

# CHESHIRE EAST COUNCIL

## REPORT TO: CABINET

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<b>Date of Meeting:</b>	16 August 2010
<b>Report of:</b>	Borough Treasurer and Head of Assets / Head of Policy and Performance
<b>Subject/Title:</b>	2010/11 Quarter One (Financial and Non-Financial) Performance Report
<b>Portfolio Holders:</b>	Cllr Frank Keegan / Cllr. David Brown

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### 1.0 Report Summary

- 1.1 Cheshire East is committed to continuous improvement and excellence in all that it influences and delivers. This report gives summary and detailed information about its financial and non-financial performance in the first quarter of 2010/11.
- 1.2 Annex 1 provides Cabinet with the first projections of financial performance for the 2010-11 financial year, at the Quarter one stage. It highlights the key emerging financial pressures facing the Council of over £13m, and where possible outlines potential remedial actions at this early stage in the year. The report particularly focuses upon areas of high financial risk to the Council, and includes updates on the Capital Programme, Treasury Management, Debt, and in-year collection rates for Council Tax and Business Rates.
- 1.3 Annex 2 provides a summary of the key performance headlines at the end of quarter one, updates on Service Planning, Local Area agreement and the National Indicator Set.

### 2.0 Decision Requested

- 2.1 Cabinet is requested to note and comment as appropriate on the following:
- emerging pressures on the Council's revenue budget in the first quarter of 2010-11, and remedial actions detailed in Annex 1 Sections 2 and 3;
  - a further report on remedial action plans and capital programme update will be brought to Cabinet in September;
  - the Treasury Management update detailed in Annex 1, Section 5;
  - the Council's in-year collection rates for Council Tax and Business Rates, detailed in Annex 1, Section 6;
  - the Council's invoiced debt position as shown in Annex 1, Section 7;
  - progress to date on delivering the 2010-11 capital programme, detailed in Annex 1, Section 8 and Appendix 1;
  - Delegated Decisions approved by Directors, as shown in Annex 1 Appendix 2a;
  - Delegated Decisions to be approved by Directors in consultation with the relevant Portfolio Holder and the Portfolio Holder for Resources for Supplementary Capital Estimates (SCE) and virement requests over

£100,000 and up to and including £500,000 as shown in Annex 1, Appendix 2b.

- to note successes achieved during the first quarter 2010/11 as outlined in Annex 2 and consider issues raised in relation to underperformance against targets and how these will be addressed.

2.2 Cabinet is requested to approve the following:

- Reductions in approved budgets, as shown in Annex 1, Appendix 3

### **3.0 Reasons for Recommendations**

3.1 The Council is committed to high standards of achievement and continuing improvement. Performance information plays a vital role in ensuring that the Council celebrates its achievements, understands its performance in key areas and addresses issues of under performance. The Council and partners have identified a series of improvement measures to support outcomes for local people as outlined in the priorities and objectives of the Sustainable Community Strategy. Indicators in the Local Area Agreement reflect this commitment to local improvement and form a core element of Local Strategic Partnership's performance framework.

3.2 In accordance with good practice, Members should receive a quarterly report on the financial performance of the Council. Finance Procedure Rules set out the requirements for financial approvals by Members, and relevant recommendations are contained in this report.

### **4.0 Wards Affected**

4.1 All

### **5.0 Local Ward Members**

5.1 All

### **6.0 Policy Implications including - Climate change, Health**

6.1 Performance management supports delivery of all key Council policies including climate change and health

### **7.0 Financial Implications (Authorised by the Borough Treasurer)**

7.1 The Council's financial resources are aligned to its priorities and used to deliver priority outcomes for local communities. Monitoring performance helps ensure that resources are used effectively and that business planning and financial decision making are made in the context of performance.

### **8.0 Legal Implications (Authorised by the Borough Solicitor)**

8.1 The Council is required to report to Government on its performance against measures in the National Indicator Set. Monitoring and reporting on

performance is considered to be part of the requirements for external audit and the relationship between local authorities and the public.

## **9.0 Risk Management**

- 9.1 A significant projected overspending in 2010-11 has been identified at the first quarter stage. Remedial actions are already being taken, but in view of the scale of the risk, services have been asked to produce remedial action plans which will be reported to Cabinet in September. Whilst further measures will be identified to substantially reduce the underlying figure during the year, there remains a significant risk that further calls on the Council's general balances will be required.
- 9.2 Performance and risk management are part of the key management processes of the Authority. Risks are captured both in terms of the risk of underperforming and the risk to the Council in not delivering its ambitions for the community of Cheshire East. The Policy & Performance team are working to further align the relationship between performance management and risk management throughout 2010/11.

## **10.0 Background**

- 10.1 Our vision, corporate plans, financial allocations, democratic and organisational structures are all designed to help us achieve the outcomes that matter to the people of Cheshire East. Performance reporting and a focus on improvement are fundamental to achieving our long term ambitions. The report reflects a developing framework to embed performance management culture throughout the organisation.
- 10.2 During quarter one, the Planning & Performance team has focused on strengthening business planning by producing standardised service plans which detail service delivery actions for 2010/11. The plans further enhance the link to the Sustainable Community Strategy priorities and Corporate Plan objectives and link performance measures and local key performance indicators to service outcomes and objectives.
- 10.3 This report brings together financial and non – financial performance issues for the first time in one report, albeit in separate papers. However, further work is ongoing to develop fully integrated reports to bring to Members later in the year.

## **11.0 Access to Information**

- 11.1 The background papers relating to this report can be inspected by contacting:

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