, Paragraphs 37-55
Corporate Services	26.4	0.7	-0.3	0.4	-0.1	Section 1, Paragraphs 73-86
TOTAL: Directorates	261.2	21.9	-14.6	7.3	-0.4	
CENTRAL BUDGETS						
Specific Grants	-41.5	-0.2		-0.2	0	Section 2, Paragraphs 94
Capital Financing	14.8	-0.9		-0.9	-0.6	Section 2, Paragraphs 121-122
Contingencies	4.5			0	0	Section 2, Paragraphs 126-127
TOTAL: Central Budgets	-22.2	-1.1		-1.1	-0.6	
TOTALS	**239.0**	**20.8**	**-14.6**	**6.2**	**-1.0**	

	Planned Contribution 2012/2013 Revised Budget £m	Forecast Variance @ Quarter 2 £m	Impact on reserves Quarter 2 Forecast £m
Impact on Reserves	7.3*	-6.2	1.1

*Reduced from £7.6m by Supplementary Revenue Estimates on 19th July 2012

General Reserves Balance	2012/2013 Budget £m		Quarter 2 Forecast £m	
Opening Balance April 2012	13.2	Actual	11.4	Section 2, Paragraphs 130-134
2012/13 Impact on Reserves (see above)	7.6	Forecast	1.1	
Closing Balance March 2013	20.8	Forecast	12.5	

Overview

The following key points provide an overview of the Mid Year Review position. The Revenue and Reserves positions below are linked to the preceding table.

Revenue

- Overall Directorate revenue budget is forecast to overspend by £7.3m (3%).

- Services face emerging pressures totalling £21.9m, and to date have identified remedial actions of £14.6m to mitigate this issue.

- Demand led service pressures applying across directorates include:-

  - **Children & Families -** Care costs £3.8m; Social Care staffing £0.8m; Unachievable transport savings £1.1m
  - **Adults –** Learning Disability Pooled Budget £7m; Other Care costs £2.6m
  - **Places & Organisational Capacity -** Community income £1.1m; Assets £2.2m; Waste, Recycling & Streetscape £1.4m;
  - **Corporate Services -** ICT (incl Shared Services) £0.8m

- Central Budgets – a £1.1m saving is forecast from a reduction in interest charges and debt repayment costs (£0.9m), and increased grants (£0.2m).

Portfolio Holders and Chief Officers will strive to identify further remedial action to mitigate the £7.3m forecast overspend. Progress will be reported at the Three Quarter Year Review.

Reserves

The forecast overspend impacting on general reserves (after approved allocations) is £6.2m.

- The 2012/2013 Budget was balanced, and provided for a contribution of £7.6m to balances to meet medium term strategic requirements. At Mid Year reserves are forecast to increase by £1.1m to £12.5m.

Capital

- The 4 year programme has been revised to reflect the outcome of the challenge process and reductions / deferrals of £42m have been made. This will reduce the overall borrowing requirement by £32m.

- £3m is to be spent in 2012/2013 to deliver the first phase of the Highways Asset Recovery Programme with a further £20m to be invested over the next two years. This utilises capacity released from the recent capital review.

- The revised in year budget of £74.6m is forecast to underspend by £3.6m.

Debt

- Total outstanding Debt (excluding local taxation) is £10.3m, of which £2.9m is over 6 months old. A bad debt provision of £2.5m is available to meet potential write-offs.

Financial Stability

- c. 99% of Council Tax / Business Rates are collected within 3 years.

- Investment income is £0.1m higher than budgeted, following improved returns in the second quarter. Average interest rate earned on investments (0.8%) is higher than the London Inter Bank 7 day rate.

Performance

- At the Mid Year point, 46.2% of service performance indicators are on target or exceeding their target.

1. Directorate Financial Summary

Introduction

1. This section provides details of the key revenue and capital issues emerging from the mid year review. It highlights the main budget pressures faced by the Council, and remedial actions proposed to mitigate these pressures.

Children and Families

2. The service has a net budget of £59.1m, excluding Dedicated Schools Grant (DSG) which is shown separately **(paras 18-19). Table 1** highlights that emerging pressures of £5.5m have been identified. Remedial action of £4.1m has been identified to date which will reduce the forecast overspend to £1.3m (an increase of £0.5m since First Quarter Review (FQR)). The increased pressure is coming from higher care cost packages. Whilst short term remedial action is helping to manage the gross pressures, longer term initiatives need to be developed and delivered to help achieve long term savings.

Table 1 – Children and Families Revenue (excluding DSG)

	REVENUE					
	Revised Net Budget £000	Emerging Pressures £000	Remedial Actions Identified to Date £000	Current Forecast Over / (Underspend) £000	Change from FQR £000	Paragraph Number(s)
Children & Families						
Directorate	762	0	-238	-238	0	
Safeguarding & Specialist Support	27,395	4,367	-500	3,867	508	4-9
Early Intervention & Prevention	11,857	0	-2,100	-2,100	300	10
Strategy, Planning & Performance	19,148	1,141	-1,350	-209	-295	11
	59,162	**5,508**	**-4,188**	**1,320**	**513**	

3. **Table 2** shows that the service has a 2012/2013 capital budget of £17.7m. Expenditure is forecast to be £17.0m, resulting in a forecast underspend of £0.7m, which will be spent in future years.

Table 2 – Children and Families Capital

Children & Families	FQR Budget £m	Revised MYR Budget £m	Forecast Expenditure £m	Current Forecast (Over/ Underspend)	Paragraph Number(s)
Safeguarding & Specialist Support	0.8	0.8	0.6	-0.2	
Early Intervention & Prevention	0.4	0.2	0.3	0.1	
Strategy, Planning & Performance	16.8	16.7	16.1	-0.6	
	18.0	**17.7**	**17.0**	**-0.7**	**12-17**

Key Revenue Issues

Safeguarding and Specialist Support (SSS)

4. The external care placements budget for Cared for Children is forecast to overspend by £3.8m an increase of £0.6m from FQR. Whilst the number of Cared for Children has reduced to 420 at the end of September from 434, the rise in costs is due to a number of factors including: the impact of looking after children who do not continue in education but still have a social care cost (i.e. when they are in Education, this is partially funded by the Education Funding Agency and no provision needs to be made for social care day services) and the cost of providing care to children with increasingly complex needs.

5. Remedial action of £0.5m associated with reduced care costs (i.e. through reviews and care contract commissioning) is expected to be delivered by the service and this assumption is still being factored in as part of these projections. However, taking into account the increase in care costs from FQR the delivery of this action is still high risk.

6. The service is continuing to review out of borough placements, to try and ensure that the council fulfils its corporate parenting responsibility and keeps children within the local area. The service is investing in local residential services and continues to build capacity locally.

7. There continues to be a shortage of foster carers, despite a very heavily advertised recruitment campaign (FACE). The ability of the service to invest and develop this function is currently impacted by the budget pressures within care costs. Consideration is being given to benefits and support that would encourage more foster parents, including a capital proposal to assist with enhancing foster parents properties to facilitate with the care of some of our more vulnerable children.

8. The service continues to experience difficulty in attracting and recruiting key personnel into front line social worker posts, leading to a reliance on more costly agency staff in the interim. This is leading to a pressure of £0.8m within the service. An internal report has been commissioned to consider what options are available and will be brought forward separately to Members.

9. The new Head of Service for Children's Social Care, who has now started, will develop and shape the direction of the service more efficiently, while also improving the outcomes for children and young people. Consideration needs to be given to longer term service delivery models that are adopted, especially in relation to complex care, which links very closely to the similar pressures being experienced within the Adults care budgets. An officer working group chaired by the Director, working closely with the health partners is currently assessing the long term impacts of children and adults with increasingly complex care needs.

Early Intervention and Prevention

10. The Children and Families service are currently managing their overall budget pressure position through mitigating action involving the use of base budget targeted at preventative services. An underspend of £2.1m is expected to be delivered, however there does continue to be a risk that the service is curtailing investment in key areas that could deliver longer term savings. This will be an

important consideration of the budget setting processes for 2013/2014 and onwards.

Strategy, Planning and Performance

11. The main pressure within the service is from the policy proposal to deliver £1.1m of transport savings, which links to the delays in implementing policy changes for post 16 and denominational home to school transport. Following the FQR, the remedial action plan targeted £0.8m of savings from the overall transport budgets, which was deemed to be achievable in year and this level of saving continues to be factored into these assumptions.

Capital

12. Following the Capital Challenge Session for Children and Families forecast expenditure for the next three financial years has reduced by £8.4m; this reduction includes the deferral of Church Lawton Specialist School, including the Specialist Schools Provision £3.9m. The Pupil Referral Unit has been removed from the programme completely resulting in a budget reduction of £1.5m.

13. In total twenty six Children and Families schemes have been reduced or taken out of the programme entirely, contributing £5.4m to the reduction in the requirement for borrowing. £1.3m of government grants have been deferred pending further business case submissions to the Executive Monitoring Board. **Appendix 4** provides the full list of budget reductions to be approved.

14. A virement of £0.8m has been requested for Mobberley Primary School to extend the school and facilities to improve the parental preferences as the school is one of the most popular and successful in the Knutsford area. Demand for places at the school has increased since the closure of Ashley Primary School in 2004. The scheme will be funded from the Capital Maintenance grant allocation for 2012/2013.

15. **Table 2** illustrates the reduction in the Capital budget from the First Quarter of £0.3m. This lower figure is due to the schemes that have been removed or deferred from the programme having the majority of their capital expenditure forecast in future years.

16. From an in year point of view as a result of removing and deferring two of the Children and Families schemes there is a risk of £100,000 of abortive costs that may require funding from revenue. The Pupil Referral Unit has been removed from the programme completely and has incurred costs of £55,000 that can no longer be funded by capital resources. The Church Lawton Specialist School scheme has incurred £45,000 of expenditure. This scheme has been deferred pending a revised business case to be submitted to the Executive Monitoring Board at a later date and the costs could potentially be treated as feasibility costs pending further approval.

17. Overall the in-year impact on 2012/2013 revenue position has not been significant as a majority of the schemes were due for completion in future years and the savings realised impacting on future year’s revenue budgets.

Dedicated Schools Grant (DSG)

18. **Table 3** shows that total pressures on DSG for 2012/2013 are currently £3.8m, which is unchanged from FQR.

Table 3 – Dedicated Schools Grant

	REVENUE					
	Revised Net Budget £000	Emerging Pressures £000	Remedial Actions Identified to Date £000	Current Forecast Over / (Underspend) £000	Change from FQR £000	Paragraph Number(s)
Schools Grant Funded including DSG						
Strategy, Planning & Performance - DSG	0	3,833	-300	3,533	3,533	19
Schools (Individual School Budgets)	0	0	0	0	0	
Other Schools Provision	0	0	0	0	0	
Pupil Premium	0	0	0	0	0	
	0	**3,833**	**-300**	**3,533**	**3,533**	

19. The DSG budget is fully funded by a ring fenced grant of £191m, of which approximately 93% is formally delegated to schools and the remaining 7% is retained centrally by the Council for statutory functions that have not been delegated. The majority of the 7%, which equates to just over £17m is spent on the specific educational needs of children. Special Educational Needs expenditure is determined by children either receiving a formal Statement assessing their needs or an Individual Pupil Funding assessment. The SEN budget is experiencing significant increases in pressure resulting in an overspend of £3.5m, which is ring fenced to DSG and will be either carried forward or managed against the overall DSG position. This issue is being discussed, and a remedial action plan is being managed, with the Schools Forum.

Adults

20. The Adults Service has a net budget of £98.7m. **Table 4** shows that the service faces emerging pressures of £11m. Remedial action of £6.9m has been identified which will reduce the net forecast position to an estimated £4.1m overspend. Whilst short term remedial action is helping to manage the gross pressures, longer term initiatives need to be developed and delivered to help achieve long term savings.

Table 4 – Adults Revenue

	REVENUE					
	Revised Net Budget £000	Emerging Pressures £000	Remedial Actions Identified to Date £000	Current Forecast Over / (Underspend) £000	Change from FQR £000	Paragraph Number(s)
Adults						
Care4CE	0	286	-575	-289	-97	
Strategic Commissioning	36,242	2,924	-450	2,474	-276	29-33
Business Management and Challenge	3,427	154	-700	-546	-16	
Individual Commissioning	59,109	7,643	-5,175	2,468	400	22-28
	98,778	**11,007**	**-6,900**	**4,107**	**11**	

21. **Table 5** shows that the service has a revised 2012/2013 capital budget of £1.5m. Expenditure is forecast to be in line with budget.

Table 5- Adults Capital

	FQR Budget £m	Revised MYR Budget £m	Forecast Expenditure £m	Current Forecast (Over/ Underspend)	Paragraph Number(s)
Adults					
Care4CE	0.3	0.4	0.4	0.0	
Business Management and Challenge	1.8	1.1	1.1	0.0	
	2.1	**1.5**	**1.5**	**0.0**	**34-36**

Key Revenue Issues

Individual Commissioning

22. The main pressure within the Adults continues to be care costs. The Individual Commissioning service has a gross pressure of £7.6m in year mainly relating to care costs which is being mitigated by remedial action of £5.2m, leaving a net forecast overspend of £2.5m. The Learning Disability Pooled budget arrangement with Central and Eastern Cheshire PCT accounts for £5m of the gross overspend position within Individual Commissioning.

23. An external assessment of cost pressures within the service has recently been undertaken. This has identified areas both of high performance in relation to spend but also opportunities where further efficiencies might be explored. The service are currently exploring a number of options to reduce care costs including:
    - Individual Commissioning maximising their use of Care4CE services
    - Letter to service providers to negotiate costs
    - Care package reviews
    - More rigorous review of care placements, including an independent review
    - Review of respite placements (especially those over 6 weeks)
    - Pursuing Continuing Healthcare (CHC) reviews with health, whereby health have the ongoing liability to deliver and pay for care
    - Review of commissioning models in the longer term.

24. Remedial action is being delivered in a number of key areas (i.e. vacancy management; stopping expenditure on uncommitted activities; utilising Care4CE). However, there continues to be risks associated with achieving remedial actions linked to care costs.

25. Since the FQR, the care cost projection has increased by £0.9m due to a number of factors but particularly due to the following:
    - 5 new high cost care customers have presented themselves since FQR at a cost of £0.4m for 2012/2013 (the full year effect of these packages is £0.7m).
    - The full year impact of complex care packages commissioned part way through 2011/2012 also add additional pressure to 2012/2013 position.

26. Whilst the service are making good progress at keeping overall care numbers steady, care packages for complex care needs continue to add pressure to the overall care cost position.

27. The service have appointed new managers at the Strategic level who will provide capacity to review the direction of the service and be able to consider new commissioning models with the Strategic Commissioning managers.

28. There continues to be a risk that not all the identified remedial action is achievable, especially in relation to care cost reviews.

Strategic Commissioning

29. The main pressure within the Strategic Commissioning budget continues to be the gross overspend of £2m on the Learning Disability pooled budget health networks and £0.8m of unachieved savings from earlier redesign policies.

30. The current pressure on the health networks is £2m. This has reduced by £0.2m from FQR because of the temporary transfer of the additional Learning Disability and Health reform grant over and above the Valuing People Now transfer (this was agreed as part of a Supplementary Revenue Estimate in the FQR). Whilst these contracts are due to expire in March 2013, it will not be possible to complete a re-tender exercise by April 2013. A decision needs to be made about whether the existing contract should be extended (and the time period of this extension) with a longer term objective to re-tender the whole contract (a lead time of 9-12 months is required).

31. Good progress is being made in relation to the remedial action of £0.4m i.e. Supporting People and the Voluntary Community and Faith sector contracts.

32. A letter has been sent out to providers advising the market of the financial position that the council face and seeking ways of delivering efficiencies whilst continuing to maintain a good standard of care. The response to this letter has been encouraging and further engagement work with interested providers will now take place.

33. New strategic managers have just taken up post within the service and this should provide the service with the capacity to review and amend existing care pathways and commissioning models.

Key Capital Issues

34. Following the Capital Challenge Session for Adults, forecast expenditure for the next three financial years has reduced by £9.8m. The reduction includes the deferral of Hollins View, £6.0m, an Adults care facility and the ICT Combined Project £3.8m.

35. The deferrals have reduced the requirement for borrowing by £8.8m and call on government grant and the Capital Reserve by £0.7m and £0.4m respectively. **Appendix 4** provides the full list of budget reductions to be approved. Both schemes are pending a further business case submission to the Executive Monitoring Board.

36. **Table 5** illustrates the reduction in the Capital budget from the First Quarter of £0.6m. This lower figure is due to the schemes that have been removed or deferred from the programme having the majority of their capital expenditure forecast in future years.

Places & Organisational Capacity Directorate

37. Places & Organisational Capacity Directorate has a net budget of £76.9m. **Table 6** highlights that emerging pressures of £4.7m have been identified. Remedial action of £3.2m has been identified to date which will reduce the forecast overspend to £1.5m (an improvement of £0.8m since FQR).

Table 6 – Places & Organisational Capacity Revenue

	REVENUE					
	Revised Net Budget £000	Emerging Pressures £000	Remedial Actions Identified to Date £000	Current Forecast Over / (Underspend) £000	Change from FQR £000	Paragraph Number(s)
Places & Organisational Capacity						
Waste, Recycling & Streetscape	26,885	409	0	409	-751	39-44
Highways & Transport	17,275	119	-260	-141	188	45-46
Community Services	150	1,737	-313	1,424	476	47-49
Development	22,506	2,231	-2,176	55	-509	50-53
Performance, Customer Services & Capacity	10,078	205	-435	-230	-230	54-55
	76,894	**4,701**	**-3,184**	**1,517**	**-826**	

38. **Table 7** shows that the service has a revised 2012/2013 capital budget of £47.5m. Expenditure is forecast to be £45m, resulting in an underspend of £2.5m, which will be spent in future years.

Table 7 – Places & Organisational Capacity Capital

	FQR Budget £m	Revised MYR Budget £m	Forecast Expenditure £m	Current Forecast (Over/ Underspend)	Paragraph Number(s)
Places & Organisational Capacity					
Waste, Recycling & Streetscape	0.8	0.8	0.8	0.0	71-72
Highways & Transport	24.0	26.7	26.1	-0.6	58-64
Community Services	2.9	2.6	2.0	-0.6	65
Development	21.3	16.5	15.2	-1.3	66-69
Performance, Customer Services & Capacity	1.1	0.9	0.9	0.0	70
	50.1	**47.5**	**45.0**	**-2.5**	

Key Revenue Issues

Waste, Recycling and Streetscape

39. The Service is reporting net budget pressures of £0.4m at MYR; an improvement of £0.7m from FQR. Gross pressures in Waste & Recycling and Streetscape are currently £0.9m and £0.5m respectively, however in year management actions (reflected in the net forecast) are reducing these projections to a £0.6m overspend and (£0.2m) under-spend.

40. In Waste & Recycling the gross pressures of £0.9m reflect;

- £0.4m over-spend against core collection costs (agency and fleet), attributable to original budget reductions not being achievable, combined with a review of pool staff provision being required.
- £0.5m overspend is forecast against a number of contract related pressures comprising: recycling bulking contract and related bank holiday haulage, green waste contract haulage and non achievement of proposed landfill diversion savings in year.
- Additional pressures in-year against fuel of approximately £0.3m, due to in part to increased usage / consumption, increased fuel prices and inclusion of a lower than required budget inflation provision.
- Further pressures in Waste of £0.2m as previously reported relate to: one-off buy out of overtime allowances; additional costs in respect of changes in terms relating to overtime and time off in lieu; reduced demand for the bulky waste service or Schedule 2 property collections impacting income.
- The pressures above are offset by an improved waste disposal contract forecast under-spend of (£0.5m), resulting from refinement of the waste disposal tonnage projections. This is an improvement of £264,000 on the FQR forecast.

41. These gross pressures are forecast to continue into 2013/2014 to some degree; however in-year they are being offset in part by one off actions totalling (£0.3m) across the Waste Service, including vacancy management and other one off actions.

42. The key forecast change in Waste & Recycling since FQR of £0.7m relates to a revision of the resources required to progress the Waste Procurement project. The Service estimates that only £75,000 will be required in year for external consultancy, funded from one-off investment budget (originally allocated to Streetscape). A further £0.7m is projected as being required in 2013/2014 (one-off) and will be built into the business planning process.

43. In Streetscape, gross pressures of £0.5m relate mainly to the later than anticipated Service review savings £0.1m (net) and unachievable income budgets of £0.2m in Grounds Maintenance (reduced S106 forecast) and Parks Development; additional one-off costs of £0.1m associated with later than expected property / service transfers, many of which are now forecast to occur in November 2012 and a further £0.1m pressure re impact of decision at FQR to defer the auto loo lease termination (see mitigations below).

44. The income pressures above are likely to continue into 2013/2014 although the Service is looking to minimise the impact where possible. In year however, the service is mitigating these pressures and contributing to the wider Directorate pressures through one off actions of £0.6m comprising; vacancy management and a review of supplies budgets and an under-spend relating to investment monies. Other actions, subject to

outcome of the Streetscape Review, relate to improved fuel usage forecast compared to FQR (£0.1m).

Highways and Transport

45. The Transport service has reported a net pressure of £158,000. The forecast has worsened by a net £177,000 from FQR, reflecting the reduction of income from internal recharges for transporting eligible scholars on public transport supported bus services. The MYR forecast position assumes that the recommended changes in bus subsidy approved in principle by Cabinet on 15 October are fully implemented. However, the precise details have yet to be determined and if the proposals are not fully implemented this may materially increase the overspend against the 2013/2014 Budget and beyond.

46. Remedial actions being considered to help mitigate the overall cost pressures include: reduced spending on Highways maintenance Public Rights of Way and Countryside services, through a review / deferral of the routine maintenance programmes and other in-year non pay savings. Whilst not yet factored into the MYR forecast or remedial actions, but subject to the severity of the weather through the winter months, there may be scope for further savings from the Highways winter provision budget (e.g. salt usage, winter fleet costs and winter contingencies).

Community Services

47. Community Services is projecting income shortfalls totalling £1.1m. This mainly comprises:

- £0.7m in the Car Parking Service; similar to the position for 2011/2012, this is attributable to continuing economic recessionary pressures and lower than anticipated customer demand, along with enforcement income being lower due to the Automatic Number Plate Recognition capital project not progressing - these pressures are currently forecast to continue in 2013/2014.
- £0.3m relating to the Leisure Service; reflecting continuing economic pressures; income targets for school swimming and savings from review of the core service recharge not being achievable; - these pressures are currently forecast to continue into 2013/2014.

48. Pay and non pay expenditure pressures of £0.6m are forecast at MYR, largely due to the shortfall in base pay budget in the Leisure Service and CCTV overtime costs, along with the impact of pay harmonisation premium payments and the costs of taxi licensing tests. These pressures are also forecast to continue in 2013/2014.

49. Despite continued pressures within the Service, a series of in-year remedial actions are proposed totalling £0.3m. These include changes to fees and charges (specifically in Pest Control), further vacancy management and other non pay savings across the Service.

Development Service

50. Overall the Development Service is reporting budget pressures of £2.2m at MYR, along with a series of mitigations/ remedial actions to improve the overall position, to a £55,000 overspend. The Assets Service has undergone significant changes during the first six months of 2012/2013, implementing the Corporate Landlord role and taking on the associated operational and budgetary responsibilities. At the Mid Year point, following further work in respect of finalising transfers of budgets from other Services and analysing spend/ income in detail, the current forecast shows emerging pressures totalling £2.9m.

51. This reflects various matters, including: unrealised savings targets of £0.5m (from asset disposals and street lighting energy); £0.8m on holding costs of surplus/ interim-managed properties; £0.8m against operational properties (some only part-budgeted, others where no budget transferred due to prior year budget savings/ reductions); rent income budget shortfalls of £0.7m in the Investment portfolio, relating to permanent income loss (on four specific sites), market conditions for industrial / commercial

premises; and also one-off costs associated with later than expected property/ service transfers.

52. Some £1.6m of the gross pressures above are being mitigated in-year within other areas of the Assets Service, through a combination of ongoing savings (£0.2m) and one-off remedial actions (£1.4m) comprising: energy rebate/ water savings; vacancy management; capitalisation of staff time; reductions in non-responsive maintenance; additional income and other spend reductions. Furthermore, remedial actions totalling £0.6m are reducing the overall Assets Service pressures to £0.8m, an improvement of £0.3m since FQR. The £0.8m reflects the underlying base budget shortfall, as previously noted in monitoring reports during last year.

53. The remainder of the Development Service is forecasting a total of £0.8m savings to help mitigate the overall Directorate budget pressures. This has resulted principally from vacancy management and higher than anticipated income from land search fees. Since FQR there has been an improvement of £0.2m, mainly from within Strategic Housing through the repayment of rent deposit bonds, rental income and deferring research and survey expenditure until 2013/2014. The Housing Service is undertaking a strategic review, which will consider potential for any ongoing efficiency savings beyond the current year. The above position excludes potential one–off planning appeal costs, which can not be contained within the Service budget. Further details will be reported at the Third Quarter Review.

Performance, Customer Services and Capacity (PCSC)

54. Library Shared Services have budget pressures of £155,000, an increase of £37,000 on the position at FQR. These result from planned budget savings which are no longer achievable; a fall in income from the Education Library Service; increased property costs and relocation payments following the move to the new premises. However, the pressure will be fully mitigated in 2012/2013 by reductions in Cheshire East's Library expenditure through vacancy management and reducing expenditure on the book fund. A formal review of the Library Shared Service is underway as described in the Library Strategy to part mitigate the pressures identified in future years. The remaining pressures will have to be met from efficiency savings within Cheshire East's Library Service.

55. As reported at FQR, it is expected that £50,000 of the original £100,000 corporate Lean Review saving target will be achieved. One-off savings of £0.2m in 2012/2013 across the Service have been identified to contribute to the overall Directorate position. These, together with the continuation of identifying Lean Savings throughout the Council, have led to an overall projected under-spend of £0.2m for PCSC at MYR.

Capital Programme – Key Issues

56. Following the Capital Challenge Sessions for Places & Organisational Capacity the Directorate has reduced the capital programme by £17.4m, the borrowing requirement has reduced by £16.9m, Capital Reserve £0.3m and revenue contributions £0.2m. **Appendix 4** provides the full list of budget reductions to be approved.

57. **Table 7** illustrates the reduction in the Capital budget from the First Quarter of £2.6m. The most significant reduction of £4.8m can be seen in the Development Service which includes the Housing, Economic Development and Asset Management schemes. This has been off-set by the proposed additional highway investment of £3m in 2012/2013.

Highways and Transport

58. Highway Asset Recovery Programme - Cheshire East's highway network is valued at £236m and is the Council's largest single asset. It is vital to the functioning of the Borough. However, such an asset is also expensive to maintain and Cheshire East has, in common with other Councils, under-invested in highway maintenance over many years. This has resulted in a gradual but accelerating deterioration of the network, hindering the Borough's economy as well as failing to provide the street environment and level of service resident's demand. Further consequences of the deteriorating network are an increasingly large number of costly insurance claims resulting from tripping and slipping accidents, in addition to a constant pressure from residents for reactive repairs to deal with immediate cosmetic and safety problems, with such repairs failing to cure the long term structural decline.

59. A highways asset management model has been developed to give an accurate assessment of the condition of the network and the investment required to keep the network in good working order. The gap between investment needed and funding provided has been growing, resulting in a position where the Council needs to manage the declining condition of its network. Current available funds have been spread thinly over the Borough to try and slow the deluge of required maintenance works, resulting in work on other parts of the network only being undertaken if an inspection determines the condition represents a safety risk. This level of investment creates the climate members will be familiar with in terms of regular complaints and general dissatisfaction with the condition of roads and footways.

60. The proposal to invest £3m this financial year and a further £20m over the next two years will seek to interrupt the current cycle of decline in the condition of our roads by early targeted investment aimed at restoring a number of roads now beyond their serviceable life. Funding would be targeted at areas where the maximum long term benefit will be achieved. This is likely to be through the treatment of deteriorating roads that can have preventative measures applied now to avert deterioration to a state where they require both more substantial and costly repairs.

61. Consideration will be given to the practicalities of programming substantial amounts of additional work, both in terms of the resources required and the disruption to the network which could arise in the remaining months of the year. The plan will be designed to deliver a number of key activities including tackling drainage problem hot spots, pre-patching areas in readiness for the surface dressing programme during the summer months and carriageway surfacing improvement works where more serious issues exist.

62. The investment will bring a number of key benefits to the Council by providing a network in good condition and will assist the authority in managing its statutory obligation to maintain a safe and accessible highway network by providing a reduction in the number of defects on the network. A fewer number of defects will reduce the number of third party claims for compensation while improving customer perception of the Council in delivering improvements to areas of greatest concern

63. Alderley Edge By-Pass – In the 2011/2012 Final Outturn Performance report to Cabinet on 23 July 2012 it was noted that this project will remain within existing budget provision for 2012/2013, however, in future years there is a significant risk of further financial pressures developing. Early indications suggest that the level of claims associated with land compensation claims and Part 1 claims will exceed the budget provision.

64. Currently the extent to which it will materialise is less clear as it is subject to the level of claims received, combined with our efforts to mitigate these claims and off-set them against income realised from the release of surplus land associated with the Alderley Edge By-pass project. If the scope of the risk remains at current levels additional funding support in the form of a Supplementary Capital Estimate would be required during 2013/2014, the position is being monitored and will be reported to the Executive Monitoring Board throughout 2012/2013.

Community

65. The Community Service has overall budget reductions totalling £0.6m on three 2012/2013 Car Parking schemes, including Other Car parking Improvements, £0.5m. This is a significant reduction of over 55.5% of the original 2012/2013 budget approvals. The in-year reduction is £0.3m.

Development

66. The Development Service has an overall reduction on forecast expenditure of over £9.9m over the next three financial years. From an in-year position Housing has made reductions of £0.8m on the Disabled Facilities, Private Sector Assistance and Assisted Purchase Schemes. The Empty Homes Initiative has been removed from the programme due to insufficient take-up.

67. Within Economic Regeneration in-year reductions equate to £2.0m, resulting in reductions on Town Regeneration (£0.4m), Crewe Town Centre Refurbishment (£0.9m) and Parkgate Development site (£0.2m). The Crewe Regeneration Scheme (£0.4m) has been removed from the capital programme.

68. The potential impact on revenue by reducing or removing the Economic Development schemes could mean that work on improving infrastructure and potentially reducing future maintenance costs will not materialise. There is also a risk without a certain level of investment the additional revenue from National Non-Domestic rate and Council tax customers might not be achieved.

69. Asset Management have deferred part of the Accommodation Strategy (£1.5m) and Energy Consumption (£0.3m) budgets to allow officers to submit revised business cases to the Executive Monitoring Board.

Performance, Customer Services & Capacity

70. Performance, Customer Services and Capacity have made in-year budget reductions of £0.2m which includes £0.1m from their Customer Access in Libraries and £0.1m from the Radio Frequency budgets.

Waste and Open Spaces

71. The Waste and Open Spaces have made an overall budget reduction of £4.0m by removing the Household Waste and Recycling Centre scheme scheduled to commence in 2013/2014.

72. There is an emerging pressure within the in-year budget in respect of the Queens Park Restoration scheme. The project is now approaching completion of the primary phase. The Management and Maintenance Plan is being finalised, ready for adoption and sign off by the Heritage Lottery Fund (HLF). Certain elements of the park restoration remain outstanding and an appraisal of options is currently being undertaken with HLF in order to develop an effective funding and delivery process. In line with discussions at the Capital Asset Group in May 2012, there may be a need for an additional virement to meet the final contractor claim when negotiations are completed, this will be submitted to the Executive Monitoring Board for consideration at a future date.

Corporate Services

73. Corporate Services have a net budget of £26.4m. **Table 8** highlights that emerging pressures of £0.7m have been identified. Remedial action of £0.3m has been identified to date, which will reduce the forecast overspend to £0.4m (an improvement of £0.1m since FQR).

Table 8 – Corporate Services Revenue

Corporate Services	Revised Net Budget £000	Emerging Pressures £000	Remedial Actions Identified to Date £000	Current Forecast Over / (Underspend) £000	Change from FQR £000	Paragraph Number(s)
	REVENUE					
Finance & Business Services	17,702	317	-94	223	-136	75-81
HR & OD	3,141	152	-132	20	-112	82-83
Borough Solicitor	5,557	267	-104	163	103	84-86
	26,400	**736**	**-330**	**406**	**-145**	

74. **Table 9** shows that Corporate Services has a revised 2012/2013 capital budget of £7.9m. Expenditure is forecast to be £7.5m, resulting in an underspend of £0.4m, which will be spent in future years.

Table 9 - Corporate Services Capital

Corporate Services	FQR Budget £m	Revised MYR Budget £m	Forecast Expenditure £m	Current Forecast (Over/ Underspend)	Paragraph Number(s)
Finance & Business Services	11.4	7.9	7.5	-0.4	
	11.4	**7.9**	**7.5**	**-0.4**	**87-88**

Finance & Business Services

75. The Service is reporting a net pressure of £223,000, an improvement of £136,000 since FQR. Within the forecast for Finance and HR Shared Services an estimated £208,000 pressure is attributable to Finance. This is a reduction of £14,000 since FQR. There is continuing dialogue with Shared Services, regarding programmes of work to contain spending within budget and identifying other mitigating actions.

76. Further pressures have come from budgets held centrally on behalf of the authority, from pensions gratuities; additional external audit fees; and continued pressure through bank and credit card charges. The Finance Service has undertaken remedial actions including holding vacancies and control of non-pay spend. Also, some savings have been achieved in terms of bank charges, with further savings being anticipated through the new external audit arrangements. Overall, a net pressure of £53,000 is currently estimated.

77. The Benefits Service continues to show a favourable net variance of £0.6m, compared to budget. This follows a review of outturn for 2011/2012 and consideration of benefit subsidy levels realised, relative to benefit payments made, over the last couple of years.

78. ICT Services reported a net budget pressure of £350,000 at FQR in relation to savings targets, principally in respect of disaster recovery and broadband network consolidation. The budget pressure at MYR has been revised down to £281,000, which has been offset by £67,000 of remedial action relating to vacancy management, and additional capitalisation of staff, giving a net pressure of £214,000. The improved position has been achieved by remedial action plus scrutiny of non-staff spend. The Service is reviewing broadband contracts, with a view to ceasing lines and driving down costs which may help to mitigate part of the pressure.

79. The pressure reported relating to ICT Shared Services at FQR of £500,000 has reduced to £481,000 at mid-year. The Service is holding vacancies where possible to help mitigate this pressure. Work is continuing on a review of third party spend, staffing reductions, and full cost recovery of income to deliver a balanced budget in 2013/2014.

80. It is estimated that £343,000 will be required to cover ICT Shared Service voluntary redundancies, which would leave an underspend of £132,000 on the one-off cost of investment budget, which is included in the figures for ICT.

81. Revenues, Procurement, Shared Services Manager, Internal Audit, and Insurance are forecasting net nil positions.

HR & OD

82. Finance and HR Shared Service figures indicate that although the Shared Service is reporting an overall net pressure of £190,000, an under-spend of £18,000 is attributable to HR. This is off-set by a reported pressure of £20,000 within the Occupational Health Unit Shared Service.

83. Base budget pressures of £132,000 reported at first-quarter for HR & OD, relating to management savings targets and also a Redeployment Officer post, have increased to £152,000 once the pressure from OHU is taken into account. However, the Service has reduced this to a net pressure of £20,000 at mid-year with a number of temporary one off remedial actions and mitigations (including additional income generated through the Health and Safety and HR Delivery CheSS agreements, and vacancy management).

Borough Solicitor

84. The Council's Reserves Strategy, reflected in the risk-assessed level of reserves, includes provision for legal investigations. The Legal Service projected financial performance includes an additional cost of £90,000 related to the independent investigation of the Lyme Green project. This has contributed to the overall pressures against the Legal Service budget of £163,000.

85. Registration Services anticipate a net budget pressure of £42,000 in respect of additional staff resources required to meet its challenging income target, particularly in terms of additional marriage ceremonies. Further investment in marketing of £25,000 (funded by the Invest to Save budget) will continue to promote the Service.

86. The Coroner Service has a base budget shortfall of approximately £50,000; this will be considered in the budget planning process for 2013/2014. This pressure has been temporarily mitigated by various items, including the receipt of a £26,000 refund relating to last year, when numbers of deaths in Cheshire were lower than the average forecast. Consequently the Service is reporting a net pressure of £18,000.

Capital Programme

87. Corporate Services have made an overall budget reduction of £6.6m over the next three financial years on forecast expenditure. All the reductions relate to the ICT Service on the 2012/2013 capital schemes, Core System Stability (£3.1m), Location Independent Workforce (£2.3m), Superfast Broadband (£0.4m) and Enabling Citizen's and Businesses (£0.7m). Table 9 illustrates the reduction in the Capital budget from the First Quarter of £3.5m which was funded primarily from the Capital Reserve.

88. The Supplementary Capital Estimate of £40.4m relates to the recognition of the external contributions from our partners as part of the Superfast Broadband Project. The partners concerned are Cheshire West and Chester, Halton and Warrington Borough Councils. ERDF, Department of Business, Innovation and Skills, Local Enterprise Partnership, BDUK and a private sector provider of superfast broadband facilities. This is a national initiative to improve primarily the superfast broadband coverage for businesses in Cheshire, to stimulate employment and to improve GDP. Cheshire East is the lead Council and the accountable body for the monitoring of the scheme.

Debt

89. A summary of outstanding invoiced debt by Directorate is contained in **Appendix 2.**

2. Financial Stability

Government Grant Funding of Local Expenditure

90. Cheshire East receives two main types of Government grants, formula grant and specific grants.

91. The overall total of Government grant budgeted for in 2012/2013 was £402.2m. Cheshire East Council's formula grant will be £67.7m and specific grants were originally budgeted to be £334.5m based on Government announcements to February 2012. Further announcements have revised this figure to £343.9m. Specific grants are split between non-ringfenced (£137.3m) and ringfenced (£206.6m). Spending in relation to ringfenced grants must be in line with the purpose for which it is provided.

92. **Table 10** summarises the updated forecast position for all grants in 2012/2013. A full list of grants is provided at **Appendix 6.**

Table 10 – Summary of Grants to date

	Forecast FQR 2012/13 £m	Forecast MYR 2012/13 £m	Variance 2012/13 £m
Formula Grant			
Revenue Support Grant	1.3	1.3	0.0
Business Rates	66.4	66.4	0.0
	67.7	**67.7**	**0.0**
Specific			
Ringfenced Grants	208.9	206.6	2.3
Non Ringfenced Grants - held within service	95.5	95.5	0.0
Non Ringfenced Grants - held corporately	41.7	41.8	-0.1
	346.1	**343.9**	**2.2**
Total Government Grant Funding	**413.8**	**411.6**	**2.2**

93. Ringfenced grants have decreased by £2.3m since FQR. The main reason for this is the anticipated reduction to grants of £2,5m due to the conversion of Eaton Bank High to an Academy School. This has been partly offset by new funding for summer schools programmes in secondary schools and increases in 16-19 bursary and pupil premium grants.

94. There is a small increase in non ringfenced grants of £100,000 since FQR. Of this, £40,000 relates to a newly announced Adoption Improvement Grant. The award of this specific grant is conditional upon it being used to fund implementation of the Government's reform programme to improve adoption practice and services, and particularly activities to speed up adoption, and increase the numbers of adopters being recruited and approved. The grant must be used in 2012/2013. Children & Families are requesting a Supplementary Revenue Estimate of £40,000 to use this funding for implementation of the Adoption Improvement action plan in Cheshire East. Overall, after taking account of previously approved Supplementary Revenue Estimates funded from specific grant, it is estimated that an additional £0.2m grant over budget will be received in 2012/2013 (see overview table on page 3).

Collecting Local Taxes for Local Expenditure

95. Cheshire East Council collects Council Tax and National Non Domestic Rates (NNDR) for use locally and nationally.

Council Tax

96. Council Tax is set locally and retained for spending locally. Council Tax was frozen for 2012/2013 at £1,216.34 for a Band D property. This is applied to the taxbase.

97. The taxbase for Cheshire East reflects the equivalent number of domestic properties in Band D that the Council is able to collect Council Tax from (after adjustments for relevant discounts,

exemptions and an element of non collection). The taxbase for 2012/2013 was agreed at 146,807.37 which, when multiplied by the Band D charge, means that the expected income for the year is £178.6m. Council Tax therefore funds approximately 73% of the Council's net revenue budget of £246.3m.

98. In addition to this, Cheshire East Council collects Council Tax on behalf of the Cheshire Police Authority, the Cheshire Fire Authority and Parish Councils. **Table 11** shows these amounts separately, giving a total collectable amount of £214.9m.

Table 11 – Cheshire East Council collects Council Tax on behalf of other precepting authorities

	£m
Cheshire East Council	178.6
Cheshire Police Authority	22.1
Cheshire Fire Authority	9.8
Town & Parish Councils	4.4
	214.9

Source: Cheshire East Finance, October 2012

99. This figure may vary slightly during the year if more discounts and exemptions are granted or more properties are built.

100. The Council expects to collect at least 99% of the amount billed, but will always pursue 100% collection. However, to allow for any delay in collection the amount billed should therefore be slightly more than the actual budget. The amount billed to date is £217.0m.

101. **Table 12** shows collection rates for the last three years, and demonstrates that 99% collection is on target to be achieved within three years.

Table 12 – 99% of Council Tax will be collected within 3 Years

	% Collected to date
2010/2011	99.0%
2011/2012	98.6%
2012/2013	62.9%

Source: Cheshire East Finance, October 2012

National Non Domestic Rates (NNDR)

102. NNDR is collected from businesses in Cheshire East based on commercial rateable property values and a nationally set multiplier. The multiplier changes in line with inflation and takes account of the costs of small business rate relief. The inflation factor used is 5.6% which reflects the Retail Price Index as at September 2011. NNDR is set nationally and paid over into the NNDR pool to be re-allocated across the country according to need.

103. The small business multiplier applied to businesses who qualify for the small business relief has been set at 45.0p in 2012/2013. The non-domestic multiplier has been set at 45.8p in the pound for 2012/2013.

104. The amount collected does not relate to the amount that is redistributed to the Council but it must be noted that the total collected includes amounts that will be distributed to police and fire authorities as well as local government.

105. **Table 13** demonstrates how collection continues to improve even after year end. The table shows how over 99% of non-domestic rates are collected within three years.

Table 13 – Over 99% of Rates are collected within 3 years

	% Collected to date
2010/2011	99.3%
2011/2012	98.5%
2012/2013	60.8%

Source: Cheshire East Finance, October 2012

Capital Programme 2012/2016

106. As reported in the FQR, a comprehensive review of the programme has now been completed with the intention of making substantial savings and focusing delivery capacity on initiatives with the highest priority.

107. A series of meetings were held in September to review and challenge the current Capital Programme, involving the Capital Visioning Group, Portfolio Holders, Directors and Heads of Service.

108. The key aims of the challenge sessions were to reduce the existing programme for four significant reasons:

- Realign capital expenditure with corporate priorities
- Cap the capital financing budget, reducing the need for future borrowing
- Create financial & non-financial capacity to enable new schemes to come forward
- Reassess business cases, particularly for investment projects.

109. Following the reduction in the capital programme it has been possible to use the additional financial capacity to provide new investment which has the highest priority for the Council. The highways structural maintenance programme is therefore to be increased in 2012/2013 by £3m funded by Prudential borrowing.

110. Further details of the proposed highway asset improvement are provided in **paragraphs 58-62.**

111. The revised programme is now submitted for approval and is summarised in **Table 14.**

112. At the mid-year position the capital programme has reduced by £42.4m due to the following (see **Appendix 4** for details):-

- Budget reductions totalling £24.2m, where schemes have been either been fully removed from the programme or are continuing with restricted resources.
- A budget reduction of £1.9m relating to the Devolved Formula Capital Budget to realign it with available resources. It should be noted that this transaction is to correct a previous overstatement of the budget and the reduction has no adverse impact on the Council.
- Budget deferrals totalling £16.3m, where schemes have been removed from the programme and will require new business cases identifying benefits and demonstrating future revenue savings in order for them to be considered for re-inclusion.

Table 14 – Summary Capital Programme

	Original Forecast Budget @ FQR 2012/16 £m	Amendments to Original Forecast Budget 2012/16 £m	Amended Original Forecast Budget 2012/16 £m	Budget Reductions £m	Budget Deferrals £m	SCE's £m	Revised Total Forecast Budget 2012/16 £m
Children & Families	31.2	0.0	31.2	-4.3	-4.3	0.3	22.9
Adults	5.3	6.0	11.3	0.0	-9.8	0.1	1.6
Places & Organisational Capacity	92.0	27.1	119.1	-15.2	-2.2	3.3	105.0
Corporate Services	41.0	-6.6	34.4	-6.6	0	40.4	68.2
	169.5	26.5	196.0	-26.1	-16.3	44.1	197.7

113. Further work will be undertaken to identify additional savings, in particular the ICT Programme will be subject to further scrutiny and workshops are being held to identify business requirements to enable the harmonisation of current systems.

114. Since reporting the figures in the FQR a number of amendments have been required to align the reported Original Forecast budget of £169.5m with the total approved budget for the 2012/ 2016 capital programme of £196m.

115. The amendments are the inclusion of Hollins View (£6m), Household Waste Recycling Centres (£4m), Structural Maintenance (£1.5m), Weston Cemetery (£0.2m) and the Local Transport Plan (LTP) funding (£21.4m – 2013/2015). These schemes were originally omitted from the capital monitoring as they are due to commence after 2012/2013 and therefore no expenditure was due to be incurred in the current financial year. However to show fully the impact of the budget reductions and deferrals through the Capital Challenge sessions on the overall forecast expenditure for the next three years they are included. In particular for the Places and Organisational Capacity Directorate their overall forecast expenditure has increased by £10m since FQR due to inclusion of the £21.4m (LTP) budget. A reduction of £6.6m has also been made to adjust for the inclusion of ICT schemes post 2014/2016 that are not currently part of the approved capital programme.

116. A number of Supplementary Capital Estimates have been included at mid-year and they are all funded by external resources with the exception of the highways asset recovery programme, which is to be funded from prudential borrowing, afforded from the savings in the Capital Programme. A SCE of £40.4m recognises the contributions from our partners that are required to fund the entire Superfast Broadband scheme.

117. The revisions to the current programme have reduced the borrowing requirement by £29.4m and this will realise savings in the debt repayment costs in 2013/2014 and future years. As a result the proportion of the capital programme to be funded from borrowing has reduced to 25% from 41%. The Capital Reserve commitment has also reduced by £6.0m allowing funds to be made available for future schemes that are more aligned to the Council's strategic priorities.

118. The revised programme is funded from both direct income (grants, external contributions, linked capital receipts), and indirect income (borrowing approvals, revenue contributions, capital reserve, non-applied receipts). A funding summary is shown in **Table 15.**

Table 15 – Capital Funding Sources

	Original Total Forecast Budget £m	Revised Total Forecast Budget £m	Variance £m
Grants	73.7	70.0	-3.7
External Contributions	2.1	43.3	41.2
Linked/Earmarked Capital Receipts	3.4	3.4	0.0
Supported Borrowing	3.3	1.7	-1.6
Non-Supported Borrowing	74.8	47.0	-27.8
Revenue Contributions	1.0	0.6	-0.4
Capital Reserve	37.7	31.7	-6.0
	196.0	197.7	1.7

119. **Appendix 5** lists requests for Supplementary Capital Estimates and Virements in respect of forecast overspends and additional schemes not previously approved as part of the 2012/2013 Capital Programme. All Supplementary Capital Estimates are fully funded by external contributions, revenue contributions, grant or underspends.

120. **Table 16** illustrates the in-year changes to the capital programme which shows an overall reduction of £7m, this reflects the re-profiling of in year forecasts and the removal of schemes with capital expenditure originally forecast to be spent in 2012/2013. Progress against the forecast budget will continue to be monitored though out the year and updated at Third Quarter Review

Table 16 – In Year Changes to the Capital Programme

	FQR Budget £m	Revised MYR Budget £m	Forecast Expenditure £m	Current Forecast (Over/ Underspend)
Children & Families	**18.0**	**17.7**	**17.0**	**-0.7**
Adults	**2.1**	**1.5**	**1.5**	**0.0**
Places & Organisational Capacity	**50.1**	**47.5**	**45.0**	**-2.5**
Corporate Services	**11.4**	**7.9**	**7.5**	**-0.4**
	81.6	**74.6**	**71.0**	**-3.6**

Central Adjustments

Capital Financing Costs

121. The capital financing budget includes the amount charged in respect of the repayment of outstanding debt and the amount of interest payable on the Council's portfolio of long term loans. These budgeted costs are partly offset by the interest the Council anticipates earning from temporary investment of its cash balances during the year. The capital financing budget of £14.8m accounts for 6% of the Council's total revenue budget.

122. At MYR, the overall saving on the capital financing budget is forecast to be £0.9m, due to a reduction in debt repayment costs and savings in external interest charges. The review of the capital programme has also led to improvements in the overall cash balances position and estimated external interest charges are now not expected to be fully incurred in 2012/2013. The Council is working with its treasury management advisors, Arlingclose to complete a balance sheet efficiency review; this will establish the most cost effective means of financing the capital programme and making adequate provision for the repayment of debt.

Treasury Management

123. Investment income is currently £110,000 higher than budgeted which is a significant improvement from the FQR position which was affected by poor performance of the externally managed funds. An improvement in performance of these funds combined with higher than expected cash balances and the ability to fix some deposits for slightly longer periods has led to increased investment returns. Based upon the current economic forecasts, investment interest rates are not expected to increase and credit quality and liquidity of investments will continue to take priority over yield.

- The average lend position (the 'cash balance') including fund manager and legacy balances up to the end of the second quarter was £77.6m.

- The average annualised interest rate received on in house investments up to the end of the second quarter was 0.80%

- The average annualised interest rate received on the externally managed Investec fund up to the end of the second quarter was 0.96%.

124. The Council's total average interest rate up to the end of quarter 2 in 2012/2013 was 0.84%. This is higher than the average London Inter-bank Bid Rate for 7 days at 0.45%. The base rate remained at 0.50% for the quarter.

Table 17 – Interest Rate Comparison

Comparator	**Average Rate Q2**
Cheshire East	0.84%
LIBID 7 Day Rate	0.54%
LIBID 3 Month Rate	0.79%
Base Rate	0.50%

125. All investments are made in accordance with the parameters set out in the Treasury Management Strategy Statement (TMSS)

approved by Council on 23rd February 2012. This strategy sets out minimum credit rating criteria for any investment counterparty taking into account both long term and short term credit ratings. However, long term and short term ratings do not correlate precisely and can lead to inconsistencies in the application of ratings in determining credit worthiness. It is recommended that the minimum long term credit ratings are retained. However, Council is asked to approve that the short term credit rating criteria is removed from the TMSS. An amended extract from the TMSS is attached in **Appendix 7, paragraph 13**. Any short term risk will continue to be managed by limiting the duration of any investments in accordance with advice received from our treasury management advisors enabling a swift reaction to any real or perceived changes to the credit worthiness of any counterparty. Removal of the short term credit rating criteria would enable the Council to lend to Royal Bank of Scotland which currently has short term credit ratings below that included in the TMSS but does have a sufficiently high enough long term credit rating.

Central Contingencies

Pensions

126. The 2012/2013 budget contained £0.7m contingency provision to meet the impact of the increase in Employer Pensions contributions. This has been fully allocated to services.

Severance and relocation costs

127. A provision of £4.0m was included in the 2012/2013 budget to meet ongoing actuarial charges relating to Voluntary Redundancies (VR), and relocation costs arising from Local Government Reorganisation. It is expected that spending will be in line with the provision. Overall though, relocation costs are lower than originally forecast, and consequently provision has been made in the 2012/2013 budget to return surplus funding transferred to the Council on reorganisation, to CWAC, in accordance with the joint agreement between the two councils.

Outturn Impact

128. The impact of the projected service outturn position is to reduce balances by £7.3m as reported in **Section 1**.

129. Taken into account with the service related items detailed above, the impact of these service outturn issues is to reduce balances by £6.2m, summarised as follows:

Table 18 – Service Outturn Impact

	£m
Service Outturn	-7.3
Specific Grants	0.2
Capital Financing	0.9
	-6.2

Management of Council Reserves

130. The opening balance at 1 April 2012 on the Council’s General Reserves decreased from a budgeted £13.2m to an actual position of £11.4m, due to the final outturn position for 2011/2012

131. The Council’s Reserves Strategy 2012/2015 stated that the Council would maintain reserves to protect against risk and support investment. The Strategy forecast an increase in the level of reserves to £20.8m by 31st March 2013 with a risk assessed minimum level of £15m.

132. The budget included a planned contribution to reserves of £7.6m. On 19th July, Council approved Supplementary Revenue Estimates of £0.3m for 2012/2013 relating to grant income received in 2011/2012 which effectively was being held in general reserves. This produced a revised budget of £7.3m.

133. Taken together with service outturn impacts above, the overall impact is a net increase in general reserves of £1.1m to £12.5m as shown in **Table 19**.

Table 19 – Change in Reserves Position

	£m
Opening Balance at 1 April 2012	11.4
Planned Contribution to Reserves	7.3
	18.7
Service Outturn Impacts	-6.2
Forecast Closing Balance at March 2013	12.5

134. The balance of £12.5m is below the Reserves Strategy risk assessed minimal level of £15m. However, the assessment included an element of risk for a potentially adverse outturn impact, and therefore overall the level of reserves remains broadly adequate in risk terms.

3. Performance Report - Strategic Director Places & Organisational Capacity

2012/2013 Quarter Two (Mid Year) Performance

135. This section provides a high level summary of the key performance headlines for the first six months of 2012/2013.

136. For external reporting purposes at the end of quarter two, the Council continues to report on a basket of measures retained within service plans from the former National Indicator Set, and the former Best Value Performance Indicator Set.

137. At the request of the Strategic Director of Children, Families and Adults, three additional local performance measures relating to adoption of children will now be externally reported.

138. In total 26 measures are now being externally reported on a quarterly basis during 2012/2013, with additional measures being reported at year-end.

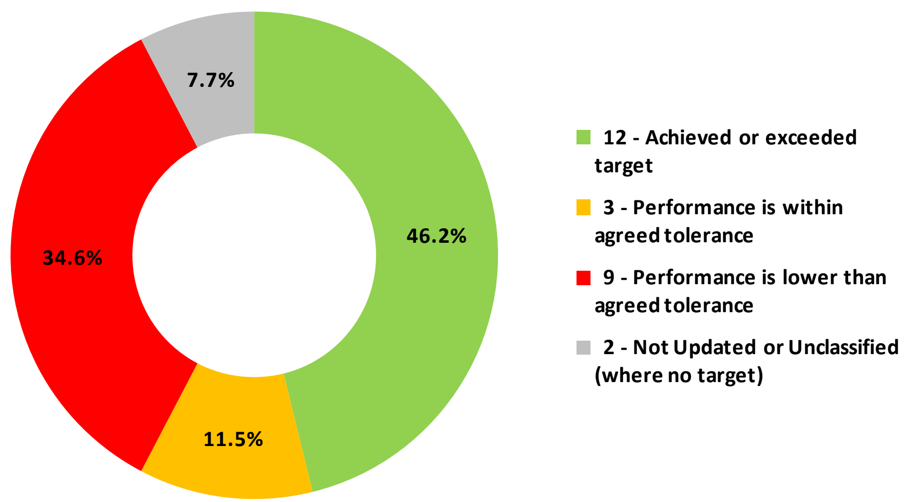
Performance Measure Tolerances (Red/Amber/Green ratings)

139. The Council's electronic monitoring and performance system (CorVu) is pre-populated with a five percent tolerance against the targets set by service areas, meaning that the system assigns a 'red' assessment to performance data 5% (or more) short of the target, an 'amber' assessment to data within 5% of the target, and a 'green' assessment to data performing on or above target. Where strong cases are made for the revision of tolerances (e.g. where a 5% tolerance is not appropriate due to a measure's data return format), tolerances will be revised to support individual targets. In all other circumstances, the 5% tolerance will remain in place for performance measure reporting in 2012/2013.

2012/2013 Quarter Two (Mid Year) Performance Against Target

140. Performance assessments (red; amber; green) were made based on performance against target.

2012/2013 Q2 Actual vs Target



141. **46.2%** of measures are on target or exceeding their target at 2012/2013 Mid Year.

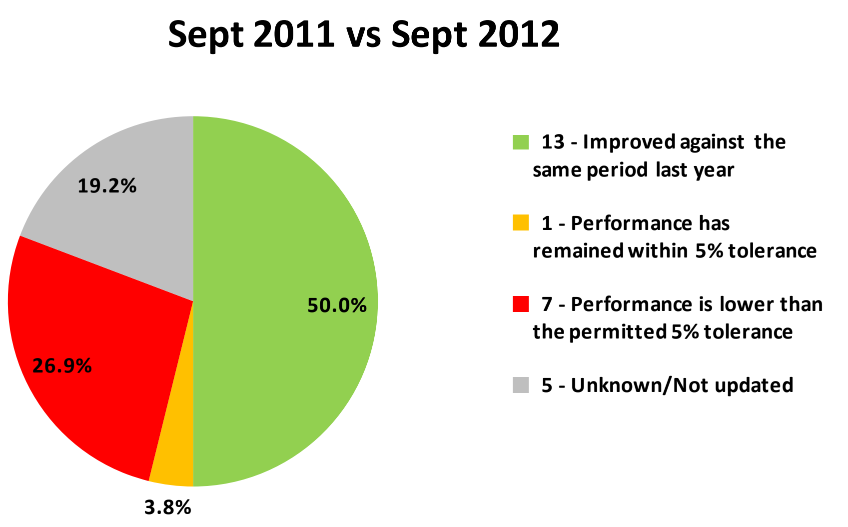
142. However **34.6%** did not achieve their quarterly target:

Directorate	*Reference*	*Definition*
Children, Families & Adults	NI 59	Initial assessments for children's social care carried out within 7 working days of referral
	NI 60	Core assessments for children's social care that were carried out within 35 working days of their commencement
	NI 117	16 to 18 year olds who are not in education, training or employment (NEET)
	NI 130	Social care clients receiving Self Directed Support (Direct Payments and Individual Budgets)
	NI 131	Delayed transfers of care from hospitals
	NI 146	Adults with learning disabilities in employment
Places & Organisational Capacity	NI 155	Number of affordable homes delivered
	NI 157a	Processing of planning applications as measured against targets for major application types
Human Resources	BV 12	Working days lost due to sickness absence

(See Appendix 8 for further details)

Year On Year Direction Of Travel

143. Performance assessments (red; amber; green) have been made based on current performance compared to Q2 2011/2012.



144. The 7 (**26.9%**) measures which failed to achieve the same level of performance when compared to the same period last year were:

Directorate	*Reference*	*Definition*
Children, Families & Adults	NI 59	Initial assessments for children's social care carried out within 7 working days of referral
	NI 65	Children becoming the subject of a Child Protection Plan for a second or subsequent time
	NI 125	Achieving independence for older people through rehabilitation/intermediate care
	NI 130	Social care clients receiving Self Directed Support (Direct Payments and Individual Budgets)
	NI 131	Delayed transfers of care from hospitals
Places & Organisational Capacity	NI 155	Number of affordable homes delivered
Human Resources	BV 12	Working days lost due to sickness absence

(See Appendix 8 for further details)

Appendices to Mid Year Review of Performance 2012 / 2013

November 2012

Appendix 1 – Changes to Revised Budget 2012/2013 since First Quarter Review

	FQR Net Budget £000	Additional Grant Funding £000	Allocations from Contingencies £000	Restructuring & Realignments £000	Other Virements £000	Revised Net Budget £000
Children & Families						
Directorate	762					762
Safeguarding & Specialist Support	26,535	40	50	770		27,395
Early Intervention & Prevention	12,256		35	-434		11,857
Strategy, Planning & Performance	19,439		45	-336		19,148
	58,992	40	130	0	0	59,162
Adults						
Care4CE	0					0
Strategic Commissioning	36135		163	-56		36,242
Business Management and Challenge	3334		17	76		3,427
Individual Commissioning	59,151			-20	-22	59,109
	98,620	0	180	0	-22	98,778
CHILDREN, FAMILIES & ADULTS	**157,612**	**40**	**310**	**0**	**-22**	**157,940**
Waste, Recycling & Streetscape	26,409		55	421		26,885
Highways & Transport	17,274		21	20	-40	17,275
Community Services	205		60	-115		150
Development	22,907		75	-436	-40	22,506
Performance, Customer Services & Capacity	9,904		45	110	19	10,078
PLACES & ORGANISATIONAL CAPACITY	**76,699**	**0**	**256**	**0**	**-61**	**76,894**

	FQR Net Budget £000	Additional Grant Funding £000	Allocations from Contingencies £000	Restructuring & Realignments £000	Other Virements £000	Revised Net Budget £000
Finance & Business Services	17,556		63		83	17,702
HR & OD	3,121		20			3,141
Borough Solicitor	5,537		20			5,557
CORPORATE SERVICES	**26,214**	**0**	**103**	**0**	**83**	**26,400**
TOTAL SERVICE OUTTURN	**260,525**	**40**	**669**	**0**	**0**	**261,234**
CENTRAL BUDGETS						
Specific Grants	-41,495	-40				-41,535
Capital Financing	14,800					14,800
Contingencies	5,170		-669			4,501
Contribution to Reserves	7,245					7,245
	-14,280	**-40**	**-669**	**0**	**0**	**-14,989**
TOTAL BUDGET	**246,245**	**0**	**0**	**0**	**0**	**246,245**

Appendix 2 – Debt Management

1. In addition to the collection of Council Tax and National Non-Domestic Rates the Council also issues invoices to organisations or individuals for certain key services. Performance related to Council Tax and Non-Domestic Rates is contained in **Section 2** of this report.

2. Total Invoiced Debt at the end of September 2012 was £12.7m. After allowing for £2.4 m of debt still within the payment terms, outstanding debt stood at £10.3m. This is £5.8m higher than at 30th June mainly due to £5.3m of debt relating to the PCT contribution towards the Learning Disability Pooled Budget within Adults Services.

3. The total amount of service debt over 6 months old is £2.9m which is broadly unchanged since FQR.

4. Services have created debt provisions of £2.5m to cover this debt in the event that it needs to be written off.

5. The Council uses a combination of methods to ensure prompt payment of invoices. Recovery action against unpaid invoices may result in the use of debt collectors, court action or the securing of debts against property.

6. An analysis of the invoiced debt provision by directorate is provided in the table:

	Outstanding Debt £000	Over 6 months old £000	Debt Provision £000
Children & Families			
Children & Families	*529*	*364*	*197*
Schools	*55*	*42*	*28*
Adults	7,928	1,684	1,606
Total Children, Families & Adults	8,512	2,090	1,831
Waste, Recycling & Streetscape	426	150	139
Highways & Transport	371	246	159
Community	140	95	90
Development	867	274	274
Performance, Customer Service & Capacity	6	3	3
Total Places & Org Capacity	1,810	768	665
Finance & Business Services	17	15	4
HR & OD	5	1	1
Borough Solicitor	5	1	1
Total Corporate Services	27	17	6
TOTAL	10,349	2,875	2,502

Appendix 3 – Summary Capital Programme and Funding

Department	FQR In-Year Budget 2012-13 £'000	SCE's/ Virements/ Reductions Qtr 2 2012-13 £'000	Revised MYR In-Year Budget 2012-13 £'000	Forecast Expenditure 2012-13 £'000	2013-14 £'000	2014-15 £'000	Post 2014-15 £'000
Adults, Children & Families							
New Starts	7,668	71	7,739	6,962	5,416	0	0
Ongoing schemes	12,417	-944	11,473	11,540	509	0	0
	20,085	-874	19,211	18,502	5,925	0	0
Places & Organisational Capacity							
New Starts	26,145	1,552	27,697	25,846	21,285	20,262	1,512
Ongoing schemes	24,040	-4,244	19,796	19,197	13,824	3,100	0
	50,185	-2,692	47,493	45,043	35,109	23,362	1,512
Corporate Services							
New Starts	10,290	-3,509	6,781	6,784	29,194	30,364	0
Ongoing schemes	1,093	0	1,093	763	829	327	0
	11,383	-3,509	7,874	7,547	30,023	30,691	0
Total New Starts	44,103	-1,886	42,217	39,592	55,895	50,626	1,512
Total Ongoing schemes	37,550	-5,188	32,362	31,500	15,162	3,426	0
Total Capital Expenditure	81,653	-7,074	74,579	71,092	71,057	54,052	1,512

Funding Source	2012-13 £'000	2013-14 £'000	2014-15 £'000	2015-16 £'000
Grants	37,729	18,817	13,502	0
External Contributions	2,188	20,870	20,234	0
Linked/Earmarked Capital Receipts	356	756	756	1,512
Supported Borrowing	1,729	0	0	0
Non-supported Borrowing	14,974	19,449	12,588	0
Revenue Contributions	555	0	0	0
Capital Reserve	13,561	11,165	6,972	0
Total	71,092	71,057	54,052	1,512

Appendix 4 – Reductions in Capital Programme

Scheme	Approved Budget £	Revised Approval £	Reduction £	Reason
ADULTS,CHILDREN AND FAMILIES				
DFC Grant	4,730,808	2,818,382	1,912,426	Budget Reallignment
Hurdesfield / Ethel Elks	1,115,000	865,000	250,000	Capital Challenge
Short Break Re Provision 11-12	300,000	50,500	249,500	Capital Challenge
Contact Point / Further Dev of Children's Hub/ e-CAF	382,000	236,665	145,335	Capital Challenge
Minor Works / Accessibility (<£100k)	382,000	222,985	159,015	Capital Challenge
Pupil Referral Unit 11-12	1,500,757	38,052	1,462,705	Capital Challenge
Specialist Special Needs Provision 11-12	950,000	0	950,000	Capital Challenge
Land Block 10-11	66,650	1,213	65,437	Capital Challenge
Land Drainage 10-11	63,140	54,027	9,113	Capital Challenge
VA Contributions 10-11	12,997	2,250	10,747	Capital Challenge
Kings Grove Mobile Replacement	792,000	609,912	182,088	Capital Challenge
Church Lawton - Specialist Provision	2,995,805	6,347	2,989,458	Capital Challenge
Sandbach Childrens Centres Ph3	758,959	754,353	4,606	Capital Challenge
Adults workforce Census East	14,920	0	14,920	Capital Challenge
Children's Workforce Dev Sys East	70,000	11	69,989	Capital Challenge
Signage (£5k*20 centres, estimate)	13,000	9,397	3,603	Capital Challenge
Primary Capital Programme (PCP)	22,000	0	22,000	Capital Challenge
Cledford TLC Scheme	3,360,000	3,345,630	14,370	Capital Challenge
TLC Dean Oak's PS	3,186,894	3,168,971	17,923	Capital Challenge
TLC Vernons PS Amalgamation	3,753,000	3,727,542	25,458	Capital Challenge
Offley Primary School	1,017,653	1,014,330	3,323	Capital Challenge
Stapely Broad Lane PS - Replacement of temp accomodation	907,970	901,575	6,395	Capital Challenge
TLC Sir William Stanier Comm S	21,447,626	21,413,515	34,111	Capital Challenge
Alsager H S Perf Arts Cent	1,100,000	1,079,361	20,639	Capital Challenge
St Johns Wood CS - Sports Barn	268,000	264,000	4,000	Capital Challenge
Monks Coppenhall Primary School	120,000	117,812	2,188	Capital Challenge
Hollins View	6,000,000	0	6,000,000	Capital Challenge
Combined ICT Project	4,368,610	567,095	3,801,515	Capital Challenge

Scheme	Approved Budget £	Revised Approval £	Reduction £	Reason
PLACES & ORGANISATIONAL CAPACITY				
Streets & Open Spaces				
Springfield Road Allotments	36,000	32,546	3,454	Capital Challenge
Allotment Improvements	15,000	11,931	3,069	Capital Challenge
HWRC Sites Review	4,000,000	0	4,000,000	Capital Challenge
Highways & Transport				
Vaudreys Wharf Canal	600,000	98,018	501,982	Capital Challenge
Drain Improvements - Joey the Swan	35,000	0	35,000	Capital Challenge
Alderley Edge Village Enhancements	109,301	94,007	15,294	Capital Challenge
Structural Maintenance	1,500,000	0	1,500,000	Capital Challenge
Community				
Parking Penalty Charge Notice Processing	112,000	87,000	25,000	Capital Challenge
Macclesfield Car Park Management Plan	242,384	200,000	42,384	Capital Challenge
Other Car Parking Improvements	696,649	180,000	516,649	Capital Challenge
Crematoria - Replacement Cremators	450,000	60,000	390,000	Capital Challenge
Alderley Edge Cemetery	89,153	7,073	82,080	Capital Challenge
Weston Cemetery	150,000	0	150,000	Capital Challenge
Development				
Town Regeneration & Development	6,035,000	2,757,000	3,278,000	Capital Challenge
Crewe Town Squares Refurb	2,908,702	2,034,640	874,062	Capital Challenge
Crewe Regeneration	845,000	0	845,000	Capital Challenge
Visitor Information Centres	30,000	0	30,000	Capital Challenge
Parkgate - Regeneration	1,282,000	509,254	772,746	Capital Challenge
Private Sector Assistance	1,599,284	1,316,284	283,000	Capital Challenge
Assisted Purchase Scheme	811,049	590,844	220,205	Capital Challenge
Empty Homes Initiatives	500,000	885	499,115	Capital Challenge
Private Sector Assistance	300,000	0	300,000	Capital Challenge
Disabled Facilities for Cheshire East Residents	1,320,000	920,387	399,613	Capital Challenge
Muncipal Buildings Office Ref	650,000	0	650,000	Capital Challenge
Office Accommodation Strategy	9,830,000	8,376,339	1,453,661	Capital Challenge
Energy Consumption	660,000	350,000	310,000	Capital Challenge
Performance, Customer Services & Capacity				
Customer Access in Libraries	77,000	0	77,000	Capital Challenge
Radio Frequency ID (RFID)	1,200,000	1,073,621	126,379	Capital Challenge

Scheme	Approved Budget £	Revised Approval £	Reduction £	Reason
CORPORATE SERVICES				
ICT				
Local Independent Workforce	10,711,688	8,390,000	2,321,688	Capital Challenge
Enable Citizens and Businesses	1,700,000	964,000	736,000	Capital Challenge
Core System Stability	18,456,594	15,342,000	3,114,594	Capital Challenge
Superfast Broadband	1,618,000	1,224,000	394,000	Capital Challenge
HR				
Accident Reporting system New scheme	18,000	15,150	2,850	Money returned to Revenue
Totals			**42,383,689**	

Appendix 5 – Request for Supplementary Capital Estimates (SCEs) and Virements

Capital Scheme	Starts Year	Amount Requested £	Funding	Reason for SCE/Virement	PARA Ref
<u>SUPPLEMENTARY CAPITAL ESTIMATES</u>					
Adults, Children and Families					
Adelaide Special School	2011/12	26,353	Adelaide School Contribution	School agreed to fund overspend against total approved budget from their School budget	
The Quinta Primary	2011/12	37,000	School Contribution	School has agreed to fund additional funding requirement	
Monks Coppenhall	2011/12	1,849	School Contribution	School has agreed to fund the residual expenditure on the scheme as funding was removed as part of the C&F Capital Challenge session - 03/09/2012	
The Berkeley Primary	2012/13	2,559	School Contribution	School has agreed to fund additional funding requirement	
Shavington High School	2012/13	1,520	School Contribution (LMS budget)	School has agreed to fund additional funding requirement	
Capital Maintenance Grant	2012/13	30,000	Puss Bank Primary School (School Contribution)	School has agreed to fund roofing work	
Capital Maintenance Grant	2012/13	5,000	Hollinhey Primary School (School Contribution)	School has agreed to fund roofing work	
Capital Maintenance Grant	2012/13	30,000	Malbank High School (School Contribution)	School has agreed to fund replacement window work	
Capital Maintenance Grant	2012/13	15,000	Ashdene Primary School (School Contribution)	School has agreed to fund replacement window work	
Goostrey Primary School	2011/12	4,500	School Contribution	School agreed to fund overspend against total approved budget from School budget for fire screen	
Alsager Highfields Primary School	2011/12	83,000	School Contribution	School agreed to fund overspend against total approved budget from School budget	
Leighton Primary School	2011/12	18,735	Schools LMS budget	School agreed to fund additional works for mobile replacement	
Building Base Review	2012/13	86,030	Capital Grant for Lincoln House (LDDF Moneis)	Grant funding has been sitting in Revenue and has been transferred to capital to account for and utilise the grant monies correctly.	
Building Base Review	2012/13	57,350	Capital Grant for Carter House (LDDF Moneis)	Grant funding has been sitting in Revenue and has been transferred to capital to account for and utilise the grant monies correctly.	

Capital Scheme	Starts Year	Amount Requested £	Funding	Reason for SCE/Virement	PARA Ref
<u>Places & Organisational Capacity</u>					
Highways & Transport					
S278 - Dunwoody Way (Apartments)	2011/12	1,500	External Contributions from Developer	The original developer went bankrupt leaving the scheme part done, a new developer is now finishing the development and as a new agreement is required the costs to complete have risen from £500 to £1,500. This increase in costs will be met by the Developer.	
Accessibility - Bus Network Investment	2011/12	8,052	S106 Contribution	The existing Accessibility programme of LTP funded works is to be extended to include the provision of sustainable transport facilities at Knutsford Railway Station so that existing S106 funding could be used to further enhance existing plans at the site and to contribute to reducing car dependency and to encourage cycling.	
Connect 2 Phase 3	2010/11	124,000	Additional Sustrans grant	Increased as a result of the need to re-design intended route.Concerns expressed by landowner late in design process. Sustrans successfully approached for additional funding to cover the increased design and construction costs. Failure to complete project would have resulted in significant abortive costs for CEC.	
Highway Structual Maintenance	2012/13	3,000,000	Prudential Borrowing	Increase in investment in new and existing roads infrastructure	58-62
Development					
Private Sector Assistance	2011/12	3,467	Repayments of Decent Homes grant	Increase due to repayments of 2 Decent Homes loan, to be recycled as loans for future applicants.	
<u>Corporate Services</u>					
Superfast Broadband	2012/13	40,421,708	External Contributions from Cheshire West & Chester B.C., Halton B.C., Warrington B.C.,ERDF, LEP fund, BDUK, Private sector provider	The update is to reflect the gross cost of the overall project, together with the partner contributions, grants and private sector investment.	88
Total SCE's Requested		43,957,623			

Capital Scheme	Starts Year	Amount Requested £	Funding	Reason for SCE/Virement	PARA Ref	Virement FROM … Starts Year	Capital Scheme	Amount Requested £
CAPITAL BUDGET VIREMENTS								
Adults, Children and Families								
Minor Works / Accessibility (<£100k)	2011/12	96,000	Capital Maintenance Grant	School scheme has now ceased and the grant funding made available has been used to finance the Minor Works block scheme instead of prudential borrowing as per the C&F Capital Challenge Session -03/09/12		2012/13	Woodcocks Well Primary School	96,000
Minor Works / Accessibility (<£100k)	2011/12	25,099	Capital Maintenance Grant	Scheme under spent so the grant funding has been made available to finance the Minor Works block scheme instead of prudential borrowing as per the C&F Capital Challange Session - 03/09/2012		2011/12	Middlewich High Secondary School	25,099
Minor Works / Accessibility (<£100k)	2011/12	21,000	Capital Maintenance Grant	Used Capital Maintenance Grant funding from 2012/13 Minor Works allocation to fund 2011/12 Minor works block scheme - to replace the prudential borrowing requirement as per the C&F Capital Challenge session 03/09/12		2012/13	Minor Works (<£100k)	21,000
Minor Works / Accessibility (<£100k)	2011/12	8,039	Capital Maintenance Grant	Used Capital Maintenance Grant funding from 2011/12 Suitability Bids allocation to fund 2011/12 Minor works block scheme - to replace the prudential borrowing requirement as per the C&F Capital Challenge session 03/09/12		2011/12	Suitability Bids (<£100k)	8,039
Minor Works / Accessibility (<£100k)	2011/12	9,000	Capital Maintenance Grant	Used Capital Maintenance Grant funding from 2012/13 Minor Works allocation to fund 2011/12 Minor works block scheme - to replace the prudential borrowing requirement as per the C&F Capital Challenge session 03/09/12		2012/13	Capital Maintenance Grant	9,000
Minor Works / Accessibility (<£100k)	2011/12	31,000	Capital Maintenance Grant/DFC Contribution from Alsager School (All within Accessibility)	Projects with different start years aligned to afford a more sustainable solution.		2012/13	Accessibility (<£100k)	31,000
Goostrey Primary School	2011/12	1,106	Prudential Borrowing	Asset Management service has agreed to fund asbestos removal works as part of their Compliance work		2011/12	COMPLIANCE 2011/12	1,106
Rode Heath Primary School	2011/12	5,000	DFC Capital Grant	School has agreed to fund overspend against the total approved budget on new build from their DFC allocation		2012/13	DFC Grant	5,000
Poynton High School	2010/11	31,000	Capital Maintenance Grant	To fund overspend against total approved budget from the capital maintenance grant allocation for 2012/13		2012/13	Capital Maintenance Grant	31,000
Mobberley CE Primary School	2012/13	796,000	Capital Maintenance Grant	Scheme has been agreed at TEG & EMB to fund new classrooms, toilet facilities to accommodate the increase in the need for child places at the school.	14	2012/13	Capital maintenance Grant	796,000

Capital Scheme	Starts Year	Amount Requested £	Funding	Reason for SCE/Virement	PARA Ref	Virement FROM … Starts Year	Capital Scheme	Amount Requested £
Places & Organisational Capacity								
Streets & Open Spaces								
Sandbach Park Building Refurb	2008/09	1,989	S106 Contribution	Re-alignment required to fund unexpected Assets staff time bookings not in original project scope		2009/10	Sandbach Park	1,989
Congleton Park Improvements - Town Wood	2009/10	1,660	S106 Contribution	Lower Heath Community Project has finished and left over S106 funds can be applied to Congleton Park for qualifying works		2011/12	Lower Heath Community Project	1,660
Highways & Transport								
Connect 2 Phase 3	2010/11	106,000	Local Transport Plan 12-13 Direct Grant	Increased as a result of the need to re-design intended route.Concerns expressed by landowner late in design process. The virement of budget will fund the associated land compensation costs. Failure to complete project would have resulted in significant abortive costs for CEC.		2012/13	Bridge Maintenance Minor Works	106,000
Performance, Customer Services & Capacity								
Website and Telephony 2012/13	2012/13	7,040	Capital Reserve	The virements were requested due to budget pressures resulting from the change in the hourly rate for ICT Shared Services recharges.		2008/09	Customer Access	7,040
Customer Relationship Management & Telephone System	2009/10	8,382	Capital Reserve	The virements were requested due to budget pressures resulting from the change in the hourly rate for ICT Shared Services recharges.		2008/09	Customer Access	8,382
Customer Relationship Management & Telephone System	2009/10	7,618	Capital Reserve	The virements were requested due to budget pressures resulting from the change in the hourly rate for ICT Shared Services recharges.		2010/11	Radio Frequency ID (RFID)	7,618
Community Services								
Nantwich Pool Enhancements (part-funding)	2008/09	372,000	Prudential Borrowing	Combination of increase in costs since Feasibility		2012/13	Minor Works 2012/13	108,000
			Capital Reserve	stage and final contractor submission along with an increase in project scope to include		2008/09	Disability Discrimination Act Improvements/ Adaptations	59,000
			Prudential Borrowing	extensions for a fitness suite & exercise studio		2012/13	AMS BLOCK 12/13	205,000
Development								
Wilmslow Feasibility 11/12	2011/12	25,381	Revenue Contribution	The intention had been to fund this work through the Town Regeneration & Development capital budget 2012/13. However, this is ultimately financed through prudential burrowing and, as the focus of this project is essentially feasibility, it is more appropriate to fund it through the Feasibility Studies capital budget which is financed from the revenue account. This Feasibility Studies budget was allocated to inform the business case and delivery strategy for the Lifestyle concept and associated projects.		2011/12	Feasibility Studies 11/12	25,381
Total Virements Requested		1,553,314						1,553,314

						Virement FROM …		
Capital Scheme	Starts Year	Amount Requested £	Funding	Reason for SCE/Virement	PARA Ref	Starts Year	Capital Scheme	Amount Requested £
Requests for Budget Adjustments within Programme to consolidate funding								
These Budget adjustments are wholly within the same Project/Programme/Block allocation category but across Starts Years and are required to consolidate Programme/Block Budgets								
Places & Organisational Capacity								
Development								
Disabled Facilities Grants	2012/13	25,000	Prudential Borrowing	Projects within the same Programme with different start years, rolled up so that they can be shown as one line in the Capital Programme.		2011/12	Disabled Facilities for Cheshire East Residents	25,000
Total SCE's, Virements and Budget Adjustments		45,535,937						1,578,314

Appendix 6 – Corporate Grants Register as at 30th September 2012

	Note	Forecast June FQR 2012/13 £000	Forecast Sept MYR 2012/13 £000	Variance 2012/13 £000	
Formula Grant					
Revenue Support Grant		1,287	1,287	0	
National Non Domestic Rates		66,390	66,390	0	
Total Formula Grant		**67,677**	**67,677**	**0**	
Specific Grants					
Ringfenced Grants					
Dedicated Schools Grant		195,650	193,540	2,111	
Pupil Premium Grant		3,944	4,009	-64	
Sixth Forms Grant (EFA)		9,221	8,801	419	
Golden Hello		40	40	0	
16-19 Bursary		83	128	-45	
Summer Schools (New Grant as at July-2012)		0	90	-90	
Total Ringfenced Grants		**208,938**	**206,608**	**2,331**	
Non Ringfenced Grants - held within service					
Council Tax Benefit Subsidy	*1*	20,408	20,408	0	
Housing Benefit Subsidy	*1*	75,128	75,128	0	
Total Benefit Subsidies		**95,536**	**95,536**	**0**	
Non Ringfenced Grants - held corporately					
Early Intervention Grant		12,908	12,908	0	
Learning Disabilities & Health Reform - PCT transfer		6,128	6,128	0	
Learning Disabilities & Health Reform		4,417	4,417	0	
Adult Skills & Adult Safeguarding Learning		675	675	0	
Skills Funding Agency		216	294	-78	
YOS grant		418	418	0	
NHS Funding		3,756	3,756	0	
Troubled Families		522	522	0	
Troubled Families - Co-ordinator		100	100	0	
Music Grant		143	143	0	
Adoption Improvement Grant		0	40	-40	SRE bid
Housing Benefit & Council Tax Admin.		2,094	2,094	0	
NNDR Administration Grant		562	562	0	

	Note	Forecast June FQR 2012/13 £000	Forecast Sept MYR 2012/13 £000	Variance 2012/13 £000
Non Ringfenced Grants - held corporately				
Local Service Support Grant -				
Preventing Homelessness Grant		253	253	0
Lead Local Flood Authorities		176	176	0
Community Safety Fund		148	148	0
Extended Rights to Free Transport (C&F)		385	385	0
LSS Total		963	963	0
Mortgage Rescue / preventing Repossessions		107	107	0
Community Transport Grant		139	139	0
Local Sustainable Transport Fund		578	578	0
New Homes Bonus 2011/12		870	870	0
New Homes Bonus 2012/13		1,844	1,844	0
New Homes Bonus 2013/14		0	0	0
Affordable Homes - starts 2012/13		85	85	0
Council Tax Freeze Grant 12/13		4,505	4,505	0
Council Tax - New Burdens		84	84	0
Community Rights to Challenge New Burdens grant		9	9	0
LACSEG refund from 2011/12 formula grant		503	503	0
New Burden Temporary Deferment Business Rates 12/13		0	5	-5
New Burden Community Rights to Bid		0	5	-5
Children's Workforce in Schools Modernisation Grant		0	0	0
Learner Support Funds		0	0	0
16+ Transport Partnership grant		0	0	0
Further Education Funding (16-18 Funding)		0	0	0
Grants Claimed Retrospectively -				
Milk Subsidy		28	0	28
Asylum Seeker		0	0	0
Workstep		0	0	0
Migration Impact Fund (Communities of Interest)		0	0	0
		41,653	**41,753**	**-100**
Total Specific Grants		**346,127**	**343,897**	**2,230**
Total Government Grant Funding		**413,804**	**411,573**	**2,230**

Notes

1 The budgets for Council Tax Benefit and Housing Benefit Subsidy grants are held within the service.

Appendix 7 – Treasury Management

Counterparty Limits and Investment Strategy

1. The maximum amount that can be invested with any one organisation is set in the Treasury Management Strategy Report. For named UK banks and building societies this has been set at 15% of our total investments subject to a maximum value of £15m. These limits apply to the banking group that each bank belongs to. Limits for Money Market funds have been set at 25% of total investments subject to a maximum value of £20m. There is also a maximum that can be invested in all Money Market Funds at any one time of 50% of the value of all investments.

2. Our approved counterparties list also includes a number of foreign banks although, to date, none have been used. Due to the on-going problems in the Eurozone and consistent with advice from our Treasury Management advisors, direct investments in most other European countries are not currently being considered. The limits applicable to foreign banks are the same as those applied to UK banks.

3. Banks credit ratings are kept under continual review although there have been no material changes in the last quarter. Due to the on-going uncertainties in the European financial markets most banks are limited to overnight deposits only; the exceptions being Barclays Bank and Nationwide Building Society to which a 100 day limit applies, and HSBC and Standard Chartered to which a 6 month limit applies. The short term ratings of Royal Bank of Scotland (RBS) remain below that specified in our Treasury Management Strategy so no further investments are currently being made. However, after consultation with our advisors, the intention is to remove this restriction relating to short term ratings from the Treasury Management Strategy.

4. Although a number of ratings are considered (long-term, short-term, support, viability), it is the long-term rating that is the ultimate driver of creditworthiness of financial institutions. In the capital markets, the perceived credit standing of an institution is referenced by its long-term rating which represents an agency's view of an institution's capacity to honour its financial obligations and its vulnerability to foreseeable events. The long-term rating is the principal driver of a bank's funding costs and perceived creditworthiness internationally, and hence market sentiment towards that institution. This is the reason long-term ratings should have prominence in comparison to other ratings.

5. The Council does not place over-reliance on credit ratings alone and therefore takes additional factors into account to assess an institution's overall creditworthiness such as credit default swaps, share prices, sovereign support mechanisms and economic fundamentals (a country's net debt/GDP) as well as on corporate developments and/or news of market sentiment towards counterparties.

6. Opportunities are being taken whenever possible to fix investments for short periods to take advantage of slightly higher rates. In quarter 2 these have been generally been 3 month investments with Lloyds TSB and I month investments with Santander. The Council continues to make use of a 100 day notice account at Barclays which yields a margin above the 3 month LIBOR rate.

7. **Table 1** shows the current investments and limits with each counterparty. A full analysis of the types of investment and current interest ratios achieved is given in **Table 2.**

Table 1 – Current Investments and Limits

Counterparties	Limits		Investments as at 30/09/12	
UK BANKS				
Barclays Bank	15%	£15m	10%	£9m
Co-operative Bank:	15%	£15m	9%	£8.3m
HSBC Bank	15%	£15m	-	-
Lloyds TSB	15%	£15m	13%	£12m
Royal Bank of Scotland	-	-	-	-
Santander (UK) plc	15%	£15m	13%	£12m
Standard Chartered Bank	15%	£15m	-	-
BUILDING SOCIETIES				
Nationwide Building Society	15%	£15m	-	-
Money Market Funds	50%		33%	
Deutsche	25%	£20m	6%	£6m
Ignis	25%	£20m	11%	£10m
Federated Prime Rate	25%	£20m	10%	£9m
Scottish Widows	25%	£20m	6%	£6m
Pooled Funds - External Fund Manager	50%		22%	£20.1m
				£92.4m

Table 2 – Types of Investments and Current Interest Rates

Instant Access Accounts	**Avg rate %**	**£000's**
Instant Access Accounts	0.65%	13,287
Money Market Funds	0.57%	31,000

Notice Accounts	**Avg rate %**	**£000's**
Notice Accounts (up to 100 days)	0.94%	9,000

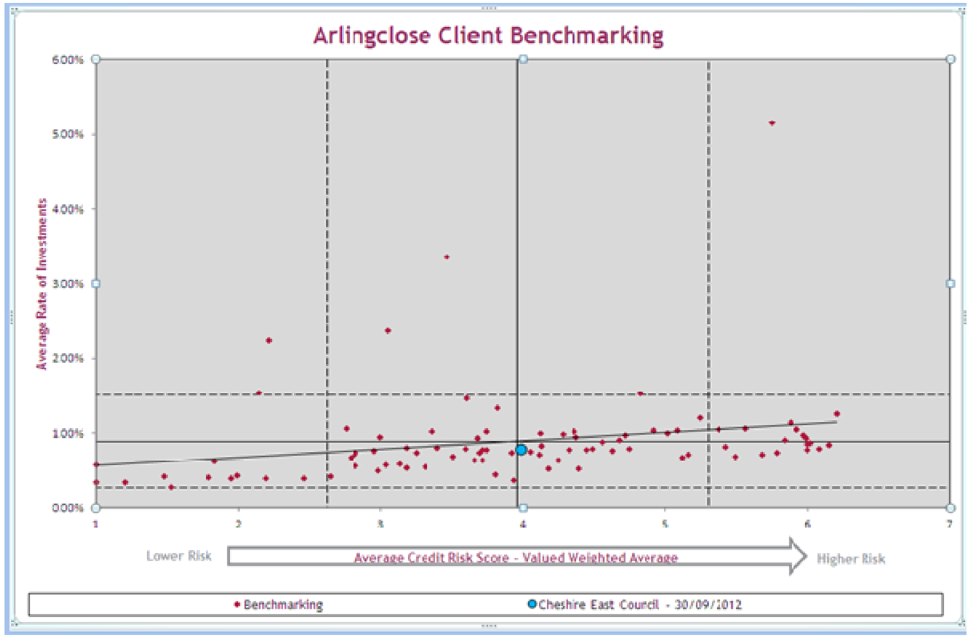
Fixed Term Deposits	**Start**	**Maturity**	**Rate %**	**£000's**
Lloyds TSB	01/08/2012	01/11/2012	1.35	4,000
Lloyds TSB	08/08/2012	08/11/2012	1.35	4,000
Lloyds TSB	16/08/2012	16/11/2012	1.35	4,000
Santander (UK)	03/09/2012	03/10/2012	0.83	2,500
Santander (UK)	11/09/2012	11/10/2012	0.83	2,000
Santander (UK)	19/09/2012	19/10/2012	0.82	2,500

Externally Managed Funds	**£000's**
Pooled Investments	20,139

Maturity Profile	**£000's**
Instant Access	44,287
Maturing < 1 month	7,000
Maturing within 1 - 6 months	21,000
Maturing within 6 – 12 months	0
Externally Managed Funds	20,139
Total	**92,426**

8. Benchmarking of investment returns is notoriously difficult as the level of returns is related to the level of risk and different Local Authorities take different views on risk. The table below shows the credit scores against the level of return comparing Cheshire East with other Local Authorities as at 30th September 2012 that use

the same treasury advisors as ourselves. This reveals that both our risk appetite and the returns achieved are average compared to other Local Authorities. Returns could be increased by using lower credit rated counterparties or increasing the duration of investments. Many authorities with lower risk but higher returns than Cheshire East have historic longer dated investments which have yet to mature or have lower and less volatile daily cash balances. Higher cash balance means spreading the risk among counterparties even if the rate paid by some counterparties is relatively low.



Source: Arlingclose Ltd

Performance of Fund Manager

9. The table below shows the performance of the funds (net of fees) since the initial investment of £20m (£10m in each model) on 27th May 2011.

	STANDARD MODEL	DYNAMIC MODEL
April 2012	0.00%	-0.06%
May 2012	-0.04%	-0.13%
June 2012	0.10%	0.17%
July 2012	0.24%	0.27%
August 2012	0.07%	0.10%
September 2012	0.11%	0.13%
Cumulative 2012/2013	0.48%	0.49%
Value of Investment at 30/09/12	£10,145,972	£10,116,647
Fees (Total since start)	£34,087	£36,686
Average Annual Rate as at 30/09/12	0.84%	0.60%

10. Performance of the funds in April and May was affected by the continued debt crisis in Europe, in particular the uncertainties over the Greek economy.

11. Corporate Bonds and emerging market debt were all affected by the European debt issues but improved greatly in June once the markets settled down. They have continued to provide most of the gains on the funds since then. Most good credit quality

Government stocks continue to offer very low yields but the funds have focused on other AAA rated stocks (such as Norway, Canada and Australia) which have helped the performance of the Short dated bonds element of the funds.

12. The performance of the funds in the last quarter has been encouraging and more in line with our expectations than previously. The nature of these investments is that performance can be volatile so they should only be judged over a longer period of time. Regular meetings are being held with the fund managers to assess the on-going performance and suitability of these funds.

Amendment to Treasury Management Strategy Statement (TMSS)

13. As indicated in **Section 2** of the report, attached is the extracts from the TMSS showing the proposed changes for approval.

Specified Investments

Specified Investments will be those that meet the criteria in the CLG Guidance, i.e. the investment

- is sterling denominated
- has a maximum maturity of 1 year
- meets the "high" credit quality as determined by the Council or is made with the UK government or is made with a local authority in England, Wales and Scotland or Northern Ireland or a parish or community council.
- the making of which is not defined as capital expenditure under section 25(1)(d) in SI 2003 No 3146 (i.e. the investment is not loan capital or share capital in a body corporate).

"Specified" Investments identified for the Council's use are:

- Deposits in the DMO's Debt Management Account Deposit Facility
- Deposits with UK local authorities
- Deposits with banks and building societies
- *Certificates of deposit with banks and building societies
- *Gilts : (bonds issued by the UK government)
- *Bonds issued by multilateral development banks
- Treasury Bills (T-Bills)
- Local Authority Bills (LA Bills)
- Commercial Paper
- Corporate Bonds
- AAA-rated Money Market Funds
- Other Money Market Funds and Collective Investment Schemes– i.e. credit rated funds which meet the definition of a collective investment scheme as defined in SI 2004 No 534 and SI 2007 No 573.

1. ** Investments in these instruments will be on advice from the Council's treasury advisor.*
2. *The use of the above instruments by the Council's fund manager(s) will be by reference to the fund guidelines contained in the agreement between the Council and the individual manager.*

For credit rated counterparties, the minimum criteria will be the lowest equivalent ~~short-term/~~long-term ratings assigned by Moody's, Standard & Poor's and Fitch (where assigned):

Long-term minimum: A3 (Moody's) or A- (S&P) or A-(Fitch)
~~***Short-term minimum: P-1 (Moody's) or A-1 (S&P) or F1 (Fitch).***~~

In addition the Council will also make use of short term call accounts with the Councils current bankers, the Co-operative Bank, who do not meet the Council's minimum creditworthiness criteria, although the ratings do.

The Council will also take into account information on corporate developments of and market sentiment towards investment counterparties.

Appendix 8 – Performance Report

Corporate Scorecard Report for 12 /13 Quarterly Reporting
(Organisation Summary)
Sep – 2012

Objective	Measure Ref	Measure Description	Frequency	Polarity	Result 2011/12	Latest Data Target	Latest Data Result	Operational Comments
Performance Measures 2012/13								
Children, Families & Adults	CFA001	Average time between a child entering care and moving in with its adoptive family, for children who have been adopted (days)	Quarterly	Low	719 days	640 days	593 days	The Directorate is currently implementing an Improvement Plan agreed with the DFE to improve timescales for children awaiting to be adopted. Performance since application of the Plan is showing some improvements. It is important to recognise that small numbers, which are involved here, can have disproportionate impact on the figures. We also expect some variation over the year as there are still children prior to improvements in our system, who are already out of timescale, who have not yet been adopted and will show in future figures. The second quarter shows an improving picture both in relation to our own performance and the new revised national 3 year average.
	CFA002	Average time between a local authority receiving court authority to place a child and the local authority deciding on a match to an adoptive family (days)	Quarterly	Low	260 days	214 days	180 days	Again the first two quarters of this year show improvement both in relation to our own target and the national average. We are still above the national average (198 as opposed to 195) but this is an improvement on last year's figures.

Corporate Scorecard Report for 12 /13 Quarterly Reporting

(Organisation Summary)

Sep - 2012

Objective	Measure		Frequency	Polarity	Result 2011/12	Latest Data		Operational Comments
	Ref	Description				Target	Result	
Performance Measures 2012/13								
	CFA003	Percentage of children who wait less than 21 months between entering care and moving in with their adoptive family	Quarterly	None	46%	Not Set	44%	Rationale for calculation of this figure has been obtained from number of children adopted during 01/04/2012-30/09/12, number of children placed with adoptive carers at 30/09/12 and number of children with an adoption decision at 30/09/12 who have not been cared for longer than 21 months. The figure is for period 01/04/12-30/09/12 not a cumulative 3 year figure. Whilst this has dropped slightly from last year, the drop is minor (46% to 43.5%), we are still a little way off the national average (56%), but are working with a new tracker system to improve this. This is part of the Improvement Plan for Adoption.
	NI 19	Rate of proven re-offending by young offenders	Quarterly	Low	0.97 number	1.00 number	1.05 number	Q2 data available in November 2012. This figure relates to most recent available data for Q1; a cohort of 107 individuals who received an outcome during Jan - Mar 2011 and the frequency rate of re-offending within 12months.

Corporate Scorecard Report for 12 /13 Quarterly Reporting

(Organisation Summary)

Sep - 2012

Objective	Measure Ref	Measure Description	Frequency	Polarity	Result 2011/12	Latest Data Target	Latest Data Result	Operational Comments
Performance Measures 2012/13								
	NI 59	Initial assessments for childrens social care carried out within 10 working days of referral	Quarterly	High	52.20%	75.00%	36.00%	Overall picture for six months is 731 IA's completed and 41% signed off within 10 days. The Children's Assessment Team which undertakes this work is currently subject to review due to the high dependency upon agency staff.
	NI 60	Core assessments for childrens social care that were carried out within 35 working days of their commencement	Quarterly	High	60.60%	75.00%	59.20%	Work continues to ensure the balance between timeliness and quality is not compromised
	NI 64	Child protection plans lasting 2 years or more	Quarterly	Low	2.63%	5.00%	1.60%	This represents good performance.
	NI 65	Children becoming the subject of a Child Protection Plan for a second or subsequent time	Quarterly	Low	11.11%	15.00%	15.70%	The appropriate re-registration of a large family of siblings due to change in circumstances has resulted in a higher than desired % This figure can be skewed significantly by a small number of children being registered in a quarter but one large family group subject to a re-registration

Corporate Scorecard Report for 12 /13 Quarterly Reporting
(Organisation Summary)
Sep – 2012

Objective	Measure		Frequency	Polarity	Result 2011/12	Latest Data		Operational Comments
	Ref	Description				Target	Result	
Performance Measures 2012/13								
	NI 67	Child protection cases which were reviewed within required timescales	Monthly	High	100.00%	100.00%	100.00%	The purpose of this indicator is to demonstrate that the multi-agency plans to keep the most vulnerable children in Cheshire East safe are independently reviewed in a timely way to ensure they are appropriately robust. Operational arrangements will ensure that this is a priority and will endeavour to continue to achieve 100%.
	NI 111	First time entrants to the Youth Justice System aged 10 to 17	Quarterly	None	188 number	Not Set	37 number	Q2 data available November 2012. Figure relates to the Q1 period 1/4/2012 - 30/06/2012; the most recent available data.
	NI 117	16 to 18 year olds who are not in education, training or employment (NEET)	Quarterly	Low	5.00%	4.90%	5.50%	Figure relates to the end of August 2012. Sept and Oct are normally higher pending clarification of those leaving YR 11 and their final destination.
	NI 125	Achieving independence for older people through rehabilitation/ intermediate care	Monthly	High	74.40%	74.40%	78.30%	The new Service Manager for Intermediate Care is currently looking at new and better collection methods to increase response rates. The information needed to collate this indicator comes from two different hospital trusts and we are working through options to standardise this.

Corporate Scorecard Report for 12 /13 Quarterly Reporting

(Organisation Summary)
Sep - 2012

Objective	Measure		Frequency	Polarity	Result 2011/12	Latest Data		Operational Comments
	Ref	Description				Target	Result	
Performance Measures 2012/13								
	NI 130	Social care clients receiving Self Directed Support (Direct Payments and Individual Budgets)	Monthly	High	45.50%	45.00%	39.40%	Work is being undertaken on this measure to address performance issues. The Team Support Service are working with teams to help them drive up performance on this measure. Coaching sessions are taking place and a briefing has been sent to teams.
	NI 131	Delayed transfers of care from hospitals	Monthly	Low	8.70 number	8.70 number	10.10 number	The figure within this measure that account for delays attributable to adult social care is only 0.17
	NI 132	Timeliness of social care assessment	Monthly	High	92.80%	94.00%	94.10%	This measure continues to perform well. New reporting at team level has been produced so that team managers can now see more detailed breakdowns of time taken for completion of assessments.
	NI 133	Timeliness of social care packages	Monthly	High	93.80%	93.00%	94.50%	Performance remains consistent on this measure and above target. A review of this measure is currently being considered: this measure is based on the old national indicator which was created prior to developments around personalisation and programmes such as reablement.

Corporate Scorecard Report for 12 /13 Quarterly Reporting

(Organisation Summary)
Sep - 2012

Objective	Measure		Frequency	Polarity	Result 2011/12	Latest Data		Operational Comments
	Ref	Description				Target	Result	
Performance Measures 2012/13								
	NI 135	Carers receiving needs assessment or review and a specific carers service, or advice and information	Monthly	High	35.45%	25.30%	27.40%	There was a significant improvement in 2011/12 but we are still looking at ways to help more carers in 2012/13. For example we are currently exploring ways of improving and increasing the numbers of carer's assessments with an organisation that works with carers on behalf of Community Mental Health Teams.
	NI 141	Percentage of vulnerable people achieving independent living	Quarterly	High	73.45%	65.00%	80.19%	Performance is up on last year and is exceeding target. A high number of people are being supported to make the move into their own independent accommodation.
	NI 142	Percentage of vulnerable people who are supported to maintain independent living	Quarterly	High	98.43%	98.70%	97.94%	Although very slightly under target this still shows that long term and floating support services continue to be very successful at helping vulnerable people to live independently.
	NI 145	Adults with learning disabilities in settled accommodation	Monthly	High	52.90%	31.00%	31.50%	Although there was significant improvement on this measure in 2011/12, a stretching end year target of 70% has been set. The Team Support Service are currently looking at where there are opportunities to improve performance through new ways of collecting the data required.

Corporate Scorecard Report for 12 /13 Quarterly Reporting
(Organisation Summary)
Sep - 2012

Objective	Measure		Frequency	Polarity	Result 2011/12	Latest Data		Operational Comments
	Ref	Description				Target	Result	
Performance Measures 2012/13								
	NI 146	Adults with learning disabilities in employment	Monthly	High	7.00%	4.36%	3.33%	Although currently below challenging target, this is better than same point last year (2.44% at Quarter 2 2011/12).Work is ongoing to help support learning disabled people into work opportunities: for example, Work Placement Officers continue to further explore the use of assistive technology when arranging in-work support for customers.
Places & Organisation Capacity	NI 155	Number of affordable homes delivered (gross)	Quarterly	High	247 number	75 number	55 number	This quarter's provision derives mainly from two of our larger providers. Overall housing market remains sluggish which has limited the progress on market sites across the Borough resulting in our housing target for affordable homes completions not being met.
	NI 157a	Processing of planning applications as measured against targets for major application types	Quarterly	High	31.30%	60.00%	51.80%	Provisional figure reported - Performance levels are down from Q1 and now missing target of 60%.
	NI 157b	Processing of planning applications as measured against targets for minor application types	Quarterly	High	51.70%	65.00%	76.30%	Provisional figure reported - Performance marginally down from Q1 however target is still being met.
	NI 157c	Processing of planning applications as measured against targets for other application types	Quarterly	High	69.60%	80.00%	91.70%	Provisional figure reported - Performance marginally down from Q1 however target is still being met.

Corporate Scorecard Report for 12 /13 Quarterly Reporting

(Organisation Summary)
Sep - 2012

Objective	Measure		Frequency	Polarity	Result 2011/12	Latest Data		Operational Comments
	Ref	Description				Target	Result	
Performance Measures 2012/13								
HR & OD	BV012	Working days lost due to sickness absence (cumulative)	Monthly	Low	9.16 days	3.80 days	4.46 days	Sickness absence is an issue that the Council takes seriously and reviews on a regular basis. We have an action plan in place to address absence and, as well as close monitoring and training for line managers, we have implemented a number of proactive initiatives. These include increased use of occupational health services and provision of specialist advice and guidance on, for example, cancer, healthy lifestyles and stress awareness. We have also held two wellbeing events for employees this year with another three planned to take place during November and December.