

CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting: 24th June 2013
Report of: Interim Chief Operating Officer
Subject/Title: 2012/2013 Final Outturn Review of Performance
Portfolio Holders: Cllr. Peter Raynes / Cllr. Barry Moran

1.0 Report Summary

- 1.1 Cheshire East is committed to continuous improvement and excellence in all that it influences and delivers. This report, attached as Annex 1, gives summary and detailed information about its financial and non-financial performance at the final quarter of the 2012/2013 Financial Year. The report also requests approval for supplementary estimates.
- 1.2 Section 1 of the report provides details of Service financial performance for the year. It demonstrates the level of controlled expenditure compared to budget. It also focuses on significant changes from the positions reported at the Three Quarter Year Review (TQR), in relation to the key financial pressures which the Council's Services have faced, the areas of high financial risk to the Council, and the strong remedial measures undertaken by Services to mitigate these pressures. Key issues affecting Services' Capital Programmes are also reported.
- 1.3 Section 2 provides an update on the overall Financial Stability of the Council. It demonstrates how spending in 2012/2013 has been adequately funded, including the positions on Grants, Council Tax and Business Rates, Treasury Management, Centrally held budgets, and the management of the Council's Reserves.
- 1.4 Section 3 provides a summary of the key non-financial performance headlines for the year showing how over 60% of the Council's performance indicators are within tolerance targets for 2012/2013.

2.0 Recommendations

- 2.1 Cabinet is requested to note and comment as appropriate on the following issues:
- the Service revenue and capital final outturn positions (**Section 1**);
 - the overall financial stability of the Council, and the impact on the Council's general reserves position (**Section 2**);

- the movements on earmarked reserves and the service manager carry forward proposals contained in the report (**Section 2, paragraphs 135 to 137**);
- the Council's invoiced debt position (**Appendix 2**);
- the delivery of the overall Capital Programme (**Section 2, paragraphs 103 to 115 and Appendix 3**);
- Reductions in the approved capital programme (**Appendix 4**)
- Supplementary Capital Estimates and Virements up to £250,000 In accordance with Finance Procedure Rules (**Appendices 5a**)
- the service performance successes achieved during 2012/2013, and consider issues raised in relation to underperformance against targets and how these will be addressed (**Section 3**).

2.2 Cabinet is requested to approve:

- Supplementary Capital Estimates and Virements over £250,000 but under £1m in accordance with Finance Procedure Rules (**Appendix 5b**)

2.3 Cabinet is requested to recommend that Council approve:

- Supplementary Capital Estimates and Virements over £1m in accordance with Finance Procedure Rules (**Appendix 5c**)

3.0 Reasons for Recommendations

3.1 The Council is committed to high standards of achievement and continuing improvement. Performance information plays a vital role in ensuring that the Council celebrates its achievements, understands its performance in key areas and addresses issues of underperformance. The Council and partners have identified a series of improvement measures to support outcomes for local people as outlined in the priorities and objectives of the Sustainable Community Strategy.

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

4.0 Wards Affected

4.1 All

5.0 Local Ward Members

5.1 All

6.0 Policy Implications

- 6.1 Performance management supports delivery of all key Council policies including carbon reduction and health. The final outturn position, ongoing impacts in future years, and the impact on general reserves will be fed into the assumptions underpinning the 2014/2017 Medium Term Financial Strategy.

7.0 Financial Implications

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

8.0 Legal Implications

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

9.0 Risk Management

- 9.1 Financial risks are assessed and reported on a regular basis, and remedial action taken if and when required. Risks associated with the achievement of the 2012/2013 Budget and the level of general reserves were factored into the 2013/2014 Financial Scenario and Budget, and Reserves Strategy.
- 9.2 Performance and risk management are part of the key management processes of the Authority. Risks are captured both in terms of the risk of underperforming and the risk to the Council in not delivering its ambitions for the community of Cheshire East.

10.0 Background

- 10.1 The Council had an ambitious savings target of £21.7m for 2012/2013, with an extremely challenging delivery plan. The delivery of this ambitious plan, alongside emerging in-year pressures, has been managed well and strong mitigation plans were identified and delivered.
- 10.2 The strength of remedial action in the final quarter of the financial year, together with better than expected service funding streams, has led to an improvement of £5.8m in the overall outturn position since the TQR. This has resulted in an increase in the Council's general reserves level to £19.0m, which compares very favourably with the opening balance forecast in the 2013/2014 budget of £13.2m. The Council's Reserves Strategy will be reviewed as part of the 2013/2014 First Quarter Review.

- 10.3 61% of the basket of performance measures for external reporting achieved, exceeded or were within agreed tolerance of annual targets. Notable successes for 2012/2013 included:
- year-on-year improvement in the processing of major, minor and other planning applications
 - year-on-year improvement in the timeliness of social care assessment and packages
 - sustained 100% performance in reviewing child protection cases within timescales
 - significant improvement in percentage of adults with learning disabilities in both settled accommodation and employment
 - reduction in the amount of residual waste collected per household, waste sent to landfill, and an increase in the percentage of waste recycled and composted
- 10.3 Our vision, corporate plans, financial allocations, democratic and organisational structures are all designed to help us achieve the outcomes that matter to the people of Cheshire East. Performance reporting and a focus on improvement are fundamental to achieving our long term ambitions. The report reflects a developing framework to embed performance management culture throughout the organisation.

11.0 Access to Information

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

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