

CHESHIRE EAST COUNCIL

REPORT TO: CABINET

Date of Meeting:	20 August 2012
Report of:	Director of Finance & Business Services / Strategic Director, Places & Organisational Capacity
Subject/Title:	2012/2013 First Quarter Review of Performance
Portfolio Holders:	Cllr. Peter Raynes / Cllr. Barry Moran

1.0 Report Summary

- 1.1 Cheshire East is committed to continuous improvement and excellence in all that it influences and delivers. This report, attached as Annex 1, gives summary and detailed information about its financial and non-financial performance at the first quarter stage of 2012/2013, and requests approval to supplementary revenue and capital estimates and virements.
- 1.2 Section 1 of the report provides projections of service revenue financial performance for the 2012/2013 financial year. It focuses on the key financial pressures which the Council's services are facing and areas of high financial risk to the Council, and the remedial measures identified by services to mitigate these pressures. Key issues affecting services capital programmes are also reported.
- 1.3 Section 2 provides an update on the overall Financial Stability of the Council, including the positions on Grants, Council Tax and Business Rates, Treasury Management, Centrally held budgets, and the Management of the Council's Reserves.
- 1.4 Section 3 provides a summary of the key non-financial performance headlines for the year to date.

2.0 Decision Requested

- 2.1 Cabinet is requested to note and comment as appropriate on the following issues:
- the projected service revenue outturn positions (**Section 1**);
 - the overall financial stability of the Council, and the impact on the Council's general reserves position (**Section 2**);
 - the Council's invoiced debt position (**Appendix 3**);
 - the delivery of the overall capital programme, and budget adjustments within programme blocks (**Section 2, paragraphs 98 to 103 and Appendices 4 and 5**);
 - note the service performance successes achieved during the first quarter of 2012/2013, and consider issues raised in relation to underperformance against targets and how these will be addressed (**Section 3**).

2.2 Cabinet is requested to approve the following:

- Supplementary Capital Estimates and virement requests over £100,000 and up to and including £1,000,000 (**Appendix 6**);
- Supplementary Revenue Estimates for additional expenditure fully funded from grants (**Section 2, paragraph 86 and Appendix 2**).

2.3 Cabinet is requested to ask Council to approve the following:

- a Supplementary Capital Estimate / Virement request over £1,000,000 (**Appendix 7**).

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.

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 – Carbon Reduction, Health

6.1 Performance management supports delivery of all key Council policies including carbon reduction and health. The projected outturn position, ongoing impacts in future years, and the impact on general reserves will be fed into the assumptions underpinning the 2013/2014 Financial Scenario and Business Planning process.

7.0 Financial Implications (Authorised by the Director of Finance & Business Services)

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 Although the Council will no longer be required to report to Government on its performance against measures in the National Indicator Set, monitoring and reporting on performance is essential if decision-makers and the public are to be assured of adequate progress against declared plans and targets.

9.0 Risk Management

- 9.1 Financial risks are assessed and reported on a regular basis, and remedial action taken if and when required. Risks associated with the achievement of the 2012/2013 budget and the level of general reserves will be factored into the 2013/2014 Financial Scenario and Budget, and Reserves Strategy.
- 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.

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.

11.0 Access to Information

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

Name: Lisa Quinn / John Nicholson
Designation: Director of Finance & Business Services / Strategic Director,
Places & Organisational Capacity
Tel No: 01270 686628 / 01270 686611
Email: lisa.quinn@cheshireeast.gov.uk / john.nicholson@cheshireeast.gov.uk