



First Quarter Review of Performance 2012 / 2013

August 2012

Introduction

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

The report provides an update of the Council's financial and non-financial performance at the first quarter 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 revenue 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 remedial measures identified by services to mitigate these pressures. Key issues affecting service capital schemes are also reported.

The figures included in this section reflect the original Business Plan adjusted for Supplementary Estimates and Virements, including those requested in the report. These updated budget figures will be reflected in Version 2 of the Budget Book which will be published shortly.

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

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

Appendices are provided as follows:-

- **Appendix 1** provides explanations of changes to the Revenue Budget agreed at Council in February 2012 which have been authorised or require authorisation via this quarterly report.
- **Appendix 2** lists requests for Supplementary Revenue Estimates funded from additional grant.
- **Appendix 3** analyses the position on Outstanding Debt.
- **Appendix 4** summarises the Capital programme and its funding.
- **Appendix 5** lists capital budget adjustments to be noted.
- **Appendix 6** lists requests for Supplementary Capital Estimates and Virements up to £1m.
- **Appendix 7** details a request for a Supplementary Capital Estimate of over £1m.
- **Appendix 8** shows the latest position on the Corporate Grants register.
- **Appendix 9** provides details of Treasury Management investments.
- **Appendix 10** details progress against Performance Indicators.

Contents

Introduction.....	- 1 -
2012/2013 Forecast Financial Position – First Quarter Review.....	- 3 -
Overview	- 4 -
Section 1. Directorate Financial Summary	- 5 -
Section 2. Financial Stability	- 16 -
Section 3. Performance Report – Strategic Director Places and Organisational Capacity	- 21 -
Appendices	
Appendix 1 – Changes from Original Budget 2012/2013.....	- 25 -
Appendix 2 – Matters for Decision – Supplementary Revenue Estimates Funded from Additional 2012/2013 Grants	- 27 -
Appendix 3 – Debt Management.....	- 29 -
Appendix 4 – Summary Capital Programme and Funding.....	- 30 -
Appendix 5 – Requests for Budget Adjustments within Programme to Consolidate Funding.....	- 31 -
Appendix 6 – Request for Supplementary Capital Estimates (SCEs) and Virements up to and including £1m	- 32 -
Appendix 7 – Request for Supplementary Capital Estimates (SCEs) and Virements in excess of £1m	- 34 -
Appendix 8 – Corporate Grants Register as at 30 th June 2012.....	- 35 -
Appendix 9 – Treasury Management	- 36 -
Appendix 10 – Performance Report	- 38 -

2012/2013 Forecast Financial Position - First Quarter Review

2012/2013 - First Quarter Review	Revised Net Budget	Emerging Pressures	Remedial Measures Identified to Date	Current Forecast Variance	For further information please see:
	£m	£m	£m	£m	
DIRECTORATES					
Children & Families	59.0	4.9	(4.1)	0.8	Section 1, Paragraphs 2-10
Adults	98.6	11.4	(7.3)	4.1	Section 1, Paragraphs 17-35
Places & Organisational Capacity	76.7	5.2	(2.9)	2.3	Section 1, Paragraphs 40-59
Corporate Services	26.2	0.8	(0.3)	0.5	Section 1, Paragraphs 67-79
TOTAL: Directorates	260.5	22.3	(14.6)	7.7	
CENTRAL BUDGETS					
Specific Grants	(41.5)	(0.2)		(0.2)	Section 2, Paragraph 86
Capital Financing	14.8	(0.3)		(0.3)	Section 2, Paragraphs 104-105
Contingencies	5.2			0	Section 2, Paragraph 109
TOTAL: Central Budgets	(21.5)	(0.5)	0	(0.5)	
TOTAL	239.0	21.8	(14.6)	7.2	

	Planned Contribution – 2012/2013 Budget	Forecast Variance @ Quarter 1	Impact on reserves – Quarter 1 Forecast	
	£m	£m	£m	
Impact on Reserves	7.3	(7.2)	0.1	Section 2, Paragraph 111

General Reserves Balance	2012/2013 Budget	Quarter 1 Forecast	
	£m	£m	
	Estimated		
Opening Balance April 2012	13.2	11.4	Actual
2012/2013 Impact on Reserves (see above)	7.6	0.1	Forecast
Closing Balance March 2013	20.8	11.5	Forecast

Section 2, Paragraphs 112-115

Overview

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

Revenue

- Overall Directorate revenue spending is forecast to exceed budget by £7.7m (3%).
- Services face emerging pressures totalling £22.3m, and to date have identified £14.6m of remedial mitigation.
- Demand led service pressures applying across directorates include:-
 - **Children & Families** - Care costs £3m; Social Care staffing £0.6m; Unachievable transport savings £1.1m
 - **Adults** - Learning Disability Pooled Budget - Health Network and Nursing/ Residential contracts
 - **Places & Organisational Capacity** - Waste £1.5m; Community £1.3m; Development £1.5m
 - **Corporate Services** - ICT, Finance & HR Shared Services £0.7m
- Central Budgets – a £0.3m saving has arisen from a reduction in interest charges and debt repayment costs.

Portfolio Holders and Chief Officers will strive to identify further remedial action to mitigate the £7.7m forecast overspend. Progress will be reported at the Mid Year Review.

Reserves

- The forecast net deficit impacting on general reserves (after

approved allocations) is £7.2m.

- The 2012/2013 Business Plan was balanced, and provided for a contribution of £7.6m to balances to meet medium term strategic requirements. At Quarter 1 reserves are forecast to increase by £0.1m to £11.5m.

Capital

- The original budget for 2012/2013 of £83.8m has been revised to £81.7m after allowing for rephasing of slippage from 2011/2012, and other approvals sought at First Quarter.
- The programme is currently under a comprehensive review with the intention of making substantial savings and focusing delivery capacity on initiatives with the highest priority. Commissioning of new starts is being carefully managed pending the outcome of this review. The revised programme will be reported to Cabinet at the Mid Year Review.

Debt

- Total outstanding Debt (excluding local taxation) is £4.5m, of which £2.8m is over 6 months old. A bad debt provision of £2.5m is available to meet potential write-offs.

Financial Stability

- c. 99% of Council Tax and Business Rates are collected within 3 years.
- Investment income is slightly lower than budgeted, although average interest rate earned on investments (0.6%) was in line with London Inter Bank 7 day rate.

Performance

- At the end of the First Quarter, 56.5% 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 first quarter 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 £59m, excluding Dedicated Schools Grant (DSG). **Table 1** highlights that emerging pressures of £4.9m have been identified. Remedial action of £4.1m has been identified which will reduce the net forecast position to £0.8m base budget overspent. DSG is shown separately later.

Table 1 – Children and Families

	REVENUE				Paragraph Number(s)
	Revised Net Budget	Emerging Pressures	Remedial Measures Identified to Date	Current Forecast Variance	
	£000	£000	£000	£000	
Children & Families					
Directorate	762	0	-238	-238	
Safeguarding & Specialist Support	26,535	3,859	-500	3,359	3-7
Early Intervention & Prevention	11,906	0	-2,400	-2,400	8
Strategy, Planning & Performance	19,139	1,028	-942	86	9
Cost of Investment	650	0	0	0	
	58,992	4,887	-4,080	807	

Note: This table excludes DSG

Key Revenue Issues

Safeguarding and Specialist Support (SSS)

3. The external placements budget is projected to overspend by £3.2m, despite proactive intervention strategies and increasingly robust gate-keeping measures which have stabilised the overall number of Cared for Children (CFC) at around 434. Costs are however, forecast to rise as tighter gate-keeping means that whilst fewer children are coming into care those that do will tend to have more complex, higher costs needs. The position is exacerbated by the shortage of foster care provision in the borough which increases reliance on high costs out of borough placements and external foster agencies.
4. The challenge for the service lies in the management of these external arrangements and ensuring the balance is maintained between providing a safe yet cost effective statutory service for children who need to be in our care whilst avoiding children reaching crisis and maintaining them at home wherever possible through appropriately managed and risk assessed child protection plans.
5. The three staffing areas in SSS (Children in Need/Child Protection, Children's Assessment Team and 16+/Cared For Support) are currently forecasting an overspend of £672,000. These teams are currently relying on agency staff, while permanent staff are being recruited, and qualified Social Work agency staff cost considerably more than permanent staff.
6. The service has had an ongoing recruitment campaign to recruit qualified social workers, however, competition remains strong

among neighbouring Authorities for experienced staff, resulting inevitably in some amount of turnover. Any delays in recruiting permanent staff will cause additional pressure on the budget, as the current forecast assumes people will be in post in October.

7. The underlying level of spend on care costs for Children and Families is not sustainable. The service recognises that further efforts can now be made to reduce the numbers of children in care, and that the focus has to be on preventing any more children coming into care through early intervention and prevention. However this is a long term plan, and in the short term, managed underspends in Early Intervention and Prevention are being used to offset the spend on care costs.

Early Intervention and Prevention

8. Underspends of £2.4m will be achieved through rigorous vacancy management and the cessation of activities such as plans for externally commissioned contracts for the Targeted Youth and Early Intervention service. Curtailing investment in this area as a mitigating action can build risk for the service in terms of reducing capacity to intervene early to prevent issues within families escalating to require high cost statutory interventions, and additionally risks in respect of future inspections by OFSTED where the 'early offer' of help is seen to be a key requirement.

Strategy, Planning & Performance

9. The challenge for this service comes from the budget saving required from Home to School Transport arrangements, set at £1.1m in the budget book. The current service is under pressure to deliver this saving, and have identified the main areas from where additional savings could be made. Detailed action plans have been developed outlining how the savings will be achieved and monitored during the year.

Remedial Actions

10. A remedial action plan has been developed, with a current estimate that £4.1m will be delivered throughout the remainder of the year helping to reduce the estimated net forecast overspend to £1m. The actions have been risk assessed to identify those where further consideration is needed to help deliver the savings required. Close monitoring of the plan will be required to assess the deliverability and potential to either increase or decrease the impact of the remedial measures.

Capital

11. The Children and Families capital programme has a projected spend of £18m in 2012/2013 and is funded through a combination of external contributions (including grants) and borrowing.
12. There are a number of major projects relating to schools which are currently being progressed through the planning stages and actual works will now commence in 2013/2014.
13. The capital funding requirements for schools is funded via specific DSG capital grants. The funding is utilised flexibly and moved to those areas where spending is planned and required during the year. The specialist school planned at the Church Lawton School site will not start building until 2013/2014, and available funds of £1.3m will be vired to the Asset Management Service block to cover maintenance work required across the schools programme. Details of the virement request are provided in **Appendix 6**.
14. It is anticipated that forecasts will be revised for the mid-year review due to more up to date projected spend information (i.e. as a number of school related capital projects start during the school holidays).

Dedicated Schools Grant (DSG)

Table 2 – Dedicated Schools Grant

	REVENUE				Paragraph Number(s)
	Revised Net Budget	Emerging Pressures	Remedial Measures Identified to Date	Current Forecast Variance	
	£000	£000	£000	£000	
Schools Grant Funded including DSG					
Strategy, Planning & Performance - DSG	0	3,833	-300	3,533	15-16
Schools (Individual School Budgets)	0	0	0	0	
Other Schools Provision	0	0	0	0	
Pupil Premium	0	0	0	0	
	0	3,833	-300	3,533	

15. **Table 2** above shows that total pressures on DSG for 2012/2013 are currently £3.8m. The DSG overspend of £1.5m from 2011/2012 has been carried forward into 2012/2013. At the end of 2011/2012, the review of the Social Care placements identified several placements which should have been jointly funded with Education. These costs were transferred to DSG, resulting in an overspend. The continuation of these placements means that there is a further emerging pressure on DSG of £2.2m for 2012/2013. Additionally ongoing requests from schools for additional special educational needs resources linked to individual pupils continues to put this budget under pressures. Finally, a further pressure has been identified of £127,000 in relation to uptake of entitlement within the Private, Voluntary and Independent sector.

16. Remedial actions are being developed within the DSG funded service. Offsetting measures of £0.3m have been identified so far, which reduces the pressures on DSG to £3.5m. However, this overspend must be controlled, and far-reaching mitigating actions need to be put in place immediately by the service.

Adults

17. The Adults Service has a net budget of £98.6m, (including £6.2m that has been transferred to the Council by the Department of Health linked to the Learning Disability, Valuing People Now Transfer) with **Table 3** providing a summary of the emerging pressures position of £11.4m. Remedial action of £7.3m has been identified which will reduce the net forecast position to an estimated £4.1m overspend.

Table 3 – Adults

	REVENUE				Paragraph Number(s)
	Revised Net Budget	Emerging Pressures	Remedial Measures Identified to Date	Current Forecast Variance	
	£000	£000	£000	£000	
Adults					
Care4CE	0	383	-575	-192	
Strategic Commissioning	36,085	3,200	-450	2,750	20-23
Business Management and Challenge	3,034	170	-400	-230	
Individual Commissioning	58,851	7,643	-5,575	2,068	24-28
Cost of Investment	650	0	-300	-300	
	98,620	11,396	-7,300	4,096	29-35

Key Revenue Issues

18. The Adults Service continue to face extreme budget pressures in relation to care costs, this is a combination of inherent budget pressures from 2011/2012 and historic contract arrangements that the Council is party to (e.g. Learning Disability Health Contracts).

19. Whilst there has been some growth in the number of new customers entering services (some have been high cost placements), the service is maintaining steady customer numbers,

although there is evidence that the complexity of need is resulting in continuing increases in costs for those in receipt of Council care.

Strategic Commissioning

20. Health contracts providing supported living for customers with Learning Disabilities (within the Learning Disability pooled budget) are presenting a pressure of £2.2m. The providers supporting the delivery of the health contracts are expected to review staff terms and conditions, however, apart from one provider, limited progress has been made and there has been no reduction in the rates that the Council pays.
21. The Secure Commissioning contract with Cheshire and Wirral Partnership within the Learning Disability Pooled budget has a budget pressure of £0.2m. Commissioners are aiming to work with Cheshire and Wirral Partnership to understand and reduce this overspend.
22. The Service had £0.8m of unallocated savings target remaining from earlier years to achieve, £0.2m is expected to be delivered in 2012/2013 through remedial action. The full year effect of this target will be achieved in 2013/2014 through a review of existing contracts that cannot be adjusted in 2012/2013 as they are already fully committed.
23. An independent review of the fee rates paid to nursing and residential care providers and the associated contractual framework has been commissioned as part of the Local Government Association and Association of Directors of Social Services national Efficiency Programme. The commission has been awarded to the consultants Red Quadrant who are progressing with the review aiming to deliver the outcomes in September / October 2012. The Council has not increased fees to providers since April 2010 and the current forecast variance assumes no change to the existing rates paid to providers. Another

element of the review being undertaken by Red Quadrant is to assess the actions and measures being considered across the service against best practice elsewhere, aiming to identify any potential areas for further exploration by the Council. This element of the report is anticipated to be completed over the coming few weeks, with a report being available in early September.

Individual Commissioning

24. The permanent care cost pressures of £5.5m identified in 2011/2012 which were alleviated by the application of temporary funding continue to present an ongoing pressure in 2012/2013. This is before any new 2012/2013 growth pressures have been factored in. The service is seeking to contain the forecast overspend by using proactive measures to manage demand for care and analysing the costs associated with increasingly complex care packages.
25. Pressures are also arising as a result of people choosing to self fund in residential & nursing settings and then running out of money which results in costs falling to the Council. Initial research indicates this increases overall costs as self funders tend to opt for higher levels of care, and at an earlier stage, than the Council would recommend, given the range of pre-admission options available. However, the service continues to work to minimise the impact of returning self funders, successfully managing to retain costs within the contractual rates offered by the Council.
26. The delivery of the transport savings in relation to de-commissioning the transport fleet are no longer expected to be achieved in 2012/2013 due to a withdrawal from the market of a key provider who would have offered alternative support to users. This is creating an initial pressure of £0.5m, which is currently being reviewed to see what potential mitigation is possible.

27. Whilst all policy saving targets have been allocated, the full year effect of some of these initiatives will not be delivered until 2013/2014 (i.e. due to contractual agreements, need for building alterations etc).
28. In 2011/2012 the service held a number of staff vacancies and key management positions were not factored into the service structure. The staffing structure has been reviewed in 2012/2013 and the base staff budget has been increased to not only reflect the base position required to fund the overall structure but also to reflect the managerial input required to reduce the likelihood of judicial review (the Council were subject to a number of challenges in 2011/2012) and to increase the number of front line workers.
29. The overall and continuing gross pressure being experienced across the Adults Service is not financially sustainable for the Council. Numbers of service users have remained broadly constant for a number of months; the challenge is therefore to maintain this position whilst better controlling the costs, be that through better management of the impact of increasing complexity, or through rationalising the contractual and commissioned arrangements. Recognising this, the Service have commissioned via the consultants Red Quadrant, an external review of the policy options that the service are working towards identifying whether they are achievable and also to advise of other potential areas to review.
30. The aim of the review activity is to focus on quick wins in the short term, whilst developing options for the medium and long term. This may involve focussing on particular areas to solve specific issues such as the absence of a framework contract with established rates. Alongside this, an independent review of the current care cost structure is being carried out to ascertain whether the current care prices paid to providers are reasonable.
31. In addition, Red Quadrant are helping to facilitate participation in a number of multi council working groups who are sharing initiatives and data. Through this joint working, the Council is benchmarking itself alongside other councils helping to identify those areas where best practice can be adopted.
32. The remedial action for the Service is primarily focused on continuing to control the flow of new care clients whilst maintaining and delivering statutory services; reviewing commissioned contracts with providers; and completing existing customer reviews to ensure that they are meeting outcomes.
33. The Council has sought to maximise the use of Care4CE during the year and has made significant progress in increasing the occupancy and usage of the facilities provided. The remedial action plan assumes that this action will be continued and increased resulting in an overall underspend being anticipated across Care4CE.
34. In the longer term, a fundamental review of key contracts (learning disability; mental health; and personal support contracts) is expected to ensure that the service have negotiated the best possible value for the Council.
35. A remedial action plan has been agreed and risk assessed with the Adults Heads of Service and the £7.3m of remedial action savings are expected to be delivered. The aim is to continue to monitor the delivery of the action plan throughout the remainder of the financial year, reporting on progress at regular intervals and where possible identifying where either additional mitigation might be possible, reducing the risk and deliverability of those actions that have been assessed as higher risk and reporting where delivery might not be possible.

Capital

36. The main capital developments within Adults include a replacement ICT system for the Children, Families and Adults service and the buildings investment budget.
37. The service has received a capital allocation of £764,385 from the Department of Health for Personal Social Services and this will be used as additional funding for the ICT system replacement.
38. The main procurement and implementation activity for the system replacement is planned to take place in 2013/2014.
39. An allocation of £456,000 has been made from the ICT budget provision to fund Careworks which provides a solution to capture and manage forms, i.e., assessment, care and support plans within a multiple agency working environment. Details of the virement request are provided in **Appendix 6**.

Places & Organisational Capacity Directorate

40. **Table 4** below shows that the Places & Organisational Capacity Directorate is reporting emerging pressures totalling £5.2m. To offset this pressure the Directorate has so far identified a series of remedial actions of £2.8m to bring the overall net pressure down to £2.3m.

Table 4 – Places & Organisational Capacity

	REVENUE				Paragraph Number(s)
	Revised Net Budget	Emerging Pressures	Remedial Measures Identified to Date	Current Forecast Variance	
	£000	£000	£000	£000	
Waste, Recycling & Streetscape	25,529	1,510	-350	1,160	41-47
Highways & Transport	17,011	256	-585	-329	48-49
Community Services	133	1,296	-348	948	50-53
Development	22,201	1,480	-916	564	54-56
Performance, Customer Services & Capacity	9,749	148	-148	0	57-59
Cost of Investment	2,076	500	-500	0	
	76,699	5,190	-2,847	2,343	

Key Revenue Issues

Waste, Recycling and Streetscape

41. Waste & Recycling Collection core operational budgets are facing pressures totalling £570,000, attributable to £100,000 additional agency costs and £470,000 additional fleet costs (mainly short term hires). These pressures are forecast to continue into 2013/2014 to some degree; however in-year they are being offset in part by (£225,000) in vacancies across the Waste Strategy and the Joint Waste Teams.
42. The Waste Service is also facing a number of pressures from contract-related issues totalling £262,000 (net), as follows:
- The current bulking contract is forecast to cost £247,000 more than budget.
 - Additional haulage costs are being incurred on bank holidays in the north of the Borough. The forecast relay cost for 2012/2013 is £83,000.
 - Additional green waste contract haulage costs of £67,000 have been incurred under the contract and increased green waste

tonnages are putting a further £22,000 pressure on collection costs through additional crews, for 6 weeks.

43. The above gross contract pressures are being offset in-year by lower than budgeted waste disposal contract costs (£257,000 less, based on June data) as a consequence of reduced tonnages, following the implementation of new collection rounds in 2011/2012. However, the waste diversion policy saving is not achievable as planned, therefore the effect of the general reduction in tonnage is a net favourable variance of (£157,000), to help offset some of the £419,000 contract pressures described above.
44. In May 2012, agreement was made to harmonise terms and conditions on bank holiday working across the north and south teams. As a consequence, operatives in the north area have received a one-off buy-out of overtime allowances totalling £77,000. Also, following changes in terms relating to overtime and time off in lieu, there will be additional costs of £45,000 in 2012/2013 and approx £215,000 pa in future years.
45. A review of fuel usage in Waste and Streetscape indicates additional pressures in-year of approx. £232,000, due in part to usage/consumption, particularly in the Waste fleet, but also increased fuel prices.
46. Additional resources of £800,000 are estimated to be required to progress a Waste Procurement project (subject to approval), funded in part through net under-spends against 2012/2013 one-off investment items (£327,000) (e.g. deferral until 2013/2014 of the buy-out payment relating to termination of the automatic public convenience contracts); with the funding balance of £473,000 being offset by other remedial actions planned in the Directorate, as noted below.

47. Despite continued pressures facing the Service in year, potential remedial measures totalling £350,000 have been identified relating to reducing Waste Disposal contract costs through continued review / refinement of tonnage forecasts (note forecast will be clearer by mid-year review); and reducing waste fleet costs through a review of inefficient vehicles, with the aim of removing and replacing vehicles in-year, to reduce running and finance costs and the need for short term hires.

Highways and Transport

48. The Transport service has reported net emerging pressures of £256,000, arising from a delay in the implementation of supported bus service cuts following public consultation, £250,000; restoring the concessionary free bus pass on non registered flexible transport, £75,000 part year effect (£100,000 full year effect); and unbudgeted production costs for the five-year replacement cards, £50,000. These cost pressures will be partly offset by in-year pay and non pay efficiency measures to reduce the budget pressure by (£119,000).
49. Remedial actions being considered include reviewing spend on supported bus services and bus shelter maintenance. In addition, further remedial actions have been proposed by Highways/PROW/Countryside through a review of the routine maintenance programme, to help mitigate the overall cost pressures.

Community Services

50. The Car Parking Service is forecasting an adverse income variance of £529,000, due to continuing economic recessionary pressures and low customer demand. This is potentially an ongoing pressure that will carry into 2013/2014.

51. Pay pressures of £574,000 arise across the service due to the ongoing impact of pay harmonisation premium payments, the shortfall in base budget in the Leisure Service, CCTV overtime costs and Community Wardens' back-pay.
52. Further ongoing impacts attributable to non pay budgetary pressures totalling £182,000 relate to the costs of taxi licensing tests, plus unachievable business planning savings relating to the review of the Joint Use Centres core charges.
53. A series of remedial actions are proposed by the service totalling £348,000. These include changes to fees and charges (specifically in Licensing and Pest Control) and a proposed change in hours for the CCTV operation, further vacancy management and other non pay savings across the service.

Development Service

54. The Development Management Service is forecasting favourable variances in pay budgets, from vacancy management, along with improved income estimates from search fees.
55. The Assets Service is undergoing significant changes, implementing the Corporate Landlord role and taking on the associated operational and budgetary responsibilities. A net variance of £1.8m is forecast in the report, reflecting several budget pressures (e.g. realisation of "asset challenge"/ disposal savings targets; holding costs of vacant properties; rates and energy costs; rent income budget shortfalls). However, there is some uncertainty regarding current forecasts, pending further work in respect of finalising transfers of budgets from other services and analysing spend/ income in detail; this work is well underway and will inform an update of estimates and action plans at Mid Year Review.

56. To reduce the forecast net pressure of £1.48m, a range of remedial measures (additional to already challenging target budget reductions) totalling £916,000 have been identified. These include further vacancy management across the service, combined with an increase in the capitalisation of staff time in Assets and other areas in Development (£425,000); mitigation of inflationary pressures on energy savings through an action plan for reduced consumption (£250,000); acceleration of the disposal of lower value properties to reduce premises cost pressures (£100,000); plus other planned reductions across non pay spend (£141,000).

Performance, Customer Services and Capacity

57. Library Shared Services have emerging pressures of £118,000, resulting from planned budget savings which are no longer achievable. In addition, property costs of the shared building are expected to be overspent. This pressure is anticipated to continue in future years.
58. It is currently expected that £50,000 of the original £100,000 corporate Lean Review saving target will be achieved.
59. Whilst the above pressures facing the Service are expected to continue in future years, it is planned to mitigate in 2012/2013 through reducing the book fund spend by £48,000, saving £100,000 from further vacancy management across the wider Service (excluding Libraries) and continuing to identify savings from the Lean Review of other services.

Capital Programme – Key Issues

Waste, Recycling and Streetscape

60. Bereavement Services - An options report for the replacement cremators at Crewe is currently being prepared; if the decision is

for replacement with traditional cremators then the £450,000 capital budget will now slip into 2013/2014.

Development Services

61. The Town Regeneration & Development Scheme has been re-profiled to transfer £310,000 to 2013/2014, in relation to the Wilmslow Investment Framework project.
62. A Section 106 contribution related to Kershaw Mill, Macclesfield will be used to improve access to site by foot, cycle and public transport which shall comprise of upgrading of the bus stop on Bond Street in the vicinity of the site, the provision of cycle signage on routes to / from the site and the provision of uncontrolled pedestrian "dropped crossing" (including tactile paving) at junctions / accesses on highways within the vicinity of the site. A Supplementary Capital Estimate for £35,000 is included for approval in **Appendix 6**.
63. The Gypsy and Travellers Site project was granted approval at 23rd July Cabinet to progress the surveys which are required to identify alternative sites and progress work on the Temporary Stopping Place. The initial programme was based on the development of Parkers Road, Crewe, following the withdrawal of the site a position statement has been produced which outlines the Council's short term and long term approach to take the programme forward and identify an alternative site for development. The 2012/2013 budget has now been re-profiled to reflect spend of £130,000 in 2012/2013 and £410,000 in 2013/2014.
64. Tatton Vision - Phase 2 of the Farm Mill Development has commenced by employing a consultant to prepare a Heritage Lottery Funding bid to be completed by August 2012 and submitted to the HLF Board for a decision in November 2012. Should the decision move to providing a fully detailed specification

of the restoration, then some of the £900,000 lottery grant will be released. As a result of the time taken to work up the specification, it is expected that at this stage the £925,000 of the capital allocation for 2012/2013 will need to slip into 2013/2014.

65. Tatton Park Investment - The forecast outturn position for 2012/2013 has been revised to £400,000 and the remainder of the budget of £6.3m will now slip to 2013/2014. Planning Permission is now being sought.
66. Farms Strategy - An increase in the Capital Budget of £2.1m is requested (**Appendix 7**) to enable the delivery and management of the Farms Strategy. The project will identify core holdings for long term retention and will underpin strategic planning and estate management with the outcome of refining the profile of targeted receipts & expenditure. The plan will result in a marginally reduced estate, releasing 33 properties for disposal. In conjunction with rolled up surplus budget from prior years programmes this SCE request will fund the cost of amalgamations, disposals and of meeting regulatory requirements. The delivery of a revenue surplus and capital receipts from restructuring the estate provides a financially sustainable model for the improvement of the estate / service.

Corporate Services

67. **Table 5** below shows that Corporate Services are reporting emerging pressures totalling £0.8m. To offset this pressure the Directorate has so far identified a series of remedial actions of £0.3m to bring the overall net pressure down to £0.6m.

Table 5 – Corporate Services

	REVENUE				Paragraph Number(s)
	Revised Net Budget	Emerging Pressures	Remedial Measures Identified to Date	Current Forecast Variance	
	£000	£000	£000	£000	
Finance & Business Services	17,001	563	-79	484	68-73
HR & OD	3,121	256	-124	132	74-76
Borough Solicitor	5,537	111	-51	60	77-79
Cost of Investment	555	-125	0	-125	
	26,214	805	-254	551	

Finance & Business Services

68. The early forecasts provided by CWAC as host for Finance and HR Shared Services indicate an overall pressure of £274,000, of which an estimated £222,000 would be attributable to Finance. Capital investment in systems is providing improvements in functionality and will bring further efficiencies, alongside Services' compliance with best practice processes in business administration. There is continuing dialogue with Shared Services, regarding programmes of work to contain spending within budget and identifying other mitigating actions.
69. Further pressures within Finance continue through bank and credit card charges and external audit fees, however, some savings have been achieved in terms of bank charges, and further savings are

anticipated through the new external audit arrangements. Overall, from these items a net pressure of £12,000 is currently estimated. Remedial actions include holding vacancies and control of non pay spend.

70. Following a review of outturn for 2011/2012 and consideration of benefit subsidy levels realised, relative to benefit payments made, over the last couple of years, the current forecast in respect of the Benefits Service shows a favourable variance of £600,000 net, compared to budget.

ICT Services

71. A budget pressure of £350,000 is recognised in relation to savings targets, principally in respect of disaster recovery and broadband network consolidation. The Service is looking to identify remedial actions to mitigate.
72. ICT Shared Services continue working on a third party spend review, staffing reductions and full cost recovery of income to deliver a balanced budget. An overspend in this year of £500,000 is currently forecast; however, all staffing reductions will be resolved in-year and vacancies will be reviewed and held where possible to help mitigate. In addition, there will be significant focus, involving engagement with Services, to switch off or replace systems; and a new Public Sector Network will be procured during 2012/2013, with partners.
73. Revenues, Procurement, Shared Services Manager, Internal Audit; and Insurance are forecasting net nil positions.

HR & OD

74. The service has budget pressures this year of £164,000 relating to savings targets, and £40,000 in respect of a Redeployment Officer post previously funded through Invest to Save.

75. The Finance and HR Shared Service figures provided by CWAC as host indicate an overall reported pressure of £274,000, with an estimated £52,000 attributable to HR, inclusive of a non-achievable £25,000 savings target for the Employee Service Centre in respect of a single legal entity.

76. A number of mitigating items have been identified, totalling £124,000. These include additional income generated through the Health and Safety and HR Delivery CheSS agreements, a vacant Unison post, and potentially further vacancy savings generated within the Employing Young People budget.

Borough Solicitor

77. The new staffing structure for the department which came into effect on 1 April 2012 was costed on base budget and expected income. Therefore, whilst the budget indicates an emerging pressure of approximately £200,000 in terms of the staffing costs within the service, these are offset by additional income expected of £200,000 generated within the Service through the CheSS agreement, fees from land and property transactions and internal funding and capitalisation.

78. A budget pressure of £42,000 is anticipated within Registration Services in respect of staffing, particularly relating to the cost of additional marriages. Further investment in marketing of £25,000 will continue to promote the service; however, this will be met by the Invest to Save budget.

79. The Coroner Service has a base budget shortfall of approximately £50,000. However, with other items, following receipt of a £26,000 refund relating to 2011/2012, the service has a net pressure this year of £18,000.

Capital Programme

Finance & Business Services

80. A number of prior year projects with remaining budgets have now been merged with the key ICT programmes of Core System Stability, Superfast Broadband and Local Independent Workforce. These programmes will be subject to further review as part of the plans to reduce the capital programme. Further details of the proposed virements are provided in **Appendix 6**.

Debt

81. A summary of outstanding invoiced debt by Directorate is contained in **Appendix 3**.

2. Financial Stability

Government Grant Funding of Local Expenditure

82. Cheshire East receives two main types of Government grants, formula grant and specific grants. The overall total of Government grant estimated for 2012/2013 is £402.2m.

83. In 2012/2013 Cheshire East Council's formula grant will be £67.7m and specific grants were budgeted to be £334.5m based on Government announcements to February 2012. Further announcements have revised this figure to £346.1m. Specific grants are split between non-ringfenced (£137.2m) and ringfenced (£208.9m). Spending in relation to ringfenced grants must be in line with the purpose for which it is provided.

84. The table below is a summary of the budgeted and updated position for all grants in 2012/2013. A full list of grants is provided at **Appendix 8**.

Table 6 – Summary of Grants to date

	Original Budget 2012/13 £m	Revised Budget 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
Specific			
Ringfenced Grants	205.4	208.9	-3.5
Non Ringfenced Grants - held within service	95.5	95.5	0.0
Non Ringfenced Grants - held corporately	33.6	41.7	-8.1
Total Government Grant Funding	402.2	413.8	-11.6

85. Ringfenced grants have increased by £3.5m, mainly as a result of higher than forecast pupil numbers which have resulted in increased allocations of DSG, Pupil Premium Grant and Sixth Form grant. These grants are ring fenced to the schools sector, and allocations are influenced by the Schools Forum who will determine how the funds will be allocated to schools or to the central contingency retained centrally on behalf of schools.

86. There is an increase in non ringfenced grants of £8.1m overall. This is mainly due to the transfer of funding from the PCT of £6.1m for the Valuing People Now scheme to be paid as part of the Learning Disabilities and Health Reform grant. Additional grants of £2.5m are now due to be received in 2012/2013, including a £0.5m refund relating to Formula Grant adjustment for Academies. On 19 July Council approved the use of £0.6m Local Sustainable Transport Fund grant. Services have now bid for a further £1.2m of additional funding for 2012/2013 (**see Appendix 2**). The resulting £0.7m net increase has been partly offset by four small Children and Families grants now not expected to be received (£0.2m) and three retrospective grants which have already been included within service income budgets (£0.3m), leaving £0.2m net additional grant payable into general reserves.

Collecting Local Taxes for Local Expenditure

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

Council Tax

88. 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.

89. 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.

90. 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 7** shows these amounts separately, giving a total collectable amount of £214.9m.

Table 7 – 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
	<hr/> 214.9

Source: Cheshire East Finance, July 2012

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

92. 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.

93. **Table 8** shows collection rates for the last three years, and demonstrates that 99% collection is on target to be achieved within three years.

Table 8 – 99% of Council Tax will be collected within 3 Years

	% Collected to date
2010/2011	98.9%
2011/2012	98.3%
2012/2013	36.9%

Source: Cheshire East Finance, July 2012

National Non Domestic Rates (NNDR)

94. 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.

95. 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.

96. 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.

97. **Table 9** 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 9 – Over 99% of Rates are collected within 3 years

	% Collected to date
2010/2011	99.1%
2011/2012	98.3%
2012/2013	31.4%

Source: Cheshire East Finance, July 2012

Capital

98. The 2012/2013 Capital Programme has been updated to reflect the carry-forward of budgets from the 2011/2012 Programme, and any consequent re-profiling into future years. The original budget for 2012/2013 of £83.8m has therefore been revised to £81.7m, after allowing for rephasing of slippage.
99. **Appendix 4** summarises the Capital programme and its funding.
100. The programme is currently under review and will be examined with the intention of making substantial savings within the current programme in order to fund future investment priorities. In order to facilitate the review funding streams within the current programme have been consolidated across financial years. **Appendix 5** sets out the consequential adjustments required. Details of the revised Capital Programme will be reported to Cabinet in the Mid Year Financial Update.
101. **Appendix 6** lists requests for Supplementary Capital Estimates and Virements up to £1m in respect of forecast overspends and additional schemes not previously approved as part of the 2012/2013 Capital Programme. All Supplementary Capital Estimates are fully funded by external contributions, revenue contributions, grant or underspends.
102. **Appendix 7** details a request for a Supplementary Capital Estimate of over £1m funded by capital receipts.

Central Adjustments

Capital Financing Costs

103. 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.
104. At FQR, the overall saving on the capital financing budget is forecast to be £0.3m, due to a reduction in debt repayment costs and savings in external interest charges. The level of external borrowing required in 2012/2013 is expected to be lower than originally forecast as the review of the capital programme will lead to improvements in the overall cash balances position.

Treasury Management

105. Investment income is currently £5,000 lower than budgeted caused primarily by weak performance by the managed pooled funds in the first 2 months of the year. The original budget of £300,000 is based on falling balances available for investment and interest rates remaining unchanged through 2012/2013. 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. Any budget shortfall on investment interest should be compensated by savings on external interest payments.
- The average lend position (the 'cash balance') including fund manager and legacy balances up to the end of the first quarter was £67.3m.
 - The average annualised interest rate received on in house investments up to the end of the first quarter was 0.81%.

- The average annualised interest rate received on the externally managed Investec fund up to the end of the first quarter was 0.08%.

106. The Council's total average interest rate up to the end of quarter 1 in 2012/2013 was 0.60%. This is on a par with the London Inter-bank Bid Rate for 7 days at 0.59%. The base rate remained at 0.50% for the quarter.

Table 10 – Interest Rates are on a par with the LIBID 7 Day Rate

Comparator	Average Rate Q1
Cheshire East	0.60%
LIBID 7 Day Rate	0.59%
LIBID 3 Month Rate	0.96%
Base Rate	0.50%

Central Contingencies

Pensions

107. The 2012/2013 budget contains £0.7m contingency provision to meet the impact of increases in Employer Pensions contributions. It is anticipated that this will be fully allocated to services.

Severance and relocation costs

108. 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. Overall spending in-year is expected to be broadly 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 of £0.5m transferred to the Council on reorganisation to CWAC.

Supplementary Revenue Approvals

109. The Council's budget provides for the receipt of known specific grants. However during the year where additional unbudgeted grant funding is received, services wishing to increase their expenditure budgets are required to seek approval to use this additional funding. This report therefore seeks approval to services' requests to incur additional expenditure in 2012/2013 fully funded by additional grant allocations received. Details of the bids are contained in **Appendix 2**.

Outturn Impact

110. The impact of the projected service outturn position is to reduce balances by £7.7m as reported in **Section 1**.

111. Taken into account with the service related items detailed above, the impact of these service outturn issues is to reduce balances by £7.2m, summarised as follows:

Table 11 – Service Outturn Impact

	£m
Service Outturn	-7.7
Specific Grants	0.2
Capital Financing	0.3
	<hr/>
	-7.2

Management of Council Reserves

112. 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.

113. 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.

114. 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.

115. Taken together with service outturn impacts above, the overall impact is a net increase in general reserves of £0.1m to £11.5m as shown in Table 12 below.

Table 12 – Change in Reserves Position

	£m
Opening Balance at 1 April 2012	11.4
Planned Contribution to Reserves	7.3
	<hr/> 18.7
Service Outturn Impacts	-7.2
Forecast Closing Balance at March 2013	<hr/> 11.5

116. The balance of £11.5m is below the Reserves Strategy risk assessed minimal level of £15m.

3. Performance Report - Strategic Director Places & Organisational Capacity

2012/2013 Quarter One Performance

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

118. For external reporting purposes at the end of quarter one, 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. In total 23 measures will be externally reported on a quarterly basis during 2012/2013, with additional measures being reported at year-end.

Performance Measure Tolerances (Red/Amber/Green ratings)

119. 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.

Revision to Reporting Frequency of Household/Municipal Waste Figures

120. The following indicators:

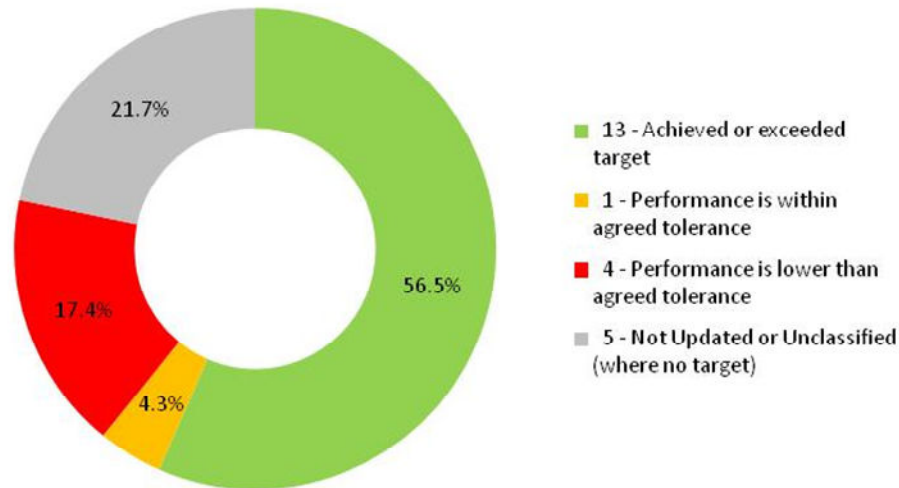
- NI 191 (Residual household waste per head)
- NI 192 (Household waste recycled and composted)
- NI 193 (Municipal waste land filled)

are annual indicators calculated by central government on the basis of data submitted to the Council by DEFRA. Due to the highly seasonal and weather dependent nature of these figures, which results in the greatest variation falling in the last two winter quarters, these indicators will be reported annually going forward.

2012/2013 Quarter One Performance Against Target

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

2012/2013 Q1 Actual vs Target



122. **56.5%** of measures are on target or exceeding their target at 2012/2013 First Quarter.

123. However **17.4%** did not achieve their quarterly target:

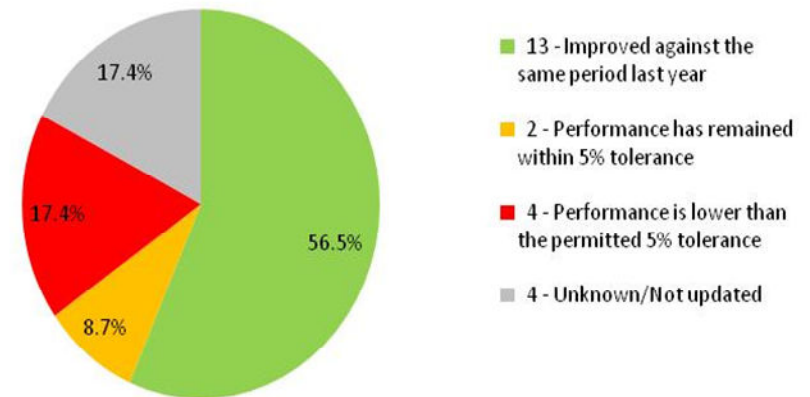
Directorate	Reference	Definition
Children, Families & Adults	NI 59	Initial assessments for children's social care carried out within 7 working days of referral
	NI 60	Core assessments for children's social care that were carried out within 35 working days of their commencement
Places & Organisational Capacity	NI 155	Number of affordable homes delivered
Human Resources	BV 12	Working days lost due to sickness absence

(See Appendix 10 for further details)

Year On Year Direction Of Travel

124. Performance assessments (red; amber; green) have been made based on current performance compared to Q1 2011/2012.

June 2011 vs June 2012



125. The 4 (**17.4%**) 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 125	Achieving independence for older people through rehabilitation/intermediate care
Human Resources	BV 12	Working days lost due to sickness absence

(See Appendix 10 for further details)

Appendices to First Quarter Review of Performance 2012 / 2013

August 2012

Appendix 1 – Changes from Original Budget 2012/2013

	Original Net Budget £000	Additional Grant Funding £000	Allocations from Reserves £000	Restructuring & Realignments £000	Other Virements £000	Revised Net Budget £000
<u>Children & Families</u>						
Directorate	3,346			-2,584		762
Safeguarding & Specialist Support	26,872			-260	-77	26,535
Early Intervention & Prevention	10,632	622	45	607		11,906
Strategy, Planning & Performance	16,936			2,237	-34	19,139
Cost of Investment	650					650
	58,436	622	45	0	-111	58,992
<u>Adults</u>						
Care4CE	-1,144			1,144		0
Strategic Commissioning	30,778	293		-1,144	6,158	36,085
Business Management and Challenge	2,863				171	3,034
Individual Commissioning	58,889				-38	58,851
Cost of Investment	650					650
	92,036	293	0	0	6,291	98,620
CHILDREN, FAMILIES & ADULTS	150,472	915	45	0	6,180	157,612

	Original Net Budget £000	Additional Grant Funding £000	Allocations from Reserves £000	Restructuring & Realignments £000	Other Virements £000	Revised Net Budget £000
Waste, Recycling & Streetscape	25,988			-459		25,529
Highways & Transport	16,201	717	117	-24		17,011
Community Services	141		30	-31	-7	133
Development	22,994	107	109	-73	-936	22,201
Performance, Customer Services & Capacity	9,273			587	-111	9,749
Cost of Investment	1,901				175	2,076
PLACES & ORGANISATIONAL CAPACITY	76,498	824	256	0	-879	76,699
Finance & Business Services	16,313	84		-105	709	17,001
HR & OD	2,819			105	197	3,121
Borough Solicitor	5,441				96	5,537
Cost of Investment	730				-175	555
CORPORATE SERVICES	25,303	84	0	0	827	26,214
TOTAL SERVICE OUTTURN	252,273	1,823	301	0	6,128	260,525
CENTRAL BUDGETS						
Specific Grants	-33,545	-1,980			-6,128	-41,653
Capital Financing	14,800					14,800
Contingencies	5,170					5,170
Contribution to Reserves	7,547	157	-301			7,403
	-6,028	-1,823	-301	0	-6,128	-14,280
TOTAL BUDGET	246,245	0	0	0	0	246,245

Appendix 2 – Matters for Decision – Supplementary Revenue Estimates Funded from Additional 2012/2013 Grants

Service	Awarding Body	Grant	£000	Details of Service Bid
Children & Families	CLG	Troubled Families Initiative	522	General purpose - no direct conditions on grant usage. Further grant receivable on payments by results basis (potentially £130k). The Troubled Families Financial Framework is a results-based funding scheme which allows local authorities to receive additional funding to deal with troubled families and meet the cost of the extra interventions that can help turn around these families' lives. The funding will be paid primarily on a payment-by-results basis, with 80% being received up front as an attachment fee, £521.6k in 2012/2013, and the remainder paid once the desired outcomes for these families are achieved, which is anticipated to be 12 months after the intervention starts. In addition £100k has been allocated to fund the Troubled Families Co-ordinator.
Children & Families	CLG	Troubled Families Initiative - Co-ordinator	100	
Adults	DoH	Learning Disability and Health Reform	293	<p>General purpose - no direct conditions on grant usage.</p> <p>This funding is as a result of the increased allocation on the 2011/12 level of grant. This will be used to offset against the Learning Disability Pooled budget overspend due to inherent budget pressures in this area. The additional funding includes £19k for Local Authorities to take over the responsibility of signposting members of the community to information about social and health services through local healthwatch schemes with effect from October 2012. This is a transfer of responsibility from the NHS to Local Authorities. This funding is to help with the start up costs of setting up of local healthwatch schemes. Healthwatch will be independent consumer champions for the public, to promote better outcomes in health and social care.</p> <p>Note - £6.128m previously included within the Adults budget as invoiced income from PCT is now being received directly as part of the Learning Disability & Health Reform grant as reflected in Appendix 8.</p>

Service	Awarding Body	Grant	£000	Details of Service Bid
Highways & Transport	DfT	Community Transport	139	<p>General purpose - no direct conditions on grant usage.</p> <p>The grant is made available to local authorities by the Department for Transport. They anticipate local authorities will use it to support flexible and demand responsive transport in their areas, in order to provide vital transport provision for older and vulnerable residents. In Cheshire East, there has been a substantial level of change in terms of provision, and the grant would be used to develop alternative flexible transport provision that is financially sustainable.</p> <p>Implications of not using grant for this area: Significant overspend in community transport area. Previous providers of community transport were not financially viable, and short-term solution has had to be found until long-term cost savings can be delivered. SRE will therefore be used to offset current additional expenditure needs, along with pump-priming alternative provision to reduce long term costs.</p>
Development	CLG	Preventing Repossessions	107	<p>General purpose - no direct conditions on grant usage.</p> <p>The money is for Local Authorities to establish a Preventing Repossessions Fund to assist homeowners under threat of repossession. The Fund provides an additional option for local authorities to consider using when tackling repossessions. This can be achieved by offering small interest free loans, or grants, to at risk households. Lenders often commence possession action on very small amounts of arrears where they cannot see evidence that the borrower will be able to address their financial situation. In many cases it is secondary borrowing that is the barrier to this. Small loans can address immediate short term financial difficulties, allow 'breathing space' and avoid households becoming homeless due to mortgage possession.</p> <p>A key feature of the Fund is its recyclable nature which will enable a local authority to develop sustainable support over a longer period than one financial year. Local Authorities can also pool their resources to develop economies of scale in delivery.</p> <p>Use of the grant for this purpose does not commit the Council to future spending after the grant has ended.</p>
Finance & Business Services	CLG	Council Tax New Burdens	84	<p>General purpose - no direct conditions on grant usage.</p> <p>The New Burdens payment is an initial payment to reflect the resource required in the set up and preparations for the Council Tax Reduction Scheme. Additional payments may be made in the future.</p> <p>Plan to use funding for additional software module, administration of consultation including staffing, IT set-up, marketing and publicity, printing and postage</p>
Total			1,245	

Appendix 3 – Debt Management

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.

Total Invoiced Debt at the end of June 2012 was £5.9m. After allowing for £1.4m of debt still within the payment terms, outstanding debt stood at £4.5m. This is £1.7m lower than at 31st March mainly due to settlement of significant “year-end invoices” raised in Adults Services.

The total amount of service debt over 6 months old is £2.8m which is £0.2m higher than the level of older debt reported at the final outturn as at 31 March 2012.

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

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.

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	403	338	225
<i>Children & Families</i>	376	312	197
<i>Schools</i>	28	26	28
Adults	2,302	1,713	1,606
Total Children, Families & Adults	2,705	2,051	1,831
Waste, Recycling & Streetscape	477	198	143
Highways & Transport	417	250	176
Community	172	93	93
Development	742	248	214
Performance, Customer Service & Capacity	7	3	3
Total Places & Org Capacity	1,815	792	629
Finance & Business Services	15	5	4
HR & OD	2	1	0
Borough Solicitor	5	1	0
Total Corporate Services	22	7	4
TOTAL	4,542	2,850	2,464

Appendix 4 – Summary Capital Programme and Funding

Department	Original In-Year Budget	SCE's Virements Qtr 1	Revised In-Year Budget	Reprofiled to Future Years	Forecast Budgets			
	2012/13 £'000	2012/13 £'000	2012/13 £'000	2012/13 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	Post 2014/15 £'000
Adults								
New Starts	4,481	456	4,937	-2,882	2,055	2,673	520	0
Ongoing schemes	20	0	20	0	20	0	0	0
	4,501	456	4,957	-2,882	2,075	2,673	520	0
Children & Families								
New Starts	6,289	4,014	10,303	-4,690	5,613	7,445	0	0
Ongoing schemes	21,065	-3,988	17,077	-4,680	12,397	5,732	0	0
	27,354	26	27,380	-9,370	18,010	13,177	0	0
Places & Organisational Capacity								
New Starts	24,634	3,534	28,168	-2,022	26,145	11,605	10,735	1,352
Ongoing schemes	33,093	-1,612	31,481	-7,441	24,040	14,541	3,589	0
	57,727	1,922	59,649	-9,464	50,186	26,146	14,324	1,352
Finance, Legal & Business Services								
New Starts	7,915	2,375	10,290	0	10,290	12,852	9,345	6,624
Ongoing schemes	3,468	-2,375	1,093	0	1,093	829	0	0
	11,383	0	11,383	0	11,383	13,681	9,345	6,624
Total New Starts	43,319	10,379	53,698	-9,594	44,103	34,575	20,600	7,976
Total Ongoing schemes	57,646	-7,975	49,671	-12,121	37,550	21,102	3,589	0
Total Capital Expenditure	100,964	2,404	103,368	-21,715	81,653	55,678	24,189	7,976

NOTE: The figures in this table are subject to the comprehensive review of the Capital Programme to be undertaken prior to the Mid Year Review, and may therefore be subject to significant change.

Funding Source	Forecast Expenditure			
	2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000
Grants	38,492	11,236	2,546	0
External Contributions	1,620	523	10	0
Linked/Earmarked Capital Receipts	676	676	676	1,352
Supported Borrowing	2,128	1,133	0	0
Non-supported Borrowing	21,030	33,853	11,294	0
Revenue Contributions	498	450	0	0
Capital Reserve	17,208	7,807	9,663	6,624
Total	81,653	55,678	24,189	7,976

Appendix 5 – Requests for Budget Adjustments within Programme to Consolidate Funding

Cabinet is asked to note the following Budget adjustments.

These Budget adjustments are wholly within the same Project/Programme/Block allocation category but across Starts Years and are required to consolidate Programme / Block budgets.

Capital Scheme	Starts Year	Amount Requested £	SCE/ Virement/ Reduction	Funding of SCE/Virement	Virement FROM ...	
					Starts Year	Amount Requested £
<u>Children, Families & Adults</u>						
Devolved Formula Capital - In Advance	2009/10	109,000	Virement	Devolved Formula Cap 2008/09 East	2008/09	109,000
DFC Grant	2012/13	4,014,000	Virement	Devolved Formula Capital 2007/08 - 2011/12	2009/10	4,014,000
<u>Places & Organisational Capacity</u>						
Community Services						
Other Car Parking Improvements	2012/13	329,649	Virement	Car Park Improvements - 2010/11 - 2011/12	2011-12	329,649
Development						
Minor Works 2012/13	2012/13	210,323	Virement	MINOR WORKS 2011/12	2011/12	210,323
Farms Strategy	2012/13	1,245,431	Virement	Farms Estates Reorganisation & Reinvestment	2009/10	1,245,431
Asset Management Service Block 12/13	2012/13	1,035,636	Virement	Asset Management Service Block 2011/12	2011/12	1,035,636
Total SCE's, Virements and Budget Reductions		6,944,039				6,944,039

Appendix 6 – Request for Supplementary Capital Estimates (SCEs) and Virements up to and including £1,000,000

Cabinet are asked to approve SCE and Virements up to and including £1,000,000.

					Virement FROM ...	
Capital Scheme	Starts Year	Amount Requested £	SCE/ Virement/ Reduction	Funding of SCE/Virement	Starts Year	Amount Requested £
<u>SUPPLEMENTARY CAPITAL ESTIMATES</u>						
<u>Children, Families & Adults</u>						
Havannah Primary School	2011/12	25,744	SCE	Havannah Primary School - From School Funds		25,744
Combined ICT Project	2012/13	764,385	SCE	Personal Social Services Grant		764,385
<u>Places & Organisational Capacity</u>						
<u>Highways & Transport</u>						
S278 - Chapel Street, Seddon	2010/11	400	SCE	Fully funded by Developer Contributions	2010/11	400
S278 - Park House Farm	2007/08	2,000	SCE	Fully funded by Developer Contributions	2007/08	2,000
S278 - Former Oakland School, Wilmslow	2012/13	3,000	SCE	Fully funded by Developer Contributions	2012/13	3,000
S106 - Jackson Ave, Nantwich	2012/13	5,000	SCE	Fully funded by S106 Developer Contributions	2012/13	5,000
S278 - Portland Drive, Gladedale	2011/12	9,000	SCE	Fully funded by Developer Contributions	2011/12	9,000
S106 - UTC Macclesfield	2012/13	10,729	SCE	Fully funded by S106 Developer Contributions	2012/13	10,729
S106 - Statham Street, Macclesfield	2012/13	11,829	SCE	Fully funded by S106 Developer Contributions	2012/13	11,829
S106 - Victoria Rd, Macclesfield	2012/13	23,000	SCE	Fully funded by S106 Developer Contributions	2012/13	23,000
S106 - Broken Cross, Macclesfield	2012/13	50,000	SCE	Fully funded by S106 Developer Contributions	2012/13	50,000
<u>Community Services</u>						
CCTV Rationalisation	2010/11	5,000	SCE	Funded by Prudential Borrowing - Offset against previous scheme underspend returned to balances via 11-12 Outturn report		5,000
<u>Development</u>						
Tatton Park - Office Accomodation Ph 2	2010/11	715	SCE	Small overspend on the Tatton Office Accommodation Capital scheme - To be fully funded by a contribution from the Tatton Revenue Budget		715
Town Regeneration & Development	2012/13	35,000	SCE	Fully funded by S106 contribution - Provided by Magus for Macclesfield Town Centre works		35,000
Total SCE's Requested		945,802				945,802

<u>CAPITAL BUDGET VIREMENTS</u>						
<u>Children, Families & Adults</u>						
Oakefield Primary School - Basic Needs 2011/12	2011/12	70,000	Virement	Beechwood Primary School - Basic Needs 11-12	2011/12	70,000
CareWorks System	2012/13	456,390	Virement	Combined ICT Project	2012/13	456,390
<u>Places & Organisational Capacity</u>						
<u>Development</u>						
Tatton Park - Conservatory	2009/10	4,616	Virement	AMS Block 12-13	2012/13	4,616
Asset Management Service Block 2012/13	2012/13	1,000,000	Virement	Church Lawton - Specialist Provision	2011/12	1,000,000
Asset Management Service Block 2012/13	2012/13	343,000	Virement	Capital Maintenance Grant	2012/13	343,000
<u>Corporate Services</u>						
<u>ICT</u>						
Core System Stability	2012/13	63,991	Virement	Government Connect	2009/10	63,991
Core System Stability	2012/13	44,176	Virement	Data Centre Macclesfield	2009/10	44,176
Core System Stability	2012/13	191,059	Virement	Essential Replacement 10-11	2010/11	191,059
Core System Stability	2012/13	412,429	Virement	IPT Harmonisation	2010/11	412,429
Core System Stability	2012/13	274,058	Virement	WAN Hardware	2011/12	274,058
Core System Stability	2012/13	134,881	Virement	ICT Security 11/12	2011/12	134,881
Superfast Broadband 12/13	2012/13	418,324	Virement	ICT Rural Broadband Project	2011/12	418,324
Local Independent Workforce	2012/13	435,857	Virement	Information Management	2008/09	435,857
Local Independent Workforce	2012/13	669,831	Virement	Flexible & Mobile Working	2009/10	669,831
Total Virements Requested		4,518,612				4,518,612
Total SCE's, Virements and Budget Reductions		5,464,414				5,464,414

Appendix 7 – Request for Supplementary Capital Estimates (SCEs) and Virements in Excess of £1m

Cabinet are asked to request Council to approve SCE and Virements in excess of £1m.

Capital Scheme	Starts Year	Amount Requested £	SCE/ Virement/ Reduction	Funding of SCE/Virement	Virement FROM ...	
					Starts Year	Amount Requested £
<u>Places & Organisational Capacity</u>						
Development Farms Strategy	2012/13	2,135,000	SCE	Capital Receipts		2,135,000
Total SCE's, Virements and Budget Reductions		2,135,000				2,135,000

Appendix 8 – Corporate Grants Register as at 30th June 2012

		Original Budget 2012/13 £000	Revised Budget 2012/13 £000	Variance 2012/13 £000
Formula Grant	<i>Note</i>			
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	1	193,822	195,650	-1,828
Pupil Premium Grant	1	2,696	3,944	-1,248
Sixth Forms Grant (EFA)	1	8,898	9,221	-323
Golden Hello		0	40	-40
16-19 Bursary		0	83	-83
Total Ringfenced Grants		205,416	208,938	-3,522

Non Ringfenced Grants - held within service

Council Tax Benefit Subsidy	2	20,408	20,408	0
Housing Benefit Subsidy	2	75,128	75,128	0
Total Benefit Subsidies		95,536	95,536	0

Non Ringfenced Grants - held corporately

Early Intervention Grant		12,908	12,908	0
Learning Disabilities & Health Reform - PCT transfer	3	0	6,128	-6,128
Learning Disabilities & Health Reform		4,124	4,417	-293 SRE bid
Adult Skills & Adult Safeguarding Learning		675	675	0
Skills Funding Agency		216	216	0
YOS grant		411	418	-7
NHS Funding	4	3,756	3,756	0
Troubled Families		0	522	-522 SRE bid
Troubled Families - Co-ordinator		0	100	-100 SRE bid
Music Grant		0	143	-143
Housing Benefit & Council Tax Admin.		2,094	2,094	0
NNDR Administration Grant		519	562	-43

Non Ringfenced Grants - held corporately

Local Service Support Grant -

Preventing Homelessness Grant		253	253	0
Lead Local Flood Authorities		176	176	0
Community Safety Fund		148	148	0
Extended Rights to Free Transport (C&F)		385	385	0
LSS Total		963	963	0
Mortgage Rescue / preventing Repossessions		0	107	-107 SRE bid
Community Transport Grant		0	139	-139 SRE bid
Local Sustainable Transport Fund		0	578	-578 SRE approved
New Homes Bonus 2011/12		870	870	0
New Homes Bonus 2012/13		1,844	1,844	0
New Homes Bonus 2013/14				0
Affordable Homes - starts 2012/13		85	85	0
Council Tax Freeze Grant 12/13		4,505	4,505	0
Council Tax - New Burdens		0	84	-84 SRE bid
Community Rights to Challenge New Burdens grant		0	9	-9
LACSEG refund from 2011/12 formula grant		0	503	-503
Children's Workforce in Schools Modernisation Grant		79	0	79
Learner Support Funds		37	0	37
16+ Transport Partnership grant		68	0	68
Further Education Funding (16-18 Funding)		9	0	9

Grants Claimed Retrospectively -

Milk Subsidy		28	28	0
Asylum Seeker		86	0	86
Workstep		166	0	166
Migration Impact Fund (Communities of Interest)		102	0	102
		33,545	41,653	-8,107

Total Specific Grants

Total Government Grant Funding

	Original Budget 2012/13 £000	Revised Budget 2012/13 £000	Variance 2012/13 £000
Formula Grant			
Revenue Support Grant	1,287	1,287	0
National Non Domestic Rates	66,390	66,390	0
Total Formula Grant	67,677	67,677	0
Specific Grants			
Ringfenced Grants			
Dedicated Schools Grant	193,822	195,650	-1,828
Pupil Premium Grant	2,696	3,944	-1,248
Sixth Forms Grant (EFA)	8,898	9,221	-323
Golden Hello	0	40	-40
16-19 Bursary	0	83	-83
Total Ringfenced Grants	205,416	208,938	-3,522
Non Ringfenced Grants - held within service			
Council Tax Benefit Subsidy	20,408	20,408	0
Housing Benefit Subsidy	75,128	75,128	0
Total Benefit Subsidies	95,536	95,536	0
Non Ringfenced Grants - held corporately			
Early Intervention Grant	12,908	12,908	0
Learning Disabilities & Health Reform - PCT transfer	0	6,128	-6,128
Learning Disabilities & Health Reform	4,124	4,417	-293 SRE bid
Adult Skills & Adult Safeguarding Learning	675	675	0
Skills Funding Agency	216	216	0
YOS grant	411	418	-7
NHS Funding	3,756	3,756	0
Troubled Families	0	522	-522 SRE bid
Troubled Families - Co-ordinator	0	100	-100 SRE bid
Music Grant	0	143	-143
Housing Benefit & Council Tax Admin.	2,094	2,094	0
NNDR Administration Grant	519	562	-43
Total Specific Grants	334,497	346,127	-11,630
Total Government Grant Funding	402,174	413,804	-11,630

Notes

- 1 The revised budgets for Dedicated Schools Grant, Pupil Premium Grant and Sixth Form Grant (from the Education Funding Agency) figures are based on confirmed allocations, reflecting updated pupil numbers.
- 2 The budgets for Council Tax Benefit and Housing Benefit Subsidy grants are held within the service.
- 3 £6.128m reflects virements arising from change in treatment of funding from PCT contribution to grant
- 4 Spending against NHS Funding grant is to be negotiated with NHS

Appendix 9 – Treasury Management

Counterparty Limits and Investment Strategy

1. The maximum amount that can be invested with any one organisation is set in the Treasury Management Strategy Report. For named UK banks and building societies this has been set at 15% of our total investments subject to a maximum value of £15m. These limits apply to the banking group that each bank belongs to. Limits for Money Market funds have been set at 25% of total investments subject to a maximum value of £20m. There is also a maximum that can be invested in all Money Market Funds at any one time of 50% of the value of all investments.
2. Our approved counterparties list also includes a number of foreign banks although, to date, none have been used. Due to the on-going problems in the Eurozone and consistent with advice from our Treasury Management advisors, direct investments in other European countries are not currently being considered. The limits applicable to foreign banks are the same as those applied to UK banks.
3. During the last 3 months all UK banks have had their credit ratings reviewed mainly as a response to the continued debt crisis in the Eurozone. In response the Council has limited the duration of investments in most banks to overnight only; the exceptions being Barclays Bank and Nationwide Building Society to which a 100 day limit applies, and HSBC and Standard Chartered to which a 6 month limit applies. The short term ratings of Royal Bank of Scotland (RBS) have been reduced below that specified in our Treasury Management Strategy so no further investments are currently being made until either the rating is improved or the Treasury Management Strategy is reviewed. Investments with RBS at 30/06/12 were repaid on 04/07/12.
4. In the last quarter a new 100 day notice account has been opened with Barclays Bank in order to take advantage, where possible, of

higher returns set at a margin above the 3 month LIBOR rate. Cash flow forecasts are continually monitored and where appropriate opportunities will be taken to fix investments for short periods.

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

Table 1 – Current Investments and Limits

Counterparties	Limits		Investments as at 30/06/12	
UK BANKS				
Barclays Bank	15%	£15m	11%	£9m
Co-operative Bank:	15%	£15m	2%	£1.7m
HSBC Bank	15%	£15m	-	-
Lloyds TSB	15%	£15m	4%	£3m
Royal Bank of Scotland	-	-	4%	£3.4m
Santander (UK) plc	15%	£15m	11%	£9m
Standard Chartered Bank	15%	£15m	-	-
BUILDING SOCIETIES				
Nationwide Building Society	15%	£15m	10%	£8m
Money Market Funds	50%		33%	
Deutsche	25%	£20m	7%	£6m
Ignis	25%	£20m	10%	£8m
Federated Prime Rate	25%	£20m	11%	£8.5m
Scottish Widows	25%	£20m	5%	£4.3m
Pooled Funds - External Fund Manager	50%		25%	£20.1m
				£81.0m

Table 2 – Types of Investments and Current Interest Ratios

Instant Access Accounts	Avg rate %	£'000's
Instant Access Accounts	0.76%	10,730
Money Market Funds	0.66%	26,800

Notice Accounts	Avg rate %	£'000's
Notice Accounts (up to 100 days)	1.08%	9,400

Fixed Term Deposits	Start	Maturity	Rate %	£'000's
Lloyds TSB	27/04/2012	27/07/2012	1.40	3,000
Nationwide BS	15/05/2012	15/08/2012	0.93	5,000
Nationwide BS	18/05/2012	17/08/2012	0.93	3,000
Barclays TD	07/06/2012	07/09/2012	0.93	3,000

Externally Managed Funds	£'000's
Pooled Investments	20,138

Maturity Profile	£'000's
Instant Access	37,530
Maturing < 1 month	3,400
Maturing within 1 - 6 months	20,000
Maturing within 6 – 12 months	0
Externally Managed Funds	20,138
Total	81,068

Performance of Fund Manager

- 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%
Cumulative 2012/13	0.05%	-0.01%
Value of Investment at 30/06/12	£10,096,564	£10,060,000
Fees (Total since start)	£27,706	£29,817
Average Annual Rate as at 30/06/12	0.64%	0.28%

- Performance of the funds in April and May has been poor influenced primarily by the continued debt crisis in Europe, particularly with the uncertainties over the Greek economy leading to fresh elections in Greece. Fortunately, although close, the elections did not result in a rejection of the terms of the European bailout of their economy but the problems may persist and an exit from the Euro is still a real possibility.
- Corporate Bonds and emerging market debt were all affected by the European debt issues but improved greatly in June once the markets settled down. 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 and Australia) which have helped the performance of the Short dated bonds element of the funds.
- Whilst the performance of the fund since we joined is not encouraging (particularly the dynamic model) these investments should be seen as a longer term investment so true performance can only be judged over a longer period of time. Regular meetings

are being held with the fund managers to assess the on-going suitability of these funds.

Appendix 10 – Performance Report

Corporate Scorecard Report for 2012/2013 Quarterly Reporting (Organisation Summary June 2012)

Objective	Measure		Frequency	Polarity	Result 2011/12	Latest Data		Operational Comments
	Ref	Description				Target	Result	
Performance Measures 2012/13								
Children, Families & Adults	NI 19	Rate of proven re-offending by young offenders	Quarterly	Low	0.85 number	1.00 number	Not Updated	The latest performance report from YOS is expected in early August.
	NI 59	Initial assessments for childrens social care carried out within 10 working days of referral	Quarterly	High	52.20%	75.00%	34.00%	Modified definition to bring this indicator more inline with Munro recommendations. The performance for the first quarter is lower than expected, there have been vacancies and sickness within the team responsible that has impacted on the timeliness targets being met. However the staffing is now at full capacity and we are confident that all children are seen and made safe. We would anticipate an improvement in the second quarter.
	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%	54.00%	The performance in delivering core assessments is linked to the delays in the previous performance indicator relating to initial assessments. Whilst the performance for recording activity is below target in terms of timescales children are assessed and the most vulnerable children safeguarded. There are a number of actions being undertaken to improve this, although improvement in the quality of the assessment is driving change.
	NI 64	Child protection plans lasting 2 years or more	Quarterly	Low	2.63%	5.00%	2.00%	

Corporate Scorecard Report for 2012/2013 Quarterly Reporting
(Organisation Summary June 2012)

Objective	Measure		Frequency	Polarity	Result 2011/12	Latest Data		Operational Comments
	Ref	Description				Target	Result	
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%	5.10%	
	NI 67	Child protection cases which were reviewed within required timescales	Monthly	High	100.00%	100.00%	100.00%	The purpose of this indicator is to demonstrate that the multi-agency plans to keep the most vulnerable children in Cheshire East safe are independently reviewed in a timely way to ensure they are appropriately robust. Operational arrangements will ensure that this is a priority and will endeavour to continue to achieve 100%.
	NI 111	First time entrants to the Youth Justice System aged 10 to 17	Quarterly	None	188 number	Not Set	Not Updated	The latest performance report from YOS is expected in early August.
	NI 117	16 to 18 year olds who are not in education, training or employment (NEET)	Quarterly	Low	5.00%	4.90%	4.90%	
	NI 125	Achieving independence for older people through rehabilitation/ intermediate care	Monthly	High	74.40%	74.40%	78.20%	The new Service Manager for Intermediate Care is currently looking at new and better collection methods to increase response rates.

Corporate Scorecard Report for 2012/2013 Quarterly Reporting
(Organisation Summary June 2012)

Objective	Measure		Frequency	Polarity	Result 2011/12	Latest Data		Operational Comments
	Ref	Description				Target	Result	
Performance Measures 2012/13								
	NI 130	Social care clients receiving Self Directed Support (Direct Payments and Individual Budgets)	Monthly	High	45.50%	39.20%	39.20%	Initiatives are to be undertaken on this measure to address performance issues. The Team Support Service will work with social work teams to help them drive up performance on this measure and will include coaching sessions with the teams. A similar exercise was undertaken with another measure last year which resulted in significant improvement in performance.
	NI 131	Delayed transfers of care from hospitals	Monthly	None	8.70 number	Not Set	9.90 number	Of the main combined NHS/Social Care figure, only 0.1 is attributable to social care.
	NI 132	Timeliness of social care assessment	Monthly	High	92.80%	94.00%	94.00%	This measure continues to perform well. New reporting at team level has been produced so that team managers can now see more detailed breakdowns of time taken for completion of assessments.

Corporate Scorecard Report for 2012/2013 Quarterly Reporting
(Organisation Summary June 2012)

Objective	Measure		Frequency	Polarity	Result 2011/12	Latest Data		Operational Comments
	Ref	Description				Target	Result	
Performance Measures 2012/13								
	NI 133	Timeliness of social care packages	Monthly	High	93.80%	93.00%	94.40%	Performance remains consistent on this measure. However, there are some missing reviews from the figures, when these are addressed this performance should increase further. A review of this measure is currently being considered: this measure is based on the old national indicator which was created prior to developments around personalisation and programmes such as reablement.
	NI 135	Carers receiving needs assessment or review and a specific carers service, or advice and information	Monthly	High	35.45%	17.90%	17.85%	Performance on this measure has improved on the same point last year (17.9% against 8.45%). There was a significant improvement in 2011/12 but we are still looking at ways to help more carers in 2012/13. For example we are currently exploring ways of improving and increasing the numbers of carers assessments with an organisation that works with carers on behalf of Community Mental Health Teams.
	NI 141	Percentage of vulnerable people achieving independent living	Quarterly	High	73.45%	65.00%	Not Updated	First quarter figures are currently unavailable as not enough data has been uploaded to the system to get an accurate result.

Corporate Scorecard Report for 2012/2013 Quarterly Reporting

(Organisation Summary June 2012)

Objective	Measure		Frequency	Polarity	Result 2011/12	Latest Data		Operational Comments
	Ref	Description				Target	Result	
Performance Measures 2012/13								
	NI 142	Percentage of vulnerable people who are supported to maintain independent living	Quarterly	High	98.43%	98.70%	Not Updated	First quarter figures are currently unavailable as not enough data has been uploaded to the system to get an accurate result.
	NI 145	Adults with learning disabilities in settled accommodation	Monthly	High	52.90%	20.00%	20.00%	Performance on this measure has improved on the same point last year (20.0% against 14.1%). Although there was significant improvement on this measure in 2011/12, a stretching end year target of 70% has been set. The Team Support Service are currently looking at where there are opportunities to improve performance through better practice or data recording.
	NI 146	Adults with learning disabilities in employment	Monthly	High	7.00%	2.53%	2.53%	Performance on this measure has improved on the same point last year (2.53% against 1.5%). Work is ongoing to help support learning disabled people into work opportunities: for example, we are encouraging Work Placement Officers to further consider the use of assistive technology when arranging in-work support for customers.
Places & Organisation Capacity	NI 155	Number of affordable homes delivered (gross)	Quarterly	High	247 number	75 number	35 number	Target not met due to one scheme not completed in this quarter and will now complete in Quarter 2. Technical issues on site caused delay to practical completion.

Corporate Scorecard Report for 2012/2013 Quarterly Reporting
(Organisation Summary June 2012)

Objective	Measure		Frequency	Polarity	Result 2011/12	Latest Data		Operational Comments
	Ref	Description				Target	Result	
Performance Measures 2012/13								
	NI 157a	Processing of planning applications as measured against targets for major application types	Quarterly	High	31.30%	60.00%	63.00%	Target achieved. Total of 27 Major applications determined during Q1. * This figure is subject to very slight variance after the full auditing of our results and eventual submission to the DCLG
	NI 157b	Processing of planning applications as measured against targets for minor application types	Quarterly	High	51.70%	65.00%	77.00%	Target achieved. Total of 226 minor applications determined during Q1. * This figure is subject to very slight variance after the full auditing of our results and eventual submission to the DCLG
	NI 157c	Processing of planning applications as measured against targets for other application types	Quarterly	High	69.60%	80.00%	92.00%	Target achieved. Total of 739 Other applications determined during Q1. * This figure is subject to very slight variance after the full auditing of our results and eventual submission to the DCLG

Corporate Scorecard Report for 2012/2013 Quarterly Reporting
(Organisation Summary June 2012)

Objective	Measure		Frequency	Polarity	Result 2011/12	Latest Data		Operational Comments
	Ref	Description				Target	Result	
Performance Measures 2012/13								
HR & OD	BV012	Working days lost due to sickness absence (cumulative)	Monthly	Low	9.16 days	2.00 days	2.55 days	Sickness levels in Quarter One exceeded the BVPI target of an average 2 days per employee by 0.55. This is also slightly higher than the levels that were reached in Quarter One 2011/2012, of 2.18 days. This is attributable to the first two months of the Quarter where absence levels were unacceptably high. In June however, the average number of days was recorded as 0.68 which was considerably lower than the levels reached in April and May (0.91 and 1.04 respectively) and also lower than June of last year when the average number of days was recorded as 0.82. An action plan to address sickness levels is in progress and reports have been submitted to CMT, Cabinet and Corporate Scrutiny Committee. NB: All of the statistics quoted in this comment relate to the BVPI definition which includes schools ! this has been retained as a measure to enable the Council to compare its performance against that of other Local Authorities.