ANNEX 1

# Three Quarter Year Review of Performance 2012 / 2013

February 2013

# 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 three quarter 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 approved Supplementary Estimates and Virements, including those requested in the report. The permanent element of these updated budget figures form the carried forward element of the 2013/2014 Budget.

**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.

The Council has undertaken work to ensure Value for Money is provided throughout the council. The impacts of these improvements were noted in the Audit letter issued last Autumn and are visible in the improved control of finances seen in this 3rd Quarter and the previous mid year report. The audit letter notes improvements in Highways Maintenance, HR, Finance and IT. In particular the capital programme has been subject to more rigorous review from both Officers and Cabinet members through a new project management system and a Gateway Approval system.

The Council continues to provide detailed and transparent financial information about its use of public money both in this report and its budget processes.

Appendices are provided as follows:-

- **Appendix 1** explains changes to the Revenue Budget since the Mid Year Review in November 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.
- **Appendices 5a and 5b** list 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 Three Quarter Year Review

## Financial Position

| 2012/2013 Three Quarter Year Review | REVENUE: Revised Net Budget £m | Emerging Pressures £m | Remedial Actions Identified to Date £m | Current Forecast Over / (Underspend) £m | Change from MYR £m | For Further information please see the following sections |
|---|---|---|---|---|---|---|
| DIRECTORATES | | | | | | |
| Children & Families | 59.2 | 5.5 | -4.5 | 1.0 | -0.3 | Section 1, Paragraphs 2-11 |
| Adults | 99.0 | 11.0 | -6.9 | 4.1 | 0.0 | Section 1, Paragraphs 20-33 |
| Places & Organisational Capacity | 77.1 | 4.7 | -3.0 | 1.7 | 0.2 | Section 1, Paragraphs 37-55 |
| Corporate Services | 26.7 | 0.3 | -0.3 | 0.0 | -0.4 | Section 1, Paragraphs 73-86 |
| TOTAL: Directorates | 262.0 | 21.5 | -14.7 | 6.8 | -0.5 | |
| | | | | | | |
| CENTRAL BUDGETS | | | | | | |
| Specific Grants | -41.5 | -0.2 | | -0.2 | 0.0 | Section 2, Paragraphs 94 |
| Capital Financing | 14.8 | -0.9 | | -0.9 | 0.0 | Section 2, Paragraphs 121-122 |
| Contingencies | 4.3 | | | 0.0 | 0.0 | Section 2, Paragraphs 126-127 |
| Invest to Save Reserve | -0.6 | | | 0.0 | 0.0 | |
| Corporate Income | 0.0 | -0.2 | | -0.2 | -0.2 | |
| TOTAL: Central Budgets | -23.0 | -1.3 | 0.0 | -1.3 | -0.2 | |
| | | | | | | |
| **TOTALS** | **239.0** | **20.2** | **-14.7** | **5.5** | **-0.7** | |

| | Planned Contribution 2012/2013 Revised Budget £m | Forecast Variance @ Quarter 3 £m | Impact on reserves Quarter 3 Forecast £m |
|---|---|---|---|
| Impact on Reserves | 7.3 * | -5.5 | 1.8 |

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

| General Reserves Balance | 2012/2013 Budget £m | | Quarter 3 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 | 1.8 | |
| Closing Balance March 2013 | 20.8 | Forecast | 13.2 | |

# Overview

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

**Revenue**

- The third quarter report shows a reduction of £0.5m in Directorate spend and a £0.2m reduction in Central Budgets against the Mid Year position.

- Overall Directorate revenue budget is now expected to overspend by 2.6% (£6.8m).

- Services face emerging pressures totalling £21.5m, and to date have identified remedial actions of £14.7m to mitigate these issues.

- Demand led service pressures applying across directorates include:-

  - **Children & Families -** Care costs £3.9m; 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 £1.3m; Assets £2.6m; Waste, Recycling & Streetscape £1.5m;
  - **Corporate Services -** ICT (incl Shared Services) £0.5m

- Central Budgets – a £1.3m saving is forecast from a reduction in interest charges and debt repayment costs (£0.9m), increased grants (£0.2m), and other income (£0.2m).

Portfolio Holders and Chief Officers will strive to identify further remedial action to mitigate the £6.8m forecast overspend prior to the year end.

The Medium Term Financial Strategy (Dec 2012) confirmed in-year pressures continuing into 2013/2014, and these combined with the above forecasts support the base expenditure and opening balances for the 2013/14 budget.

**Reserves**

- General Reserves are expected to increase this financial year by £1.8m to £13.2m. This is less than planned as the impact of the forecast overspend reduces the planned contribution to reserves.

- The actual closing balance will be detailed in the Statement of Accounts in June 2013. One risk that should be noted is the potential for up-front severance costs from restructuring being funded in 2012/2013.

**Capital**

- The revised capital programme was approved by Council on 13 December 2012. The revised in year budget of £75.4m is forecast to underspend by £18.5m.

**Debt**

- Total outstanding Debt (excluding local taxation) is £6.7m, of which £2.9m is over 6 months old. A bad debt provision of £2.7m is available to meet potential write-offs.

**Financial Stability**

- The Council has retained its position among the top third of Unitary Councils in terms of council tax collection. 99% of Council Tax / Business Rates are collected within 3 years.

- Investment income is £0.2m 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 Three Quarter Year point, 26.9% 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 three quarter 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 £59.2m, excluding Dedicated Schools Grant (DSG) which is shown separately **(paras 20-23).** **Table 1** highlights that emerging pressures of £5.5m have been identified. Remedial action of £4.5m has been identified to date which will reduce the forecast overspend to £1.0m (a reduction of £0.3m since Mid Year Review.

**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 MYR £000 | Paragraph Number(s) |
| **Children & Families** | | | | | | |
| Directorate | 562 | 0 | 0 | 0 | 238 | |
| Safeguarding & Specialist Support | 26,851 | 4,367 | -474 | 3,893 | 26 | 4-11 |
| Early Intervention & Prevention | 12,844 | 0 | -2,228 | -2,228 | -128 | 12-13 |
| Strategy, Planning & Performance | 18,927 | 1,141 | -1,836 | -695 | -486 | 14 |
| | **59,184** | **5,508** | **-4,538** | **970** | **-350** | |

3. **Table 2** shows that the service has a 2012/2013 revised capital budget of £17.9m. Expenditure is forecast to be £14.9m, resulting in a forecast underspend of £3.0m, which will be spent in future years.

**Table 2 – Children and Families Capital**

| | MYR Budget £m | Revised TQR Budget £m | Forecast Expenditure £m | Current Forecast (Over/ Underspend) | Paragraph Number(s) |
|---|---|---|---|---|---|
| **Children & Families** | | | | | |
| Safeguarding & Specialist Support | 0.8 | 0.8 | 0.7 | -0.1 | |
| Early Intervention & Prevention | 0.2 | 0.2 | 0.2 | 0.0 | |
| Strategy, Planning & Performance | 16.7 | 16.9 | 14.0 | -2.9 | |
| | **17.7** | **17.9** | **14.9** | **-3.0** | 15-19 |

## Key Revenue Issues

## Safeguarding and Specialist Support (SSS)

4. The external care placements budget for Cared For Children (CFC), is currently projected to overspend by £3.9m. Further actions are being identified to bring costs down further. There are currently 402 Cared for Children (as at 4th January 2013) compared with 434 at the start of April 2012, there is evidence that the action that the service are taking to control the number of placements is working. Whilst, overall care numbers have reduced, 30 children were admitted to care during this period (April 2012 to January 2013.

5. The Children's care placement budget continues to be under pressure due to a number of factors including: the impact of looking after children who do not continue with education but still have a social care cost (i.e. when they are in Education, this is partially funded by the Dedicated Schools Grant and no provision needs to be made for social care day services) and the cost of providing care to children with increasingly complex needs.

6. Remedial action of £0.4m associated with reduced care costs (i.e. through reviews and care contract commissioning) is expected to be delivered by the service in 2012/2013 with further full year effect savings expected in 2013/2014.

7. The new Head of Service is actively reviewing placements and the longer term commissioning models that should be adopted. Alongside this, improved integration between Children's and Adults social care and health care is being explored, and discussions are currently underway in relation to health contributions, towards complex care packages.

8. The service are continuing to review and reduce 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 intends to invest in local residential services and the delivery model for these services is being reviewed.

9. 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 and the staffing capacity pressures outlined below. Consideration is being given to benefits and support that would encourage more foster parents.

10. The service continue 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 £0.75m within the service. Actions to tackle the recruitment issue are being progressed. It is anticipated that the new recruitment process will be in place during early 2013 which will reduce the reliance of the service on agency staff in 2013/2014.

11. The service continues to be in a significant overspend situation in relation to care costs and agency staffing. The new Head of Service is taking active steps to control and reduce the overspend on a permanent basis. An overspend position of £3.9m cannot be eradicated within the current financial year, but within the business planning proposals there is a strategy to significantly reduce the care cost pressure over the next 3 years. The main challenges at the moment are the availability of alternative support services other than external care placements and the need to balance the council's statutory requirement to identify and care for children at risk, alongside its duty to secure value for money.

**Early Intervention and Prevention**

12. The service are currently containing their overall budget pressures by diverting resources which should be invested in preventative services. The service are expected to deliver an underspend of £2.2m.

13. As part of the 2013/2014 business planning process, the service are reviewing the options and benefits of investing in early intervention and prevention services to reduce overall costs within care commissioning. The Heads of Services are actively working together to develop longer term plans.

**Strategy, Planning and Performance**

14. The main pressure within the service is from the policy proposal to deliver £1.1m of transport savings. Good progress is being made with the remedial action plan that was devised at First Quarter Review and part year savings of £0.8m are expected to be delivered in 2012/2013 with a full year effect of £1.1m in 2013/2014.

**Capital Programme - Key Issues**

15. Since the mid-year review, the in year capital budget has been adjusted for a number of supplementary capital estimates (Appendix 5a and 5b) mainly funded by additional schools contributions and capital grants resulting in an overall increase of £0.2m.

16. The service will slip £3.0m of forecast expenditure in to future financial years and this is mainly in the Strategy, Planning and performance service where the schools capital programme sits.

17. A list of the Children and Families Supplementary Capital Estimates and Virements up to and including £250,000 are shown in Appendix 5b. Cabinet are asked to note the changes.

18. Cabinet is asked to approve the Supplementary Estimate of £0.9m for the Springfield Special School scheme which will be fully funded from the schools balances and Devolved Formula Capital (Appendix 5a). The proposal is to create a sports barn facility that will incorporate a sports hall and swimming pool, with changing facilities, adjacent to the main school.

19. Cabinet are requested to note the budget reductions as listed on Appendix 4.

## Dedicated Schools Grant (DSG)

20. **Table 3** shows that total pressures on DSG for 2012/2013 are currently £4.4m, which is an increase of £0.9m since Mid Year Review.

**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 MYR £000 | Paragraph Number(s) |
| **Schools Grant Funded including DSG** | | | | | | |
| Strategy, Planning & Performance - DSG | 0 | 2,814 | 0 | 2,814 | -719 | |
| Schools (Individual School Budgets) | 0 | 0 | 0 | 0 | 0 | |
| Other Schools Provision | 0 | 1,621 | 0 | 1,621 | 1,621 | |
| Pupil Premium | 0 | 0 | 0 | 0 | 0 | |
| | **0** | **4,435** | **0** | **4,435** | **902** | 20-23 |

21. The DSG budget is fully funded by ring fenced grant of £191m, of which approximately 94% is formally delegated to schools and the remaining 6% is retained centrally by the Council for statutory functions that have not been delegated.

22. The majority of the 6%, which equates to just over £13.6m is spent on specific educational needs of children. Special Educational Needs (SEN) 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 £2.8m. In addition the overspend on both SEN and 3 and 4 year old places from 2011/2012 has been carried forward, giving a total DSG overspend of £4.4m. This is ring fenced to DSG and will be managed against the overall DSG position.

23. This issue is being discussed, and a remedial action plan is being managed, with the Schools Forum. Plans are being drawn up to recoup as much as possible within 2012/2013, with any remaining overspend being carried forward as a first call on the 2013/2014 DSG budgets.

## Adults

24. The Adults Service has a net budget of £99m. **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 (the same as at Mid Year Review).

**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 MYR £000 | Paragraph Number(s) |
| **Adults** | | | | | | |
| Care4CE | 0 | 286 | -675 | -389 | -100 | 33 |
| Strategic Commissioning | 36,473 | 2,924 | -771 | 2,153 | -321 | 36-39 |
| Business Management and Challenge | 3,457 | 154 | -720 | -566 | -20 | 35 |
| Individual Commissioning | 59,109 | 7,643 | -4,697 | 2,946 | 478 | 26-34 |
| | **99,039** | **11,007** | **-6,863** | **4,144** | **37** | |

25. **Table 5** shows that the service has a 2012/2013 capital budget of £1.5m. Expenditure is forecast to be £0.8m, resulting in a forecast underspend of £0.7m, which will be spent in future years.

**Table 5- Adults Capital**

| | MYR Budget £m | Revised TQR Budget £m | Forecast Expenditure £m | Current Forecast (Over/ Underspend) | Paragraph Number(s) |
|---|---|---|---|---|---|
| **Adults** | | | | | |
| Care4CE | 0.4 | 0.4 | 0.3 | -0.1 | |
| Business Management and Challenge | 1.1 | 1.1 | 0.5 | -0.6 | |
| | **1.5** | **1.5** | **0.8** | **-0.7** | 40-42 |

## Key Revenue Issues

### Individual Commissioning

26. The main pressure within the Adults Service continues to be care costs. The service has a gross pressure of £7.6m in year mainly relating to care costs which is being mitigated by remedial action of £4.7m, leaving a net budget pressure of £2.9m. The Learning Disability Pooled budget arrangement with Central and Eastern Cheshire PCT accounts for £5m of the gross overspend position within Individual Commissioning.

27. The remedial action projection of £5.2m at Mid Year Review has been reduced by £0.5m to £4.7m and this is due to care cost growth not being contained to the levels as originally anticipated. In addition, some of the remedial action is of a temporary nature, so there will continue to be pressures in 2013/2014.

28. The service are continuing to explore a number of options to reduce care costs including:
    - maximising the use of Care4CE services where appropriate
    - Letter to service providers to negotiate costs
    - Reassessment of service user needs and review of care packages
    - More rigorous review of care placements, including an independent review
    - Review of respite placements (especially those over 6 weeks)
    - Ensuring all relevant assessments and reassessments are considered for eligibility for Continuing Health Care (CHC) funding, whereby health have the ongoing liability to deliver and pay for care
    - Review of commissioning models in the longer term

29. Remedial action is being delivered in a number of key areas (i.e. vacancy management; stopping expenditure on uncommitted activities ). However, progress in containing care costs continues to be variable depending on the care packages that have been

commissioned (i.e. whilst people leave the service, the cost of new entrants is higher as they have more complex care needs).

30. 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. The service are currently negotiating for additional contributions from health, under the Continuing Healthcare reviews.

31. In December 2012, the Department of Health announced additional funding for winter pressures which councils need to be bid for with their Strategic Health Authority. Cheshire East will be pursuing business cases with health.

32. The previously reported budget pressures in relation to the de-commissioning of transport services and the availability of support within the external market to absorb demand have been rectified through working with alternative providers.

33. A new Head of Service starts in post from mid January 2013 and it is expected that they will help shape the direction of the service to ensure that it is sustainable in the future. The recently appointed new managers at the Strategic level are currently stabilising the service before the new Head of Service starts. Once they are in post these managers should give the service the capacity to review the direction of the service, review the assessment and care management practice and processes and review commissioning models in conjunction with the Strategic Commissioning managers.

34. There continues to be a risk that not all the identified remedial action is achievable, especially in relation to care cost reviews. The winter months are traditionally more volatile in that instances of flu, norovirus etc, are more prevalent and can lead to increased care costs. This is the major risk factor to be accounted for when considering the Adults outturn position at this point.

**Care4CE and Business Management and Challenge**

35. These services are delivering the remedial action plan that was developed following the First Quarter Review and are expected to deliver a combined underspend of £0.9m, this is through vacancy management; managing uncommitted budgets and utilising existing resources.

**Strategic Commissioning**

36. The main pressure within the strategic commissioning budget continues to be the gross overspend of £2m on the Learning Disability pooled budget health networks.

37. The pressure on the health networks remains at £2m overspend. Whilst these contracts are due to expire in March 2013, it will not be possible to complete a re-tender exercise by April 2013. The current aim is to review service users on an individual basis and renegotiate costs with the relevant provider accordingly. If this proves unsuccessful the contracts will be retendered as soon as possible but it should be noted this is likely to involve a lead time in of 9-12 months.

38. A letter has been sent out to providers advising the market of the financial position that the Council faces 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 is underway. The savings are of a temporary nature and contribute towards the remedial action in Individual Commissioning.

39. The overall outturn position for Adults is underpinned by the remedial action that must happen within the care cost pressure area. Whilst short term remedial action may help to manage the gross pressures, longer term initiatives need to be invested in to help deliver longer term savings e.g. determining accommodation with support requirements based on needs analysis; instigating programmes of service redesign for learning disability.

## Capital Programme – Key Issues

40. There have been no fundamental changes to the Adults in-year budget since the mid-year position.

41. The service will slip £0.7m forecast expenditure into 2013/2014 and this relates to all three schemes within the Adults 2012/13 Capital Programme, Building Base Review £0.3m, Combined ICT project £0.2m and Careworks System £0.2m.

42. The full list of Adults Supplementary Capital Estimates and Virements are shown in Appendix 5b, Cabinet are asked to note the changes.

## Places & Organisational Capacity Directorate

43. Places & Organisational Capacity Directorate has a net budget of £77.1m. **Table 6** highlights pressures of £4.7m. Remedial action of £3.0m has been identified to date which will reduce the forecast overspend to £1.7m (an increase of £0.2m since Mid Year Review).

**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 MYR £000 | Paragraph Number(s) |
| **Places & Organisational Capacity** | | | | | | |
| Waste, Recycling & Streetscape | 26,785 | 556 | 0 | 556 | 147 | 45-51 |
| Highways & Transport | 17,791 | 21 | -210 | -189 | -48 | 52-54 |
| Community Services | 206 | 2,079 | -290 | 1,789 | 365 | 55-59 |
| Development | 21,973 | 1,831 | -1,815 | 16 | -39 | 60-64 |
| Performance, Customer Services & Capacity | 10,304 | 205 | -645 | -440 | -210 | 65-66 |
| | **77,059** | **4,692** | **-2,960** | **1,732** | **215** | |

44. **Table 7** shows that the service has a revised 2012/2013 capital budget of £48.5m. Expenditure is forecast to be £37.4m, resulting in an underspend of £11.1m, which will be spent in future years.

**Table 7 – Places & Organisational Capacity Capital**

| | MYR Budget £m | Revised TQR 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 | |
| Highways & Transport | 26.7 | 27.6 | 22.2 | -5.4 | 67-70 |
| Community Services | 2.6 | 2.6 | 1.7 | -0.9 | |
| Development | 16.5 | 16.6 | 12.0 | -4.6 | 71-73 |
| Performance, Customer Services & Capacity | 0.9 | 0.9 | 0.7 | -0.2 | 74 |
| | **47.5** | **48.5** | **37.4** | **-11.1** | |

## Key Revenue Issues

## Waste, Recycling and Streetscape

45. The Service is reporting net budget pressures of £0.5m; an increase of £0.15m from Mid Year Review. Gross pressures in Waste & Recycling and Streetscape are currently £1.0m and £0.5m respectively, however in-year management actions (reflected in the net forecast) are reducing these projections to a £0.7m overspend and £0.2m underspend respectively.

46. In Waste & Recycling the gross pressures of £1.0m reflect;
- £0.6m 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 underspend of £0.6m, resulting from refinement of the waste disposal tonnage projections. This is an improvement of £100,000 on the MYR forecast.

47. 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.

48. Since MYR the overall position has deteriorate by £0.1m as a consequence of increased core fleet costs.

49. In Streetscape, gross pressures of £0.5m relate mainly to the later than anticipated realisation of Service review savings of £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 February 2013 and a further £0.1m pressure due to the impact of the decision at FQR to defer the auto loo lease termination (seemitigations below). However in-year management actions are reducing these projections to a £0.2m underspend.

50. 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 through one –off actions of £0.7m comprising; vacancy management, a review of supplies budgets and an underspend relating to investment monies.

51. Since MYR the position has changed by £50,000, largely attributable to an increase in Markets Traders debt over 6 months old being provided for.

**Highways and Transport**

52. The Highways and Transport Service is reporting a £189,000 underspend against a £17.8m net budget. This reflects an improvement of £48,000 since Mid Year Review.

53. Within this the Transport Service is now projecting a balanced outturn position against a £7.3m net budget. This is an improvement of £158,000 from the MYR and is a result of further efficiency measures taken to realise non pay budget savings to help mitigate the Concessionary Fares and Local Bus budget pressures. In addition, recharges to client departments are being reviewed to ensure a fair and appropriate apportionment of transport costs are being made.

54. Remedial actions totalling £210,000 across the remainder of the Service are continuing to help mitigate the Directorate's overall cost pressures and 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 forecast, subject to the severity of the weather through the remaining 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). Conversely, a period of severe weather will increase budget pressures.

**Community Services**

55. Community Services is projecting income shortfalls totalling £1.3m. This has increased since Mid Year Review by £0.2m. This mainly comprises:
    - £1m in the Car Parking Service; Since MYR enforcement income is lower than anticipated (£0.2m) due to the Automatic Number Plate Recognition capital project not progressing and recruitment issues within the team.
    - £0.3m relating to the Leisure Service; reflecting continuing economic pressures; income targets for school swimming and savings from a review of the service recharge not being achievable.

56. Expenditure pressures of £0.7m are forecast, largely due to unbudgeted pay costs in the Leisure Service and CCTV overtime costs, along with the impact of pay harmonisation premium payments and the costs of taxi licensing tests.

57. Since MYR later than anticipated local service delivery asset transfers, taxi testing costs, CCTV maintenance costs and kennelling costs associated with stray dogs have increased pressures by £0.1m.

58. 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.

59. The pressures identified in Car Parking,CCTV and Leisure Services as reported above are forecast to continue. Proposals in the draft Budget for 2013/2014 are intended to correct for these underlying base budget shortfalls.

**Development Service**

60. Overall the Development Service is reporting budget pressures of £1.8m, along with a series of mitigations/ remedial actions to improve the overall position to a broadly balanced outturn.

61. The Assets Service has undergone significant changes during 2012/2013, implementing the Corporate Landlord role and taking on the associated operational and budgetary responsibilities. 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 £2.6m.

62. 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.

63. Some £1.4m 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 (£1.2m) 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 £0.4m are reducing the overall Assets Service pressures to £0.8m, as reported at the MYR. The £0.8m reflects the underlying base budget shortfall, as previously noted in monitoring reports during last year.

64. Other areas within the Development Service are forecasting a total £0.9m underspend to help mitigate the overall Service budget pressures. The net savings have resulted principally from vacancy management and income exceeding targets in respect of land search fees, but also takes account of potential one–off planning appeal costs. .

**Performance, Customer Services and Capacity (PCSC)**

65. Library Shared Services have budget pressures of £155,000 (as reported at Mid Year Review). 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.

66. As reported at First Quarter Review, it is expected that £50,000 of the original £100,000 corporate Lean Review saving target will be achieved. Since MYR, further one-off savings of £0.2m have been identified in 2012/2013 across the Service 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 underspend of £0.4m.

**Capital Programme – Key Issues**

Highways and Transport

67. A number of increases have been made to the in-year budget, notably £0.4m for the Local Sustainable Transport Fund (approved by Cabinet in July 2012 but has only been updated at Three Quarter Review) and an additional £0.2m for Congleton Relief Road that will be funded by Prudential Borrowing.

68. The service will slip £4.3m of forecast expenditure into future years principally relating to the Alderley Edge By-pass scheme re-profiling of £3.0m into 2013/2014.

Community Services

69. There have been no changes to the Community Services in-year budget since the mid-year provision.

70. The service will slip £0.9m of forecast expenditure in to 2013/2014. The increase since mid-year review of £0.6m relates to Resident Car parking and the Leisure ICT System.

Development

71. The in year budget now includes expenditure of £0.2m funded from grant to be received from the Department for Energy and Climate Change which has already been approved by Cabinet on 7th January 2013.

72. The service will slip £4.6.m of forecast expenditure in to future years which is an increase of £3.3m on the figure reported at mid-year.

73. The most notable changes in forecast relate to Housing Development £0.5m, Accommodation Strategy £0.5m, AMS Block £1.0m, Minor works £0.3m and Tatton Investment £0.4m.

Performance, Customer Services and Capacity

74. The service will slip £0.2.m of forecast expenditure in to future years which relates to the Customer Access and Radio Frequency Schemes.

75. A list of the Places and Organisational Capacity Supplementary Capital Estimates and Virements up to and including £250,000 are shown in Appendix 5b. Cabinet are asked to note the changes.

76. Cabinet is asked to approve the Supplementary Estimate of £0.3m for the Disabled Facilities Grant scheme, which will be fully funded from government grants and external contributions ( Appendix 5a).

77. Cabinet are requested to note the budget reductions as listed on Appendix 4.

## Corporate Services

78. Corporate Services have a net budget of £26.7m. **Table 8** highlights pressures of £0.3m. Remedial action of £0.3m has been identified to date, which will produce a balanced outturn (an improvement of £0.4m since Mid Year Review).

**Table 8 – Corporate Services Revenue**

| | REVENUE | | | | | |
|---|---|---|---|---|---|---|
| Corporate Services | Revised Net Budget £000 | Emerging Pressures £000 | Remedial Actions Identified to Date £000 | Current Forecast Over / (Underspend) £000 | Change from MYR £000 | Paragraph Number(s) |
| Finance & Business Services | 17,838 | 48 | -202 | -154 | -377 | 80-85 |
| HR & OD | 3,266 | 0 | 0 | 0 | -20 | 86 |
| Borough Solicitor | 5,630 | 254 | -104 | 150 | -13 | 87-89 |
| | **26,734** | **302** | **-306** | **-4** | **-410** | |

79. **Table 9** shows that Corporate Services has a revised 2012/2013 capital budget of £7.5m. Expenditure is forecast to be £3.8m, resulting in an underspend of £3.7m, which will be spent in future years.

**Table 9 - Corporate Services Capital**

| Corporate Services | MYR Budget £m | Revised TQR Budget £m | Forecast Expenditure £m | Current Forecast (Over/ Underspend) | Paragraph Number(s) |
|---|---|---|---|---|---|
| Finance & Business Services | 7.9 | 7.5 | 3.8 | -3.7 | 90-91 |
| | **7.9** | **7.5** | **3.8** | **-3.7** | |

## Finance & Business Services

80. The Service is reporting a net underspend of £154,000, an improvement of £377,000 since Mid Year Review.

81. Within the Finance Service, the net pressure in Shared Services has reduced to £164,000 from £208,000 at MYR. Pressures on other centrally held budgets including pension gratuities and audit fees have increased to £77,000, but are offset by a favourable variance of £600,000 within the Benefits Service due to higher than expected subsidy levels.

82. ICT Strategy Services reported a net budget pressure of £214,000 at MYR, which has been reduced to a net nil position at TQR. A non staffing pressure of £240,000 mainly relates to a duplicated savings target, principally in respect of disaster recovery and broadband network consolidation, plus relocation travel. This has been mitigated in-year by vacancy management savings plus additional recharge of costs to capital projects.

83. ICT Shared Services reported a net pressure of £481,000 at mid-year, which has been reduced to £333,000 at TQR. The improvement is primarily due to forecast schools income being higher than expected. The pressure has been further mitigated by holding additional vacancies. The Service will continue to manage costs in an effort to deliver further savings, but at this point it is thought unlikely that the overspend in relation to redeployment and

notice periods will be mitigated. Work is continuing to help deliver a balanced budget in 2013/2014.

84. 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 included in the figures for ICT.

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

**HR & OD**

86. Previous base budget pressures have been resolved and projected under-spends in HR Strategy and Policy, Organisational and Workforce Development and HR Delivery will be offset by a projected pressure in the HR Shared Service. Overall a net nil position is projected.

**Borough Solicitor**

87. The Council's Reserves Strategy, reflected in the risk-assessed level of reserves, includes some provision for legal investigations. The Legal Service outturn projection includes an additional cost of £100,000 related to the independent investigation of the Lyme Green project. This has contributed to the overall pressures against the budget of £150,000, which is an improvement of £13,000 since mid-year.

88. Registration Services continues to 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 Invest to Save budget) will continue to promote the Service.

89. 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 continuing to report a net pressure of £18,000.

**Capital Programme – Key Issues**

Finance and Business Services

90. The in-year budget for ICT has reduced by £0.4m due to virements to new schemes in future years; Enabling Citizens and Businesses (£0.2m) and Location Independent Workforce (£0.2m). (Appendix 5b)

91. After a number of challenge session discussions it has been agreed that the ICT budget will be re-profiled over four financial years instead of three (including 2012/2013) and this has resulted in an overall budget reduction of £1.8m ( Appendix 4) and an additional £3.3m of forecast expenditure slipping in to future years.

## Debt

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

# 2. Financial Stability

**Government Grant Funding of Local Expenditure**

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

94. 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 £344.1m. Specific grants are split between non-ringfenced (£137.3m) and ringfenced (£206.8m). Spending in relation to ringfenced grants must be in line with the purpose for which it is provided.

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

**Table 10 – Summary of Grants to date**

| | Revised Budget Sept 2012/13 £m | Revised Budget Dec 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 | 206.6 | 206.8 | -0.2 |
| Non Ringfenced Grants - held within service | 95.5 | 95.5 | 0.0 |
| Non Ringfenced Grants - held corporately | 41.8 | 41.8 | 0.0 |
| | **343.9** | **344.1** | **-0.2** |
| Total Government Grant Funding | **411.6** | **411.8** | **-0.2** |

Source: Cheshire East Finance

96. Ringfenced grants have increased by £0.2m since the Mid Year Review.

97. There has been no net change in the level of non ringfenced grants since MYR. Children and Families are now requesting a Supplementary Revenue Estimate (SRE) of £33,000 to be met from increased Skills Funding Agency grant. An additional £80,000 grant has now been awarded in –year, the majority of which was identified at MYR. However the service is now requesting use of part of this increase. The award of this specific grant is conditional upon it being used to support Lifelong Learning via support for low income learners on Skills Funding courses, and skills development programmes for the unemployed.

98. Overall, after taking account of previously approved SREs 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**

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

**Council Tax**

100. 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.

101. 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.

102. 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,

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

104. 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 £216.7m.

105. **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 | 99.1% |
| 2011/2012 | 98.9% |
| 2012/2013 | 88.1% |

Source: Cheshire East Finance, December 2012

**National Non Domestic Rates (NNDR)**

106. 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.

107. 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.

108. 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.

109. **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 | 99.4% |
| 2011/2012 | 98.7% |
| 2012/2013 | 87.5% |

Source: Cheshire East Finance, December 2012

**Capital Programme 2012/2016**

110. At the third quarter review stage the Council is forecasting expenditure of £57.0m in 2012/2013 against an Approved Budget of £75.3m for the year. The underspend of £18.3m has been

reprofiled to spend in future years. A fundamental review of the capital programme has been undertaken to ensure that it only includes schemes that fulfil the Council's priorities for service delivery to be carried forward and any unspent balances have been deleted from the programme enabling resources to be freed up for future allocations.

111. **Appendix 5a** lists requests for Supplementary Capital Estimates (SCEs) and Virements over £250,000 and up to and including £1m in respect of forecast overspends and additional schemes not previously approved as part of the 2012/2013 Capital Programme. The SCEs have been reviewed and endorsed by the Executive Monitoring Board in accordance with Finance Procedure Rules. All SCEs are fully funded by external contributions and government grants.

112. **Appendix 5b** details Supplementary Capital Estimates of up to and including £250,000. The SCEs have been approved by delegated decision in accordance with Finance Procedure Rules and are included for Cabinet to note. All SCEs are fully funded by external contributions, government grants, prudential borrowing and capital reserves.

113. At the third quarter position the capital programme has increased slightly by £0.5m to £198.2m from the mid-year figure of £197.7m

114. There have been a number of Supplementary Capital Estimates since the mid-year forecast was reported , totalling £0.8m, that have been approved in accordance with the Financial Regulations and Delegated Decision process. These include £0.2m Department of Energy and Climate Change grant funding and £0.4m for the Local Sustainable Transport Fund.

115. There have been budget reductions of £2.3m, the most notable being a reduction of £1.9m in the ICT Core Stability Programme as agreed at the ICT Capital Challenge session.

116. There is also a number of Supplementary Capital Estimates, totalling £2.1m that are to be approved or noted at the third quarter review. These include £0.9m for Springfield Special School a scheme that will be fully funded by the school and will create a new sports barn, incorporating a sports hall and swimming pool, with changing facilities. The other most notable Supplementary Capital Estimate is the additional Disabled Facilities Grant of £0.3m that the authority is due to receive in 2012/2013.

**Table 14 – Summary Capital Programme**

| | MYR Total Forecast Budget 2012/16 £m | Amendments to MYR Forecast Budget 2012/16 £m | Amended MYR Forecast Budget 2012/16 £m | Budget Reductions £m | SCE's £m | Revised Total Forecast Budget 2012/16 £m |
|---|---|---|---|---|---|---|
| Children & Families | 22.9 | 0.0 | 22.9 | -0.3 | 1.4 | 24.0 |
| Adults | 1.6 | 0.0 | 1.6 | 0.0 | 0.2 | 1.8 |
| Places & Organisational Capacity | 105.0 | 0.8 | 105.8 | -0.1 | 0.5 | 106.1 |
| Corporate Services | 68.2 | 0.0 | 68.2 | -1.9 | 0.0 | 66.3 |
| | 197.7 | 0.8 | 198.5 | -2.3 | 2.1 | 198.2 |

117. 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 – Changes in Capital Funding Sources

| | MYR Total Forecast Budget £m | TQR Total Forecast Budget £m | Variance £m |
|---|---|---|---|
| Grants | 70.0 | 72.1 | 2.1 |
| External Contributions | 43.3 | 44.0 | 0.7 |
| | | | |
| Linked/Earmarked Capital Receipts | 3.4 | 0.0 | -3.4 |
| Supported Borrowing | 1.7 | 1.6 | -0.1 |
| Non-Supported Borrowing | 47.0 | 59.9 | 12.9 |
| Revenue Contributions | 0.6 | 0.5 | -0.1 |
| Capital Reserve | 31.7 | 20.0 | -11.7 |
| | 197.7 | 198.2 | 0.5 |

118. Since the mid-year review, there has been a change of £6.7m in the proposed application of the capital reserve to fund future capital expenditure.

119. A policy change ~ reported to Cabinet on 10th December 2012 as part of the 3 Year Medium Term Financial Strategy ~ has been agreed to apply all capital receipts held in reserve to finance capital expenditure which has taken place in previous years and has been met from borrowing.

120. The application of the capital reserve will be undertaken in 2012/2013 and will be used to repay £15m of borrowing for assets purchased after 2008 that are being written down over the various asset lives. The impact will be to reduce the level of revenue provision required for the repayment of debt in 2013/2014 and future years.

121. Capital receipts received in year 2012/2013 estimated to be £10m will be fully applied to finance capital expenditure in year. The Council has assumed it will receive an additional £15m in capital receipts in 2013/2014 and 2014/2015 to be applied accordingly.

122. **Table 16** illustrates the in-year changes to the capital programme which shows an overall increase of £0.8m. This reflects the additional Supplementary Capital Estimates and budget reductions listed in Appendices 4, 5a and 5b. Progress against the forecast budget will continue to be monitored though out the remainder of the year and updated at Outturn.

### Table 16 – In Year Changes to the Capital Programme

| | MYR Budget £m | Revised TQR Budget £m | Forecast Expenditure £m | Current Forecast (Over/ Underspend) |
|---|---|---|---|---|
| **Children & Families** | **17.7** | **17.9** | **14.9** | **-3.0** |
| **Adults** | **1.5** | **1.5** | **0.8** | **-0.6** |
| **Places & Organisational Capacity** | **47.5** | **48.5** | **37.4** | **-11.1** |
| **Corporate Services** | **7.9** | **7.5** | **3.8** | **-3.7** |
| | **74.6** | **75.4** | **56.9** | **-18.5** |

## Central Adjustments

### Capital Financing Costs

123. 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.

124. At TQR, 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.

**Treasury Management**

125. Investment income is currently £180,000 higher than budgeted which is a continuation of the improvement from the Quarter 2 position. The externally managed pooled funds continued to perform well, particularly in October and November. Higher than originally forecast cash balances and the ability to fix some deposits for slightly longer periods has also 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 third quarter was £82.5m.

- The average annualised interest rate received on in house investments up to the end of the third quarter was 0.75%

- The average annualised interest rate received on the externally managed pooled funds up to the end of the third quarter was 0.91%.

126. The Council's total average interest rate up to the end of quarter 3 in 2012/2013 was 0.79%. This is higher than the London Inter-bank Bid Rate for 7 days at 0.43%. The base rate remained at 0.50% for the quarter.

**Table 17 – Interest Rate Comparison**

| Comparator | Average Rate Q3 |
|---|---|
| Cheshire East | 0.79% |
| LIBID 7 Day Rate | 0.43% |
| LIBID 3 Month Rate | 0.44% |
| Base Rate | 0.50% |

127. 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 and amended 13th December 2012. The amendment removed the minimum criteria for short term credit ratings which has enabled the Council to recommence investing with Royal Bank of Scotland subject to duration limits as advised by our Treasury Management advisors. Further details of counterparty limits and current investments are given in Appendix 7.

**Central Contingencies**

**Pensions**

128. 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**

129. 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 in-year 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 Cheshire West and Chester Council, in accordance with the joint agreement between the two councils.

**Other Corporate Items**

130. Following an audit of the Accounts Payable system, a number of duplicate payments dating back to 1 April 2009 were identified. These have been recovered, and result in a £0.2m income credit, which has been returned to Council reserves.

**Outturn Impact**

131. The impact of the projected service outturn position is to reduce balances by £6.8m as reported in **Section 1**.

132. Taken into account with the service related items detailed above, the impact of these service outturn issues is to reduce balances by £5.5m, summarised as follows:

**Table 18 – Service Outturn Impact**

| | £m |
|---|---|
| Service Outturn | -6.8 |
| Specific Grants | 0.2 |
| Capital Financing | 0.9 |
| Other Income | 0.2 |
| | -5.5 |

**Management of Council Reserves**

133. 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.

134. 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.

135. 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.

136. Taken together with service outturn impacts above, the overall impact is a net increase in general reserves of £1.8m to £13.2m 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 | -5.5 |
| Forecast Closing Balance at March 2013 | 13.2 |

137. The balance of £13.2m 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.

138. The Council also maintains Earmarked Revenue reserves for specific purposes. At 1 April 2012 balances on these reserves stood at £7.2m. During 2012/2013, an estimated £2.1m will have been drawn down and applied to fund service expenditure for these specific items. Service outturn forecasts take account of this expenditure and funding. The majority (£1.8m) of the funding has been applied from the Invest to Save, and Enabling Local Delivery reserves, together with the Service Manager carry forwards. A detailed list of earmarked reserves is contained in the Budget Report elsewhere on the agenda.

# 3. Performance Report – Head of Performance, Customer Services and Capacity

**2012/2013 Quarter Three Performance**

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

140. For external reporting purposes at the end of quarter three, 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.

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

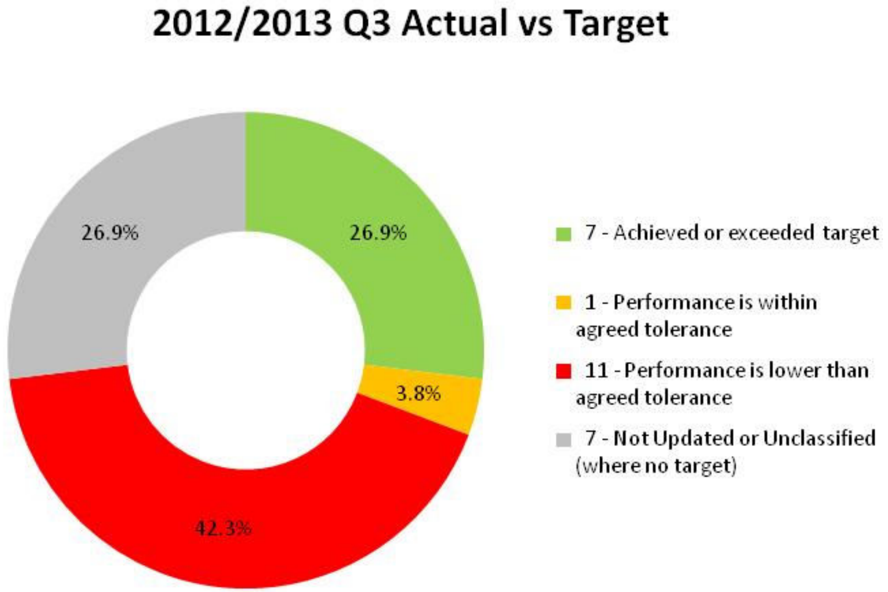
142. In total 26 measures are now being externally reported on a quarterly basis during 2012/2013, with additional measures being reported at year-end.

**Performance Measure Tolerances (Red/Amber/Green ratings)**

143. 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 Three Performance Against Target**

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




145. **26.9%** of measures are on target or exceeding their target at 2012/2013 Quarter Three.

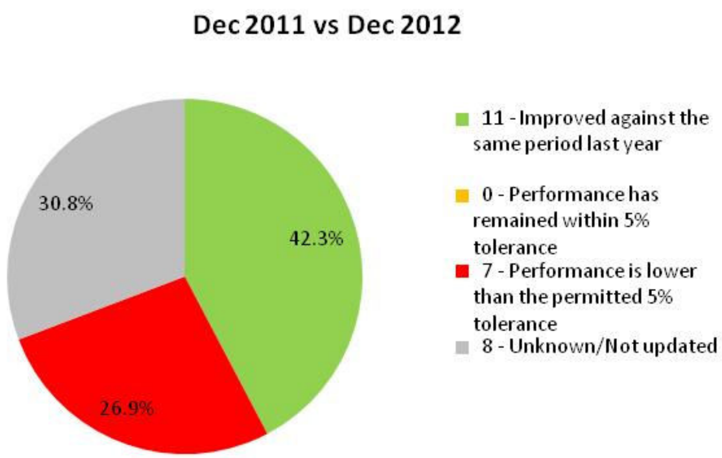
146. However **42.3%** did not achieve their quarterly target:

| Directorate | Reference | Definition |
|---|---|---|
| Children, Families & Adults | CFA 001 | Average time between a child entering care and moving in with its adoptive family, for children who have been adopted (days) |
| | 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 64 | Child protection plans lasting 2 years or more |
| | 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 145 | Adults with learning disabilities in settled accommodation |
| | 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

147. Performance assessments (red; amber; green) have been made based on current performance compared to Q3 2011/2012.




148. 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 60 | Core assessments for children's social care that were carried out within 35 working days of their commencement |
| | NI 64 | Child protection plans lasting 2 years or more |
| | NI 65 | Children becoming the subject of a Child Protection Plan for a second or subsequent time |
| | NI 130 | Social care clients receiving Self Directed Support (Direct Payments and Individual Budgets) |
| | NI 145 | Adults with learning disabilities in settled accommodation |
| Human Resources | BV 12 | Working days lost due to sickness absence |

***(See Appendix 8 for further details)***

# Appendices to Three Quarter Year Review of Performance 2012 / 2013

**February 2013**

# Appendix 1 – Changes to Revised Budget 2012/2013 since Mid Year Review

| | Mid Year Net Budget £000 | Additional Grant Funding £000 | Allocations from Contingency £000 | Restructuring & Realignments (within Directorate) £000 | Other Virements £000 | Revised Qtr 3 Net Budget £000 |
|---|---|---|---|---|---|---|
| **Children & Families** | | | | | | |
| Directorate | 762 | | | -189 | | 573 |
| Safeguarding & Specialist Support | 27,395 | | 34 | -589 | | 26,840 |
| Early Intervention & Prevention | 11,857 | | | 987 | | 12,844 |
| Strategy, Planning & Performance | 19,148 | 33 | | -255 | | 18,926 |
| | 59,162 | 33 | 34 | -46 | 0 | 59,183 |
| **Adults** | | | | | | |
| Care4CE | 0 | | | | | 0 |
| Strategic Commissioning | 36,242 | | 16 | 15 | 200 | 36,473 |
| Business Management and Challenge | 3,427 | | | 30 | | 3,457 |
| Individual Commissioning | 59,109 | | | | | 59,109 |
| | **98,778** | **0** | **16** | **45** | **200** | **99,039** |
| **CHILDREN, FAMILIES & ADULTS** | **157,940** | **33** | **50** | **-1** | **200** | **158,222** |
| **Places & Organisational Capacity** | | | | | | |
| Waste, Recycling & Streetscape | 26,885 | | 4 | -104 | | 26,785 |
| Highways & Transport | 17,275 | | 23 | 493 | | 17,791 |
| Community Services | 150 | | 8 | 48 | | 206 |
| Development | 22,506 | | 18 | -652 | 100 | 21,972 |
| Performance, Customer Services & Capacity | 10,078 | | 13 | 213 | | 10,304 |
| **PLACES & ORGANISATIONAL CAPACITY** | **76,894** | **0** | **66** | **-2** | **100** | **77,058** |

| | Mid Year Net Budget £000 | Additional Grant Funding £000 | Allocations from Contingency £000 | Restructuring & Realignments (within Directorate) £000 | Other Virements £000 | Revised Qtr 3 Net Budget £000 |
|---|---|---|---|---|---|---|
| **Corporate Services** | | | | | | |
| Finance & Business Services | 17,702 | | 34 | 1 | 100 | 17,837 |
| HR & OD | 3,141 | | 5 | | 120 | 3,266 |
| Borough Solicitor | 5,557 | | 10 | 2 | 61 | 5,630 |
| **CORPORATE SERVICES** | **26,400** | **0** | **49** | **3** | **281** | **26,733** |
| **TOTAL SERVICE OUTTURN** | **261,234** | **33** | **165** | **0** | **581** | **262,013** |
| **CENTRAL BUDGETS** | | | | | | |
| Specific Grants | -41,535 | -33 | | | | -41,568 |
| Capital Financing | 14,800 | | | | | 14,800 |
| Contingencies | 4,501 | | -165 | | | 4,336 |
| Contribution to Reserves | 7,245 | | | | | 7,245 |
| Invest to Save Reserve | 0 | | | | -581 | -581 |
| **CENTRAL BUDGETS** | **-14,989** | **-33** | **-165** | **0** | **0** | **-15,768** |
| **TOTAL BUDGET** | **246,245** | **0** | **0** | **0** | **581** | **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 December 2012 was £16.0m. After allowing for £9.2m of debt still within the payment terms, outstanding debt stood at £6.7m. This is £3.6m lower than at 30th September mainly due to settlement 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 unchanged from the first quarter and mid –year positions.

4. Services have created debt provisions of £2.7m 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* | *659* | *350* | *205* |
| *Schools* | *55* | *48* | *55* |
| Adults | 4,324 | 1,529 | 1,607 |
| **Total Children, Families & Adults** | **5,038** | **1,927** | **1,867** |
| Waste, Recycling & Streetscape | 359 | 259 | 174 |
| Highways & Transport | 333 | 233 | 190 |
| Community | 164 | 85 | 85 |
| Development | 813 | 377 | 377 |
| Performance, Customer Service & Capacity | 7 | 3 | 3 |
| **Total Places & Org Capacity** | **1,676** | **957** | **829** |
| Finance & Business Services | 15 | 12 | 4 |
| HR & OD | 18 | 1 | 1 |
| Borough Solicitor | 8 | 5 | 1 |
| **Total Corporate Services** | **41** | **18** | **6** |
| **TOTAL** | **6,755** | **2,902** | **2,702** |

# Appendix 3 – Summary Capital Programme and Funding

| Department | MYR In-Year Budget 2012-13 £'000 | SCE's/ Virements/ Reductions Qtr 3 2012-13 £'000 | Revised TQR In-Year Budget 2012-13 £'000 | Forecast Expenditure 2012-13 £'000 | 2013-14 £'000 | 2014-15 £'000 | Post 2014-15 £'000 |
|---|---|---|---|---|---|---|---|
| Children & Families | | | | | | | |
| New Starts | 6,273 | 357 | 6,630 | 3,696 | 7,858 | 625 | 0 |
| Ongoing schemes | 11,453 | -183 | 11,270 | 11,176 | 911 | 0 | 0 |
| | **17,726** | **174** | **17,900** | **14,872** | **8,769** | **625** | **0** |
| Adults | | | | | | | |
| New Starts | 1,466 | | 1,466 | 847 | 949 | 0 | 0 |
| Ongoing schemes | 20 | -20 | 0 | 0 | 0 | 0 | 0 |
| | **1,486** | **-20** | **1,466** | **847** | **949** | **0** | **0** |
| Places & Organisational Capacity | | | | | | | |
| New Starts | 27,697 | 989 | 28,686 | 25,288 | 24,917 | 20,728 | 1,512 |
| Ongoing schemes | 19,796 | -46 | 19,750 | 12,160 | 20,632 | 901 | 0 |
| | **47,493** | **943** | **48,436** | **37,448** | **45,549** | **21,629** | **1,512** |
| Corporate Services | | | | | | | |
| New Starts | 6,781 | -414 | 6,367 | 3,064 | 29,589 | 26,840 | 5,000 |
| Ongoing schemes | 1,093 | | 1,093 | 763 | 829 | 327 | 0 |
| | **7,874** | **-414** | **7,460** | **3,827** | **30,418** | **27,167** | **5,000** |
| Total New Starts | 42,217 | 932 | 43,149 | 32,894 | 63,313 | 48,193 | 6,512 |
| Total Ongoing schemes | 32,362 | -249 | 32,113 | 24,099 | 22,373 | 1,228 | 0 |
| Total Capital Expenditure | **74,579** | **683** | **75,262** | **56,993** | **85,686** | **49,421** | **6,512** |

| Funding Source | 2012-13 £'000 | 2013-14 £'000 | 2014-15 £'000 | 2015-16 £'000 |
|---|---|---|---|---|
| Grants | 31,249 | 28,558 | 12,909 | 0 |
| External Contributions | 2,013 | 22,121 | 20,263 | 0 |
| Supported Borrowing | 1,629 | 20 | 0 | 0 |
| Non-supported Borrowing | 11,672 | 24,887 | 16,249 | 6,512 |
| Revenue Contributions | 430 | 100 | 0 | 0 |
| Capital Reserve | 10,000 | 10,000 | 0 | 0 |
| Total | 56,993 | 85,686 | 49,421 | 6,512 |

# Appendix 4 – Reductions in Capital Programme

| Scheme | Approved Budget<br>£ | Revised Approval<br>£ | Reduction<br>£ | Reason |
|---|---|---|---|---|
| **CHILDREN AND FAMILIES** | | | | |
| Capital for Kitchen & Dining Facilities | 459,571 | 299,025 | 160,546 | Budget no longer required as no commitments placed, this saving will alleviate borrowing requirements |
| Tytherington HS | 3,130,000 | 3,049,686 | 80,314 | Savings achieved which will alleviate borrowing requirements |
| Ruskin Secondary School | 100,000 | 53,608 | 46,392 | Budget not required as no commitments placed, this saving will alleviate borrowing requirements |
| Woodcocks Well Primary School | 21,350 | 0 | 21,350 | Scheme removed from Capital Programme |
| Christ the King Catholic & C of E PS | 3,337,802 | 3,316,802 | 21,000 | Scheme Completed. Surplus grant to be utilised of reduce borrowing requirements of work undertaken at Styal Primary. |
| Middlewich High Secondary School | 199,901 | 179,848 | 20,053 | Scheme Completed |
| | | | **349,655** | |
| **PLACES & ORGANISATIONAL CAPACITY** | | | | |
| **Streets & Open Spaces** | | | | |
| S106 Reades Lane, Congleton | 13,840 | 5,060 | 8,780 | No specific plans to spend so return to S106 Balances |
| S106 Earls Court, Earlsway, Macclesfield | 145,716 | 128,203 | 17,513 | No specific plans to spend so return to S106 Balances |
| S106 Ground Work Cheshire - Bird Sanctuary | 20,000 | 1,700 | 18,300 | No specific plans to spend so return to S106 Balances |
| **Development** | | | | |
| Parkgate - Regeneration | 509,254 | 359,254 | 150,000 | No specific plans to spend |
| Astbury Marsh Caravan Site | 41,805 | 41,475 | 330 | No specific plans to spend |
| | | | **194,923** | |
| **CORPORATE SERVICES** | | | | |
| **ICT** | | | | |
| Core System Stability | 15,342,000 | 13,493,000 | **1,849,000** | Outcome of ICT Capital Challenge Session |
| **Totals** | | | **2,393,578** | |

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

| Capital Scheme | Starts Year | Amount Requested £ | Funding | Reason for SCE/Virement | PARA Ref |
|---|---|---|---|---|---|
| **Cabinet are asked to approve SCE and Virements over £250,000 and up to and including £1m** | | | | | |
| **Children and Families** | | | | | |
| Springfield Special School (School Funded Project) | 2012-13 | 850,206 | External Contribution | New Project to create a sports barn incorporating a sport hall and swimming pool with changing facilities adjacent to main school. This project is fully financed by Springfield Special School | 18 |
| | | 55,794 | Grant - Devolved Formula Capital (DFC) | New Project to create a sports barn incorporating a sport hall and swimming pool with changing facilities adjacent to main school. This project is fully financed by Springfield Special School | |
| | | **906,000** | | | |
| **Places & Organisational Capacity** | | | | | |
| Disabled Facilities Grants | 2012-13 | 284,191 | Additional DCLG Funding | Additional Disabled Facilities Grant funded by DCLG in 2012-13 | 76 |
| | | 4,953 | External Income | Repayment of a Disabled Facilities Grant, to be recycled for further disabled adaptations | |
| | | **289,144** | | | |
| **Total SCE's / Virements Requested** | | **1,195,144** | | | |

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

| Capital Scheme | Starts Year | Amount Requested £ | Funding | Reason for SCE/Virement |
|---|---|---|---|---|
| **Cabinet are asked to note SCE and Virements up to and including £250,000** | | | | |
| **Adults** | | | | |
| Building Base Review - Alteration and refurbishment works, at Dean Row, Redesmere, Hollins View, Park View, Mountview And Stanley Centre. | 2012-13 | 161,299 | Grant - Adults Mental Health | Additional grant funding available. |
| Building Base Review - Alteration and refurbishment works, at Dean Row, Redesmere, Hollins View, Park View, Mountview And Stanley Centre. | 2012-13 | 25,000 | Grant - CEPCT | Accessed funding available from CEPCT |
| Building Base Review - Alteration and refurbishment works, at Dean Row, Redesmere, Hollins View, Park View, Mountview And Stanley Centre. | 2012/13 | 20,000 | Grant - Adults Mental Health | Residual budgets within Adults with different start years, rolled up so that the funds can be focused on BBR. |
| | | **206,299** | | |
| **Children and Families** | | | | |
| Short Breaks for Disabled Children | 2012-13 | 203,276 | Grant (Short Break) | 2012-13 Grant award to enable improvement into provision for short breaks for disabled children. |
| Capital Maintenance | 2012/13 | 30,000 | Contribution from Shavington HS delegated budget | School has agreed to make a contribution to the Roofing Work |
| Capital Maintenance | 2012/13 | 9,000 | Contribution from Cranberry PS Delegated Budget | School has agreed to make a contribution to the Roofing Work |
| Capital Maintenance | 2012/13 | 10,000 | Contribution from Ashgrove PS Delegated Budget | School has agreed to make a contribution to the window replacement work |
| Capital Maintenance | 2012/13 | 31,000 | Grant - Modernisation Grant | To fund overspend of capital maintenance budget allocation towards work at Poynton High School. |
| Feasibility 10-11 | 2010-11 | 25,000 | Grant - Capital Maintaince Grant | Feasibility Costs, to be funded temporary from Capital Grants. If capital projects are not progressed the costs associated with this project will be funded from the revenue budget. |
| Malbank School & Sixth Form College | 2010-11 | 70,038 | Contribution from Schools Delegated Budget | Additional Cost of DDA works for multi purpose / multi functional new build project to be funded by a further contribution from Malbank High School. |
| Wilmslow High Secondary School | 2011-12 | 4,250 | Contribution from Schools Delegated Budget | School has agreed to fund additional costs of refurbishing three Science Labs |
| Minor Works/Accessibility | 2011-12 | 6,000 | Contribution from Schools Delegated Budget | Offley Primary School has agreed to fund the additional work for foul drainage at site. |

| Capital Scheme | Starts Year | Amount Requested £ | Funding | Reason for SCE/Virement |
|---|---|---|---|---|
| Church Lawton - Specialist Provision | 2011-12 | 77,000 | Grant - Capital Maintaince Grant | Feasibility Costs, to be funded temporarily from Capital Grants. If capital projects are not progressed the costs associated with this project will be funded from the revenue budget. |
| DFC Grant | 2012-13 | 68,556 | DFC Grant | Increase budget to match funds available to schools of Devolved Formula Capital Grant |
| Pupil Referral Unit 11-12 | 2011-12 | 17,049 | Grant - Capital Maintaince Grant | To be funded temporarily from Capital Grants. If capital projects are not progressed the costs associated with this project will be funded from the revenue budget. |
| Lostock Hall Primary School | 2011-12 | 39,962 | Grant - Capital Maintaince Grant | To be funded temporarily from Capital Grants subject to discussions with Lostock Primary School contributing towards the additional cost of this project. |
| Suitability (<£100k) | 2012-13 | 1,864 | Contribution from Schools Delegated Budget | Additional Cost to works undertaken at Vine Tree Primary School to be funded by a further contribution from school. |
| Minor Works (<£100k) | 2012-13 | 46,755 | Contribution from Schools Delegated Budget | Additional Cost to works at Shavington High School, Monk Coppenhall Primary, The Berkeley Primary School, The Quinta Primary School and Ivy Bank Primary to be funded by a further contribution from these schools. |
| Stapeley Broad Lane Primary School | 2012-13 | 39,000 | Contribution from Schools Delegated Budget | Additional Cost to Hall Extension at Stapeley Broad Lane Primary School to be funded by a further contribution from school. |
| Adelaide Special School | 2011-12 | 14,000 | Contribution from Schools Delegated Budget | Additional Cost of improvements at Adelaide Special School to be funded by requesting a further contribution from school. |
| Cledford Infants School | 2011-12 | 11,000 | Grant - Capital Maintaince Grant | Additional Cost to refurbishing of a vacant school building, Cledford Infants School, to accommodate a number of Children and Families Social Care staff on a permanent basis. |
| Short Break Re Provision 11-12 | 2011-12 | 124,000 | Prudential Borrowing | Recommended for restatement in the capital programme at a reduced budget. The original budget for this project was £249,000. |
| St Oswalds (School Funded Project) | 2012-13 | 26,282 | Grant - Devolved Formula Capital (DFC) | Additional Cost to project funded by a further contribution of the schools share of Devolved Formula Capital. |
| St Oswalds (School Funded Project) | 2012-13 | 130,831 | Contribution from Schools Delegated Budget | New Project financed by St Oswalds Primary School to develop an additional classroom to operate a three class model. |
| Monks Coppenhall Primary School | 2011-12 | 3,288 | Grant - Devolved Formula Capital (DFC) | Additional Cost of refurbishment of toilets and kitchen at Monks Coppenhall Primary School to be funded by a further contribution of the schools share of Devolved Formula Capital Grant. |

| Capital Scheme | Starts Year | Amount Requested £ | Funding | Reason for SCE/Virement |
|---|---|---|---|---|
| Suitability Bids (<£100k) | 2011-12 | 3,737 | Grant - Devolved Formula Capital (DFC) | Additional Cost of work to create a single storey extension and re-modelling of classroom at Mobberley Primary School to be funded by a further contribution of the schools share of Devolved Formula Capital Grant |
| Styal Primary School | 2011-12 | 6,000 | Grant - Devolved Formula Capital (DFC) | Virement between two schemes to create an new classroom and remodel and fit an extension at Styal Primary School for the cost of work on the schools wring for electricity. |
| Suitability (<£100k) | 2012-13 | 5,000 | Grant - Devolved Formula Capital (DFC) | Additional Cost to works undertaken at Vine Tree Primary School to be funded by a further contribution from school share of Devolved Formula Capital Grant. |
| Minor Works (<£100k) | 2012-13 | 40,213 | Grant - Devolved Formula Capital (DFC) | Additional Cost to works at Shavington High School, Monk Coppenhall Primary, The Berkeley Primary School, The Quinta Primary School and Ivy Bank Primary to be funded by a further contribution from these schools share of Devolved Formula Capital Grant. |
| Basic Need (<£100k) | 2012-13 | 28,000 | Grant - Capital Maintaince Grant | Additional Costs to phase one work undertaken at Pebble Brook Primary to be funded from savings on phase two work at Pebble Brook Primary. |
| TLC Vernons PS Amalgamation | 2008-09 | 60,000 | Grant - Primary Capital Programme (PCP) | Additional cost to work at Vernon's Primary School. This is intended to be funded from a residual element of grant funding the Primary Capital Programme. |
| Stapely Broad Lane PS - Replacement of temp accomod | 2009-10 | 6,000 | Grant - Primary Capital Programme (PCP) | Additional cost to work at Stapeley Broad Lane. This is intended to be funded from a residual element of grant funding the Primary Capital Programme. |
| Offley Primary School | 2009-10 | 2,859 | Grant - Primary Capital Programme (PCP) | Additional cost to work at Offley Primary School. This is intended to be funded from a residual element of grant funding the Primary Capital Programme. |
| Cledford TLC Scheme | 2009-10 | 12,000 | Grant - Primary Capital Programme (PCP) | Additional cost to work at Cledford Primary School. This is intended to be funded from a residual element of grant funding the Primary Capital Programme. |
| | | **1,151,960** | | |
| **Places & Organisational Capacity** | | | | |
| **Streets & Open Spaces** | | | | |
| Sandbach Park | 2009-10 | 1,989 | External Funding | Re-align budgets between Sandbach Park & Building Refurb schemes. Also to increase budget for Assets staff time charges not known at time of budget setting. |
| Sandbach Park | | 586 | Prudential Borrowing | |

| Capital Scheme | Starts Year | Amount Requested £ | Funding | Reason for SCE/Virement |
|---|---|---|---|---|
| Congleton Park Improvements - Town Wood | 2009-10 | 840 | External Contribution | Increased costs/scope being funded by external contribution from Groundwork Trust |
| Queens Park Restoration | 2004-05 | 80,000 | LTP Grant | Increased project costs to meet Consultants & Architects final fee's. Ongoing review of settlement of final contractor claims |
| Sandbach Park Building Refurbishment | 2008-09 | 4,516 | Prudential Borrowing | Re-align budgets between Sandbach Park & Building Refurb schemes. Also to increase budget for Assets staff time charges not known at time of budget setting. |
| **Highways & Transport** | | | | |
| Congleton Relief Road | 2012-13 | 200,000 | Prudential Borrowing | The investigation of a number of transport options including the provision of a possible link between the west of Congleton from the A534 Sandbach Road and north to the A34 Manchester Road, bypassing Congleton Town Centre and linking a number of potential development sites. This additional funding is to allow scheme to progress through development stage. |
| S278 Sherbourne Road, Crewe | 2008-09 | 5,000 | Developer Contribution | Increase in costs or scope from original S278 agreement - extra costs to be met by Developer |
| Connect 2 - Phase 3 | 2010-11 | 84,459 | Sustrans Grant | Grant income for 12-13 higher than estimated - re-align grant income budget |
| Connect 2 Phase 2-3 | 2010-11 | 50,000 | LTP 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. |
| Air Quality Action Plan | 2012-13 | 30,000 | LTP Grant | Decision to seperately identify Air Quality costs from Local Measures budgets for easier more transparent reporting |
| Bridge Maintenance Minor Works | 2012-13 | 84,459 | LTP Grant | Partial reversal of previous budget virement to Connect 2 due to additional Sustrans grant being received for that project. |
| **Community Services** | | | | |
| Parking Penalty Charge Notice Processing | 2012-13 | 10,000 | Prudential Borrowing | Increased costs for software licencing - funded by virement within budget holders area of responsibility |
| Nantwich Pool Enhancements | 2008-09 | 20,000 | Prudential Borrowing | Specific works to replace the external pool cover were identified as part of the Council's ' Invest to Save ' projects. The works are to be undertaken as part of the overall Nantwich Pool refurbishment project, so approval is sought to vire the funding the main Capital project budget. |

| Capital Scheme | Starts Year | Amount Requested £ | Funding | Reason for SCE/Virement |
|---|---|---|---|---|
| Lifestyle Centre Refurb at MLC | 2011-12 | 20,000 | Prudential Borrowing | Specific maintenance & internal decoration works have been outlined as part of the detailed design and remodelling works. An agreed contribution of £ 20k ( not £10k as previously outlined ) has been agreed from the Corporate Minor Works budget, so approval is sought to vire the funding to the main capital project budget. |
| Lifestyle Centre Refurb at WLC | 2011-12 | 20,000 | Prudential Borrowing | Specific maintenance & internal decoration works have been outlined as part of the detailed design and remodelling works. An agreed contribution of £ 20k ( not £10k as previously outlined ) has been agreed from the Corporate Minor Works budget, so approval is sought to vire the funding to the main capital project budget. |
| **Performance, Customer Services & Capacity** | | | | |
| Customer Relationship Management & Telephone Syster | 2009/10 | 37,000 | Prudential Borrowing | The scope of the two projects was combined resulting in a single delivery from ICTSS. |
| Relocation of Library Services | 2011-12 | 1,554 | Funded by Revenue contribution | Overspend by Libraries Shared Service |
| **Development** | | | | |
| Earl Road Handforth Feasibility | 2012/13 | 130,000 | Financed from Revenue Funding | Feasibility study to identify strategic options for Council owned land off Earl Road, Handforth.£100,000 funded from existing feasibility budget and £30,000 from a revenue contribution towards capital. |
| Tatton Vision 12-13 | 2012/13 | 95,000 | Capital Reserve | |
| Private Sector Assistance | 2011-12 | 16,082 | External Income | Repayment of Home Repair loans previously funded by external grant, to be recycled for further home repairs |
| Minor Works 2012/13 | 2012/13 | 7,752 | Prudential Borrowing | Residual budgets within Assets with different start years, rolled up so that the funds can be focused on Minor Works. |
| | | **899,237** | | |
| **Corporate Services** | | | | |
| Enable Citizens and Businesses | 2012/13 | 233,000 | Prudential Borrowing | Outcome of ICT Capital Challenge Session |
| Location Independent Workforce | 2012/13 | 181,000 | Prudential Borrowing | Outcome of ICT Capital Challenge Session |
| | | **414,000** | | |
| **Total SCE's Requested** | | **2,671,496** | | |

# Appendix 6 – Corporate Grants Register as at 31st December 2012

| | Note | Forecast Sept MYR 2012/2013 £000 | Forecast Dec TQR 2012/2013 £000 | Variance 2012/2013 £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 | | 193,540 | 193,540 | (0) | |
| Pupil Premium Grant | | 4,009 | 4,164 | (155) | |
| Sixth Forms Grant (EFA) | | 8,801 | 8,801 | 0 | |
| Golden Hello | | 40 | 40 | 0 | |
| 16-19 Bursary | | 128 | 128 | 0 | |
| Summer Schools (New Grant as at July-2012) | | 90 | 91 | (1) | |
| Total Ringfenced Grants | | **206,608** | **206,764** | **(156)** | |
| | | | | | |
| **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** | | | | | |
| | | | | | |
| **Children & Families** | | | | | |
| Early Intervention Grant | | 12,908 | 12,908 | 0 | |
| Learning Disabilities & Health Reform - PCT tra | | 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 | *2* | 294 | 296 | (2) | SRE bid |
| | | 418 | 418 | | |
| YOS grant | | | | 0 | |
| NHS S256 Reablement | | 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 | | 40 | 40 | 0 | |
| | | | | | |
| **Places & Organisational Capacity** | | | | | |
| Housing Benefit & Council Tax Admin. | | 2,094 | 2,094 | 0 | |
| NNDR Administration Grant | | 562 | 562 | 0 | |

| | Note | Forecast Sept MYR 2012/2013 £000 | Forecast Dec TQR 2012/2013 £000 | Variance 2012/2013 £000 |
|---|---|---|---|---|
| **Non Ringfenced Grants - held corporately (con't)** | | | | |
| **Places & Organisational Capacity (con't)** | | | | |
| *Local Service Support Grant -* | | 0 | 0 | 0 |
| Preventing Homelessness Grant | | 253 | 254 | (1) |
| Lead Local Flood Authorities | | 177 | 177 | 0 |
| Community Safety Fund | | 148 | 148 | 0 |
| Extended Rights to Free Transport (C&F) | | 385 | 385 | 0 |
| *Local Services Support Grant Total* | | *963* | *963* | *0* |
| Mortgage Rescue / preventing Repossessions | | 107 | 107 | 0 |
| Community Transport Grant | | 139 | 139 | 0 |
| Local Sustainable Transport Fund | | 578 | 578 | 0 |
| Town Team Partnership | | 0 | 40 | (40) |
| | | | | |
| **Corporate** | | | | |
| 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 | 4,464 | 41 |
| 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 | | 5 | 5 | 0 |
| New Burden Community Rights to Bid | | 5 | 5 | 0 |
| | | | | |
| **Budgeted but not due in** | | | | |
| 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 - | | | | 0 |
| Milk Subsidy | | 0 | 0 | 0 |
| Asylum Seeker | | 0 | 0 | 0 |
| Workstep | | 0 | 0 | 0 |
| Migration Impact Fund (Communities of Interest) | | 0 | 0 | 0 |
| | | **41,752** | **41,754** | **(2)** |
| | | | | |
| Total Specific Grants | | **343,896** | **344,054** | **(158)** |
| | | | | |
| **Total Government Grant Funding** | | **411,573** | **411,731** | **(158)** |

Notes
1 The budgets for Council Tax Benefit and Housing Benefit Subsidy grants are held within the service.
2 Grant increased by £78k at MYR, and a further £2k at TQR. SRE bid now made for £33k.

# 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. Credit conditions within the Eurozone and world wide have been improving and consideration, with advice from our Treasury Management advisors, is being given to investments in strongly rated foreign banks. 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. In addition to ratings, other credit indicators, such as Swap rates are also monitored. There has been a marked reduction in the difference between the 3 month overnight interest swap rates and LIBOR which is indicative of a reduction in credit risk. This has led to an increase in the duration limits applicable to investrments with Barclays, HSBC, Nationwide Building Society and Standard Chartered increased to 12 months. Lloyds Group and RBS Group have been increased to 6 months and Santander(UK) to 100 days.

4. Opportunities are being taken whenever possible to fix investments for longer periods to take advantage of slightly higher rates. In quarter 3 these have been generally been 3 month or I year investments with Lloyds TSB. Opportunity was also taken to purchase a 1 year Certificate of Deposit with Standard Chartered Bank. This allows the Council to keep its free custodian account arrangements in place and may provide an opportunity to profitably sell the investment prior to maturity.

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

**Table 1 – Current Investments and Limits**

| Counterparties | Limits | | Investments as at 31/12/12 | |
|---|---|---|---|---|
| **UK BANKS** | | | | |
| Barclays Bank | 15% | £15m | 10% | £9m |
| Co-operative Bank: | 15% | £15m | 12% | £11.4m |
| HSBC Bank | 15% | £15m | - | - |
| Lloyds TSB | 15% | £15m | 13% | £12m |
| Royal Bank of Scotland | 15% | £15m | 11% | £10m |
| Santander (UK) plc | 15% | £15m | 12% | £11m |
| Standard Chartered Bank | 15% | £15m | 2% | £2m |
| **BUILDING SOCIETIES** | | | | |
| Nationwide Building Society | 15% | £15m | - | - |
| **Money Market Funds** | 50% | | 19% | |
| Deutsche | 25% | £20m | 4% | £4m |
| Ignis | 25% | £20m | 5% | £5m |
| Federated Prime Rate | 25% | £20m | 6% | £5.2m |
| Scottish Widows | 25% | £20m | 4% | £4m |
| Pooled Funds - External Fund Manager | 50% | | 21% | £20.1m |
| | | | | **£93.7m** |

**Table 2 – Types of Investments and Current Interest Rates**

| **Instant Access Accounts** | **Avg rate %** | **£'000's** |
|---|---|---|
| Instant Access Accounts | 0.70% | 26,406 |
| Money Market Funds | 0.42% | 18,170 |

| **Notice Accounts** | **Avg rate %** | **£'000's** |
|---|---|---|
| Notice Accounts (up to 100 days) | 0.51% | 15,023 |

| **Fixed Term Deposits** | **Start** | **Maturity** | **Rate %** | **£'000's** |
|---|---|---|---|---|
| Lloyds TSB | 01/11/2012 | 07/01/2013 | 1.35 | 4,000 |
| Lloyds TSB | 08/11/2012 | 08/05/2013 | 1.35 | 4,000 |
| Lloyds TSB | 16/11/2012 | 18/02/2013 | 1.15 | 4,000 |
| Standard Chartered – CD | 26/11/2012 | 26/11/2013 | 0.69 | 2,000 |

| **Externally Managed Funds** | **£'000's** |
|---|---|
| Pooled Investments | 20,139 |
| **Maturity Profile** | **£'000's** |
| Instant Access | 44,576 |
| Maturing < 1 month | 13,000 |
| Maturing within 1 - 6 months | 14,023 |
| Maturing within 6 - 12 months | 2,000 |
| Externally Managed Funds | 20,139 |
| **Total** | **93,738** |

6. 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. As explained at the mid year review the Council's performance is about 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.

**Performance of Fund Manager**

7. 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% |
| **October 2012** | 0.07% | 0.10% |
| **November 2012** | 0.11% | 0.12% |
| **December 2012** | -0.01% | 0.01% |
| | | |
| **Cumulative 2012/13** | 0.66% | 0.71% |
| | | |
| **Value of Investment at 31/12/12** | £10,170,314 | £10,146,173 |
| **Fees (Total since start)** | £40,490 | £43,583 |
| **Average Annual Rate as at 31/12/12** | 0.82% | 0.65% |

8. 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.

9. 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.

10. The performance of the funds in the last two quarters 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.

# Appendix 8 – Performance Report

## Corporate Scorecard Report for 12/13 Quarterly Reporting

(Organisation Summary)

Dec-2012

| Objective | Measure | | Frequency | Polarity | Result 2011/12 | Latest Data | | Operational Comments |
|---|---|---|---|---|---|---|---|---|
| | Ref | Description | | | | Target | Result | |
| **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 | 687 days | Figures relate to 21 adoption orders to date for 2012-2013 |
| | 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 | 174 days | Figures relate to 21 adoption orders to date for 2012-2013 |

## Corporate Scorecard Report for 12/13 Quarterly Reporting

(Organisation Summary)

Dec-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 | 43% | Rationale for calculation of this figure has been obtained from number of children adopted during 01/04/2012 - 31/12/12, number of children placed with adoptive carers at 31/12/12 and number of children with an adoption decision at 31/12/12 who have not been cared for longer than 21 months. The figure is for period 01/04/12 - 31/12/12 not a cumulative 3-year figure. Whilst this has dropped slightly from last year, the drop is minor (46% to 43%), 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. |

**Corporate Scorecard Report for 12/13 Quarterly Reporting**

(Organisation Summary)

Dec-2012

| Objective | Measure Ref | Measure Description | Frequency | Polarity | Result 2011/12 | Latest Data Target | Latest Data Result | Operational Comments |
|---|---|---|---|---|---|---|---|---|
| **Performance Measures 2012/13** | | | | | | | | |
| | NI 19 | Rate of proven re-offending by young offenders | Quarterly | Low | 0.97 number | 1.00 number | Not Updated | Home office changes to the counting rules mean that we can no longer compare like with like as we monitor the rate of offending via the PNC data now.<br><br>The method for PNC calculation is to track a 12 month cohort of young people for 12 months after the original outcome. This means it can be upto 15 months after initial outcome before a figure can be calculated.<br><br>The latest data availabe on the PNC database is for two periods Oct 08 - Sept 09 and Oct 09 - Sept 10.<br><br>The frequency rate of offending is 0.87 and 0.74 respectively and results in a performance change/frequency difference of -0.13.<br><br>This shows that the young people in that particular cohort committed less offences compared to the cohort from the 12 months in the previous year. |

## Corporate Scorecard Report for 12/13 Quarterly Reporting

(Organisation Summary)

Dec-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% | 49.00% | There has been an improvement in the third quarter in terms of IA's completed within 10 working days. Overall there have been 1216 IA's completed in the 9mths to 31/12/2012 with 45% completed and signed off within 10 days<br><br>NB 56% have been completed within 20 working days overall |
| | 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% | 56.00% | Work continues to ensure that CA's are completed in a timely fashion.<br><br>65% are currently signed off within 40 working days |
| | NI 64 | Child protection plans lasting 2 years or more | Quarterly | Low | 2.63% | 5.00% | 7.10% | Q3 is slightly high with 3 cases out of 42 ending which were subject to a plan for more than 2 years. The overall picture for 9 months is 6 cases out of 187 that have ended which were longer than 2 years which equates to 3.2% and is within the acceptable threshold of 5%. This demonstrates that plans for the most vulnerable children are not left to drift. |

## Corporate Scorecard Report for 12/13 Quarterly Reporting

(Organisation Summary)

Dec-2012

| Objective | Measure Ref | Measure Description | Frequency | Polarity | Result 2011/12 | Latest Data Target | Latest Data Result | Operational Comments |
|---|---|---|---|---|---|---|---|---|
| **Performance Measures 2012/13** | | | | | | | | |
| | NI 65 | Children becoming the subject of a Child Protection Plan for a second or subsequent time | Quarterly | Low | 11.11% | 15.00% | 7.30% | Quarter 3 relates to 4 children made subject to a plan for a second time out of 55 made subject to a plan within that period. This is within target – the cumulative figure for the year shows a decreasing picture and demonstrates that safeguarding intervention to reduce risk is sustained. |
| | NI 67 | Child protection cases which were reviewed within required timescales | Monthly | High | 100.00% | 100.00% | 100.00% | The service gives a high priority to ensuring that the plans to make the most vulnerable children in Cheshire East safe are reviewed within statutory requirements. This performance is a reflection of that and has been sustained for over a year. |
| | NI 111 | First time entrants to the Youth Justice System aged 10 to 17 | Quarterly | None | 188 number | Not Set | 36 number | This relates to the number of first time entrants for the period 1/7/2012 - 30/9/2012 |
| | NI 117 | 16 to 18 year olds who are not in education, training or employment (NEET) | Quarterly | Low | 5.00% | 4.90% | 5.30% | 5.3% is the indicative figure for Dec 2012.<br>The Autumn term is always high and subject to wide fluctuations as there are large numbers of young people who change plans due to exam results and courses not being what they anticipated. Work is ongoing to clarify the individuals where the 16+ destination is unknown and it is expected that this figure will be much more stable by March 2013 |

## Corporate Scorecard Report for 12/13 Quarterly Reporting

(Organisation Summary)

Dec-2012

| Objective | Measure Ref | Measure Description | Frequency | Polarity | Result 2011/12 | Latest Data Target | Latest Data Result | Operational Comments |
|---|---|---|---|---|---|---|---|---|
| **Performance Measures 2012/13** | | | | | | | | |
| | NI 125 | Achieving independence for older people through rehabilitation/ intermediate care | Monthly | None | 74.40% | Not Set | 79.30% | The new Service Manager for Intermediate Care is currently looking at new and better collection methods to increase response rates. Difficulties have been experienced contacting customers. Retrospective work is done which may see some improvement on the measure. The information needed to collate this indicator comes from two different hospital trusts and we are continuing to work through options to standardise this. |
| | NI 130 | Social care clients receiving Self Directed Support (Direct Payments and Individual Budgets) | Monthly | High | 45.50% | 55.00% | 40.50% | We are seeing an increasing number of service users who are receiving services that are ineligible for personal budgets (e.g. reablement). This year's target of 60% was based on a maximum achievable figure of 64% in 2011/12. However, this maximum figure currently stands at 56%. Work is being undertaken on this measure to address performance issues. The Team Support Service continues to work with teams to help them improve their performance on this measure. |

## Corporate Scorecard Report for 12/13 Quarterly Reporting

(Organisation Summary)

Dec-2012

| Objective | Measure | | Frequency | Polarity | Result 2011/12 | Latest Data | | Operational Comments |
|---|---|---|---|---|---|---|---|---|
| | Ref | Description | | | | Target | Result | |
| **Performance Measures 2012/13** | | | | | | | | |
| | NI 131 | Delayed transfers of care from hospitals | Monthly | None | 8.70 number | Not Set | Not Updated | The Quarter 3 figure was not available prior to the Cabinet paper deadline. However, the figure as at the end of November was 9.8. The figure within this measure that account for delays attributable to adult social care is only 0.13 (last year this was 0.3 which was the equal lowest in the country). |
| | 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 see more detailed breakdowns of time taken for completion of assessments |
| | NI 133 | Timeliness of social care packages | Monthly | High | 93.80% | 93.00% | 94.90% | Performance remains consistent on this measure and above target. A review of this measure is currently being considered for 2013/14: 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)

Dec-2012

| Objective | Measure Ref | Measure Description | Frequency | Polarity | Result 2011/12 | Latest Data Target | Latest Data Result | Operational Comments |
|---|---|---|---|---|---|---|---|---|
| **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% | 32.60% | 31.70% | There was a significant improvement in 2011/12 but we are still looking at ways to help more carers. 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 – this is being retendered for April. |
| | NI 141 | Percentage of vulnerable people achieving independent living | Quarterly | High | 73.45% | 65.00% | Not Updated | Figures for Quarter 3 were unavailable prior to Cabinet paper deadline. |
| | NI 142 | Percentage of vulnerable people who are supported to maintain independent living | Quarterly | High | 98.43% | 98.70% | Not Updated | Figures for Quarter 3 were unavailable prior to Cabinet paper deadline. |

## Corporate Scorecard Report for 12/13 Quarterly Reporting

(Organisation Summary)

Dec-2012

| Objective | Measure | | Frequency | Polarity | Result 2011/12 | Latest Data | | Operational Comments |
|---|---|---|---|---|---|---|---|---|
| | Ref | Description | | | | Target | Result | |
| **Performance Measures 2012/13** | | | | | | | | |
| | NI 145 | Adults with learning disabilities in settled accommodation | Monthly | High | 52.90% | 60.70% | 41.80% | Performance on this measure is slightly behind on the same point last year (45.9%). 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 is currently looking at where there are opportunities to improve performance through new ways of collecting the data required as the issue of under performance is related to gaining confirmation of accommodation status in a way that meets the criteria for the measure. |
| | NI 146 | Adults with learning disabilities in employment | Monthly | High | 7.00% | 6.13% | 5.23% | Performance on this measure has improved on the same point last year (4.22%). 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. |

## Corporate Scorecard Report for 12/13 Quarterly Reporting

(Organisation Summary)

Dec-2012

| Objective | Measure | | Frequency | Polarity | Result 2011/12 | Latest Data | | Operational Comments |
|---|---|---|---|---|---|---|---|---|
| | Ref | Description | | | | Target | Result | |
| **Performance Measures 2012/13** | | | | | | | | |
| Places & Organisation Capacity | NI 155 | Number of affordable homes delivered (gross) | Quarterly | High | 247 number | 75 number | 61 number | The 6 completions this quarter consist of a mixture of Firstbuy and Assisted Purchase Scheme completions. The sluggish housing market continues restricting the progress on market sites. However, there are a number of Homes and Communities Agency grant funded sites that are due to complete before the end of March 2013 that will boost the delivery of affordable housing. |
| | NI 157a | Processing of planning applications as measured against targets for major application types | Quarterly | High | 31.30% | 60.00% | 50.00% | |
| | NI 157b | Processing of planning applications as measured against targets for minor application types | Quarterly | High | 51.70% | 65.00% | 75.00% | |
| | NI 157c | Processing of planning applications as measured against targets for other application types | Quarterly | High | 69.60% | 80.00% | 90.40% | |

## Corporate Scorecard Report for 12/13 Quarterly Reporting

(Organisation Summary)

Dec-2012

| Objective | Measure Ref | Measure Description | Frequency | Polarity | Result 2011/12 | Latest Data Target | Latest Data Result | Operational Comments |
|---|---|---|---|---|---|---|---|---|
| **Performance Measures 2012/13** | | | | | | | | |
| HR & OD | BV012 | Working days lost due to sickness absence (cumulative) | Monthly | Low | 9.16 days | 6.10 days | 7.02 days | The Council has an ongoing Action Plan to address and reduce levels of absence which includes regular reporting, management training and targeted intervention on issues such as manual handling and stress management. There has also been a focus on positive health promotion involving a number of wellbeing events as well as provision of guidance and information on conditions such as cancer. Absence levels, however continue to be over target, currently by an average of 1 day per employee. Close monitoring of absences will continue and early, appropriate action will be taken. The Council is also considering the use of additional positive, targeted interventions such as an Employee Assistance Programme, stress management and early access to physiotherapy to effectively reduce absence levels. |