

## **AGENDA FOR**

### **OVERVIEW AND SCRUTINY COMMITTEE**

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**To: All Members of Overview and Scrutiny Committee**

**Councillors** : D Bailey, S Carter, D Cassidy,  
A Cummings, J Daly, I Gartside (Chair), M James, T Holt,  
S Nuttall, O'Brien, J Smith and T Tariq

Dear Member/Colleague

#### **Overview and Scrutiny Committee**

You are invited to attend a meeting of the Overview and Scrutiny Committee which will be held as follows:-

<b>Date:</b>	Tuesday, 9 December 2014
<b>Place:</b>	Meeting Room A & B, Bury Town Hall
<b>Time:</b>	7.00 pm
<b>Briefing Facilities:</b>	If Opposition Members and Co-opted Members require briefing on any particular item on the Agenda, the appropriate Director/Senior Officer originating the related report should be contacted.
<b>Notes:</b>	

## **AGENDA**

### **1 APOLOGIES**

### **2 DECLARATIONS OF INTEREST**

Members of the Overview and Scrutiny Committee are asked to consider whether they have an interest in any matters on the agenda and, if so, to formally declare that interest.

### **3 MINUTES** (*Pages 1 - 6*)

Minutes of the last meeting held on 7<sup>th</sup> October 2014 are attached.

### **4 PUBLIC QUESTION TIME**

A period of 30 minutes has been set aside for members of the public to ask questions on matters considered at the last meeting and set out in the minutes or on the agenda for tonight's meeting.

### **5 EMPLOYEE SICKNESS LEVELS** (*Pages 7 - 14*)

Report attached.

### **6 CORPORATE PLAN PROGRESS MONITORING REPORT** (*Pages 15 - 38*)

### **7 BUDGET 2015/2016**

A presentation will be given at the meeting.

### **8 CORPORATE FINANCIAL MONITORING REPORT - APRIL 2014 TO SEPTEMBER 2014** (*Pages 39 - 68*)

### **9 TREASURY MANAGEMENT STRATEGY MID-YEAR REVIEW 2014/2015** (*Pages 69 - 80*)

### **10 CHILDREN'S SAFEGUARDING OVERVIEW PROJECT GROUP - UPDATE** (*Pages 81 - 86*)

Minutes of the meeting held on 4<sup>th</sup> November are attached.

### **11 URGENT BUSINESS**

Any other business which by reason of special circumstances the Chair agrees may be considered as a matter of urgency.

**Minutes of: OVERVIEW AND SCRUTINY COMMITTEE**

**Date of Meeting:** 7 October 2014

**Present:** Councillor I Gartside(in the Chair);  
Councillors D Bailey; D Cassidy; S Carter; A J Cummings;  
M James; E O'Brien and J Smith

**Public in attendance:** 1 member of the public was present at the meeting.

**Also in attendance:** Councillor R Shori – Deputy Leader of the Council  
Councillor J Lewis, Cabinet Member for Communities and Culture

**Apologies for absence:** Councillor J Daly, Councillor T Holt, Councillor S Nuttall and Councillor T Tariq

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### **OSC.355 DECLARATIONS OF INTEREST**

Councillor D Bailey declared a personal interest in Minute OSC.359 below, Alternative Services – Under 5's, as a Governor at Radcliffe Hall Primary School.

Councillor James declared a personal interest in Minute OSC.359 below, Alternative Services – Under 5's, as a Governor at Sedgley Park Primary School.

Councillor Cassidy declared a personal interest in Minute OSC.359 below, Alternative Services – Under 5's, as a Governor at St John with St Mark's Primary and as an Advisory Group Member of the Board for Moorside Children's Centre.

Councillor J Smith declared a personal interest in Minute OSC.360, Corporate Financial Monitoring Report – April 2014 to June 2014, as the report made reference to the outturn position for 2013/14 when he was the Cabinet Member with budget responsibility.

### **OSC.356 MINUTES**

**It was agreed:**

That the Minutes of the meeting, held on 25 March 2014, be approved as a correct record and signed by the Chair.

### **OSC.357 PUBLIC QUESTION TIME**

Sian Crosby raised a number of questions and comments in relation to the proposals for the Borough's Children's Centres, including:

- A request to increase the consultation period by 3 weeks as a result of changes made to consultation documents.
- The importance of user friendly consultation documents
- Concerns that points raised at drop in sessions may not be fed into the consultation process and a lack of Councillor attendance at these sessions.

- The disproportionate affect on women is not reflected in the Equality Impact Analysis

Councillor Shori, Deputy Leader of the Council, stated that the Council would work to ensure all consultation methods were user friendly/accessible and referred to an extra consultation meeting to be held with Officers and Members. It was confirmed that consultation forms had actually been adapted to respond to concerns raised.

Ian Chambers, Assistant Director of Learning, confirmed that all notes and points raised through the parent drop in sessions would be fed into the consultation process. The statutory consultation period would run until 8 December to allow time for the input of views from across the Borough.

### **OSC.358 ANTI SOCIAL BEHAVIOUR, CRIME AND POLICING ACT 2014**

The Cabinet Member for Communities and Culture submitted a report setting out details and implications of the Anti-Social behaviour, Crime and Policing Act 2014 which received Royal Assent on 13 March 2014. The key changes arising as a result of the Act were appended to the report.

It was reported that parts 2 – 6 will be implemented on 20<sup>th</sup> October 2014 and Part 1, relating to the power to make Injunctions, will be implemented by mid January 2015 (exact date to be confirmed).

Parts 1-6 of the Act cover anti-social behaviour; six new powers replace 19 existing ones and are designed not only to provide effective respite for victims and communities but also to stop future anti-social behaviour by the offender. Through the inclusion of 'positive requirements', perpetrators may be required to address the underlying causes of their behaviour, for example, substance misuse, anger management or problem drinking.

Some of the powers are designed to address the anti-social behaviour of individuals while others relate to environmental nuisance and anti-social behaviour in a particular location. The Act also introduces the Community Remedy and Community Trigger which are designed to give victims and communities a say in the way anti-social behaviour is dealt with.

The report set out the progress made by the Council in planning for the introduction of the new tools and powers and outlined a number of proposals relating to implementation in Bury.

Questions and comments were invited from Members of the Committee and the following issues were raised:

- With regard to resource and capacity issues, the Cabinet Member explained that an increased emphasis would be placed on effective partnership working and highlighted the importance of a targeted, streamlined approach, working alongside the Police and Six Town Housing.
- In response to a question from Councillor O'Brien, Rachel Henry, Anti Social Behaviour Manger, highlighted the high level of co-operation across Greater Manchester and referred to cross border initiatives undertaken by the Police. With regard to the issue of dispersal powers it was explained

that these had been simplified but it was important to ensure that problems are not merely being displaced to nearby areas.

- During discussion of this item, the Chair, Councillor Gartside, welcomed the Community Remedy aspect of the new powers but expressed concern whether resource levels were sufficient to effectively implement the new powers.

### **It was agreed:**

That the report be noted.

## **OSC.359 ALTERNATIVE SERVICES – UNDER 5'S**

The Deputy Leader of the Cabinet presented a report from the Cabinet Member for Children and Young People proposing a re-design in the way in which Children's Centres in Bury are currently operating to support under 5's and their families.

The proposal involved five Children Centre Hubs and one 'spoke' to deliver targeted services to the most vulnerable families across the borough and would come under the control of the Local Authority. The focus of the Hubs and 'spoke' will be on the delivery of:

- Improved health for U5's
- Improved school readiness for U5's
- Effective early intervention in safeguarding
- Improvements in families' economic prospects

The Hubs will be resourced based upon recognised need as detailed in the Index of Multiple Deprivation Rankings. Staffing would involve a shift in the balance from co-ordination, management and administration posts to front-line outreach support with 24 additional outreach staff being deployed into the community.

The remaining eight current Children's Centres will be de-designated as centres and seven of the centres will be converted to provide for the delivery of the 2 year old childcare offer for the 40% most deprived families in the borough. Currently there is shortage of these places in Bury.

The Local Authority will not run the 2 year old provision but will tender the service out to interested providers. There will be an initial subsidy of the rents for these centres to encourage schools or private providers to enter the market for two year old provision.

Questions and comments were invited from Members of the Committee and the following issues were raised:

- Councillor J Smith expressed concerns in relation to the different tiers of funding associated with the 'Hubs' and 'Spokes' and the possibility of further cuts in the future. Councillor Smith enquired about the criteria used to select the 'Hubs' and highlighted the lack of consultation with Elected Members prior to proposals being formulated. The Deputy Leader explained that a number of variables were taken into account when deciding on proposals including deprivation and the number

of social care contacts. The Deputy Leader highlighted that the proposals reflected a targeted approach based on need but stressed that all proposals were subject to consultation with no decisions having been taken.

- With regard to the issue of outreach workers, the Deputy Cabinet Member explained that it was envisaged that worker would require a base and community venues/Council assets would be looked at for this.
- In response to a question concerning the possible use of school sites to provide nursery provision for 2 year olds, the Assistant Director of Learning referred to ongoing discussions with Primary Heads and Governors. It was reported that there had been some interest, but any decisions would be largely dependent on the development of a viable business model.
- Councillor Carter requested that a map be provided to Members, highlighting the location of Children's Centres in the Borough.
- In response to concerns about the length of time for the tendering process for the 2 year old offer, the Assistant Director explained that tenders cannot be developed until the decision making process has concluded. Furthermore, prospective providers would need to be registered with and inspected by Ofsted.
- The Chair, Councillor Gartside, highlighted the issue of nursery places for 2 year olds. The Assistant Director acknowledged that there was a shortfall, but not in all areas of the Borough. An undertaking was given to provide current figures on this issue.
- Councillor J Smith recognised the financial constraints faced by the Council and welcomed the decision to concentrate on areas of deprivation and the offer of increased nursery provision for 2 year olds.

**It was agreed:**

1. That the Cabinet Member for Children and Young People be requested to examine whether the consultation period could be extended by 3 weeks to reflect the period that had elapsed between publication of the initial consultation document and the subsequent extended version.
2. That all comments from the drop in sessions be recorded and fed into the consultation process.
3. That, subject to final proposals being agreed by Cabinet, a report be submitted to this Committee 6 months after implementation.

**OSC.360 CORPORATE FINANCIAL MONITORING REPORT – APRIL 2014 TO JUNE 2014**

The Deputy Leader of the Council presented a report from the Leader informing Members of the Council's financial position for the period April 2014 to June 2014 and providing a projection of the estimated outturn at the end of 2014/2015.

The report also provided Prudential Indicators in accordance with CIPFA's Prudential Code.

In response to a question from Councillor D Bailey, the Deputy Leader highlighted that a large element of external funding came via the health sector, including provision from the Better Care Fund to integrate health and social care.

During discussion of this item, the Chair, Councillor Gartside, highlighted the historic over estimation of income from the Councils property portfolio. The Assistant Director of Resources and Regulation (Finance and Efficiency) highlighted that this issue was recognised in the 2013-14 budget and explained that the current variance on this issue was largely due to void levels, which, it was reported, are improving.

The Assistant Director also referred to two recent Cabinet reports outlining the Council's new investment strategy and proposals for strategic management of the asset portfolio.

**It was agreed:**

1. That the financial position of the Council as at 30 June 2014 be noted.
2. That the s151 Officer's assessment of the minimum level of balances be noted.

**OSC.361 CORPORATE PLAN PROGRESS REPORT – QUARTER 1 2014-2015**

The Leader of the Council submitted a report outlining the progress made on the Corporate Plan during quarter one (2013-2014) for the corporate performance indicators and projects within the Bury Council Corporate Plan.

During discussion of this item Members highlighted that a number of areas had no data available. Harry Downie, Assistant Director of Business Re-Design explained that this was as a result of the transition to a new IT system and re-assured Members that proxy measures were in place to monitor performance in the absence of system data.

The Assistant Director further reported that development of a suite of outcome focussed indicators was currently being undertaken.

**It was agreed:**

That the report be noted.

**OSC.362 CHILDREN'S SERVICES ANNUAL COMPLAINTS REPORT APRIL 2013-MARCH 2014**

Jane Whittam, Complaints Co-ordinator, submitted a report setting out information in respect of complaints related to Children's Services covering the period 1 April 2013 to 31 March 2014.

During discussion of this item, Members acknowledged and welcomed the increase in the number of compliments.

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Overview and Scrutiny Committee, 7 October 2014

**It was agreed:**

That the report be noted.

**COUNCILLOR I B GARTSIDE**  
**Chair**

**(Note: The meeting started at 7pm and ended at 8.55 pm)**

## SCRUTINY REPORT



**MEETING:** Overview & Scrutiny Committee

**DATE:** 9 December 2014

**SUBJECT:** Employee Sickness Levels

**REPORT FROM:** Tracy Johnson

**CONTACT OFFICER:** Tracy Johnson

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### 1.0 BACKGROUND

- 1.1 This report outlines the latest sickness absence statistics and the actions being taken to contribute to the reduction of the levels of sickness absence.
- 1.2 Members of Overview & Scrutiny are asked to note the statistics and to consider the range of information they would find useful for reporting at future meetings.

### 2.0 ISSUES

#### 2.1 Summary of the Sickness Absence Statistics

- 2.1.1 At the end of each financial year the Council reports its sickness figures as a best value performance indicator (BV12). The general trend for previous years is as follows:

Year	Average Working Days Lost Per Person
2013/14	9.82
2012/13	9.27
2011/12	9.38
2010/11	10.38

It should be noted that the BV12 figure includes teachers and staff employed by schools. It can be seen that the figure decreased between 2010/11 and 2012/13 but has increased again in 2013/14.

- 2.1.2 A more detailed breakdown of the sickness statistics for 2013/14 and the first two quarters of 2014/15 can be seen at Appendix 1. The information is broken down into departments and shows the full time equivalent, the full time equivalent days lost and the percentage sickness divided between the departments. Members will note that the departments reflect the previous structure as this is how the information is currently displayed on iTrent.
- 2.1.3 It can be seen that Adult Care Services has the highest average working days lost per person at 10.6 days in 2013/14 and 13.14 days in quarters 1 and 2 of 2014/15.

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2.1.4 **Appendix 2** summarises the reasons for sickness across the Council. The figures show us that the two most common reasons for sickness absence across departments are stress/depression/mental health/fatigue plus back and neck problems/other musculoskeletal problems. In some departments disability related absence is also high.

### 2.2 **Actions taken or being taken to reduce Sickness Absence**

2.2.1 Members will be aware of the work related savings options which were proposed to contribute to the budget cuts. The original proposals included changes to sickness pay which were:

- √ to reduce the overall entitlement to occupational sick pay by 50% (3 months full and 3 months half pay over a 12 month period)
- √ to suspend the payment of occupational sick pay for the first 3 days of each absence for all employees

2.2.2 After lengthy consultation with the trade unions a modified proposal has been put forward as follows:

- √ to retain the 6 months full and 6 months half pay over a rolling 36 month period
- √ to retain the payment of occupational sick pay for the first 3 days of absence

In addition, the trade union has proposed to jointly review the Managing Attendance Guidelines and their implementation during 2015. This proposal has been accepted and a Task & Finish Group will be established.

2.2.3 Many positive actions are being taken to keep the workforce healthy and consequently have a more engaged, higher performing workforce with low levels of sickness. The Council has a 'Bury Healthy Workforce Strategy' which recognises that the success of the Council depends on the health and wellbeing of the workforce. It recognises that a healthy workforce is essential for engaged and satisfied employees, increased productivity and performance and an increased quality of service.

2.2.4 The Strategy identifies three themes:

Bury Healthy Workplace  
Bury Healthy and Active Lifestyle  
Bury Healthy Mind

A number of initiatives and promotions run under the three themes and many of them cover two or even three themes. The Bury Healthy Workforce Strategy Group sets the direction of this.

#### 2.2.5 *Bury Healthy Workplace*

This is the foundation for good health and includes having sound policies and procedures and managerial support in place. The Council also has mentoring and coaching schemes as well as the employee groups (for example the Carers' Group where carers can attend to discuss their own issues and get advice from others). There is a comprehensive training and development programme which

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links directly to our 'Bury Behaviours' competency framework. The Council also has a strong employee engagement programme and surveys its employees every year, with a view to hearing their views and carrying out actions which can improve engagement levels.

2.2.6 A key role within our workforce is the Health & Wellbeing Champions. These are members of staff who have jobs with us and have agreed to promote the improvement of health and wellbeing in the workplace. They work closely with the Health Trainers from Public Health in delivering a variety of initiatives.

2.2.7 We have just delivered a flu vaccination programme for employees who work with vulnerable people as well as those who are identified as Priority 1 and 2 on the Business Continuity Plan.

2.2.8 In the New Year we plan to run 2 'MOT' days, one for men and one for women. Here employees will be able to have their cholesterol and BMI checked and will be able to seek advice on health and wellbeing issues from the Health Trainers.

2.2.9 All the information around health and wellbeing initiatives in the organisation can be found on our intranet pages.

### 2.2.10 *Bury Healthy and Active Lifestyle*

Employees are encouraged to live an active lifestyle in a variety of ways. They are offered discounted membership from our own leisure centres and lunchtime exercise sessions such as pilates are provided and aimed specifically at our employees. We have bicycle stands and showers for anyone who wishes to ride their bike to work.

2.2.11 In addition, the 'I Will If You Will' (IWIYW) campaign is being targeted at our own workforce as well as to the community. This encompasses a variety of events, for example we have encouraged people to hold walking meetings, have held a 'wear your trainers to work week' and back in the summer we encouraged individuals to 'take a summer dip'.

2.2.12 In addition we have visited workplaces and asked individuals to sign a pledge to take up thirty minutes extra exercise a week for ten weeks. We had around 250 people sign up for this.

2.2.13 The 'I Will If You Will' community facing campaign is targeted at women but within the workforce we would also encourage men to become more active.

### 2.2.14 *Bury Healthy Mind*

In terms of Bury Health Mind we are planning to develop a Mental Health Strategy. We have provided training in how to manage staff who may have mental health issues. We also have a free, confidential counselling service and can offer cognitive behavioural therapy through this service.

2.2.15 Our Training & Development Programme offers two separate courses:

- r Managing Personal Stress
- r Managing the Stress of your Team

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2.2.16 The Equality Impact Assessment has, of course, identified that the IWIYW campaign is for women only. As previously stated, in terms of the workforce, men will not be excluded.

### 2.3 **Future Statistics and Analysis Required by Members of Overview and Scrutiny**

2.3.1 Members of Overview and Scrutiny are asked to consider what statistics would be useful for them to look at moving forward.

2.3.2 They are further invited to comment on any of the actions outlined above and to contribute ideas in terms of additional actions.

### 3.0 **CONCLUSION**

The Council will continue to develop initiatives to help keep its workforce healthy. This will be done through the Bury Healthy Workforce Strategy Group. The Strategy itself is due to be refreshed and the Group has a new Chair which is timely.

3.1 The sickness statistics give us a clear indication that sickness levels need to be reduced and the latest best value full year figure we have is for 2013/14 (average 9.82 days per employee). They also give us a comparison between departments and that the most common reasons why people are sick are stress/depression/mental health/fatigue plus back and neck problems/other musculoskeletal problems.

3.2 Both the Council and Unison have committed to review the Managing Attendance Procedure and the delivery of this procedure throughout departments.

3.3 The Council will also continue to introduce initiatives to encourage its workforce to stay healthy and engaged.

3.4 Members of Overview and Scrutiny Committee are asked to support these actions and contribute ideas.

3.5 They are further asked to consider any future sickness statistics required.

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### **List of Background Papers:**

Appendix 1  
Appendix 2

### **Contact Details:**

Tracy Johnson  
Head of Human Resources & Organisational Development  
Resources & Regulation Department

Tel: 253 7775  
E-mail: [t.e.johnson@bury.gov.uk](mailto:t.e.johnson@bury.gov.uk)

## Full Time Equivalent Data

2013/14

Qtr 1

	Average FTE Count	FTE days Lost	%	Average working days lost
Adult Services	789.79	8323.17	35.32%	10.54
Chief Executives	397.64	1638.77	6.95%	4.12
Children's Services	561.18	3270.70	13.88%	5.83
DCN	1199.86	10333.08	43.85%	8.61
Corporate	2948.46	23565.72		7.99

Qtr 2

	Average FTE Count	FTE days Lost	%	Average working days lost
Adult Services	786.86	6660.59	31.11%	8.46
Chief Executives	396.92	1308.86	6.11%	3.30
Children's Services	564.09	2677.38	12.51%	4.75
DCN	1196.12	10760.80	50.27%	9.00
Corporate	2943.98	21407.63		7.27

Qtr 3

	Average FTE Count	FTE days Lost	%	Average working days lost
Adult Services	781.84	8717.84	38.96%	11.15
Chief Executives	408.99	922.65	4.12%	2.26
Children's Services	564.35	2687.18	12.01%	4.76
DCN	1188.61	10050.86	44.91%	8.46
Corporate	2943.79	22378.54		7.60

Qtr 4

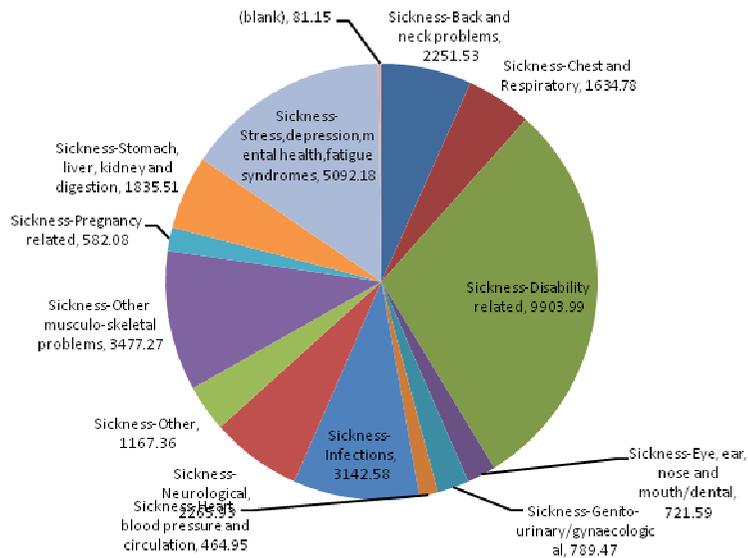
	Average FTE Count	FTE days Lost	%	Average working days lost
Adult Services	781.76	9708.77	37.79%	12.42
Chief Executives	399.30	1491.75	5.81%	3.74
Children's Services	568.59	2610.24	10.16%	4.59
DCN	1186.40	11881.14	46.24%	10.01
Corporate	2936.05	25691.90		8.75

2014/15

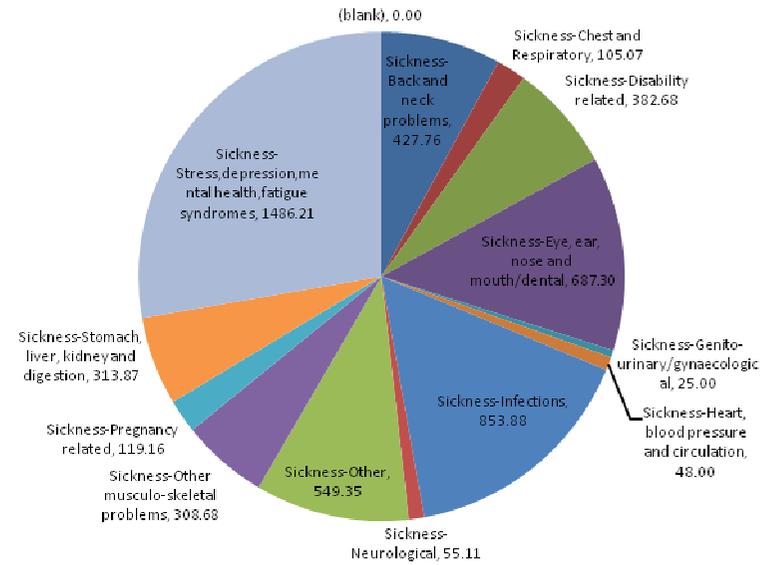
Qtr 1		Average FTE Count	FTE days Lost	%	Average working days lost
	Adult Care Services	764.32	11246.13	42.61%	14.71
	Chief Executives	391.68	1549.90	5.87%	3.96
	Children's Services	566.52	2873.81	10.89%	5.07
	DCN	1171.22	10723.53	40.63%	9.16
	Corporate	2893.73	26393.38		9.12

Qtr 2		Average FTE Count	FTE days Lost	%	Average working days lost
	Adult Services	756.89	8753.48	37.68%	11.57
	Chief Executives	383.95	1378.06	5.93%	3.59
	Children's Services	566.01	3262.16	14.04%	5.76
	DCN	1152.94	9834.74	42.34%	8.53
	Corporate	2859.78	23228.45		8.12

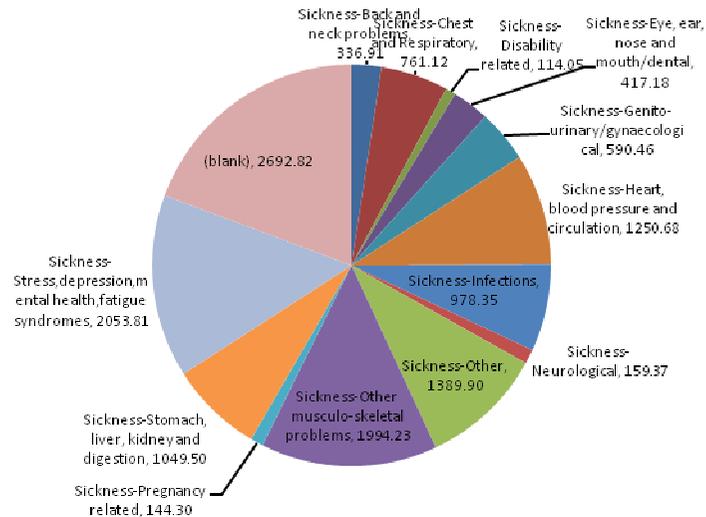
### ACS 2013/14 Sickness Reasons



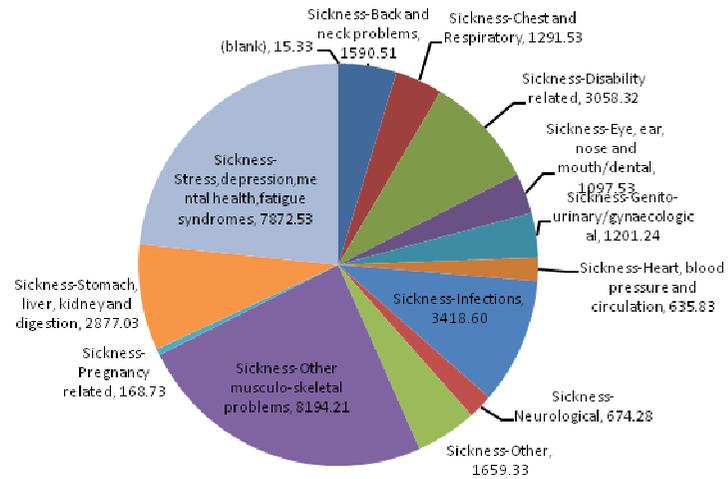
### CE 2013/14 Sickness Reasons



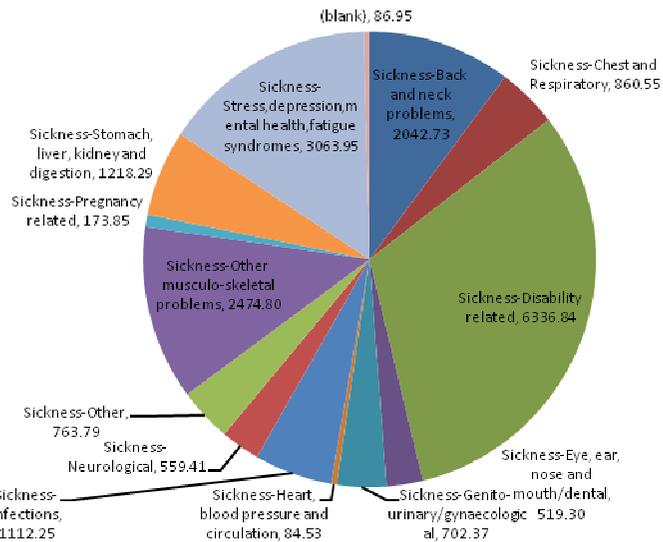
### CS 2013/14 Sickness Reasons



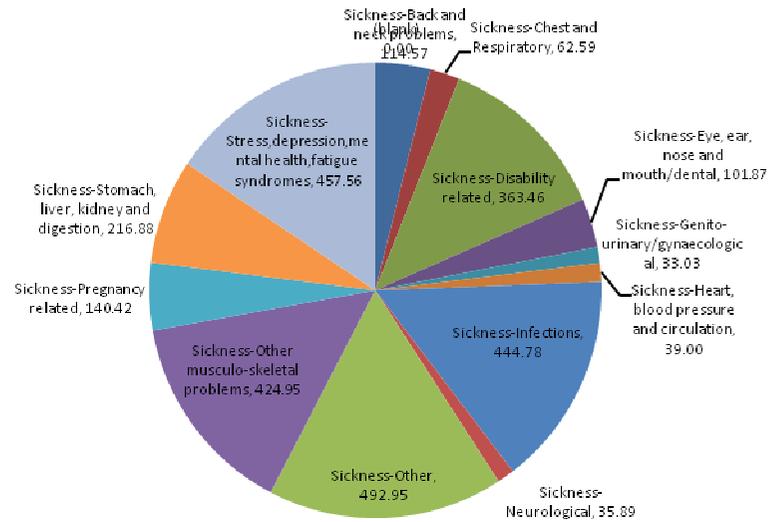
### DCN 2013/14 Sickness Reasons



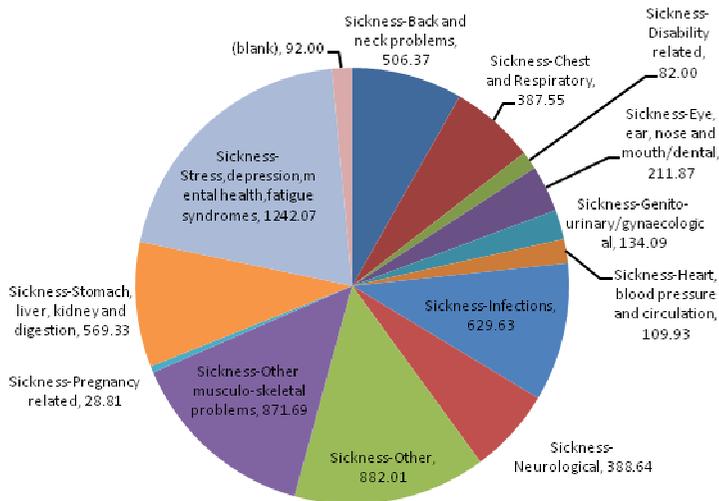
### ACS QTR 1 & 2 2014/15 Sickness Reasons



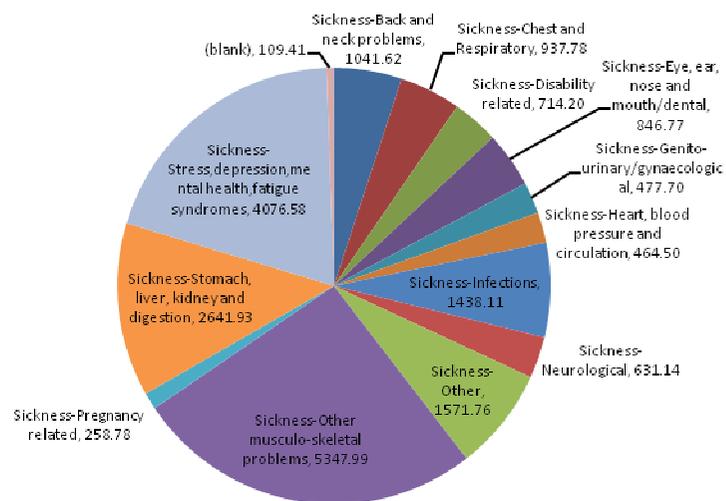
### CE QTR 1 & 2 2014/15 Sickness Reasons

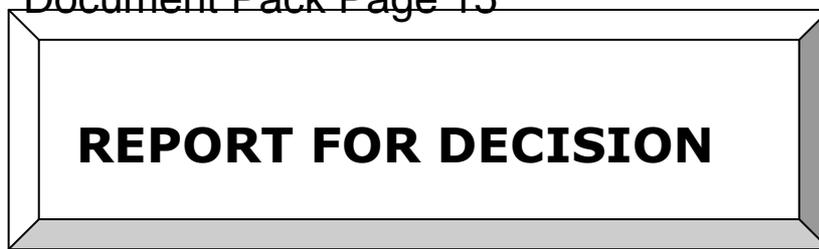


### CS QTR 1 & 2 2014/15 Sickness Reasons



### DCN QTR 1 & 2 2014/15 Sickness Reasons





<b>DECISION OF:</b>	<b>SMT &amp; SLT Cabinet Overview and Scrutiny Committee</b>
<b>DATE:</b>	<b>Monday 10 November 2014 Wednesday 26 November 2014 Wednesday 9 December 2014</b>
<b>SUBJECT:</b>	<b>Corporate Plan Progress Monitoring Report – Quarter 2 2014-15</b>
<b>REPORT FROM:</b>	<b>Leader of the Council</b>
<b>CONTACT OFFICER:</b>	<b>Sarah Marshall – Performance Officer Department for Communities and Wellbeing</b>
<b>TYPE OF DECISION:</b>	Non key decision
<b>FREEDOM OF INFORMATION/STATUS:</b>	This paper is within the public domain
<b>SUMMARY:</b>	The Corporate Plan Progress Report outlines the progress during quarter two 2014-15 for the corporate performance indicators and projects within the Bury Council Corporate Plan. The information is extracted from the Performance Information Management System (PIMS) and provided by the responsible services.
<b>OPTIONS &amp; RECOMMENDED OPTION</b>	The Cabinet and Overview & Scrutiny Committee are asked to note the contents of the report.
<b>IMPLICATIONS:</b>	
<b>Corporate Aims/Policy Framework:</b>	Do the proposals accord with the Policy Framework? Yes
<b>Statement by the S151 Officer: Financial Implications and Risk Considerations:</b>	There are no direct financial implications arising from this monitoring report. The report outlines the current forecast outturn position based upon data available at Quarter 2. Likewise the report highlights the Corporate Risk Register as at Quarter 1.
<b>Statement by Executive Director of Resources:</b>	There are no wider resource implications
<b>Equality/Diversity implications:</b>	Yes An Equality Analysis was undertaken for the Bury Council Corporate Plan 2012-15 and it

	was concluded that the Plan has a positive impact by aiming to reduce poverty and inequality. This report provides a summary of the progress made.
<b>Considered by Monitoring Officer:</b>	Yes <span style="float: right;">JH</span>
<b>Wards Affected:</b>	All
<b>Scrutiny Interest:</b>	Overview and Scrutiny Committee

**TRACKING/PROCESS**

**DIRECTOR: Executive Director, C&WB**

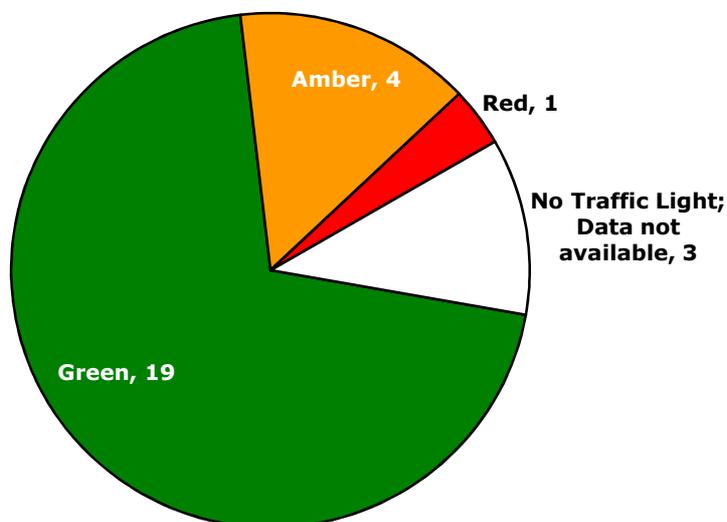
Chief Executive/ Strategic Leadership Team	Cabinet Member/Chair	Ward Members	Partners
10/11/14	26/11/14		
Scrutiny Committee	Cabinet/Committee	Council	
03/12/14			

**1.0 BACKGROUND**

1.1 The council publishes a Corporate Plan each year with progress updates reported to Cabinet and Overview & Scrutiny bi-annually. This report outlines performance against the plan for quarter 2 2014-15 and represents our position at the half way point of the current financial year.

**2.0 SUMMARY**

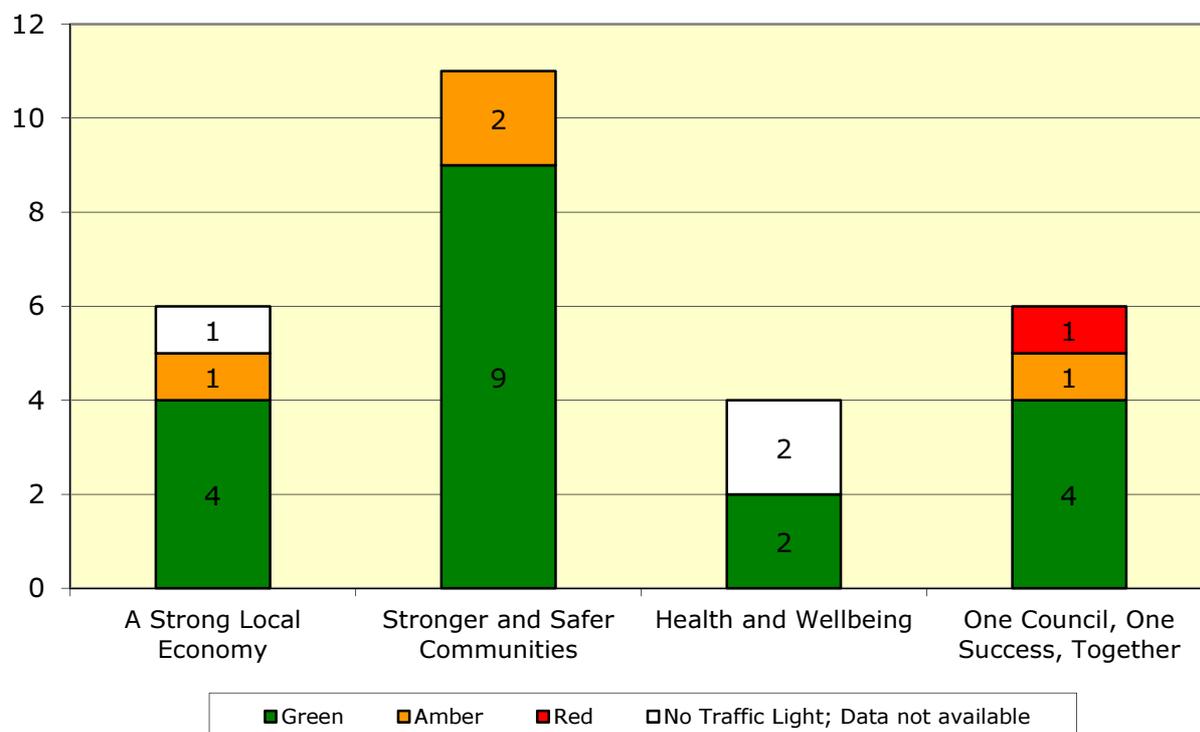
2.1 There is evidence of good progress so far for 2014-15:



■ Green    ■ Amber    ■ Red    □ No Traffic Light; Data not available

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- 2.2 Overall the Council currently reports performance against a total of 34 corporate performance indicators. For quarter 2, outcomes for 27 of these indicators were collected as some indicators are reported annually.
- 2.3 19 indicators (70% of the total) showed improvement on the previous year's outturn and/or exceeded target whilst a further 15% (the 4 indicators shown amber on the chart) were just off the pace. Given the financial situation and other challenges facing services, this level of performance is positive and demonstrates a strong commitment to service delivery in the Borough.
- 2.4 Areas of good performance and progress include:
- The proportion of working age people on out of work benefits has reduced over the past 6 months by 0.9% (reported as 3.1% at Q4 13/14, now 2.2%)
  - Our percentage of total JSA (Job Seekers Allowance) claimants that are by youths (16-24) has also reduced by 1.85% to 26.8%.
  - 35 Bury residents have been referred to the work programme leavers project. They each have a dedicated key worker whose remit is to work closely with them to identify barriers and systematically remove them so they can seriously consider employment as the next logical step.
  - It is estimated the percentage of household waste sent for reuse, recycling and composting has increased since last year from 37.27% to 46%.
  - Crime rates for Bury have improved with the rate of serious violent crimes, serious acquisitive crimes, assault with injury, incidents of ASB and repeat incidents of domestic violence all reporting a reduction since last year.
  - We have agreed our joint approach to the setting up of the Better Care Fund; our pooled budget for Health & Social Care Services in Bury from 2015.
  - Bury was successful in the Prime Ministers GP Challenge Fund which means that plans are well underway to provide longer opening hours, telephone consultations, increasing on-line access and a comparison-style website for residents.
- 2.5 1 area has not performed as expected:
- The current forecasted outturn (revenue) stands at £1.459m over budget.
- 2.6 There are 3 indicators where progress cannot be analysed. 1 of these is due to data being unavailable from an external source. 2 of the indicators are incomparable to previous outturns due to a change in method and classification.
- 2.7 Analysing the results by the Council's priority outcomes, progress has been made against all of the four priorities:



2.7 It appears in the graph above that the outcomes for indicators reported against Health and Wellbeing is weak. This is because a large proportion of the indicators for this priority are annual. Therefore, a better picture overall should be presented in the year end report.

### 3.0 CONCLUSION AND RECOMMENDATIONS

3.1 The report provides details of the progress made at quarter two 2014-15.

3.2 Overall, performance against the corporate plan is good with 19 out of 27 (70%) indicators achieving target and/or performing better than last year.

3.3 In the context of current pressures and resource limitations, efforts made to maintain performance are to be welcomed.

#### List of Background Papers:-

Bury Council Corporate Plan 2013-15

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# **One Council. One Plan.**

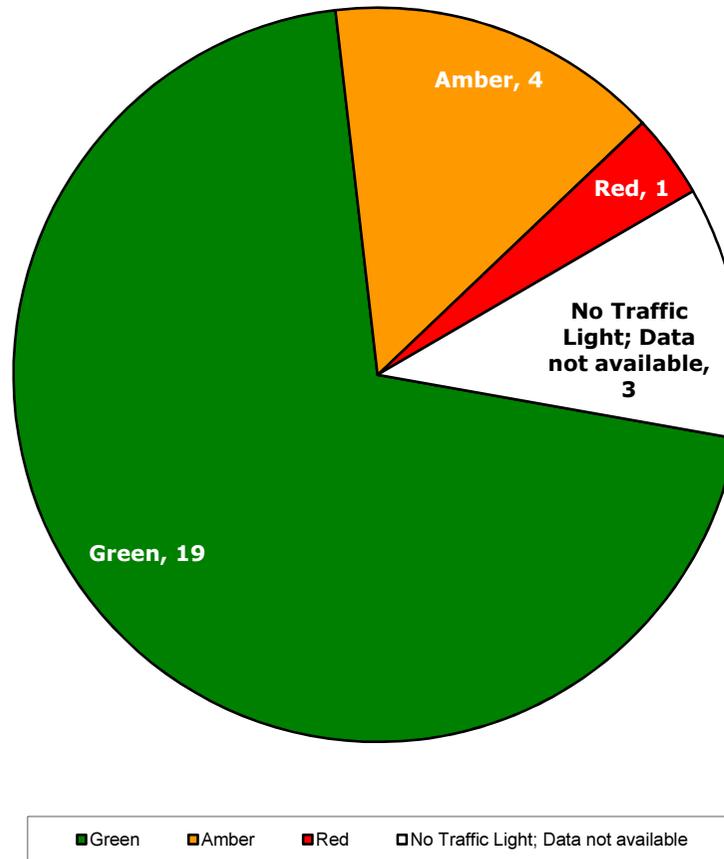
**Quarter Two 2014-15:  
Performance Report**

## INTRODUCTION

- 1.1 This report outlines progress during quarter two of 2014-15 for the corporate performance indicators and projects within the Bury Council Corporate Plan. The information provided is extracted from the Performance Information Management System (PIMS).
- 1.2 There are currently 34 performance indicators from PIMS and 26 projects and this report provides a summary of the overall performance of these.
- 1.3 Where data are unavailable for Quarter 2 2014-15, the report provides the latest inputted data from previous quarters.
- 1.4 Throughout this report the definitions of the colour-coding are:
  - Green – On target and/or better than 2013-14 performance
  - Amber – Within 15% of achieving target or within 15% of 2013-14 performance
  - Red – Below target or worse than we achieved in 2013-14.
  - No Traffic Light – Information not available due to various reasons.
- 1.5 The detail of this corporate performance report can be viewed or downloaded on the corporate performance information monitoring system (PIMS). If you require copies of the reports or need training on the operation of the monitoring system; *please contact Benjamin Imafidon on Ext. 6592.*

### SUMMARY

2.1 Overall the Council currently reports performance against a total of 34 corporate performance indicators. For quarter 2, outcomes for 27 of these indicators were collected as some indicators are reported annually. The chart below shows the proportion of these performance indicators that are categorised as Red, Amber and Green using the criteria set out in paragraph 1.4.



### A strong local economy

Measure	Higher/ lower is better	2013/14 Baseline	2014/15 Q2	Target	Commentary
Overall employment rate for Bury (working age)	Higher	73.90%	72.2% (Green)	70.00%	Data from July 2013 to June 2014.
Inequality gap in the achievement of a Level 3 qualification by the age of 19	Higher	20%	Annual indicator	18%	Performance data to be reported at Quarter 4 2014/15.
Percentage of 16-18 year olds by academic age who are not in education, employment or training (NEET)	Lower	5.90%	5.2% (Green)	No target available	The % shown in September 2014 is 5.2% compared to 5.4% in September 2013. Year on year comparisons are meaningless however as the Department of Education have imposed new 'currency rules' in 2014-2015 which has meant that all young people in further education had their destinations changed to not known at the end of August - previously this happened one year after the destination had been recorded. This means that the not known rate in September increased to 32.7% from 10.3% the previous year. All enrolment information has now been received from colleges so this situation will dramatically improve in October 2014.
Proportion of working age people on out of work benefits	Lower	3.1%	2.2% (Green)	Target to be set	2.2% represents claimants of JSA (September 2014 data).
Percentage of households that experience fuel poverty	Lower	10.3%	Annual indicator	10.4%	Indicator produced by Public Health England annually. Target is national average.
Percentage of work programme leavers that move into employment	Higher	0%	0% (Amber)	5% by 2016	No individuals moved into employment, which is to be expected with the client type (ESA WRAG) at this stage of the programme.

Percentage of total JSA (Job Seekers Allowance) claimants that are made by youths (16-24)	Lower	28.65%	26.8% (Green)	Target to be set	35.7% reduction in the calendar year. These figures relate to August 2014.
Proportion of people who entered the national careers service work programme that gained employment	Higher	No data available	No data available	Target to be set	Data not yet obtainable. Liaising with JCP to obtain data.

### Project Updates

#### Backing Young Bury

The scheme provides opportunities for young people including extended work experience, pre-employment training and employment skills workshops. Almost a third of all Job Seekers Allowance (JSA) claimants are aged between 16 and 24. Backing Young Bury aims to improve the learning and working opportunities for young unemployed people by working in partnership within the council and externally with our business community, colleges and training providers. We are now in the third and final year of the project, youth unemployment has decreased in Bury but there are still pockets of young people who remain far from securing employment.

#### Local Support Fund

Funding will be paid on a quarterly basis for 2014/15 and at this stage we are unsure how this will affect funding later in the year. Bury Support Fund has and continues to be an essential safety net for vulnerable, often desperate residents of Bury. The demand for help has become more and more evident as we enter the final year of funding. Moving forward we continue to ensure we prioritise those who have a genuine need for help and to prioritise those with the greatest need. The overarching approach for 2014/15 needs to be more than alleviating short term immediate need as our customers are at a higher risk due to multiple barriers. The impact Welfare Reform has had, and continues to have on our most vulnerable customers is steadily increasing. The team continue to deal with the problems and consequences on a daily basis.

#### New Horizons Programme

This programme provides support for young people aged between 19 and 25 who have learning difficulties and disabilities and offers a new opportunity to access appropriate training programmes from Bury College to meet their needs. It is reported on an annual basis and will be updated at Quarter 4.

#### Work Programme Leavers

This new project for 2014 will target those on Employment and Support Allowance (ESA WRAG Group) who have been on the work programme for 2 years and not found sustained work in order to intensely support them back into employment. Those taking part in the programme will have a personal work and well being coach to help and guide them in finding work and once they have entered into employment they will continue to receive support for 12 months. 35 Bury residents have been referred to this programme. They

each have a dedicated key worker whose remit is to work closely with the client to identify barriers and systematically remove them in order to seriously consider employment as the next logical step. There has been good progress so far to integrate the programme across the Council and partner organisations.

**Business Engagement Programme**

The following key work areas on the work plan have been completed:

- Recruited a joint post with Business Growth Hub.
- Made in Bury Business Awards.
- Ensured Bury Council engaged actively with the Chamber of Commerce and other business networks.
- Actively promoted Business Start Up Support, the Greater Manchester Business Growth Hub and all other business support activity.

The next work plan is currently being updated with new key tasks.

**Stronger and safer communities**

Measure	Higher/ lower is better	2013/14 Baseline	2014/15 Q2	Target	Commentary
Percentage of household waste sent for reuse, recycling and composting	Higher	37.27%	46% (Green)	60%	This figure is an estimate and awaiting verification. Maintained the level of reuse, recycling and composting in the borough from Q1.
Residual household waste – kgs per household	Lower	447.85	240 (Amber)	445	Outturn for Q2 = 120kg. This figure is an estimate and awaiting verification. Maintained the level of residual household waste per household from Q1.
Number of serious violent crime per 1,000 population	Lower	0.45	0.41 (Green)	0.88	34 incidents of serious violent crime were reported during July - Sept which equates to 0.18 per 1000 population. For the period April - Sept 76 incidents were reported equating to 0.41 per 1000 population.  Cumulative Indicator - unable to compare

					against 2013/14 year-end data.
Number of serious acquisitive crimes per 1,000 population	Lower	11.11	5.48 (Green)	12.95	521 incidents of serious violent crime were reported during the period July - Sept. equating to 2.81 per 1000 population. For the period April - Sept 1016 incidents were reported equating to 5.48 per 1000 population.  Cumulative Indicator - unable to compare against 2013/14 year-end data.
Assault with injury crime rate per 1,000 population	Lower	4.27	2.80 (Green)	6.25	303 assaults were reported during the period July - Sept which equates to 1.63 per 1000 population. For the period April - Sept 520 incidents were reported equating to 2.80 per 1000 population.  Cumulative Indicator - unable to compare against 2013/14 year-end data.
Reduction in number of incidents of ASB per 1,000 population	Lower	46.12	23.51 (Green)	49.24	This is a cumulative indicator. 2072 ASB incidents reported during July - Sept 2014 which equates to 11.19 per 1,000 population. For the period April - Sept 4352 ASB incidents were reported which equates to 23.51 per 1000 population.  Cumulative Indicator - unable to compare against 2013/14 year-end data.
Percentage rate of repeat incidents of domestic violence	Lower	27.94%	26.15% (Green)	26%	17 repeat cases were discussed during the period July - September 2014 which equates to 28.81%. 34 cases have been discussed YTD which equates to 26.15%.
Number of empty properties	Lower	1,024	1,100	No target	These figures are solely based on Council Tax

		1723 (inc. 2 <sup>nd</sup> homes)	(Amber) 2011 (inc. 2 <sup>nd</sup> homes)	required	data. Second homes have been included because the Council Tax levy has increased the number of second homes on the list and many of these should be classified as empty properties.
Number of empty properties brought back into use	Higher	66	298 (Green)	100	Total number of empty properties brought back into use higher than expected. Figures based on comparison between Council Tax data. The information provided the total number of private sector empty properties that have been empty over 6 months and are second homes.
Number of homeless preventions	Higher	727	403 (Green)	720	There has been an increase on the number of preventions recorded in quarter 2 (251) compared with quarter 1 (152). This continues to be a priority and will be monitored closely.
Number of families turned around* through SCIL programme	Higher	179	286 (Green)	385	Our total for this quarters PBR claim is 63 families and 1 Progress to Work. This takes us to 74.3% (286 families out of 385 families identified) turned around.

\*There are national and local criteria for a family to be considered complex. A family has turned around when they no longer meet these criteria.

### Project Updates

#### Homelessness Strategy

The strategy refresh will be completed in 2014 and will build on the success in recent years of initiatives such as Cold Weather Provision for rough sleepers, accommodation for single homeless and community resettlement for families.

#### Corporate Debt

No update to provide. The project work continues to embed a new approach to dealing with people in debt to ensure that every person in debt has access to free, independent debt advice and budgeting skills; affordable lending facilities; and employment opportunities including support into work.

**Digital Inclusion**

The new digital hubs are now set up and running at the Town Hall and Whittaker St. Customers can use self serve PCs on a drop in basis at the Town Hall and Whittaker St also offer DWP computer sessions, adult learning sessions and assistance from a digital coach. So far 212 customers have been supported by these services. We took part in 'go on learning week' working with the libraries, the Whittaker St Radcliffe hub and the new Town Hall hub, offering taster one hour courses to customers – we had 10 turn up for the sessions and the majority of which have come back to either the library or Whittaker St hub to continue learning and using the internet. We are currently investigating if we can offer a work club at Whittaker St and also some 'silver surfer' sessions linking with Age UK for training on the use of tablets. Further information can be found on our web page <http://www.bury.gov.uk/index.aspx?articleid=8653>

**Increase recycling, reuse and composting**

In July the Council made the decision to adopt a 'Zero Waste Strategy' for the borough and to introduce a new waste collection service in October which reflects the strategy. The new service will see Bury become the first Council in England to collect residual waste 3 weekly, whilst at the same time increasing the frequency of collection of its two dry recycling bins to 3 weekly and maintaining a 2 weekly food/garden waste collection. Preparations for the service changes include a comprehensive promotion and awareness raising campaign.

**Supporting Communities, Improving Lives**

The Council has been working with its partners to improve the lives' of families we are working with. To date 74.3% of the identified families have been turnaround. DCLG are impressed with our recent performance.

**Empty Properties**

No update to provide. The project work continues in partnership with Six Town Housing and other registered housing providers to develop approaches to bring more empty properties back into use

**Domestic Abuse Strategy**

Bury's Domestic Violence Strategy Group have commissioned New Economy to produce an in depth profile of domestic violence and abuse (DVA) in the Borough. Its primary purpose is to review all the available evidence on DVA, and to inform future priorities. Work on the Profile is due to be presented to the Community Safety Partnership at their meeting in October 2014. A wider review of the partnership model to address DVA in the Borough will follow. Both these key strands of work will inform work on the refreshed DVA Strategy.

## Health and Wellbeing

Measure	Higher/ lower is better	2013/14 Baseline	2014/15 Q2	Target	Commentary
Proportion of older people (aged 65 or over) who are still at home 91 days after discharge from hospital into reablement / rehabilitation services	Higher	81.40%	82.86% (Green)	No target available	This is the figure reported for quarter 1. And shows an increase in the proportion of older people who are maintaining their independence. Quarter 2 data is unavailable due to problems with the Adult Care data collection and reporting software (PROTOCOL). Work is ongoing to rectify these problems and data will be provided once this has been completed.
Rate of alcohol related admissions to hospital per 100,000 population	Lower	616	Annual indicator	637	Figure reported annually by Public Health England. Result available May 2015. Target reflects the England average.
Injuries due to falls in people aged 65 and over	Lower	1906	Annual indicator	2011	Figure reported annually by Public Health England. Result available May 2015. Target reflects the England average.
Proportion of carers with a completed assessment in the year	Higher	76.3%	27.6%	No target available	The method for calculating this figure has changed and therefore our outcome for quarter 2 is not comparable to the year end figure.
Permanent admissions of older people (aged 65 and over) to residential or nursing care homes per 100,000 population	Lower	720.7	164.1 (Green)	No target available	This is the figure reported for quarter 1. This figure is cumulative and is lower than that reported for quarter 1 the previous year (206). Quarter 2 data is unavailable due to problems with the Adult Care data collection and reporting software (PROTOCOL). Work is ongoing to rectify these problems and data will be provided

					once this has been completed.
Proportion of people using Social Care who receive Self-Directed Support	Higher	79.7%	Annual indicator	No target available	Outcome available at year end.
Proportion of people using social care who receive direct payments	Higher	22.8%	Annual indicator	No target available	Outcome available at year end.
Proportion of children's social care assessments completed within timescales	Higher	No data available	73.6%	No target available	As of 1 <sup>st</sup> April 2014 Children & Family (C&F) assessments are now completed instead of the initial and core assessments completed previously. This figure represents the proportion of C&F assessments completed within timescales at quarter 2.

### Project Updates

#### Affordable Warmth

No update to provide. The project work continues to work closely with other agencies, the objective is to cut fuel poverty by assisting residents to improve the energy efficiency of their homes, maximise householder income, reduce energy consumption and, where possible, help reduce the cost of energy to the consumer.

#### Early Help Strategy

Early Help is one of three key priorities for the Children & Young Peoples Trust Board. A workshop in November 2014 will assist in strengthening partnership involvement in the strategy across a range of issues. The Early Help Team, Multi-Agency Safeguarding Hub (MASH) and Early Help Panel have all been established and starting to make a positive impact in supporting family problems, and preventing escalation.

#### Integrating Health & Social Care

**Our key work streams:** Following a review of the Bury Joint Strategic Needs Assessment and the Health and Wellbeing Strategy we have determined that there are 3 key deliverables that support our vision and shared outcomes of integrated Health and Social Care. These are the main elements of our joint work programme that are currently being progressed:

1. **Ageing well** – providing a range of developments with a focus on prevention and self care

2. **Reablement and Intermediate Care services** to help people to remain as independent as possible
3. **Integrated community and primary care services** to provide support closer to home

**Better Care Fund:** We have agreed our joint approach to the setting up of the Better Care Fund – our pooled budget for Health & Social Care Services in Bury from 2015. The plan was signed off by the Health and Wellbeing Board and was submitted to NHS England on 19<sup>th</sup> September 2014. The Better Care Fund has to address national conditions that include the provision of 7 day services, data sharing, joint assessment, accountable lead professional for high risk populations and protection of social care spending. We do have a number of joint initiatives already in place in Bury and these will be reviewed to ensure that they meet our stated aims for the Better Care Fund and if not they will be decommissioned, redesigned and jointly commissioned in the future. We are currently progressing the arrangements for prioritising these reviews and associated timescales.

We have also agreed the joint metrics by which our success in aligning our services more closely will be measured. The key metric and challenge for the whole health and social care economy is to reduce the number of emergency admissions to hospital and this has an associated performance related framework. The other metrics relate to:

- Peoples experiences and satisfaction
- Reductions in permanent admissions to care homes
- Effectiveness of reablement and rehabilitation services
- Reduction in delayed transfers of care from hospital
- Reduction in emergency admissions to hospital due to falls

**A Healthier Radcliffe:** This enables us to test out our approaches to the development of integrated care services with our partners. The first stage of this project was to provide extended access to GP appointments from 8.00 am to 8.00 pm weekdays and 8.00 am to 6.00 pm at the weekends. This is now fully operational with routine and urgent appointments with a doctor available seven days a week. The scheme aims to make GP services more accessible and responsive whilst reducing the number of trips to A&E for conditions that aren't an emergency.

This innovative scheme has been made possible by the six GP practices in Radcliffe joining forces to increase access to their services to the 34,000 patients registered with them.

The second stage that we are currently working on has a focus on frail older people including those with dementia, children and complex families to develop:

- Closer integration of community services wrapped around extended primary care
- Greater access to local consultant led clinics
- Increased support for carers

- More home based care

This stage has commenced and we are planning the roll out of pilot service models in Radcliffe from November 2014 with a focus on prevention and early intervention, multi disciplinary team approach for frail older people and domiciliary medicines optimisations. The learning from this will influence the roll out of the integrated model Bury wide.

**Prime Ministers GP Challenge Fund– Easy GP:** Bury was successful in the Prime Ministers GP Challenge Fund which now means that plans are well underway to provide the following in Bury from December 2014:

- Longer opening hours available for all patients registered with a practice in Bury
- Telephone consultations offered to all patients seeking a consultation
- Increasing on-line access from 4% to 60% patients
- Developing a comparison-style website

The ultimate aim is to make services more responsive and accessible whilst reducing the number of trips to A&E for conditions that aren't an emergency by increasing the number of available appointments.

This development will give 195,000 patients greater flexibility about how they access services and the aim is to help working people and school children that might struggle to attend appointments during the day. Practices will be opening 8am to 8pm on weekdays, and 8am to 6pm at weekends to create an additional 150,000 appointments a year.

Health professionals in Bury will also be utilising the latest developments in technology as part of this project. For example, patients using smart phones will be able to order prescriptions via online applications.

### **Early Years New Delivery Model**

Bury have been a consistent partner in discussions around developing the 'Early Years New Delivery Model', which has included piloting different phases, liaising with key partners and monitoring local success.

A vast amount of work has been completed around assessment tools, interventions and pathways to support a dynamic multi-agency, however there remains significant challenges around the cost of fully delivering the model locally.

### **Health & Wellbeing Strategy**

The Health & Wellbeing Board has a duty to monitor the delivery of the Health & Wellbeing Strategy on an annual basis and also entered into a commitment to refresh the strategy. It was agreed that the board would focus on one priority per meeting and would:

- Develop a deeper understanding of that priority
- Review the actions within the priority to ensure that these are aligned with priorities of the Health & Wellbeing Board

- Review the outcomes framework for each priority
- Invite key leads to present possible key delivery mechanisms for each priority

The output from these sessions will help to update and refresh the strategy and enable a high level development plan and monitoring framework to be delivered.

### SEND Reform

From the 1<sup>st</sup> September 2014 radical changes to the Special Educational Needs (SEN) framework were implemented including the replacement of Statements of Special Educational Needs with co-ordinated Education, Health and Care (EHC) assessments and Plans, the development of a Local Offer of services, information, advice and guidance, personal budgets and emphasis on joint commissioning across statutory agencies. A multi-agency implementation group has been leading on a number of strands of work in preparation for the reforms.

## One Council, One Success, Together

### Finance Summary

Department	Budget £000	Forecast £000	Variance £000
Communities & Wellbeing	69,157	69,777	+620
Resources & Regulation	4,156	5,021	+865
Children, Young People & Culture	33,985	35,430	+1,445
DCN Residual	145	(172)	(317)
Non Service Specific	36,326	35,172	(1,154)
<b>TOTAL</b>	<b>143,769</b>	<b>145,228</b>	<b>+1,459</b>

The projected overspend of **£1.459m** represents approximately **1.01%** of the total net budget of £143.769m.

### Performance Indicators

Measure	Higher/ lower is better	2013/14 Baseline	2014/15 Q2	Target	Commentary
Percentage Council Tax collected	Higher	96.97%	55.79%	96.5%	This is a cumulative indicator. Slightly down

			(Green)		on last year, but still within % target, increase in amount of cash collected from same point last year.
Percentage of business rates collected	Higher	94.23%	96% (Green)	96.5%	This is a cumulative indicator. Collection during Quarter 2 has been steady, the target for the end of Quarter 2 being 56.00%
Average time taken in calendar days to process Housing Benefit/Council Tax new claims.	Lower	22.6	19.59% (Green)	26	Performance for Q2 and current year performance remains excellent and well within targets, however, performance is expected to dip over the remaining two quarters in the year with ongoing issues with Universal Credit and DWP new initiative of right time information trial from September 14 to end of March 15.
Forecast outturn (Revenue) (council -wide)	Lower	£406,000	+£1.459m (Red)	No target set	Projected full year overspend of £1.459m as at 30 September.
Forecast outturn (Capital) (council -wide)	Lower	£5,000	-£701k (Green)	No target set	Forecast at month 6 is £701k under spend.
Number of FTE days lost due to sickness absence	Lower	9.82	10.06 (Amber)	9.2	Decreased slightly from previous quarter. We are continuing to:- <ul style="list-style-type: none"> <li>- Update our Redeployment Policy.</li> <li>- Review the Managing Attendance Policy.</li> <li>- Refresh Work Life Balance Policies.</li> <li>- Improve and increase our employee benefits including salary sacrifice schemes.</li> <li>- Continue with a programme of work to increase employee engagement.</li> <li>- Work on guidance around employees with Cancer.</li> <li>- Update our exit interview arrangements.</li> </ul>
Percentage of employees satisfied with Bury Council as an employer	Higher	60.4%	Annual indicator	75%	The next available figure relating to this will be available quarter 4 2014/15 depending

					upon when we agree to next carry out the survey.
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**Project Updates**

**Departmental Restructures**

The number of departments has already been reduced from four to three. Further work has been, and will continue to be, undertaken to determine appropriate structures and working practices to meet the challenges going forward. A series of proposals will be brought forward throughout the year on changes to services, alternative service models and reductions in activity as we seek to manage demand, address needs and maintain jobs within the resources available.

**Partnership, Governance & Accountability**

The issues facing local people cut across organisational boundaries and these inter-dependencies need to be managed. Team Bury has reviewed its processes to improve accountability and agreed to a new partnership structure based on the three key priorities of stronger economy, stronger and safer communities and health and well being. Each priority has been assigned to a single partnership body, and they will be held accountable for defining and delivering success in their respective areas. Training has been provided on Outcome Based Accountability to encourage a fresh look at improving performance and to support partners to focus on those areas that will make a positive difference to local people. Over the coming quarter, work will be undertaken to develop robust work plans, review the number and purpose of sub groups and support partners to fulfill their new roles.

**Digital By Default**

The project has now been defined in several stages. During Q2, we negotiated a contact with Socitm to provide consultancy support during the lifetime of the project. This will include overseeing the development of the new website and transformation to transactional on-line services. During Q2, the governance and scope of the project was signed off and structures put in place to take forward the operational work.

**Medium Term Financial Strategy**

The Medium Term Financial Strategy (MTFS) was approved by Cabinet on 18 December 2013 and covered the 2015/16 and 2016/17 financial years. It sets out the budget assumptions underpinning the draft budget forecasts for those years and provides a strategic overview of the challenges that the Council faces in the light of further and significant Government funding reductions announced as part of the 2013 Spending Review. The Government's announcement of the 2015/16 settlement is expected in late November / early December 2014. No information has been received from the Government in connection with the 2016/17 settlement although indications may be given after the General Election if the Treasury holds a summer Spending Review. As such the current budget

preparation process concentrates primarily on 2015/16.

The MTFS is updated to take account of changing economic and other circumstances e.g. inflation and interest rates, demographic changes, demand for services, technological and legislative changes, government funding announcements etc. The MTFS has therefore informed the approach the Council is taking for setting its budget for 2015/16 taking account of departmental spending requirements, increases in transport and waste levies to be paid, and funding expectations from government grants, council tax and retained business rates income. A set of proposed savings in order to address the funding gap for 2015/16 will be presented to employees and members of the public throughout November and December. The 2015/16 budget will ultimately be set at the Council meeting on 25 February, 2015. Future years will be addressed as and when government announcements are made via spending reviews, Chancellor statements and settlement announcements.

### **Employee Engagement Strategy**

Employee engagement is a useful measure of how satisfied employees are within their organisation. Engagement influences the performance and commitment of the workforce. Higher levels of engagement are linked to improved productivity, which in turn helps organisations deliver their outcomes. The council's survey aims to identify stronger areas of engagement and areas where specific action needs to be taken to improve engagement within teams, the purpose of our work around employee engagement is to ensure that we support our workforce in key areas to build on positive outcomes and behaviours.

### **LGA Peer Review Action Plan**

Following a positive Peer Review, an action plan has been developed to maintain our improvement journey. This will be updated on a regular basis to monitor progress.

## Risk

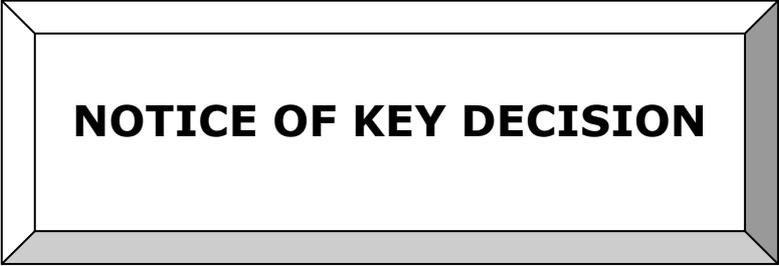
Risk management is a systematic approach to assessing risks and opportunities surrounding achievement of core strategic, departmental and operational objectives. The council has a well established approach to risk management which assesses the likelihood and potential impact of a wide range of risks & opportunities. Risk Registers are compiled for all activities and projects, and are subject to review on a quarterly basis. Risk Registers are reported to all levels of management, and to elected members.

The following risks / opportunities have been identified that the council faces in meeting its own priorities and in contributing towards the council's corporate priorities and community ambitions:

Ref	Risk that.....	Risk Owner	Impact (New)	Likelihood (New)	Quarter 1 Status	Quarter 2 Status	Quarter 3 Status	Quarter 4 Status	Measures
01	The <u>potential</u> liability facing the Council in respect of Equal Pay significantly weakens the Council's financial position	Mike Owen / Guy Berry	1	1	1	1			Risk further reduced as most cases have now been settled. To remain on register till exercise complete.
02	There is no robust financial strategy or change management strategy to address effectively the significant funding reductions that the Council faces.	Steve Kenyon	3	3	9	9			<p>Indicative allocations for 2015/16 have been reiterated as part of a DCLG consultation exercise; however formal draft figures are unlikely to be available until December 2014. These are then unlikely to be confirmed until February 2015.</p> <p>2015/16 budget options have been developed and public consultation commenced 6<sup>th</sup> November (running till 9<sup>th</sup> January 2015).</p> <p>There is no funding data available beyond 2015/16 at this stage, however we await any indications in the Chancellor's forthcoming Autumn</p>

									Statement.
03	The budget strategy fails to address the Council's priorities and emerging issues, e.g. demographic and legislative changes	Mike Owen/Steve Kenyon	3	2	6	6			Demand pressures remain and in year monitoring (Q2) highlights a potential overspend of £1.4m (1%).  Measures are being proposed to mitigate this, and Star Chambers continue to oversee forecasts and actions being undertaken by services.
04	The budget strategy does not reflect, or respond to, national policy developments, e.g. Council Tax Support scheme and changes to the Business Rates regime	Mike Owen/Steve Kenyon	4	2	8	8			New arrangements have been in place now for over 18 months, however, risk remains high given volatility, and influence from factors which are beyond the control of the Council (e.g. appeals).
05	The Council's asset base is not operated to its maximum effect to deliver efficiency savings and ensure priorities are fulfilled. Ineffective use of assets presents both a financial and a performance risk.	Mike Owen	2	1	2	2			Asset Management Plan now in place; office accommodation moves took place Summer 2013 and further moves are taking place to reflect the new Departmental Structure.
08	The Council fails to manage the expectations of residents, service users & other stakeholders in light of funding reductions	Mike Owen	3	2	6	6			Widespread consultation is now taking place in respect of 2015/16 budget proposals.  Key proposals in respect of the 2015/16 budget were released in Summer 2014 to allow for consultation and ensure April 2015

									implementation.
09	The Government's changes to Council Tax Benefit impact adversely upon the Public / Vulnerable People. Also budgetary risk to the Council in the event of claimant numbers rise	Mike Owen	3	3	9	9			Impact on residents being managed through Welfare Reform Board. Budgetary impact continues to be assessed through monthly monitoring / Star Chamber process.
10	Changes resulting from the wider Welfare reform agenda impact adversely upon the public / vulnerable people.	Mike Owen	3	3	9	9			Welfare Reform Board coordinating action plan with partner organisations (e.g. Six Town, CAB).  Whilst impact on individuals can have significant implications, this is being mitigated where possible.
11	That the scale and pace of Public Sector reform impacts adversely upon key Council Services, compounded by the loss of capacity following staff leaving the Council (420+ since 2010)	Mike Kelly	4	2	8	8			Workforce Development Plan now in place to ensure continuity / succession planning.  Risk will be closely monitored as the Council-wide restructure takes effect, and further voluntary retirements take effect.



**NOTICE OF KEY DECISION**



**MEETING:** **CABINET  
OVERVIEW & SCRUTINY COMMITTEE**

**DATE:** **26 NOVEMBER 2014  
9 DECEMBER 2014**

**SUBJECT:** **CORPORATE FINANCIAL MONITORING REPORT –  
APRIL 2014 TO SEPTEMBER 2014**

**REPORT FROM:** **LEADER OF THE COUNCIL AND CABINET MEMBER  
FOR FINANCE**

**CONTACT OFFICER:** **STEVE KENYON, ASSISTANT DIRECTOR OF  
RESOURCES & REGULATION (FINANCE &  
EFFICIENCY)**

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**TYPE OF DECISION:** **CABINET (KEY DECISION)**

**FREEDOM OF INFORMATION/STATUS:** This paper is within the public domain

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**SUMMARY:** The report informs Members of the Council's financial position for the period April 2014 to September 2014 and projects the estimated outturn at the end of 2014/15.

It sets out a proposed series of measures to curb spend in 2014/15 and proposes that this continues into 2015/16, as detailed in paragraph 3.7 on page 4.

The report also includes Prudential Indicators in accordance with CIPFA's Prudential Code.

**OPTIONS & RECOMMENDED OPTION** Members are asked to note the financial position of the Council as at 30 September 2014, and to approve the s151 officer's assessment of the minimum level of balances.

Members are also asked to approve the series of measures to curb spend in 2014/15 and 2015/16, to be implemented with effect from 1 December 2014.

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**IMPLICATIONS:**

**Corporate Aims/Policy Framework:**

Do the proposals accord with Policy Framework? Yes.

**Statement by the s151 Officer:**

The report has been prepared in accordance with all relevant Codes of Practice. There may be risks arising from remedial action and the proposed series of measures taken to address the budget position; these will be identified by Directors at the quarterly Star Chamber meetings.

**Statement by Executive Director of Resources & Regulation:**

Successful budget monitoring provides early warning of potential major overspends or underspends against budgets which Members need to be aware of.

This report draws attention to the fact that, based on the most prudent of forecasts, several budget hotspots exist which will need remedial action.

Members and officers will be examining these areas in more detail at the Star Chambers.

This report is particularly significant as it informs Members of the baseline financial position from which the Council sets its 2015/16 budget.

**Equality/Diversity implications:**

No

**Considered by Monitoring Officer:**

Budget monitoring falls within the appropriate statutory duties and powers and is a requirement of the Council's Financial Regulations to which Financial Regulation B: Financial Planning 4.3. (Budget Monitoring and Control) relates. The report has been prepared in accordance with all relevant Codes of Practice.

**Are there any legal implications?**

Yes

**Wards Affected:**

All

**Scrutiny Interest:**

Overview & Scrutiny Committee

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**TRACKING/PROCESS****ASSISTANT DIRECTOR: Steve Kenyon**

Chief Executive/ Strategic Leadership Team	Cabinet	Overview & Scrutiny Committee	Council	Ward Members	Partners
<b>10/11/14</b>	<b>26/11/14</b>	<b>03/12/14</b>			

**1.0 INTRODUCTION**

- 1.1 This report informs Members of the forecast outturn for 2014/15, based upon current spend for the period 1 April 2014 to 30 September 2014, in respect of the revenue budget, capital budget and the Housing Revenue Account.
- 1.2 Projections are based on current trends, information, and professional judgement from service managers and finance staff.
- 1.3 The revenue budget projections highlight the fact that budget pressures do still exist in some key areas and it will be necessary to continue to examine options for improving the situation further. A series of measures has been proposed to curb spend in 2014/15 and these are detailed in paragraph 3.7 on page 4.

**2.0 BUDGET MONITORING PROCESSES**

- 2.1 Reports are presented quarterly to facilitate close monitoring of spend and implementation of action plans during the year.
- 2.2 Reports are also presented to the Strategic Leadership Team on a monthly basis and detailed monitoring information is also discussed at Star Chamber meetings during the year.
- 2.3 It is intended that improvements will continue to be made to the budget monitoring process, building on the significant developments implemented over the past few years.

**3.0 SUMMARY OF REVENUE BUDGET POSITION**

- 3.1 The table below outlines the annual budget and forecast outturn based upon known factors and the professional views of service managers as at month 6:

<b>Department</b>	<b>Budget £000</b>	<b>Forecast £000</b>	<b>Variance £000</b>
Communities & Wellbeing	69,157	69,777	<b>+620</b>
Resources & Regulation	4,156	5,021	<b>+865</b>
Children, Young People & Culture	33,985	35,430	<b>+1,445</b>
DCN Residual	145	(172)	<b>(317)</b>
Non Service Specific	36,326	35,172	<b>(1,154)</b>
<b>TOTAL</b>	<b>143,769</b>	<b>145,228</b>	<b>+1,459</b>

- 3.4 The projected overspend of **£1.459m** represents approximately **1.01%** of the total net budget of £143.769m.

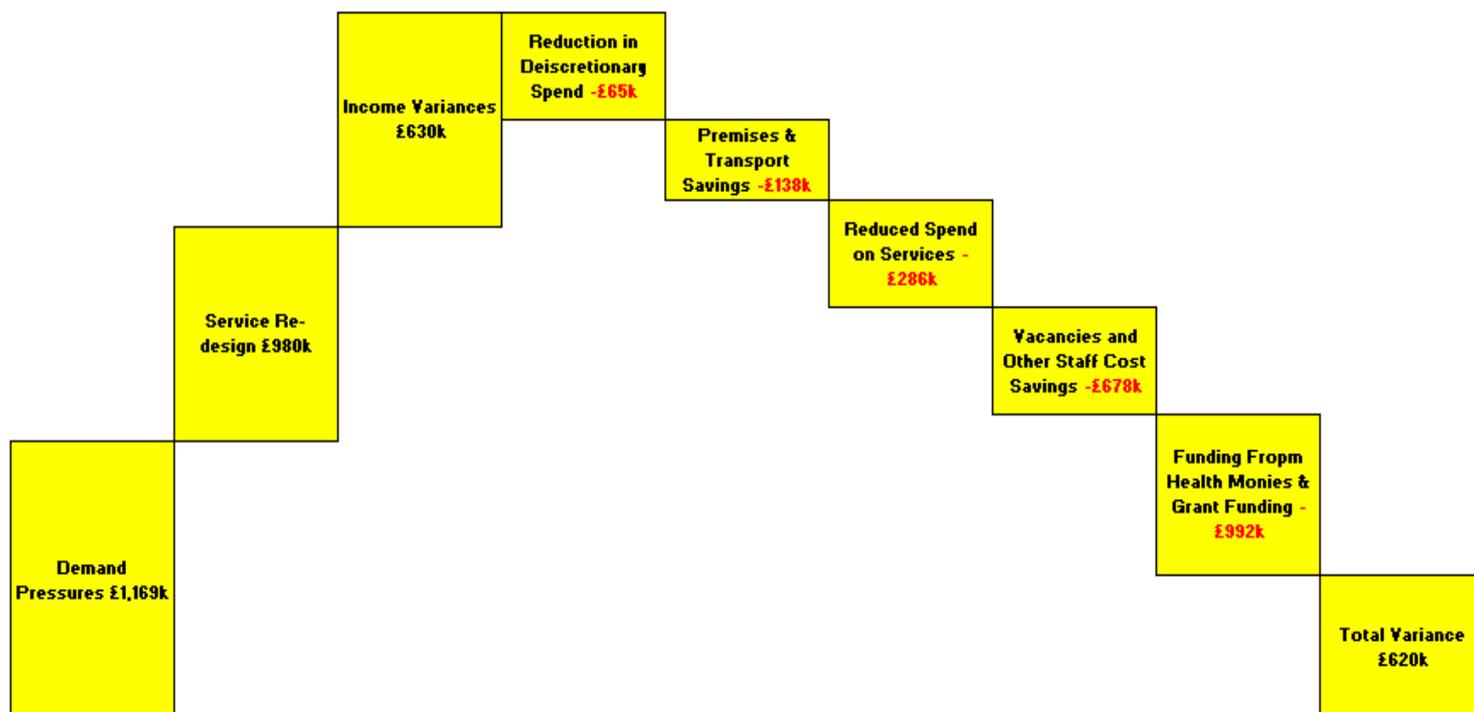
- 3.5 Members need to be aware that financial reporting involves an element of judgement, and this particularly applies to the treatment of budget pressures. Often an area of overspending identified at this point in the year will resolve itself before the end of the year following appropriate remedial action.
- 3.6 However it is felt appropriate to alert Members to potential problems at this stage so that they can monitor the situation and take ownership of the necessary remedial action and this is the basis on which the report is written.
- 3.7 In the light of the severity of the financial position a number of management actions are proposed to be implemented from 1 December, 2014. These include:
- Freeze on external recruitment (exceptions to be signed off by Head of Human Resources & Organisational Development); internal recruitment will continue to support the redeployment process.
  - Relaunch Work Life Balance options around reduced hours / purchase of leave;
  - Cease all but essential spend on stationery, office equipment etc.;
  - Any spend >£500 to be signed off by Executive Director.
- 3.8 In addition, Executive Directors have also been asked to;
- Review the use of all casual / agency staff / consultants
  - Review arrangements for overtime / additional hours
  - Review training commitments
  - Review spend on IT / Communications
- 3.9 It is anticipated that implementation of these measures will restrict spend in the final third of the financial year and ease the pressure on the 2014/15 budget.
- 3.10 It is also proposed that these measures continue into 2015/16 and are reviewed upon examination of the Q1 position.

## **4.0 SERVICE SPECIFIC FINANCIAL MONITORING**

### **4.1 COMMUNITIES AND WELLBEING**

- 4.1.1 The current projected overspend for Communities and Wellbeing is **£0.620m**, which is 0.89% of the Department's net budget of £69.157m
- 4.1.2 Reasons for major variations are illustrated in the chart overleaf;

Month 6 Cost Bridge



4.1.3 Further details by service area are outlined below, along with remedial action being taken.

Theme	ACS/C&N	Variance £'000	Reason	Action Being Taken
<b>Demand Pressures</b>	Adult Care	+1,169	Demand pressures: Care in the Community budgets particularly around Domiciliary Care, Residential Care and Self Directed Support Budgets (+£992k). Deprivation of Liberty Safeguards (+£120k). Reablement Service (+£45k). Other small demand pressures on individual budgets (+£12k).	A range of preventative strategies continue to be introduced to manage this demand, such as reablement, triage, improved screening, 'signposting', and crisis response as well as a programme of training for front line staff around efficient support package planning. In addition, all existing high & medium cost care packages are kept under regular review.
	Communities & N'hoods	0		
	<b>Sub Total</b>	<b>+1,169</b>		

<b>Service redesign</b>	Adult Care	+781	<p>A number of service areas have yet to achieve 14/15 savings target against specific schemes:</p> <p>Business and Development (+£489k).                      Finance (+£89k).                      Workforce (+£22k).                      Operations (+£181k).</p>	<p>An Action plan is being developed by senior management for each of the service areas, ensuring the savings targets are achieved during 2014/15 at least on a temporary basis in the first instance, with longer term plans to achieve full year effect from 2015/16 onwards.</p>
	Communities & N'hoods	+199	<p>Civic Halls savings from self management and extra income target not likely to be achieved based on current projections (+£39k).</p> <p>Delay in new Leisure Centres project (+£91k).</p> <p>Savings target on communities not yet identified (+£9k).</p> <p>Sports Development savings not identified (+£60k).</p>	<p>Continue to market &amp; promote service and assess income &amp; profitability of activities/events.</p> <p>Saving expected in future years if project proceeds.</p> <p>Review levels of spend.</p> <p>Offset by underspends if possible or use other savings transferred to reserves to offset cost pressure in short term.</p>
	<b>Sub Total</b>	<b>+980</b>		
<b>Income variances</b>	Adult Care	+83	<p>Adult learning grant reduction (+£30k).</p> <p>Internal Recruitment agency additional income expectation (-£22k).</p> <p>Shortfall in Supporting People Income (+£75k).</p>	<p>Planned reduction in spending levels in line with the grant receivable.</p> <p>This is a good news story for CWB and the hope is that further income can be generated from increased activity of the internal recruitment agency.</p> <p>Supporting People recovery action plan is being developed by senior management team.</p>

	Communities & N'hoods	+547	<p>Adult learning grant reduction (+£30k).</p> <p>Difficulty in meeting beverage service/café income target (+£56k).</p> <p>Civic Halls surplus below target (+£92k).</p> <p>Shortfall on pest control income reduced to (+£10k).</p> <p>Leisure income not meeting targets, including income lost during closure of Radcliffe Pool for repairs (+£274k).</p> <p>Transport Services income forecast to exceed budget (-£114k).</p> <p>Shortfalls on bulky waste income (+£48k) and trade waste income (+£145k).</p> <p>Other variances (+£6k).</p>	<p>Reduce spend levels.</p> <p>Offset as much as possible by reducing spend.</p> <p>Continue to market &amp; promote service and assess income &amp; profitability of activities/events.</p> <p>Continue to review service to see if remaining deficit can be eradicated.</p> <p>Offset as much as possible by reducing spend. Savings to date are shown below.</p> <p>Use to offset other overspends.</p> <p>Offset by underspends elsewhere in the service.</p>
	<b>Sub Total</b>	<b>+630</b>		
<b>Reduced Discretionary Spend</b>	Adult Care	0		
	Communities & N'hoods	-65	<p>Shortfall of income on Exam fees in adult learning (+£22k).</p> <p>Reduced spend at Leisure Centres (-£72k).</p> <p>Forecast underspend on caddy liners, after budget saving target taken into account (-£112k).</p> <p>Forecast overspend on budget for bulking up waste at Fernhill and costs of disposing of leaf clearance waste (+£78k).</p> <p>Other variances, including forecast extra waste collection costs (+£19k).</p>	<p>Use net savings to offset overspends.</p> <p>Monitor service and review arrangements as required.</p> <p>Overspends are offset by forecast savings on staff costs.</p>
	<b>Sub Total</b>	<b>-65</b>		

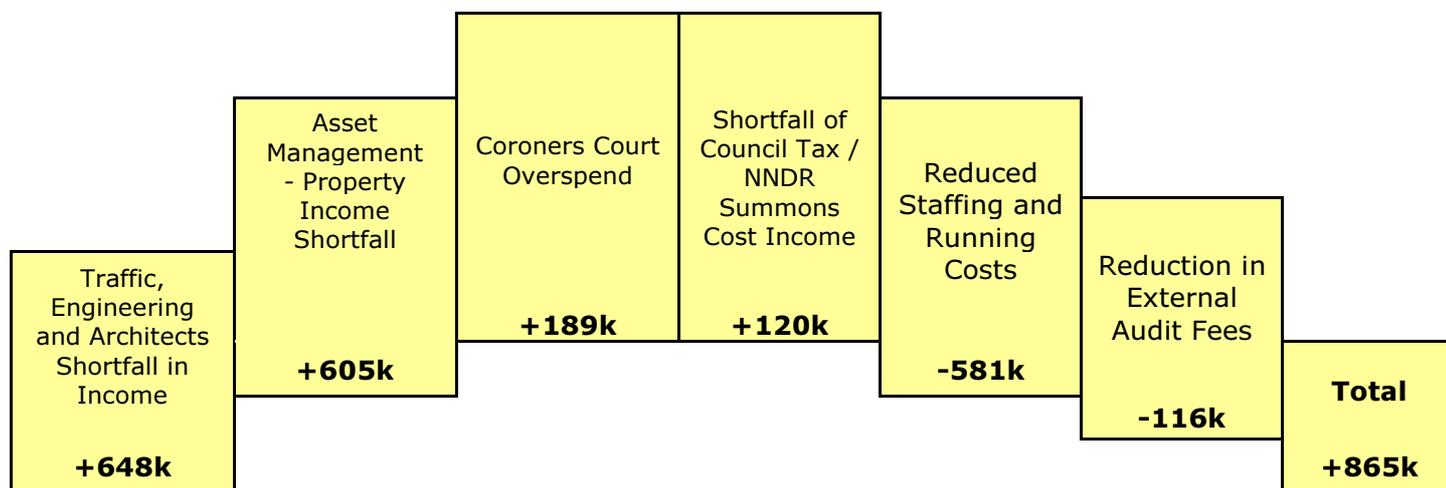
<b>Reduced Spend on Services</b>	Adult Care	-286	<p>Reduce spend activity on Carers services budget (-£175k).</p> <p>The non start of 2 schemes within preventing homelessness budgets (-£20k).</p> <p>Underspend on Utilities (-£27k).</p> <p>Commissioning Contracts (-£26k).</p> <p>Mental Health Home treatment service (-£38k).</p>	Forecast underspends may be used to offset pressure within other areas of adult care service budgets.
	Communities & N'hoods	0		
	<b>Sub Total</b>	<b>-286</b>		
<b>Premises &amp; transport cost savings</b>	Adult Care	0		
	Communities & N'hoods	-138	Underspends on transport repairs, hire & leasing costs (-£126k) plus (-£12k) other minor variances.	Use savings to offset overspends.
	<b>Sub Total</b>	<b>-138</b>		
<b>Vacancies and Other Staff Cost Savings</b>	Adult Care	-388	<p>The following service areas are reporting underspends largely as a result of staffing vacancies:</p> <p>Business and Development (-£236k).</p> <p>Commissioning (-£89k).</p> <p>Workforce (-£18k).</p> <p>Operations (-£45k).</p>	Forecast underspend will be used to offset pressure within other areas of adult care service budgets.
	Communities & N'hoods	-290	<p>Savings on adult learning staffing, to offset lower income levels (-£22k).</p> <p>Reduced spend on Leisure Centre staff during closures (-£100k).</p> <p>Extra costs of grounds seasonal staff kept on as grass cutting extended due to warm weather conditions (+£25k).</p> <p>Savings from secondments in park ranger service and pest control (-£17k).</p> <p>Transport salary savings - reduced overtime/standby, vacancies &amp; flexible</p>	Use savings to offset overspends.

			retirements (-£16k). Underspendings on waste management employees (-£141k). Savings from industrial action across all services (-£19k).	
	<b>Sub Total</b>	<b>-678</b>		
<b>Funding from Health Monies &amp; Grant Funding</b>	Adult Care	-992	Funding to support the demand pressures of the Care in the Community budgets (-£992k).	Utilisation of historic underspends from Adult Care Specific Grants and a contribution of the Health monies towards the demand pressures within Community Care are ensuring that the net expenditure is balanced in year.
	Communities & N'hoods	0		
	<b>Sub Total</b>	<b>-992</b>		

#### 4.2 RESOURCES AND REGULATION

4.2.1 The Resources & Regulation Department is forecasting an overall overspend of **£0.865m**, or 20.8% of a net budget of £4.156m.

4.2.2 Reasons for major variations are illustrated in the chart below;



4.2.3 Reasons for major variations are illustrated in the table below;

Activity	Variance £'000	Reason	Action Being Taken
Shortfall in Income	+648		
	Made up of:		
Traffic & Engineering	+444	Estimated shortfalls in income relating to on and off-street parking and parking fines (+£218k), Greater Manchester Road Activities Permit Scheme (GMRAPS) (+£97k), coring (£30k), bus lane enforcement (+£29k), traffic management severance pay (+£15k) and delayed savings from Engineering management restructure (+£55k).	<p>Monitor income levels, adjust expenditure and targets where possible and review staff resources allocated to GMRAPS.</p> <p>Severance pay and management restructure delayed savings are one-offs to achieve planned savings longer term.</p>
Architects	+204	Estimated shortfall in income target due to the reduction in tender levels that reflect the economic climate, this reduces the overall fees chargeable for the same amount of input. There has been a reduction in large projects and increases in time charge activity; this limits the potential for surplus income. The projection is in line with outturn for the past few years.	<p>Reduce expenditure through efficiencies and increase fee levels where possible.</p> <p>Proportion of budgeted surplus is not sustainable against the current expenditure level.</p>

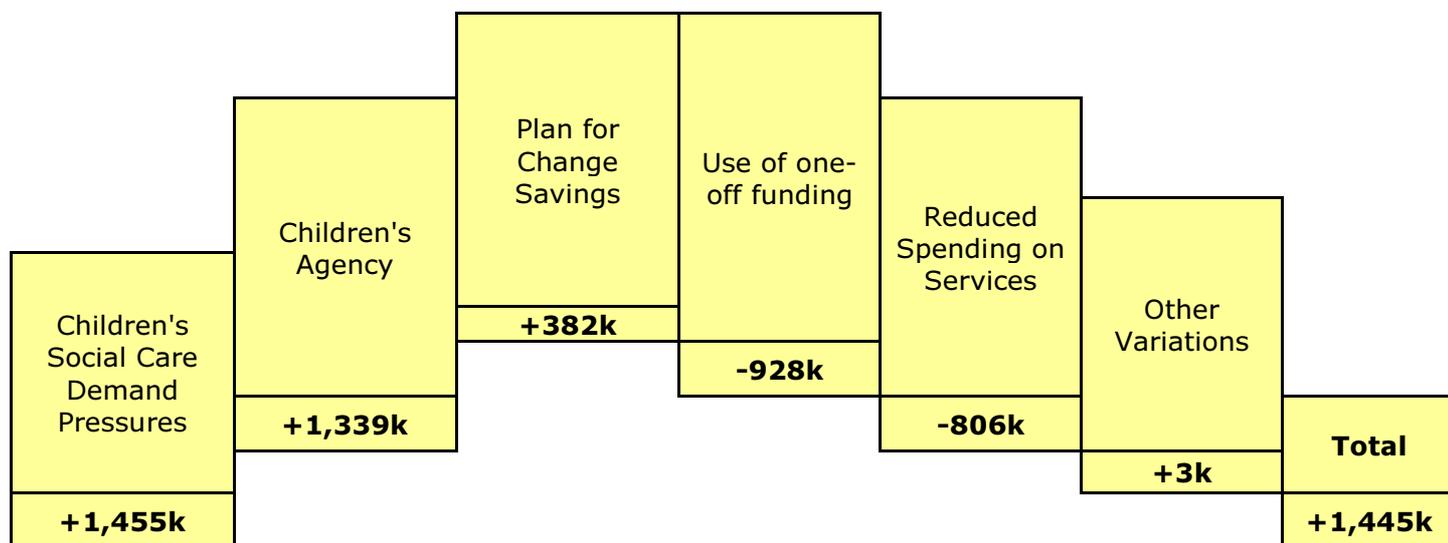
<p>Property Services Shortfall in Income</p>	<p>+605</p>	<p>Shortfall in income due to reduced occupancy levels.</p> <p>Should all of the properties within the non-operational property portfolio be let, the level of current market rents is such that the income budgets would still not be achieved.</p>	<p>Although most of the units at Bradley Fold that were vacated in 2011/12 have now been re-let, rents are significantly lower than what were achieved before the economic downturn. A number of units which were previously let have now been demolished owing to their poor condition. and business cases are being looked at for redevelopment viability.</p> <p>The accounts for the Mill Gate Centre have been scrutinised in detail to ensure that all monies properly due to the Council are being paid and this will be an ongoing process.</p> <p>A report was approved by Cabinet on 3<sup>rd</sup> September which proposed the acquisition of secure property investments and the disposal of poorly performing assets. This would increase revenue income to the Council and achieve greater returns than monies currently held in other investments.</p>
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Coroners Court Costs	+189	The projected overspend is primarily on salaries due to the need to deal with an increase in the number of inquests and the need to clear backlog.	A restructure of the service is due with a view to returning to within budget.
Summons Costs	+120	Summons costs income for council tax and business rates are forecast to under-recover against historically over-inflated income budget targets.	Internal measures being taken to improve the income recovery rate.
Reduced Staffing and Running Costs	-581	Vacant posts not filled and tightening of controllable expenditure across the department.  Salaries savings in Internal Audit and Accountancy (£91k), Customer Support & Collections (£147k), reduced use of locums (£85k), HR (£76k), Mayoral Costs (£14k), Planning & Development (£69k) plus savings on Members Allowances (£81k), Admin Buildings (£69k), Community Safety (£50k) and Depot /Stores (£35k). These are offset by projected overspends within Municipal Elections (£84k) and Register of Electors (£52k).	To be used to assist in reducing the estimated overspend within the department in 2014/15 and part included within the 2015/16 savings.
External Audit Fees	-116	Lower than budgeted costs received from KPMG.	To be used to assist in reducing the estimated overspend within the department in 2014/15 and to be included as part of the 2015/16 savings.

### 4.3 CHILDREN’S, YOUNG PEOPLE AND CULTURE

4.3.1 The overall Children’s, Young People & Culture budget is currently projecting an overspend of **£1.445m**, or 4.25% based on net budget of £33.985m.

4.3.2 Reasons for major variations are illustrated in the chart below;



4.3.3 Further details of the major variations are provided in the table below:

Activity	Variance £'000	Reason	Action Being Taken
Social Care Demand Pressures	+1,455		
	Made up of:		
Leaving Care	+480	Spending on housing and further education of 19+ students who have now left our care.	The overspend remains at similar levels to the previous year due to housing costs. Additional costs are expected for the void costs for properties earmarked for the HEN Project.
Advice & Assessment	+596		Overspend due to agency social workers currently forecast for the full year, 2 agency Social workers are covering sickness/maternity, 13 are above establishment and have been brought in to bring caseload numbers into line with Ofsted recommended quotas.
Safeguarding	+68		The overspend is predicted due to agency social workers covering vacancies, this could reduce if they are successful in recruiting.

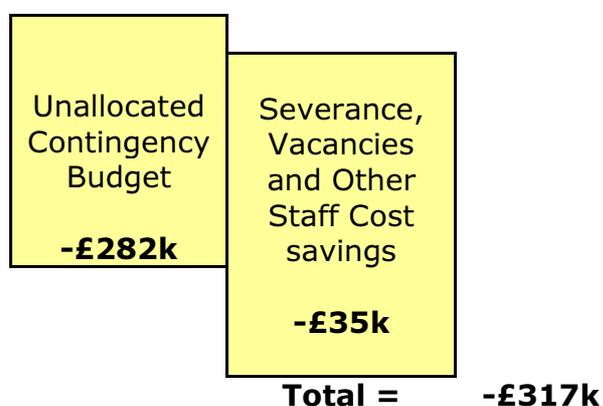
Children & Young people in Care	+62		Forecast overspending of £62,000 due to an establishment shortfall, honorarium and Agency staff to cover sickness.
Fostering & Adoption	+249		The overspend is due to the payments to carers. The number of carers has increased from 76 in 2013 to 89 in April 2014, plus there has been an increase in the number of looked after children. The overspend has reduced due to more accurate information regarding the payments to carers.
Demand pressures - Children's Agency Placements	+1,339	Continuing increased Demand	<p>A range of preventative strategies have been /are being introduced to try to minimise future spending, with all high and medium cost care packages being rigorously reviewed. It is estimated that during the forthcoming months this overspend will continue to reduce the cost burden on this highly volatile budget.</p> <p>However, there is no guarantee that the total expenditure will be reduced as unknown future demand pressures could have a significant impact on the budget.</p> <p>Children, Young People &amp; Culture constantly strive to minimise the costs of each placement, which are amongst the lowest in the north-west, but it is extremely difficult to contain a budget that is subject to such significant and variable demand pressures.</p>

Plan for Change Savings	+382		
	Made up of:		
Home to School and College pupils & students with SEN	+310	The demand for SEN Transport is similar to last year.	The transport schedules for the 2014-15 academic year have now been calculated resulting in a forecast overspend. These additional costs are partially offset by savings on bus escorts
Libraries	+22		School library services have ceased however there are still associated service costs.
School Crossing Patrol	+50		Plan for Change savings 2013/14 not implemented.
Use of previous year's monies	-928	Previous years' underspending of external grant monies brought forward	Prior year grant balances being used to offset overspending elsewhere within the department.
Reduced Spending on Services	-806		
	Made up of:		
School Attendance	-120		Higher than anticipated buy-back income and penalty notice income.
Youth Service	-75		Savings identified on youth projects used to offset the shortfall on salaries.
Children's centres and Early Help	-117		General efficiencies and reduced spending
Management & Administration	-494		General efficiencies and reduced spending, coupled with continued innovative use of external funding Additionally savings on early retirement/pension costs and additional buy-back income on traded services.
Other	+3		Minor variances

#### 4.4 COMMUNITIES AND NEIGHBOURHOODS - RESIDUAL

4.4.1 There is a projected underspend of £0.317m on former DCN costs against a budget of £145,000.

4.4.2 The main reasons are shown in the chart below:



4.4.3 Further details are provided in the table below;

Activity	Variance £'000	Reason	Action Being Taken
Severance, vacancies and other staff cost variances.	-282	Salary savings of £80k in 2014/15 from approved VER/VES applications.  Savings of £2k from industrial action.  Provision in budget for severance costs (£200k) currently uncommitted.	Full year impact of savings from approved VERS will be used in 2015/16 to reduce the need to make alternative cuts in services.  Budget may be required later in the year if further VER/VES applications are received and approved.
Uncommitted contingency budget	-35	Budget set aside to meet unforeseen costs. Underspend reduced as £70,000 transferred to Communities & Wellbeing to offset savings target in Leisure Services.	Use remaining budget to offset other overspends.

#### 4.5 NON-SERVICE SPECIFIC

4.5.1 There is a forecast net underspend of **£1.154m**, or 3.18% based on net budget of £36.326m. This relates primarily to the Council's Treasury Management activity (see Section 8.0, page 20 for further details), reduced forecast for use of provisions (£0.9m) and a slightly higher than expected airport dividend (£84k) offset by increased annual subscription costs and contributions (£130k).

## 5.0 CAPITAL BUDGET

### 5.1 Capital Programme

5.1.1 The revised estimated budget for the Capital Programme 2014/15 at the end of September, Month 6, is shown in the table below:

2014/15	£m
Original Capital Programme	24.284
Approved Slippage from 2013/14	16.126
In Year Adjustments and Contributions	0.485
<b>Revised Capital Allocation at Quarter 2</b>	<b>40.895</b>
Estimated re-profiled projects into 2015/16	(10.441)
<b>Revised working budget for Year at Qtr 2</b>	<b>30.454</b>

5.1.2 The expenditure and funding profile for the Capital Programme together with a detailed breakdown of the Original Approved Programme, the Revised Estimate, Forecast Outturn, Actual Spend up to end of Month 6, and the estimated under/over-spend of the capital programme for 2014/15, is shown in Appendix A.

5.1.3 Members should note that given the complexity and size of some of the larger schemes currently in the Council's Capital Programme the information received from budget holders can vary significantly from one quarterly report to the next and should be read in this context.

5.1.4 At the end of Quarter 2, a total of **£10.441m** of the 2014/15 budget has been identified for re-profiling to 2015/16. Most of this amount is attributed to Children's Services Projects where the schemes are funded mainly by grants from Department of Education to a total of £7.337m.

5.1.5 The Urban Renewal scheme on the Radcliffe Empty Property Pilot is indicated to slip £0.418m into 2015/16 due to time limited grant allocation from HCA that will support the 2014/15 budget. The remainder is attributable to Highways schemes with a total of £0.833m for the Street Lighting Invest to Save scheme, £0.219m for the Traffic Calming schemes and a further £0.475m on the A56 Prestwich Village Corridor Improvements. Further details are awaited from Transport for Greater Manchester on the proposed delivery of Radcliffe Town Centre Bus Station Relocation and at Quarter 2 it is expected that £0.900m (being the Council contribution towards the overall cost) will slip into 2015/16.

### 5.2 Expenditure

5.2.1 The Forecast Outturn as at Month 6 is **£29.753m** and Budget Managers have reported that they expect to spend up to this amount by 31 March 2015.

5.2.2 The actual expenditure incurred at the end of Month 6 totals **£7.784m**.

5.2.3 The main areas that have recorded expenditure in the second quarter are:

- Property Redevelopment Schemes £0.711m
- Children’s, Young People and Culture £2.216m
- Older People schemes £0.278m
- Urban Renewal (Disabled Facilities Grants) £0.305m
- Highways Maintenance £0.727m
- Housing Public Sector £2.514m

## 5.3 Variances

5.3.1 Appendix A provides details of variances for each scheme based on information received from budget managers showing a projected underspend for the Programme of £0.701m at Month 6.

5.3.2 This amount is the balance of several larger schemes in the programme that are in the process of finalising details. Any schemes forecasted to overspend are monitored and analysed with remedial action taken if required as soon as the scheme’s details for expenditure and funding availability are finalised.

## 5.4 Funding

5.4.1 The funding profile included in Appendix A shows the resources available to cover the capital programme during 2014/15.

5.4.2 The principal source of funding for Capital schemes approved for the 2014/15 programme is from external resources together with resources unspent and carried forward from previous years.

5.4.3 The position of the capital receipts and borrowing as at the end of Month 6 is reported below. The figures in the table show the total funding requirement for the revised estimated capital programme inclusive of potential slippage into 2015/16 and the expected resources to be supported by the Council as at the end of Quarter 2 of the year.

<b>2014/15 Use of Council Resources for Capital Investment</b>	<b>£m</b>
Revised Capital Programme allocation for the year	40.895
Use of external funding and contributions	35.549
<b>Balance of programme relying on Council resources</b>	<b>5.346</b>
Use of Capital receipts and earmarked reserves	0.905
Use of Prudential Borrowing (2014/15 approved Invest to Save schemes)	0.886
Use of Prudential Borrowing (2013/14 schemes brought forward)	3.555
<b>Total Council Resources used to support the Capital Budget for Year</b>	<b>5.346</b>

## 5.5 Capital Programme Monitoring

5.5.1 The programme is monitored closely during the year by the Capital Programme Monitoring Group and Management Accountancy with an aim to deliver schemes on cost and time with minimum potential slippage into 2015/16.

## 6.0 HOUSING REVENUE ACCOUNT

- 6.1 The Housing Revenue Account (HRA) relates to the operation of the Council's housing stock and can be viewed as a landlord account. It is required by statute to be accounted for separately within the General Fund and is therefore effectively ring-fenced.
- 6.2 The latest estimates show a projected surplus (working balance carried forward) of £1.000m at the end of 2014/15. The projected outturn shows a working balance carried forward of £0.706m. See Appendix B.
- 6.3 There are a number of variations that contribute to the projected outturn position however the only area where the variance exceeds 10% and £50k is Interest receivable – on balances. The projected reduction in income of £0.079m reflects the lower rate of interest achieved in the last financial year and the projected reduction in the working balance for the current year.
- 6.4 The two main impacts on the HRA year-end balance are normally **void levels** and the **level of rent arrears**, but levels of **Right to Buy sales** can also be a major influence on the resources available.

### **Voids:**

The rent loss due to voids for April to September was on average 2.24% compared to a void target level set in the original budget of 1.8%. If this level continues for the rest of the year there would be a reduction in rental income of around £0.130m; the projection of rental income in Appendix B has been calculated on this basis.

Six Town Housing have started a review looking at the voids processes and the various factors affecting demand.

### **Arrears:**

The rent arrears at the end of September totalled £0.980m, an increase of 15.2% since the end of March. Of this total £0.413m relates to former tenants and £0.567m relates to current tenants.

The Council is required to make a provision for potential bad debts. The contribution for the year is calculated with reference to the type of arrear, the amount outstanding on each individual case and the balance remaining in the provision following write off of debts.

Based on the performance to the end of September, projected for the full year, this provision would require an additional contribution of £0.238m to be made.

The 2014/15 HRA estimates allow for additional contributions to the provision totalling £0.614m, £0.184m for uncollectable debts and £0.430m to reflect the potential impact that welfare benefit changes could have on the level of rent arrears. Therefore there is a potential underspend of £0.376m. The projected outturn has not been amended to reflect this as the impact of further benefit changes needs to be assessed and the level of rent arrears is volatile.

### **Right to Buy Sales:**

From April 2012 the maximum Right to Buy discount increased from £26,000 to £75,000.

This has resulted in an increase in the number of applications and ultimately sales. There were 13 sales in 2012/13 and this increased to 40 sales last year.

The forecast for 2014/15 was set at 42, this being the level of sales assumed for Bury in the Government’s self-financing valuation.

From July 2014 the maximum Right to Buy discount increased from £75,000 to £77,000 and the maximum percentage discount on houses increased from 60% to 70% (in line with the discounts allowed on flats). These changes may increase the number of applications and sales but it is too early after the changes to quantify this.

The number of sales has a direct effect on the resources available to the HRA – the average full year rent loss for each dwelling sold is around £3,800.

- 6.5 There have been 19 sales in the period April to September. Currently the number of sales is not expected to differ significantly from the forecast. The rental income projections will be revised at the end of the third quarter should the level of applications and sales suggest this is necessary.

## 7.0 PRUDENTIAL INDICATOR MONITORING

- 7.1 It is a statutory duty for the Council to determine and keep under review the “Affordable Borrowing Limits”. The authority’s approved Prudential Indicators (affordability limits) for 2014/15 is outlined in the approved Treasury Management Strategy Statement.
- 7.2 The authority continues to monitor the Prudential Indicators on a quarterly basis and Appendix C shows the original estimates for 2014/15 (approved by Council on 19 February 2014) with the revised projections as at 30 September 2014. The variances can be seen in the Appendix together with explanatory notes. The Prudential Indicators were not breached during the first six months of 2014/15.

## 8.0 TREASURY MANAGEMENT

### 8.1 Investments:

- 8.1.1 At the 30th September 2014 the Council’s investments totalled £59.1 million and comprised:-

Type of Investment	£ Million
Call Investments (Cash equivalents)	12.8
Fixed Investments (Short term investments)	46.3
<b>Total</b>	<b>59.1</b>

- 8.1.2 All investments were made in line with Sector’s suggested credit worthiness matrices and the approved limits within the Annual Investment Strategy were not breached during the first quarter of 2014/15.
- 8.1.3 The Council has earned the following return on investments:  
 Quarter 1 0.67%

Quarter 2 0.57%

8.1.4 This figure is higher than Sector’s suggested budgeted investment earnings rate for returns on investments, placed for periods up to three months in 2014/15, of 0.50%

**8.2 Borrowing:**

8.2.1 Due to the overall financial position and the underlying need to borrow for capital purposes (the capital financing requirement – CFR), new temporary external borrowing of £3m was undertaken in the quarter to 30<sup>th</sup> September 2014.

Lender	Rate	Amount	Start Date	End Date
Police Authority	0.40	3m	07/07/2014	31/03/2015

8.2.2 At 30th September 2014 the Council’s debts totalled £210.943 million and comprised:-

	30th Sept 2014		
	Principal		Avg. Rate
	£000	£000	
<b>Fixed rate funding</b>			
PWLB Bury	146,362		
PWLB Airport	4,078		
Market Bury	57,500	207,940	
<b>Variable rate funding</b>			
PWLB Bury	0		
Market Bury	0	0	
<b>Temporary Loans / Bonds</b>	3,003	3,003	
<b>Total Debt</b>		<b>210,943</b>	<b>3.96%</b>

8.2.3 The overall strategy for 2014/15 is to finance capital expenditure by running down cash/investment balances and taking shorter term borrowing rather than more expensive longer term loans. With the reduction of cash balances the level of short term investments will fall. Given that investment returns are likely to remain low for the financial year 2014/15, then savings will be made by running down investments and taking shorter term loans rather than more expensive long term borrowing.

8.2.4 It is anticipated that no further borrowing will be undertaken during this financial year.

**9.0 MINIMUM LEVEL OF BALANCES**

9.1 The actual position on the General Fund balance is shown in the following table:

	£m
<b>General Fund Balance 31 March 2014 per Accounts</b>	<b>11.580</b>
Less : Minimum balances to be retained in 2014/15	-4.500
Less : Contribution towards cost of Equal Pay	-1.500
Less : Forecast overspend	-1.459
<b>Available balances at 1 April 2014</b>	<b>4.121</b>

- 9.2 Based on the information contained in this report, on the risk assessments that have been made at both corporate and strategic level, on the outturn position for 2014/15 and using information currently to hand on the likely achievement of savings options, it is clear that there is no reason to take the minimum level of balances above the existing level of £4.500m.
- 9.3 In light of the above assessment it is recommended that the minimum level of balances be retained at **£4.500m**.
- 9.4 Members are advised that using available balances to fund ongoing expenditure would be a breach of the Council's Golden Rules. Likewise, Members are advised that the Authority faces significant funding reductions in the future, and balances are likely to be required to fund one-off costs of service transformation.

### **10.0 EQUALITY AND DIVERSITY**

- 10.1 There are no specific equality and diversity implications.

### **11.0 FUTURE ACTIONS**

- 11.1 Budget monitoring reports will continue to be presented to the Strategic Leadership Team on a monthly basis and on a quarterly basis to the Cabinet; Overview & Scrutiny Committee; and Audit Committee.
- 11.2 Q1 Star Chamber meetings have already been held and Q2 meetings are scheduled to take place in November 2014.

**Councillor Mike Connolly,  
Leader of the Council and Cabinet Member for Finance**

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#### **List of Background Papers:-**

Finance Working Papers, 2014/15 held by the Assistant Director of Resources & Regulation (Finance & Efficiency).

#### **Contact Details:-**

*Steve Kenyon, Assistant Director of Resources & Regulation (Finance & Efficiency), Tel. 0161 253 6922, E-mail: [S.Kenyon@bury.gov.uk](mailto:S.Kenyon@bury.gov.uk)*

Month 6 - 2014/15

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)		Notes
		2014/15 Original Estimate £000's	Revised Estimate Before Reprofile £000's	Reprofiled to Future Years £000's	Revised Estimate After Reprofile Col.4-Col.5 £000's	Forecast Outturn 2014/15 £000's	Month 06 Actual £000's	Year End Variance / (Underspend) or Overspend Col.5-Col.4 £000's	Month 6 Variance / (Underspend) or Overspend Col.6-Col.5 £000's		
Children, Young People & Culture	Support Services		84		84	94	56	10	(39)	K	
Children, Young People & Culture	DFES - Devolved Formula	500	1,757	(1,099)	658	658	469	0	(189)	J	Spent to takes place over a 3yr rolling programme allocated directly to the budget
Children, Young People & Culture	NDS Modernisation	3,926	11,614	(5,904)	5,711	5,711	1,415	-	(4,296)	J	
Children, Young People & Culture	Access Initiative		62	(28)	34	34	9	0	(25)	K	
Children, Young People & Culture	Targetted Capital Funds		130		130	130	25	0	(106)	K	
Children, Young People & Culture	New Sports Hall - Derby	321	127		127	127	105	0	(22)	K	
Children, Young People & Culture	Children Centres		44	(34)	10	10	0	0	(10)	K	
Children, Young People & Culture	Free School Meal Capital Grant	356	356	(101)	255	255	70	0	(185)	K	
Children, Young People & Culture	Early Education Fund		321	(171)	150	150	26	0	(124)	K	
Children, Young People & Culture	16-19 Demographic Growth Fund	274	447		447	447	0	0	(447)	K	
Children, Young People & Culture	Libraries/Adult Education		109		109	109	42	0	(68)	K	
Communities & Wellbeing	Contaminated Land		31	(22)	9	9	6	0	(3)	K	
Communities & Wellbeing	Air Quality		19	(9)	10	10	10	0	-	K	
Communities & Wellbeing	Improving Info. Management		37		37	36	0	(1)	(36)	K	
Communities & Wellbeing	Learning Disabilities		148		148	183	183	35	(1)	L	reserves to cover slight overspend
Communities & Wellbeing	Mental Health		0		0	0	(41)	0	(41)	K	variance to clear in Mth7
Communities & Wellbeing	Older People	448	548		548	284	278	(263)	(7)	L	Retention and project allocations values by Mth9
Communities & Wellbeing	Empty Property Strategy	199	604	(418)	186	166	16	(20)	(150)	L	Cabinet approved use of commuted sums beyond Radcliffe from 2014/15 onwards
Communities & Wellbeing	GM Green Deal and ECO Deliver Partnership		1,200		1,200	0	0	(1,200)	-	L	Require some slippage; to review position at q3
Communities & Wellbeing	Disabled Facilities Grant	652	989		989	989	305	0	(685)	K	Requires increasing budget to 14/15 - low/variable referral rates
Communities & Wellbeing	Waste Management		337		337	337	0	0	(337)	K	
Communities & Wellbeing	Parks		2		2	2	0	0	(2)	K	
Communities & Wellbeing	Outdoor Tennis Courts Refurbishment		2		2	2	0	0	(2)	K	
Resources & Regulation	Traffic Management Schemes	205	519	(219)	300	300	35	0	(265)	K	
Resources & Regulation	Public Rights of Way	23	40		40	40	1	0	(39)	K	Need to prioritise schemes
Resources & Regulation	Planned Maintenance	1,233	1,582		1,582	1,546	566	(36)	(980)	L	Final fees and retentions details by qtr3
Resources & Regulation	Bridges	445	479		479	429	162	(50)	(268)	L	Land purchase planned / may slip
Resources & Regulation	Street Lighting LED Invest to Save	1,046	1,574	(833)	741	741	99	0	(642)	K	
Resources & Regulation	Traffic Calming and Improvement	500	608	(563)	45	35	35	(10)	0	L	
Resources & Regulation	Planning Environmental Projects	237	603		603	603	35	0	(568)	K	
Resources & Regulation	Planning Development Projects	206	330		330	330	45	0	(286)	K	
Resources & Regulation	Corporate ICT Projects		140	(140)	0	0	0	0	0	K	
Resources & Regulation	Townside Fields - Joint Venture		5		5	5	274	0	269	K	
Resources & Regulation	Depot & Operational Premises		83		83	91	88	8	(3)	K	
Resources & Regulation	Opportunity Land Purchase		109		109	109	0	0	(109)	K	
Resources & Regulation	Demolition of the Rock Fire Station		94		94	94	1	0	(93)	K	
Resources & Regulation	Inwell Street Redevelopment		0		0	53	54	53	0	L	fees only/ long term scheme covered by future capital receipt
Resources & Regulation	Bradley Fold		33		33	33	0	0	(33)	K	
Resources & Regulation	Demolition of Former Police HQ, Inwell Street		22		22	22	19	0	(3)	K	
Resources & Regulation	Bury Market - New Toilets		187		187	215	188	28	(27)	L	more details by qtr3
Resources & Regulation	Radcliffe Town Centre Redevelopment	700	874		874	873	264	(1)	(609)	K	
Resources & Regulation	The Rock Fire Station Redevelopment		4		4	4	0	0	(4)	K	
Resources & Regulation	Radcliffe TC Bus Station Relocation	1,000	1,000	(900)	100	100	64	0	(36)	K	
Resources & Regulation	New Leisure Centre at Knowsley Street		0		0	79	79	79	-	L	fees only/ long term scheme covered by future capital receipt
Resources & Regulation	Bury Open Market extension to polycarbonate roofing		0		0	17	17	17	0	L	details to funding stream awaited
Resources & Regulation	18 Haymaket Street		99		99	99	0	0	(99)	K	
Resources & Regulation	Tile Street Refuse Removal		120		120	120	24	0	(96)	K	
Resources & Regulation	Acquisition of 88 Hollins Lane		0		0	0	0	0	0	K	
Resources & Regulation	Property Management / Sale of Assets		0		0	250	241	250	(9)	L	Offset at year end against realised sales.
Resources & Regulation	ELR Trust		0		0	5	5	5	(0)	K	Trust to meet expenditure as incurred
Housing Public Sector	Disabled Facilities Adaptations	534	557		557	557	137	0	(420)	K	
Housing Public Sector	Major Repairs Allowance Schemes	7,361	8,744		8,744	9,140	2,377	396	(6,763)	L	Over programming in the event of delays and to ensure full allocation
Housing Public Sector	Major Repairs Allowance Schemes	4,119	4,119		4,119	4,119	(1)	0	(4,119)	J	over budget
<b>Total Bury Council controlled programme</b>		<b>24,284</b>	<b>40,895</b>	<b>(10,441)</b>	<b>30,454</b>	<b>29,753</b>	<b>7,784</b>	<b>(701)</b>	<b>(22,670)</b>		

Funding position:

Capital Receipts	205	905	(219)	686	686
Reserve / Earmarked Capital Receipts		320	-	320	365
General Fund Revenue	699	1,295	-	1,295	1,289
Housing Revenue Account		4,653	-	4,653	4,653
Capital Grants/Contributions	9,780	20,514	(10,222)	10,292	10,291
HRM/MRA Schemes	12,014	8,767	-	8,767	8,767
Supported Borrowing	-	-	-	-	-
Unsupported Borrowing	1,586	4,441	-	4,442	3,702
		-	-	-	-
	<b>24,284</b>	<b>40,895</b>	<b>(10,441)</b>	<b>30,454</b>	<b>29,753</b>

Key for budget monitoring reports

Projected Overspend (or Income Shortfall)

	a major problem with the budget	more than 10% and above £50,000
	a significant problem with the budget	more than 10% but less than £50,000
	expenditure/income in line with budget	
	a significant projected underspend (or income surplus)	more than 10% but less than £50,000

	J
	K
	L



### April 2014 - September 2014 Monitor

	2014/15 Original Estimate	2014/15 Latest Estimate	2014/15 Projected Outturn	2014/15 Variation Over/(Under)
	£	£	£	£
<b>INCOME</b>				
Dwelling rents	30,187,600	30,187,600	30,086,000	101,600
Non-dwelling rents	220,800	220,800	206,200	14,600
Heating charges	71,600	71,600	73,700	(2,100)
Other charges for services and facilities	904,100	904,100	928,800	(24,700)
Contributions towards expenditure	53,900	53,900	53,900	0
<b>Total Income</b>	<b>31,438,000</b>	<b>31,438,000</b>	<b>31,348,600</b>	<b>89,400</b>
<b>EXPENDITURE</b>				
Repairs and Maintenance	0	0	0	0
General Management	739,100	739,100	781,800	42,700
Special Services	752,300	752,300	750,900	(1,400)
Rents, rates, taxes and other charges	50,000	50,000	90,000	40,000
Increase in provision for bad debts - uncollectable debts	184,400	184,400	184,400	0
Increase in provision for bad debts - impact of Benefit Reforms	430,400	430,400	430,400	0
Cost of Capital Charge	4,530,300	4,530,300	4,493,000	(37,300)
Depreciation/Impairment of fixed assets - council dwellings	7,361,500	7,361,500	7,361,500	0
Depreciation of fixed assets - other assets	40,500	40,500	41,900	1,400
Debt Management Expenses	40,700	40,700	41,000	300
Contribution to/(from) Business Plan Headroom Reserve	(358,000)	(358,000)	(358,000)	0
<b>Total Expenditure</b>	<b>13,771,200</b>	<b>13,771,200</b>	<b>13,816,900</b>	<b>45,700</b>
<b>Net cost of services</b>	<b>(17,666,800)</b>	<b>(17,666,800)</b>	<b>(17,531,700)</b>	<b>135,100</b>
Amortised premia / discounts	(14,600)	(14,600)	(14,600)	0
Interest receivable - on balances	(164,200)	(164,200)	(84,700)	79,500
Interest receivable - on loans (mortgages)	(1,900)	(1,900)	(1,000)	900
<b>Net operating expenditure</b>	<b>(17,847,500)</b>	<b>(17,847,500)</b>	<b>(17,632,000)</b>	<b>215,500</b>
<b>Appropriations</b>				
Appropriation relevant to Impairment	0	0	0	0
Revenue contributions to capital	4,652,500	4,652,500	4,664,500	12,000
<b>(Surplus) / Deficit before ALMO/SHU payments</b>	<b>(13,195,000)</b>	<b>(13,195,000)</b>	<b>(12,967,500)</b>	<b>227,500</b>
<b>Payments to Six Town Housing / Transfers re Strategic Housing Unit excluded from above</b>				
Six Town Housing Management Fee	12,875,000	12,875,000	12,941,400	66,400
Contribution to SHU Costs	320,000	320,000	320,000	0
<b>Total</b>	<b>13,195,000</b>	<b>13,195,000</b>	<b>13,261,400</b>	<b>66,400</b>
<b>(Surplus) / Deficit after ALMO/SHU payments</b>	<b>0</b>	<b>0</b>	<b>293,900</b>	<b>293,900</b>
<b>Working balance brought forward</b>	<b>(1,000,000)</b>	<b>(1,000,000)</b>	<b>(1,000,000)</b>	<b>0</b>
<b>Working balance carried forward</b>	<b>(1,000,000)</b>	<b>(1,000,000)</b>	<b>(706,100)</b>	<b>293,900</b>

#### key for budget monitoring reports

#### Projected Overspend (or Income Shortfall) of

	a major problem with the budget - more than 10% and above 50K
	a significant problem with the budget - more than 10% but less than 50K
	expenditure/income on line with budget
	a significant projected underspend (or income surplus) - more than 10% but under 50K
	a major projected underspend (or income surplus) - more than 10% and above 50K

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The table below shows the prudential indicators as derived from the Treasury Management Strategy Report for 2014/15 and the Original Budget for 2014/15 as approved at Council in February 2014. The Original Budget for 2014/15 is compared with the Forecast Outturn for 2014/15 as at 30<sup>th</sup> September 2014.

CAPITAL EXPENDITURE	Original Budget 2014/15	Forecast Outturn at 30 Sept 14	Variance	Notes
	£'000	£'000		
<b>Estimate of Capital Expenditure</b>				
Non-HRA	12,270	15,937	29.89%	1
HRA existing expenditure	12,014	13,816		
<b>TOTAL</b>	<b>24,284</b>	<b>29,753</b>		
<b>Estimate of Capital Financing Requirement (CFR)</b>				
Non-HRA	125,551	125,104	(0.36%)	2
HRA existing expenditure	40,531	40,531		
HRA reform settlement	78,253	78,253		
	<b>244,335</b>	<b>243,888</b>		3

AFFORDABILITY	Original Budget 2014/15	Forecast Outturn at 30 Sept 14	Variance	Notes
	£'000	£'000		
Estimate of incremental impact of capital investment decisions				
Increase in council tax (band D, per annum)	-£1.72	£0.00		4
Increase in housing rent per week	£0.00	£0.00		5
Ratio of Financing Costs to net revenue stream				
Non-HRA	3.14%	3.12%	(0.93%)	6
HRA	14.18%	14.18%	0.00%	6
Net External Borrowing only to support the CFR in Medium Term	£'000	£'000		
Net External borrowing over medium term	201,361	201,361		7
Total CFR over Medium Term	242,057	243,888		7
Net External Borrowing < Total CFR	TRUE	TRUE		

EXTERNAL DEBT	Original Budget 2014/15	Forecast Outturn at 30 Sept 14	Variance	Notes
	£'000	£'000		
Authorised limit of external debt				
Borrowing	200,000	199,600		8
Other long term liabilities	7,000	7,000		
HRA reform settlement	79,300	79,300		
<b>TOTAL</b>	<b>286,300</b>	<b>285,900</b>	0.00%	
Operational boundary				
Borrowing	165,000	164,600		8
Other long term liabilities	7,000	7,000		
HRA reform settlement	79,300	79,300		
<b>TOTAL</b>	<b>251,300</b>	<b>250,900</b>	0.00%	

TREASURY MANAGEMENT	Original Budget 2014/15	Forecast Outturn at 30 Sept 14	Variance	Notes
Upper limit for fixed interest rate exposure Net principal re fixed rate borrowing / investments	140%	140%	0%	9
Upper limit for variable rate exposure Net principal re variable rate borrowing / investments	-40%	-40%	0%	9
Upper limit for total principal sums invested for > 364 days	£10 m	£10 m		10
Maturity structure of fixed rate borrowing at 30	Upper/lower limit	Actual		
Under 12 months	40% - 0%	7.02%		
12 months and within 24 months	35% - 0%	2.89%		
24 months and within 5 years	40% - 0%	8.29%		
5 years and within 10 years	50% - 0%	6.70%		
10 years and above	90% - 30%	75.10%		

Notes to the Prudential Indicators:

1. The original budget shows the approved Capital Programme expenditure of £24,284,000. The forecast outturn of £29,753,000 is higher than budget because of slippage from 2013/14.
2. Following the Government announcement to reform the system of financing Council housing, the Authority had to pay the Department for Communities and Local Government £78.253m on the 28<sup>th</sup> March 2012. The Council financed this expenditure by PWLB loans.
3. Capital Financing Requirement relates to all capital expenditure – i.e. it includes relevant capital expenditure incurred in previous years. The Capital financing requirement reflects the authority’s underlying need to borrow.
4. The finance costs related to the increases in capital expenditure impact upon Council tax. The increase in Council Tax reflects the level of borrowing to be taken in 2014/15 to finance current and previous years’ capital expenditure.
5. There is no direct impact of capital expenditure on housing rents as the housing rent is set according to Government formula.
6. The ratios for financing costs to net revenue stream for both General Fund and HRA have remained relatively stable.
7. To ensure that borrowing is only for a capital purpose and therefore show that the authority is being prudent this indicator compares the level of borrowing and capital financing requirement (CFR) over the medium term. The level of borrowing will always be below the CFR.
8. The authorised limit and operational boundary are consistent with the authority’s plans for capital expenditure and financing. The authorised limit is the maximum amount that the authority can borrow.
9. The variable and fixed limits together look at the whole portfolio and will therefore together always show 100% exposure. Variable interest

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rate limit can be positive or negative as investments under 364 days are classed as variable and are credit balances which are offset against debit variable loans. The smaller the balance of investments, the more likely the variable limit will be positive as the variable loan debit balance will be higher than the credit investment balance offset against it.

10. Principal sums invested for periods longer than 364 days have been set at £10 million. The investment balance is estimated to be cash flow driven, however if the opportunity arises that surplus investment balances are available then advantage will be taken of favourable rates.

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<b>REPORT FOR DECISION</b>
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<b>DECISION OF:</b>	<b>CABINET OVERVIEW &amp; SCRUTINY COMMITTEE COUNCIL</b>
<b>DATE:</b>	<b>26 NOVEMBER 2014 9 DECEMBER 2014 10 DECEMBER 2014</b>
<b>SUBJECT:</b>	<b>TREASURY MANAGEMENT STRATEGY – MID YEAR REVIEW 2014/15</b>
<b>REPORT FROM:</b>	<b>LEADER OF THE COUNCIL &amp; CABINET MEMBER FOR FINANCE</b>
<b>CONTACT OFFICER:</b>	<b>STEPHEN KENYON, ASSISTANT DIRECTOR OF RESOURCES (FINANCE AND EFFICIENCY)</b>
<b>TYPE OF DECISION:</b>	<b>COUNCIL</b>
<b>FREEDOM OF INFORMATION/STATUS:</b>	The report is within the public domain
<b>SUMMARY:</b>	<p>This mid year report has been prepared in compliance with CIPFA's Code of Practice, and covers the following:</p> <ul style="list-style-type: none"> <li>• An economic update for the 2014/15 financial year to 30 September 2014</li> <li>• A review of the Treasury Management Strategy Statement and Annual Investment Strategy</li> <li>• The Council's capital expenditure (prudential indicators)</li> <li>• A review of the Council's investment portfolio for 2014/15</li> <li>• A review of the Council's borrowing strategy for 2014/15</li> <li>• A review of any debt rescheduling undertaken during 2014/15</li> <li>• A review of compliance with Treasury and Prudential Limits for 2014/15</li> </ul>

<p><b>OPTIONS &amp; RECOMMENDED OPTION</b></p>	<p>It is recommended that, in accordance with CIPFA's Code of Practice on Treasury Management, the report be noted. That the Counterparty investment limit for Barclays be increased from £10m to £15m to reflect that Barclays will be the Authority's main banker from 2015.</p>
<p><b>IMPLICATIONS:</b></p>	
<p><b>Corporate Aims/Policy Framework:</b></p>	<p>Do the proposals accord with the Policy Framework? Yes</p>
<p><b>Statement by the S151 Officer: Financial Implications and Risk Considerations:</b></p>	<p>Treasury Management is an integral part of the Council's financial framework and it is essential that the correct strategy is adopted in order to ensure that best value is obtained from the Council's resources and that assets are safeguarded.</p>
<p><b>Statement by Executive Director of Resources and Regulation:</b></p>	<p>There are no additional resource implications. Treasury management activities so far have produced a projected underspending for the year of £0.5m. This will help to support other areas of the Council's budget that are under pressure from user demand or economic conditions.</p>
<p><b>Equality/Diversity implications:</b></p>	<p>No</p>
<p><b>Considered by Monitoring Officer:</b></p>	<p>Yes</p>
<p><b>Wards Affected:</b></p>	<p>All</p>
<p><b>Scrutiny Interest:</b></p>	<p>Overview &amp; Scrutiny Committee</p>

**TRACKING/PROCESS**

**DIRECTOR: STEVE KENYON**

Chief Executive/ Strategic Leadership Team	Cabinet Member/Chair	Ward Members	Partners
Yes	Yes	N/a	N/a
Scrutiny Commission		Committee	Council
Overview & Scrutiny Committee			

## 1.0 BACKGROUND

- 1.1 The Council operates a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before considering optimising investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

As a consequence treasury management is defined as:

"The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks".

- 1.2 The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2011) was adopted by this Council on 24 February 2010.

The primary requirements of the Code are as follows:

1. Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
2. Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
3. Receipt by the full council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a **Mid-year Review Report** and an Annual Report (stewardship report) covering activities during the previous year.
4. Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
5. Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Council the delegated body is: Overview & Scrutiny Committee.

- 1.3 This report fulfils the requirement to produce a mid-year review.

## 2.0 ECONOMIC UP-DATE (from Treasury Advisors)

### 2.1 Economic Performance to date

- 2.1.1 After UK GDP quarterly growth of 0.7%, 0.8% and 0.7% in quarters 2, 3 and 4 respectively in 2013, (2013 annual rate 2.7%), and 0.7% in Q1, 0.9% in Q2 and a

first estimate of 0.7% in Q3 2014 (annual rate 3.1% in Q3), it appears very likely that growth will continue through 2014 and into 2015. The manufacturing sector has also seen growth though the latest figures indicate a weakening in the future trend rate of growth. For any recovery to become more balanced and sustainable in the longer term, it needs to move away from dependence on consumer expenditure and the housing market to exporting, and particularly of manufactured goods, both of which need to substantially improve on their recent lacklustre performance.

- 2.1.2 Growth has resulted in unemployment falling faster through the initial threshold of 7%, set by the Monetary Policy Committee (MPC) last August, before it said it would consider any increases in Bank Rate. The MPC has, therefore, subsequently broadened its forward guidance by adopting five qualitative principles and looking at a much wider range of about eighteen indicators in order to form a view on how much slack there is in the economy and how quickly slack is being used up. Most economic forecasters are expecting growth to peak in 2014 and then to ease off a little, though still continue, in 2015 and 2016.
- 2.1.3 There has been a fall in inflation (CPI), reaching 1.5% in May and July, the lowest rate since 2009. Forward indications are that inflation is likely to fall further in 2014 to possibly near to 1%. Overall, markets are expecting that the MPC will be cautious in raising Bank Rate as it will want to protect heavily indebted consumers from too early an increase in Bank Rate at a time when inflationary pressures are also weak. A first increase in Bank Rate is therefore expected in Q1 or Q2 2015 and they expect increases after that to be at a slow pace to lower levels than prevailed before 2008 as increases in Bank Rate will have a much bigger effect on heavily indebted consumers than they did before 2008.
- 2.1.4 Forecasts for the increase in Government debt by £73bn over the next five years, as announced in the 2013 Autumn Statement, and by an additional £24bn, as announced in the March 2014 Budget.
- 2.1.5 First quarter GDP figures for the US were depressed by exceptionally bad winter weather, but growth rebounded in Q2 to 4.6% (annualised). The U.S. faces similar debt problems to those of the UK, but thanks to reasonable growth, cuts in government expenditure and tax rises, the annual government deficit has been halved from its peak without appearing to do too much damage to growth, although the weak labour force participation rate remains a matter of key concern for the Federal Reserve when considering the amount of slack in the economy and monetary policy decisions
- 2.1.6 The Eurozone is facing an increasing threat from weak or negative growth and from deflation. In September, the inflation rate fell further, to reach a low of 0.3%. However, this is an average for all EZ countries and includes some countries with negative rates of inflation. Accordingly, the ECB took some rather limited action in June to loosen monetary policy in order to promote growth. In September it took further action to cut its benchmark rate to only 0.05%, its deposit rate to -0.2% and to start a programme of purchases of corporate debt. However, it has not embarked yet on full quantitative easing (purchase of sovereign debt). Concern in financial markets for the Eurozone subsided considerably during 2013. However, sovereign debt difficulties have not gone away and major issues could return in respect of any countries that do not dynamically address fundamental issues of low growth, international

uncompetitiveness and the need for overdue reforms of the economy, (as Ireland has done). It is, therefore, possible over the next few years that levels of government debt to GDP ratios could continue to rise for some countries. This could mean that sovereign debt concerns have not disappeared but, rather, have only been postponed.

2.1.7 Japan is causing considerable concern as the increase in sales tax in April has suppressed consumer expenditure and growth. In Q2 growth was -1.8% q/q and -7.1% over the previous year. The Government is hoping that this is a temporary blip. As for China, Government action in 2014 to stimulate the economy appeared to be putting the target of 7.5% growth within achievable reach but recent data has raised fresh concerns. There are also major concerns as to the creditworthiness of much bank lending to corporates and local government during the post 2008 credit expansion period and whether the bursting of a bubble in housing prices is drawing nearer.

## 2.2 Interest rate Forecasts and Outlook

2.2.1 The Council’s treasury advisor, Capita Asset Services, has provided the following forecast:

	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
Bank rate	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	1.50%	1.75%	2.00%	2.25%	2.50%
5yr PWLB rate	2.50%	2.70%	2.70%	2.80%	2.90%	3.00%	3.10%	3.20%	3.30%	3.40%	3.50%	3.50%	3.50%	3.50%
10yr PWLB rate	3.20%	3.40%	3.50%	3.60%	3.70%	3.80%	3.90%	4.00%	4.10%	4.10%	4.20%	4.20%	4.30%	4.30%
25yr PWLB rate	3.90%	4.00%	4.10%	4.30%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%	4.80%	4.90%	4.90%	5.00%
50yr PWLB rate	3.90%	4.00%	4.10%	4.30%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%	4.80%	4.90%	4.90%	5.00%

Capita Asset Services undertook a review of its interest rate forecasts on 24th October. During September and October, a further rise in geopolitical concerns, principally over Ukraine but also over the Middle East, plus fears around Ebola, and an accumulation of dismal growth news in most of the ten largest economies of the world and on the growing risk of deflation in the Eurozone, had caused a flight from equities into safe havens like gilts and depressed PWLB rates. However, there is much volatility in rates as news ebbs and flows in negative or positive ways. This latest forecast includes a first increase in Bank Rate in quarter 2 of 2015.

2.2.2 PWLB forecasts are based around a balance of risks. However, there are potential upside risks, especially for longer term PWLB rates, as follows: -

- Further investor confidence that robust world economic growth is expected, causing a flow of funds out of bonds and into equities.
- UK inflation being significantly higher than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.

2.2.3 Downside risks currently include:

- The situation over Ukraine poses a major threat to EZ and world growth if it was to deteriorate into economic warfare between the West and Russia where Russia resorted to using its control over gas supplies to Europe.

- Fears generated by the potential impact of Ebola around the world.
- UK economic growth is currently dependent on consumer spending and the unsustainable boom in the housing market. The boost from these sources is likely to fade after 2014.
- A weak rebalancing of UK growth to exporting and business investment causing a weakening of overall economic growth beyond 2014.
- Weak growth or recession in the UK's main trading partners - the EU and US, inhibiting economic recovery in the UK.
- A return to weak economic growth in the US, UK and China causing major disappointment in investor and market expectations.
- A resurgence of the Eurozone sovereign debt crisis caused by ongoing deterioration in government debt to GDP ratios to the point where financial markets lose confidence in the financial viability of one or more countries and in the ability of the ECB and Eurozone governments to deal with the potential size of the crisis.
- Recapitalising of European banks requiring more government financial support.
- Lack of support by populaces in Eurozone countries for austerity programmes, especially in countries with very high unemployment rates e.g. Greece and Spain, which face huge challenges in engineering economic growth to correct their budget deficits on a sustainable basis.
- Italy: the political situation has improved but it remains to be seen whether the new government is able to deliver the austerity programme required and a programme of overdue reforms. Italy has the third highest government debt mountain in the world.
- France: after being elected on an anti austerity platform, President Hollande has embraced a €50bn programme of public sector cuts over the next three years. However, there could be major obstacles in implementing this programme. Major overdue reforms of employment practices and an increase in competitiveness are also urgently required to lift the economy out of stagnation.
- Monetary policy action failing to stimulate sustainable growth in western economies, especially the Eurozone and Japan.
- Heightened political risks in the Middle East and East Asia could trigger safe haven flows back into bonds.
- There are also increasing concerns that the reluctance of western economies to raise interest rates significantly for some years, plus the huge QE measures which remain in place (and may be added to by the ECB in the near future), has created potentially unstable flows of liquidity searching for yield and therefore heightened the potential for an increase in risks in order to get higher returns. This is a return of the same environment which led to the 2008 financial crisis.

### **3.0 TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY UP-DATE**

The Treasury Management Strategy Statement (TMSS) for 2014/15 was approved by the Council on 19 February 2014.

There are no policy changes to the TMSS; the details in this report update the position in the light of the updated economic position and budgetary changes already approved.

#### 4.0 THE COUNCIL'S CAPITAL POSITION (PRUDENTIAL INDICATORS)

This part of the report is structured to update:

- The Council's capital expenditure plans;
- How these plans are being financed;
- The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow; and
- Compliance with the limits in place for borrowing activity.

#### 4.1 Prudential Indicator for Capital Expenditure

This table shows the revised estimates for capital expenditure and the changes since the capital programme was agreed at the Budget

Capital Expenditure	2014/15 Original Estimate £m	2014/15 Revised Estimate £m
<b>Non-HRA</b>	12.270	15.937
<b>HRA</b>	12.014	13.816
<b>Total</b>	<b>24.284</b>	<b>29.753</b>

The increase of the revised estimate over the original estimate is due to slippage from 2013/14 of £16.126m offset by estimated project reprofiling to 2015/16 of £10.655m

#### 4.2 Changes to the Prudential Indicators for the Capital Financing Requirement, External Debt and the Operational Boundary

The table shows the Capital Financing Requirement, which is the underlying external need to incur borrowing for a capital purpose. It also shows the expected debt position over the period. This is termed the Operational Boundary.

	<b>2014/15 Original Estimate £m</b>	<b>2014/15 Revised Estimate £m</b>
<b>Prudential Indicator - Capital Financing Requirement</b>		
CFR – non HRA	125.551	125.104
CFR – HRA existing	40.531	40.531
Housing Reform Settlement	78.253	78.253
<b>Total CFR</b>	<b>244.335</b>	<b>243.888</b>
<b>Prudential Indicator - External Debt / the Operational Boundary</b>		
Borrowing	244.300	243.900
Other long term liabilities	7.000	7.000
<b>Total</b>	<b>251.300</b>	<b>250.900</b>

### 4.3 Limits to Borrowing Activity

- 4.3.1 The first key control over the treasury activity is a prudential indicator to ensure that over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose. Gross external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2014/15 and next two financial years. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy for borrowing in advance of need which will be adhered to if this proves prudent.
- 4.3.2 The Assistant Director of Resources reports that no difficulties are envisaged for the current or future years in complying with this prudential indicator.
- 4.3.3 A further prudential indicator controls the overall level of borrowing. This is the Authorised Limit which represents the limit beyond which borrowing is prohibited, and needs to be set and revised by Members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

<b>Authorised Limit for External Debt</b>	<b>2014/15 Original Indicator £m</b>	<b>2014/15 Revised Indicator £m</b>
Borrowing	279.300	278.900
Other long term liabilities	7.000	7.000
<b>Total</b>	<b>286.300</b>	<b>285.900</b>

### 5.0 INVESTMENT PORTFOLIO 2014/15

- 5.1 In accordance with the Code, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite. As set out in Section 2, it is a very difficult investment market in terms of earning the level of interest rates commonly seen in previous decades as rates are very low and in line with the 0.5% Bank Rate. Indeed, the Funding for Lending scheme has reduced market investment rates even further. The potential for a prolonging of the Eurozone

sovereign debt crisis, and its impact on banks, prompts a low risk and short term strategy. Given this risk environment, investment returns are likely to remain low.

5.2 The Council held £59.1m of investments as at 30 September 2014 (£45.0m at 31 March 2014) and the investment portfolio yield for the first six months of the year is 0.62% against Capita’s suggested investment earnings rate for returns on investments placed, for periods up to three months in 2014/15, of 0.42%.

5.3 The investments held as at 30 September were:-

<b>Type of Investment</b>	<b>£ Million</b>
Call Investments (Cash equivalents)	12.8
Fixed Investments (Short term investments)	46.3
<b>Total</b>	<b>59.1</b>

5.4 The Assistant Director of Resources confirms that the approved limits within the Annual Investment Strategy were not breached during the first six months of 2014/15.

5.5 The Council’s budgeted investment return for 2014/15 is £0.5m, and performance for the year to date is in line with the budget.

5.6 The current investment counterparty criteria selection approved in the TMSS is meeting the requirement of the treasury management function.

5.7 The Council is currently changing it’s transactional banking from the Co-operative Bank to Barclays Bank. The Council’s current counterparty investment limit for Barclays is £10m. It is requested that this be increased to £15m to reflect that Barclays will now be the Authority’s main banker. This is purely a precautionary measure, as overnight balances will be cleared as near to nil as possible.

5.8 The Cabinet have recently approved a “Property Investment Strategy” which aims to increase investment income by investing in property rather than investing with financial institutions where returns are low at present. Additional borrowing may need to be undertaken to finance property acquisitions; each investment will be subject to a robust business case and also non-financial factors (e.g. ethical stance) will be considered.

## **6.0 BORROWING**

6.1 The Council’s capital financing requirement (CFR) for 2014/15 is £242.9m. The CFR denotes the Council’s underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions. The table below shows the Council has borrowings of £210.9m and has utilised £32m of cash flow funds in lieu of borrowing. This is a prudent and cost effective approach in the current economic climate but will require ongoing monitoring in the event that upside risk to gilt yields prevail.

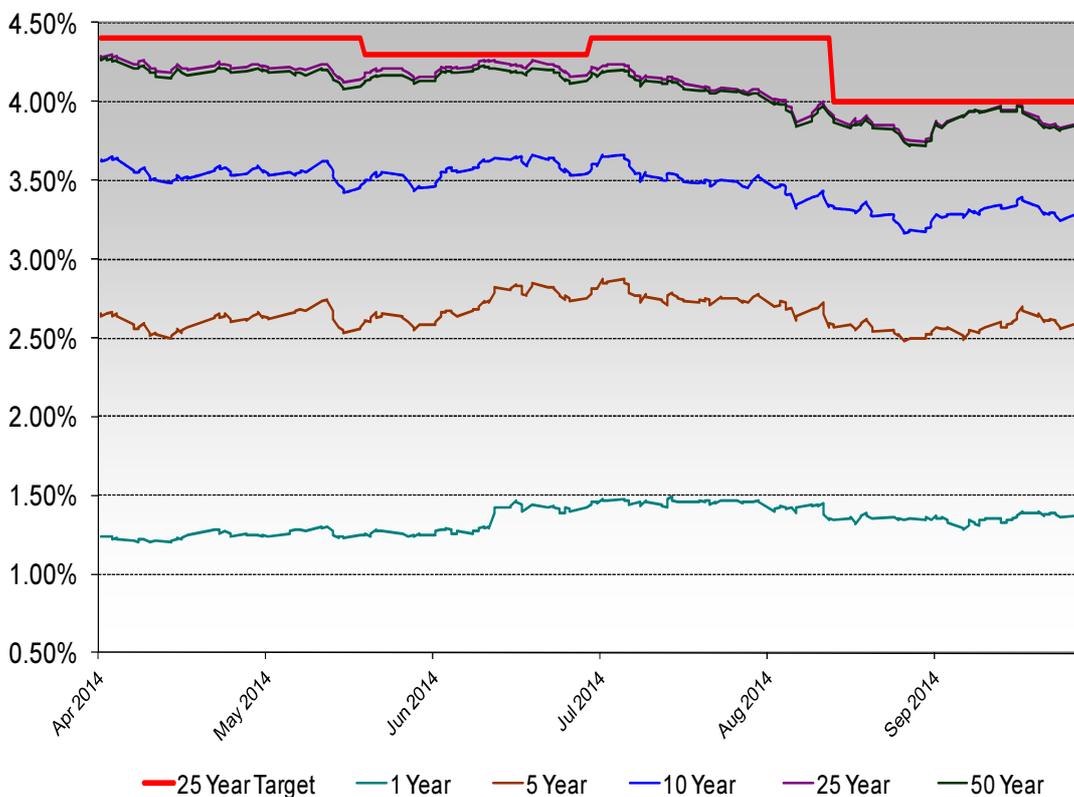
		30th Sept 2014		
		Principal		Avg. Rate
		£000	£000	
<b>Fixed rate funding</b>				
	PWLB Bury	146,362		
	PWLB Airport	4,078		
	Market Bury	57,500	207,940	
<b>Variable rate funding</b>				
	PWLB Bury	0		
	Market Bury	0	0	
<b>Temporary Loans / Bonds</b>		3,003	3,003	
<b>Total Debt</b>			<b>210,943</b>	<b>3.96%</b>
<b>Total Investments</b>			<b>59,100</b>	<b>0.62%</b>

6.2 Due to the overall financial position and the underlying need to borrow for capital purposes (the capital financing requirement – CFR), new temporary external borrowing of £3m was undertaken from the market:

Lender	Rate	Amount	Start Date	End Date
Police Authority	0.40	3m	07/07/2014	31/03/2015

It is anticipated that no further borrowing will be undertaken during this financial year.

6.3 The graph below shows the movement in PWLB certainty rates for the first six months of the year to 30.09.14:



**7.0 DEBT RESCHEDULING**

7.1 Debt rescheduling opportunities have been limited in the current economic climate and consequent structure of interest rates. No debt rescheduling was undertaken during the first six months of 2014/15.

**Councillor Mike Connolly**  
**Leader of the Council and Cabinet Member for Finance**

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**List of Background Papers:-**

None

**Contact Details:-**

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**Minutes of:** **OVERVIEW AND SCRUTINY COMMITTEE -  
CHILDREN'S SAFEGUARDING OVERVIEW PROJECT  
GROUP**

**Date of Meeting:** 4 November 2014

**Present:** Councillor S Southworth (in the Chair); Councillor Caserta; Councillor Jones; Councillor Kerrison; Councillor Gartside and Councillor Whitby.

**Apologies for absence:**

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**CS.01 APPOINTMENT OF CHAIR**

**It was agreed:**

That Councillor Southworth be appointed as Chair of the Children's Safeguarding Overview Project Group.

**CS.02 DECLARATIONS OF INTEREST**

There were no declarations of interest made at the meeting

**CS.03 SCRUTINY OF CHILDREN'S SAFEGUARDING SERVICES**

The Assistant Director, Safeguarding and Social Care submitted a briefing note setting out the background to the formation of the Group along with the issues faced by Children's Services with regard to Children's Safeguarding.

Questions and comments were invited from Members of the Group and the following issues were raised:

- Members commented on the perceived complex structures and workflows in relation to children's safeguarding. The Assistant Director undertook to provide a flowchart outlining the structure, workflows and lines of accountability.
- Discussion took place on the multi agency approach to Children's Safeguarding and the role of the Multi Agency Safeguarding Hub (MASH). The Assistant Director explained that the MASH ensured joint working with the Police, Social Care, Education, Housing and Early Break to make speedier decisions on where individual cases are referred. An undertaking was given to provide a statistical breakdown of where cases are referred.

## **It was agreed:**

1. That the report be noted.
2. That the following further information be provided to the Group:
  - Flowchart of structures/workflows and lines of accountability
  - Breakdown of referrals from the MASH

## **CS.04 BURY SAFEGUARDING ACTION PLAN**

The Assistant Director submitted a copy of the Safeguarding Action Plan which sets out actions being taken to ensure that all children and young people in Bury are safe and have the best possible quality of life. It was reported that the Plan had been in place and continually refreshed since April 2012.

The Plan is based on the following identified improvement areas for safeguarding services:

- The quality and consistency of social work practice.
- Strong service management
- Quality assurance and performance monitoring that makes a difference and informs management decisions
- Having the right people, with the right skills sustaining high standards

The above priority improvement areas have been agreed to ensure the achievement of the following outcomes:

- Children and young people are safe
- Outcomes for vulnerable children and young people are optimal consequent on the receiving the 'right help, at the right time'.
- Confident & competent social work practitioners
- Good quality and consistent management oversight of social work practice
- Quality assurance of safeguarding identifies and addresses performance issues

Members of the Group discussed the actions in place and progress made in relation to the Key Strategic Outcomes and the following issues were raised:

- Councillor Whitby enquired about levels and success rates of early intervention measures. The Assistant Director explained that early intervention was a multi agency issue and referred to the Early Help Team which includes Social Workers. The difficulties in quantifying the effect of early intervention was explained and it was reported that a workshop would be taking place with Early Help partners to evaluate and promote this area of work.  
Michael Nugent, Interim Strategic Lead for Quality Assurance and Performance Management, referred to the work of the MASH and the increase in the number of people in place to deal with all referrals. Different tiers of intervention were now in place to identify the most appropriate response and course of action. The result of this had been to

reduce the number of cases where 'no action' was recommended, many of which had previously resulted in future re-referrals.

- During discussion of the issue of high caseload numbers, the Assistant Director referred to the 45 day statutory timescales for assessments and reported that Bury was aiming to ensure this is met in 8 out of 10 cases by January 2015. In response to a question from Councillor Caserta it was explained that backlogs were being tackled and risk assessments were undertaken by managers for any assessments out of timescale. It was reported that OFSTED recommend caseloads of 20, though in Bury it was explained that aspiring to a figure of 25 was a realistic aim.
- Members of the Group discussed the IT systems in place to support social workers and stressed the importance of user friendly systems being in place to support staff and improve performance reporting mechanisms. Michael Nugent acknowledged the need to keep developing IT systems and assured Members that performance systems were in place to provide all relevant statistical data in respect of caseloads.
- With regard to the level of detail within the Plan, the Assistant Director explained that the Action Plan was a high level document with many operation plans sitting below and feeding in.

### **It was agreed:**

That the Safeguarding Action Plan be kept under review as part of the work of this Group.

### **CS.05 KEY PERFORMANCE INDICATORS**

Michael Nugent submitted Quarter 2 figures in respect of the key performance indicators for children's safeguarding. Performance information was set out in respect of the following indicators:

- Repeat referral rate
- Proportion of completed social care single assessments authorised within 45 days
- Percentage of children becoming the subject of child protection plan for the second or subsequent time
- Number of child protection plans lasting 2 years or more at the data of discharge
- Average caseload in A&A and Safeguarding Teams

During discussion of the indicator relating to children becoming subject to a repeat child protection it was explained that concerns had been recognised that in 2012 a number of Plans had been signed off and closed which should not have been. In addressing this issue there had been an initial increase in this figure but Officers now felt that the number was falling back to a stable level.

With regard to the issue of how performance was measured, Michael Nugent explained the difficulties in trying to measure like for like performance in respect of statistical neighbours. Members recognised the importance of using a range of relevant comparators when attempting to measure performance and acknowledged the need to be mindful of performance/issues in other Authorities.

Members acknowledged the importance of adequate resources being targeted to deal with issues such as domestic violence and substance misuse as these were areas which proportionately had the greatest influence on the wellbeing of children in the Borough.

**It was agreed:**

That further detail be provided in respect of how our statistical neighbours are derived and the range of performance indicators that are measured.

**CS.06 SCRUTINY REVIEW SCOPING TEMPLATE**

Leigh Webb, Principal Democratic Services Officer, submitted a draft scoping template to assist in guiding the Review. During discussion of the scope and methodology for the review, Members were keen that a large element of the work involved speaking directly with staff and partners who are working on the frontline dealing with safeguarding issues.

The Assistant Director suggested that future meetings could be arranged to meet with staff and partners at their places of work to enable Members to get a feel for the ongoing work being undertaken.

Councillor Gartside requested a breakdown of the statutory obligations/services in relation to children's safeguarding.

**It was agreed:**

That the Scoping Template be approved subject to the inclusion of the issues raised above.

**CS.07 FUTURE MEETINGS**

Members welcomed the suggestion to link future meetings with visits to the workplaces of staff and partners working directly in the field of Children's Safeguarding.

**It was agreed:**

That future meetings of this Group take place as follows:

- Tuesday 9<sup>th</sup> December 2014 (5pm) – Venue – MASH
- Monday 3<sup>rd</sup> February 2015 (5pm)– Venue – Advice and Assessment Section (3KP)
- Monday 9<sup>th</sup> March 2015 – venue TBA

**COUNCILLOR S SOUTHWORTH**  
**Chair**



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