

AGENDA FOR

OVERVIEW AND SCRUTINY COMMITTEE

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To: All Members of Overview and Scrutiny Committee

Councillors : J Black, R.Cathcart, T Cummings,
E Fitzgerald, M Hankey, M James, D Silbiger, R Skillen,
S Smith (Chair), J Walker, R Walker and S Wright

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:-

Date:	Wednesday, 14 December 2016
Place:	Peel Room - Elizabethan Suite - Town Hall
Time:	7.00 pm
Briefing Facilities:	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.
Notes:	

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 13 October 2016, 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 CORPORATE FINANCIAL MONITORING REPORT - APRIL 2016 TO SEPTEMBER 2016 (*Pages 7 - 38*)

6 CORPORATE PERFORMANCE - 2016/2017 QUARTER 2 (*Pages 39 - 56*)

7 WELFARE REFORM - UPDATE (*Pages 57 - 66*)

Claire Jenkins, Head of Customer Support & Collections, will report at the meeting. A report is attached.

8 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: 13 October 2016

Present: Councillor Smith (in the Chair);
Councillors J Black; R Cathcart; T Cummings; E Fitzgerald;
M Hankey; M James; R Skillen; J Walker and R E Walker

Public in attendance: No members of the public were present at the meeting.

Also in attendance: Councillor Lewis – Deputy Leader and Cabinet Member for Finance and Human Resources

Apologies for absence: Councillors D Silbiger and S Wright

OSC.331 DECLARATIONS OF INTEREST

Councillor R E Walker declared a personal interest in Minute OSC.336, Libraries Review Update, as a member of the Reinstate Bury Central Library Group.

Councillor Fitzgerald declared a personal interest in respect of Minute OSC.335, Corporate Financial Monitoring Report – April 2016 to June 2016, as a Non Executive Director of Persona.

OSC.332 MINUTES

It was agreed:

That the Minutes of the meeting, held on 31 August 2016, be agreed as a correct record.

OSC.333 MATTERS ARISING

There were no matters arising from the Minutes of the last meeting.

OSC.334 PUBLIC QUESTION TIME

There were no members of the public present at the meeting to ask questions under this item.

OSC.335 CORPORATE FINANCIAL MONITORING REPORT –APRIL 2016 TO JUNE 2016

The Deputy Leader of the Council and Cabinet Member (Member for Finance for Finance and Housing) submitted a report to inform Cabinet of the Council's financial position for the period April 2016 to June 2016. The report also provided a projection on the estimated outturn at the end of 2016/2017.

Prudential Indicators were included in the report in accordance with the CIPFA Prudential Code.

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

- In response to questions concerning the forecast overspend at month 3 of £6.395m set out in the report, the Deputy Leader reported that on current projections this figure had reduced to £5.5m. The Deputy Leader reported on the budget monitoring processes in place and referred to the 10 measures issued in August to reduce discretionary spending across the Council.
- Councillor R E Walker highlighted the increased costs relating to the statutory provision of social care. The Deputy Leader referred to the setting up of the Local Authority Trading Company, Persona, as means of controlling costs in this area.
- Councillor Black commented on the issue of unmet income targets and suggested that business models around this issue needed to be improved. The Deputy Leader acknowledged that some of the income targets appear unrealistic and explained that discussions were ongoing with Business Intelligence Officers who are Local Government specialists who work on a percentage achieved basis.
- Councillor Fitzgerald expressed concern about the lack of transitional funding and commented on the need for transition to start earlier to ensure potential savings are achieved. The Interim Executive Director of Resource and Regulation acknowledged that transformational changes often crossed budget years and needed to be monitored on a rolling basis.
- With regard to the sufficiency of current balances, the Interim Executive Director of Resource and Regulation commented that there was a strong balance sheet on the General Fund but highlighted that balances could only be used once.
- Councillor James expressed concerns about the likelihood of income targets being achievable. The Deputy Leader acknowledged that improved marketing, advertising and pricing structures were needed to make services competitive in the commercial market. The Chair, Councillor Smith, suggested possibly employing somebody as part of an invest to save initiative to improve marketing. Councillor Black suggested further discussions with partner organisations as a means of developing effective, targeted marketing campaigns.
- In response to a question from Councillor Hankey, concerning Treasury Management, the Interim Executive Director reported that as a result of low interest rates, the Council had diversified some investments from financial markets to property in order to achieve a greater yield.

It was agreed:

1. That the financial position of the Council as at 30 June 2016 be noted.
2. That consultations be undertaken with a view to this Committee having early sight of the Quarter 2 Corporate Financial Monitoring report.

OSC.336 LIBRARIES REVIEW – UPDATE

A report from the Cabinet Member (Strategic Housing and Support Services) was submitted providing the summary of the outcomes of the public consultation on the six principles as follows:

Principle 1

To provide a Library Service across the borough which provides all residents and those working or studying in the borough with access to libraries and to electronic services sufficient in number, range and quality to support reading for pleasure, lifelong learning, the development of new skills and the effective use of information.

Principle 2

To ensure that the needs of more vulnerable residents and groups protected by Equalities legislation are taken fully into account in the review process.

Principle 3

To ensure that the resources committed to the Library Service are used as efficiently as possible by exploring options to reduce running and maintenance costs and to share premises with Council and other services.

Principle 4

To explore options for investing in technology to improve access to the Library Service, for example by extending opening hours, increasing our digital offer and enhancing provision for those with sensory impairments.

Principle 5

To welcome the contribution that members of the community can make to the Library Service as volunteers, supporting both traditional and digital services.

Principle 6

To meet local aspirations for a network of community spaces across the borough in which the Council and local communities can work together as partners in meeting local needs.

The report also sought approval to proceed to the next stage of the consultation process using the six principles, alongside the commissioned reports, as a basis for a review of the library service. The consultation would take place during October to December 2016. A further report would be produced to identify potential models/ options for library provision in the future and would be submitted for consideration by Cabinet on 18 January 2017.

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

- Councillor Cathcart stressed the importance of ensuring children's voices were included as part of the representative group and highlighted the importance of looking at library service models from across the country.

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Overview and Scrutiny Committee, 13 October 2016

- Councillor Black highlighted the importance of targeting non users as part of the stakeholder group; examining the implications of digital technology; and looking to future proof the library service.
- Councillor James commented on the importance of public engagement and expressed concern that the review should not become solely about the protection of individual libraries.
- Councillor R E Walker referred to the reduced space within the Central Library and highlighted that it was the most visited and second biggest issuer of books of all libraries in the Borough.
- In response to a question from Councillor Hankey, the Assistant Director (Learning & Culture) explained that the questionnaire did not refer to potential closures in order not to pre-empt the review. It was reported that the next stage of review would examine the costs of the library service.

It was agreed:

That the report be noted.

OSC.337 ACADEMIES UPDATE

The Executive Director Children Young People and Culture provided a verbal update to the Committee in respect of Academies in the Borough. It was reported that Government plans to ensure that all schools become Academies by 2022 had been dropped with no "good" school now being forced to become an Academy.

As schools explore the possibility of becoming academies discussions continue on how the Local Authority can continue to work together. As things develop it will be important for the Authority to work collaboratively as a major stakeholder in education within the Borough.

With regard to funding, it was reported that school improvement will no longer be a role of the Local Authority and funding would be removed. Discussions on this issue were ongoing with Headteachers. The Authority will retain statutory duties in relation to Special Education Needs (SEN), school place planning, admissions and safeguarding.

It was agreed:

That the update be noted.

OSC.338 SAFEGUARDING CHILDREN OVERVIEW PROJECT GROUP

Minutes of the last meeting of the Safeguarding Overview Project Group, held on 15 September 2016, were submitted for information.

It was agreed:

That the Minutes be noted.

COUNCILLOR S SMITH
Chair

(Note: The meeting started at 7pm and ended at 8.25pm)

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

DATE: **14 DECEMBER 2016
14 DECEMBER, 2016**

SUBJECT: **CORPORATE FINANCIAL MONITORING REPORT –
APRIL 2016 TO SEPTEMBER 2016**

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

CONTACT OFFICER: **STEVE KENYON, INTERIM EXECUTIVE DIRECTOR
OF RESOURCES & REGULATION**

TYPE OF DECISION: **FOR INFORMATION**

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

SUMMARY: The report informs Members of the Council's financial position for the period April 2016 to September 2016 and projects the estimated outturn at the end of 2016/17.

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 2016.

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 taken to address the budget position; these will be identified by Directors at the

quarterly Star Chamber meetings. Additionally, a series of measures has been drawn up to address the extremely difficult financial situation facing the Council in 2016/17 and these are detailed in par. 3.7 on page 5 of this report.

Statement by Interim 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 council wide Star Chamber meeting.

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

TRACKING/PROCESS

EXECUTIVE DIRECTOR: Steve Kenyon

Chief Executive/ Strategic Leadership Team	Cabinet	Overview & Scrutiny Committee	Council	Ward Members	Partners
07/11/16	14/12/16	14/12/16			

1.0 INTRODUCTION

- 1.1 This report informs Members of the forecast outturn for 2016/17 based upon current spend for the period 1 April 2016 to 30 September 2016 in respect of the revenue budget, capital budget, treasury management 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 exist in some key areas and it will be necessary to continue to examine options for improving the situation further.

2.0 BUDGET MONITORING PROCESSES

- 2.1 Reports will be 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 will also be 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:

Department	Budget £000	Forecast £000	Variance £000
Communities & Wellbeing	69,873	72,468	+2,595
Resources & Regulation	3,396	4,551	+1,155
Children, Young People & Culture	35,323	38,306	+2,983
Non Service Specific	16,943	15,131	(1,812)
TOTAL	125,535	130,456	+4,921

- 3.2 The projected overspend of **£4.921m** represents approximately **3.92%** of the total net budget of £125.535m.
- 3.3 An overview of the reasons for this variance is outlined in the table overleaf; more detailed analysis is provided in section 4 of the report.

Month 6 Reason	Communities & Wellbeing £'000	Children Young People & Culture £'000	Resources & Regulation £'000	Non Service Specific £'000	TOTAL £'000
Demand Pressures	3,089	1,529	410	254	5,282
Delayed Achievement of Cuts Options	2,196	0	0	0	2,196
Non-Achievement of Cuts Options	1,017	1,420	62	0	2,499
Income Shortfall	91	0	1,226	0	1,317
Planned use of one-off funding	-2,325	292	0	0	-2,033
Impact of 10 Control Measures	-1,607	-409	-334	0	-2,350
Other	134	151	-209	-2,066	-1,990
TOTAL	2,595	2,983	1,155	-1,812	4,921

- 3.4 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 be resolved before the end of the year following appropriate remedial action.
- 3.5 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.
- 3.6 Due to the extremely difficult financial situation facing the Council in 2016/17 the Senior Leadership Team has therefore agreed and drawn up an action plan with some immediate additional spending controls over & above usual controls.

These include:

1. Recruitment freeze on staff and new agency placements (exceptions to be signed off by SLT);
2. Release of all existing casual / agency staff (exceptions to be signed off by SLT);
3. Cease overtime / additional hours (exceptions to be signed off by SLT);
4. Enter into no new training commitments, and review existing arrangements (exceptions to be signed off by SLT);
5. Re-launch Work Life Balance options around reduced hours / purchase of leave;

6. Cease spend on discretionary budgets; stationery, office equipment etc;
7. Cease spend on IT / Communications (exceptions to be signed off by SLT);
8. Any spend greater than £250 to be signed off by Executive Director;
9. Any new contractual commitments greater than £5,000 (lifetime value of contract) to be signed off by SLT;
10. Consider "in year" budget options – e.g. previously unidentified efficiencies, review of non-key services.

3.7 These were communicated to staff on 9 August and compliance with these will be monitored throughout the year. It is expected that these actions will not only help to reduce the financial burden facing the Council within the current year but also for the coming years.

3.8 It is estimated that these additional measures will reduce spend pressures by approximately £1.5 million; and this is reflected in the minimum level of balances assessment at section 10.

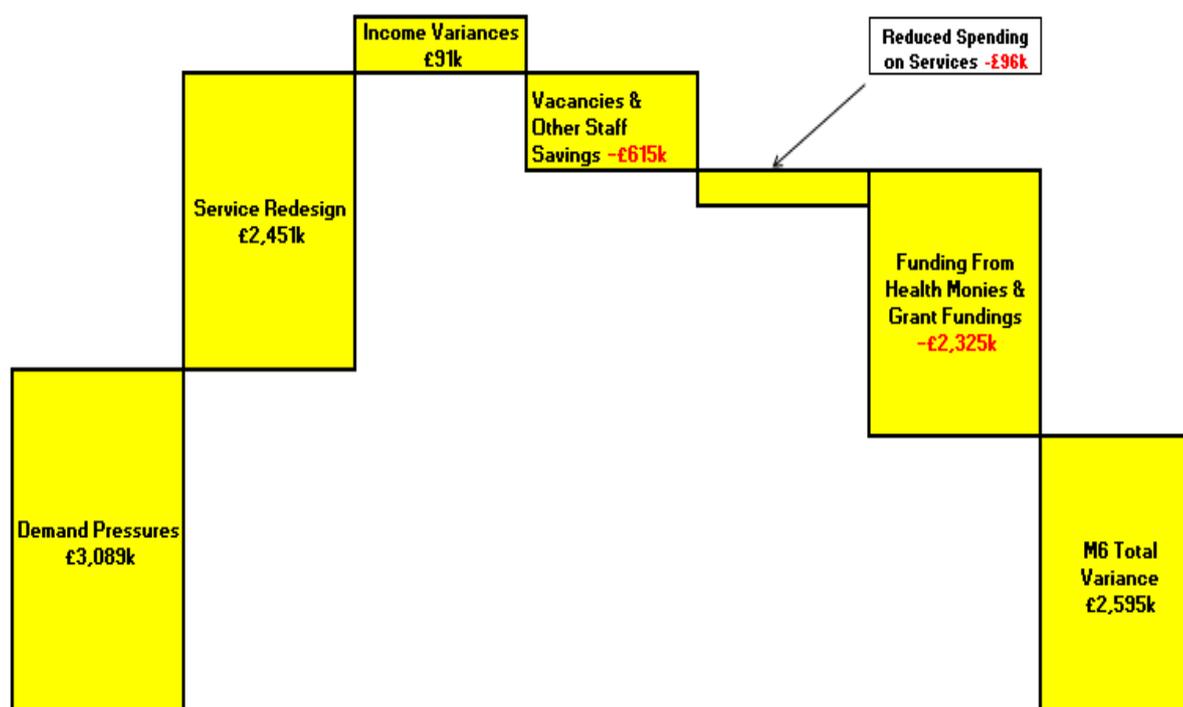
3.9 In addition to these measures, Executive Directors have been tasked with preparing "turnaround" plans as a matter of urgency for their Departments, to ensure that levels of expenditure are controlled and sustainable going forward.

4.0 SERVICE SPECIFIC FINANCIAL MONITORING

4.1 COMMUNITIES AND WELLBEING

4.1.1 The current projected overspend for Communities and Wellbeing is **£2.595m**.

4.1.2 Reasons for major variations are illustrated in the chart overleaf;



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

Theme	Variance £'000	Reason	Action Being Taken
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<p>Demand Pressures</p>	<p>+3,089</p>	<p>Care in the Community budgets- £2,432k (Reason: Pressure largely around Domiciliary Care, Residential Care and Self Directed Support Budgets).</p> <p>Falcon & Griffin Care Home - £104k (Reason: Staffing Budget Pressure).</p> <p>Sheltered housing - £4k (Reason: Variance not material and is the sum of several small overspends).</p> <p>Safeguarding Team - £255k (Reason: Deprivation of Liberty Safeguarding Pressure).</p> <p>Killelea - £128k (Reason: Staffing Cost Pressures).</p> <p>Assessment & Care Management - £55k (Reason: Staffing Cost Pressures).</p> <p>Adult Care Service Training - £42k (Reason: Bury Adult Learning Centre rental costs).</p> <p>Grounds Maintenance - £33k (Reason: Mutual Settlement Payments).</p> <p>Street Cleaning - £36k (Reason: Mutual Settlement Payments).</p>	<p>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.</p> <p>Overspend is the result of an unavoidable staffing pressure.</p> <p>No action other than continued monthly budget monitoring.</p> <p>The supreme court judgement of P V Cheshire West and Chester Council and P&Q v Surrey County Council has resulted in making many more people eligible for DoLs resulting in a severely increased caseload for the team.</p> <p>This service is under review.</p> <p>The £55k overspend is only 1.5% of the Net £3.6m A&CM. However, Senior management will continue to review staffing pressures and act accordingly.</p> <p>This overspend is more than offset by the projected underspend within HR staff budget.</p> <p>Seek to reduce spending on services.</p> <p>Seek to reduce spending on services.</p>
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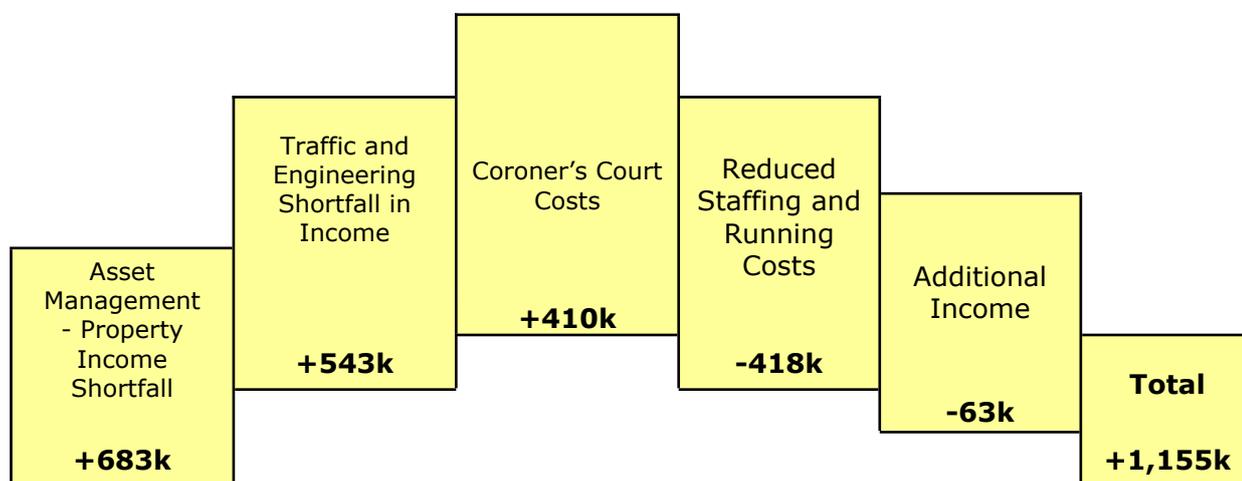
<p>Service Redesign (Note: A number of Budgets have yet to achieve savings target against specific schemes, as a consequence this is partly/wholly the reason for the overspends)</p>		<p>Management - £1,201k (Reason: Pooling of Unallocated 2016/17 Savings).</p> <p>Reablement Service - £410k (Reason: Delay in achieving savings target).</p> <p>Urban Renewal Holding Account - £72k (Reason: Delay in achieving savings target).</p> <p>Domestic refuse collection- £400k (Reason: Delay in achieving Round Optimisation Savings).</p> <p>Leisure - £360k (Reason: Delay in achieving savings).</p> <p>Finance - £8k (Reason: Delay in Achieving Savings).</p>	<p>For reasons of clarity/ transparency a decision was taken by CWB Senior Mangement team to pool the remaining unallocated 16/17 savings into the ACS senior management budget. Proactive action plans are being developed across all AD areas of responsibility to allocate and achieve saving target.</p> <p>Proactive action plans being developed to allocate and achieve saving target.</p> <p>Proactive action plans being developed to allocate and achieve saving target.</p> <p>A financial recovery plan is in place looking at a range of options including new technology and more efficient ways of working.</p> <p>A Growth and Investment Plan is in place, which has identified various plans / objectives e.g. more commercially focused website, new classes / equipment / new sports technology, and up-skilling of staff.</p> <p>Proactive action plan in place to achieve remaining saving target.</p>
<p>Income Variances</p>	<p>+91</p>	<p>Accommodation Team - (£90k) (Reason: "one-off" income).</p> <p>Housing Choices - £40k (Reason: Income Shortfall).</p> <p>Integrated Community Equipment Service (ICES) - (£32k).</p> <p>Employment Support - (£69k) (Reason: CCG Income Forecast greater than 16/17 budget provision).</p> <p>Civics - £100k (Reason: Difficulty in achieving income targets).</p> <p>Beverage and Cafe Service - £80k (Reason: Difficulty in achieving income targets).</p> <p>Public Convenience - (£8k) (Reason: Additional income from TFGM regarding bus station Public conveniences).</p> <p>Trade Waste - £70k (Reason: Difficulty in achieving income targets).</p>	<p>Additional income relates to an income stream regarding a project for accommodating asylum seekers).</p> <p>This service is identifying opportunities to reduce spending on services.</p> <p>Continue to monitor CCG income activity at a prudent level.</p> <p>This is a self funded budget which is expected to exceed income target.</p> <p>Service to be reviewed including a restructure of the management team and the merger of a number of budgets.</p> <p>The Beverage Service is being reviewed in line with the Civics review.</p> <p>Forecast underspends will be used to offset pressures within other areas of the CWB budget.</p> <p>A deficit action plan has been put in place.</p>

<p>Reduced Spending on Services</p>	<p>-96</p>	<p>Preventing Homelessness – (£85k) (Reason: Reduced funding on landlord accreditation schemes, and reduced spend on bond scheme and Youth Homelessness).</p> <p>Sheltered Amenity, Carelink and Head of Commissioning & Strategy – (£11k). (Reason: Net result of small underspends across the three budgets).</p>	<p>Forecast underspends may be used to offset pressure within other areas of adult care service budgets.</p> <p>Forecast underspends may be used to offset pressure within other areas of adult care service budgets.</p>
<p>Funding from Health Monies & Grant Funding</p>	<p>-2,325</p>	<p>Funding to Support the demand pressures of the Care in the Community budgets - (£2,325k).</p>	<p>The funding to support pressures within the community care budget is derived from a combination of historic underspends from Adult Care Care-specific grants and Health monies.</p>

4.2 RESOURCES AND REGULATION

4.2.1 The Resources & Regulation Department is forecasting an overall overspend of **£1.155m.**

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



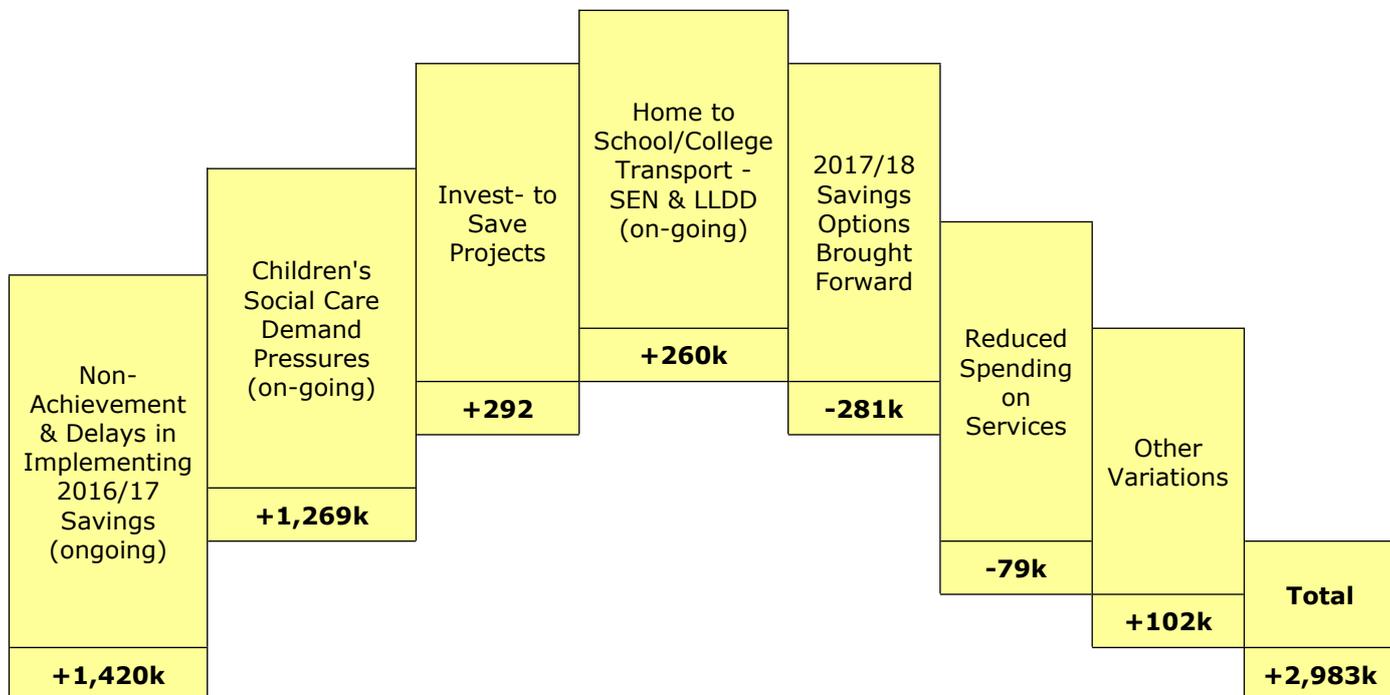
4.2.3 Reasons for major variations are illustrated in the table overleaf;

Activity	Variance £'000	Reason	Action Being Taken
Property Services	+683	Shortfall in income due to low level of rents that can be charged in the current economic climate.	<p>The Council has introduced two important strategies which will address the instability in property income.</p> <p>Through implementing the Estates Strategy the Council will identify high risk and underperforming investment assets and these will be disposed of. Initial tranche of properties identified.</p> <p>The Investment Acquisition Strategy will see the Council utilise existing capital currently invested in low return investments and receipts received from disposals. Three properties already acquired – expected to produce £330,000 p.a. in new income.</p>
Traffic & Engineering	+543	Estimated shortfalls in income relating to on- and off-street parking and parking fines (+£249k), Greater Manchester Road Activities Permit Scheme (GMRAPS) (+£78k), coring (+110k), bus lane enforcement (+£106k).	<p>Monitor income levels, and adjust expenditure where possible.</p> <p>GMRAPS scheme to be examined further.</p>
Coroners Court Costs	+410	There are legislative requirements around deaths occurring under Deprivation of Liberty Orders (DoL's) that are driving a significant increase in the volume of cases and thus costs.	Meetings being held between Coroner's Court and staff from Rochdale, Oldham and Bury Councils to assess the issue in more detail, and identify efficiencies in the service.
Reduced Staffing and Running Costs	-418	<p>Vacant posts not filled and tightening of controllable expenditure across the department.</p> <p>Salaries and running costs savings in Finance & Efficiency Management (£114k), Internal Audit, Accountancy & Procurement (£90k), Customer Support & Collections (£111k), HR (£73k) and Stores (£30k).</p>	To be used to assist in reducing the forecast overspend within the department in 2016/17 and part included within the 2017/18 cuts.
Additional Income	-63	Achieved from new business from the Alarm Monitoring service (£35k) and the Payroll service (£28k).	To be used to assist in reducing the estimated overspend within the department.

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 **£2.983m**.

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
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<p>Non-Achievement & Delays in Implementing 2016/17 Savings</p>	<p>+1,420 Made Up Of:</p>		
<p>Children's Agency Placements</p>	<p>+600</p>	<p>Continuing increased demand</p>	<p>During the consideration of the 2016/17 savings options in September 2015, it was anticipated that this budget could manage to save £600,000 in the current financial year.</p> <p>As the current forecast spending is now more than £¾ million above the approved budget of £3,673,000 this saving cannot be achieved in 2016/17.</p> <p>Savings are fully anticipated when the Adolescent Support Unit (see 'Invest-to-Save' section) becomes fully operational later in the financial year. Consequently these savings have been included within the 2017/18 Savings Options.</p>
<p>Arts</p>	<p>+136</p>		<p>An income budget of £136,000 was added to this budget in 2013 prior to the transfer to CYP&C. This income budget has not been achieved since its introduction.</p>
<p>Statutory & Regulatory</p>	<p>+584</p>		<p>At the beginning of 2016, it became apparent that the financial problems within the Dedicated Schools Grant meant that the 2016/17 savings option "External Funding Optimization" amounting to £900,000 would not be achieved.</p> <p>The shortfall in the required budget savings was treated as a generic budget saving and distributed amongst the Department.</p> <p>This part of the Department has struggled to meet these budget adjustments, meaning that the saving cannot be achieved.</p> <p>The original forecast overspending has reduced by £164,000 following the introduction of the "10 Measures".</p>
<p>Catering</p>	<p>+100</p>		<p>2016/17 savings option - £200,000</p> <p>A number of schools have decided to make their own arrangements for the provision of school meals in their school, which has reduced the contribution to the service's fixed costs thereby worsening the financial position.</p> <p>In addition, the new CYPAD system is struggling to interface with the existing financial management information systems, meaning that the intended efficiencies to pay for the CYPAD system will not occur.</p>

Children's Social Care Demand Pressures	+1,269		
Leaving Care	Made Up of: +749	Spending on housing and further education of 19+ year old students who have now left our care.	This budget is forecast to overspend significantly on housing as the service continues to support a number of young people in high cost placements who were previously accommodated within the Children's Agency Budget. The overspending is lower than at month 3 due to increased external grants and reduced costs.
Safeguarding	+259		The forecast overspend is due to the levels of spend on agency staff cover, coupled with a significant increase in external legal fees.
Unaccompanied Asylum Seekers' Children (UASC)	+35		An additional 3 young people presented themselves as UASC cases in August. 2 of these young people are under 16 and all 3 have been placed in Independent Fostering Agencies at £650 to £720 per week.
Advice & Assessment	+42		Additional staffing and spending to meet increased demand.
Children's Agency	+184		Fieldwork placements remain volatile, including a high cost fieldwork residential placement of approx £7,000 per week from mid-October until the end of the financial year. NB the forecast does not include any additional cases that may occur up to the end of March 2017. This overspending is in addition to the non-achievement of the £600,000 2016/17 Savings Option shown above.
Invest To Save Projects	+292		
Reach Out project (Adolescent Support Unit – ASU)	Made Up Of: +235		The Reach Out project is an ASU that will lead to better provision for young people in a much lower cost setting than external residential provision. The set-up costings are based on the centre beginning to operate during the late Autumn 2016. Future on-going costs will be more than offset by savings mainly within the Children's Agency budget (see above).

Arts	+57		The increase in overspend is due to the Invest to Save that has been agreed to be extended to January 2018, with the aim that it will generate income in future years.
Home to School / College Transport – SEN & LLDD	+260 Made Up Of:		
Home to School Transport – SEND (Special Educational Needs & Disabilities)	+200	Continuing increased demand	The forecast overspending is lower than previously shown as from the start of the current academic year, beginning in September, there are fewer transport schedules needed. In previous years, the overspending was partially offset by underspendings on Bus Escorts, which are not now available in the current financial year.
Home to College Transport – LLDD (Post-16 Learners with Learning Difficulties & Disabilities)	+60	Continuing increased demand	The forecast overspending is in line with previous years' levels.
2017/18 Savings Options Brought Forward	-281 Made Up Of:		
Early Years	-104		Non-filling of vacancies and reduced spending.
Finance and Human Resources	-50		Non-filling of vacancies and reduced spending.
Pension payments to former teachers and lecturers	-127		Declining numbers of former employees eligible to be members of the Teachers Pension Scheme. These enhanced lifetime pension benefits above the standard scheme were mainly awarded prior to April 1993 as a means of reducing the number of staff employed in schools and FE colleges.
Reduced Spending on Services	-79 Made Up Of:		
Home to School Transport (non-SEND)	-9		Projected underspend based on estimated cost predictions for the year.

Short Breaks service	-70		<p>This forecast reflects the current level of support for children with disabilities. NB any additional cases or changes in the level of care will affect the budget position.</p> <p>Currently supporting 4 high cost end of life support packages.</p> <p>Direct Payments are becoming the national direction of travel for key parts of the service - this will in effect reduce the costs per child/family unit of packages of care while improving outcomes and parental choice.</p> <p>These payments can be funded through the High Needs Block of the Dedicated Schools Grant. In 2016/17, the service has received funding of £300,000, which is helping to alleviate some of the financial pressures on the Department's General Fund budget.</p>
Other	+102		
Social Care Management	Made Up Of: +77		<p>Additional spend on agency Information Officer and consultancy cover to the end of August.</p> <p>The Strategic Lead for Quality Assurance started in September.</p> <p>Current increase in spending is due to additional agency costs following the Ofsted Inspection recommendations.</p> <p>NB the costs of these in 2017/18 and beyond will have to be met from the Department's 2017/18 budget.</p>
Admin	-26		<p>Non-filling of vacancies and reduced spending levels in accordance with the "10 Measures".</p>
Statutory & Regulatory	+32		<p>Overspend due to staffing recharges not being supported by a budget and the charge from NW Employers for NW Sector Led Improvement Support.</p>
Other	+19		<p>Mainly increased costs for Looked After Children.</p>

4.4 NON-SERVICE SPECIFIC

4.4.1 There is a forecast net underspend of **£1.812m**. An overspend of £254k on Corporate Management costs is due to an increase in costs paid to GMCA and AGMA. This is offset by an underspend by the Council’s Treasury Management activity (see Section 8.0, page 21 for further details).

5.0 CAPITAL BUDGET

5.1 Capital Programme

5.1.1 The revised estimated budget for the Capital Programme 2016/17 at the end of September is shown in the table below:

2016/17	£m
Original Capital Programme	25.192
Approved Slippage from 2015/16	17.015
In year adjustments and contributions	2.368
Revised Capital Allocation at Quarter 2	44.575
Estimated re-profiled projects into 2017/18	(12.606)
Revised working budget for Year at Qtr 2	31.969

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/overspend of the capital programme for 2016/17 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 Quarter2, a total of £12.606m of the 2016/17 budget has been identified for re-profiling into 2017/18. Most of this amount is attributed to Children Services Projects where the schemes are funded mainly by grants from Department of Education to a total of £9.334m.

The remainder is attributable to Highways Traffic Calming schemes namely the A56 Prestwich Village Corridor Improvements with a total of £1.132m, an amount of £0.617m on Empty Property Strategy schemes, Street Lighting Invest to Save of £0.545m, other Highways schemes to a total of £0.822m and Planning schemes of £0.156m.

5.2 Expenditure

5.2.1 The Forecast Outturn as at Month 6 is indicated to be £32.100m and Budget Managers have reported that they expect to spend up to this amount by 31 March 2017.

5.2.2 The actual expenditure after accruals, realised by the end of Month 6 totals £10.742m.

5.2.3 The main areas to record expenditure to the end of the second quarter are:

- Property Redevelopment Schemes £1.711m
- Children’s, Young People and Culture £2.709m
- Highways Schemes £1.042m
- Housing Public Sector £4.062m

5.3. Variances

5.3.1 Appendix A provides details of variances for each scheme based on latest available information received from budget managers and at Month 6 it shows a projected overspend for the Programme of £0.131m. This amount is not material in relation to the size of the programme and it is expected to reduce by quarter three as schemes progress and more details of schemes underway are finalised. The projects that are forecasted to overspend are monitored and analysed by budget managers. There are a number of remedial actions that can be applied if required and which will be applied as soon as the risk is assessed and deemed to negatively affect the programme or its outcomes.

5.3.2 Brief reasons for all variances are provided in Appendix A attached with this report.

5.4 Funding

5.4.1 The funding profile included in Appendix A shows the resources available to cover the capital programme during 2016/17.

5.4.2 The principal source of funding for Capital schemes approved for the 2016/17 programme is made of external resources together with resources unspent and carried forward from previous years. The Council and Cabinet have also approved allocations for the year towards the refurbishment of the Met and development of an Adolescent Support Unit that will be supported by £1.5m of Council’s own resources.

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 2017/18 and the expected resources to be supported by the Council as at the end of Quarter 2 of the year.

2016/17 Use of Council Resources for Capital Investment	£m
Revised Capital Programme allocation for the year	31.969
Use of external funding and contributions	28.678
Balance of programme relying on Council resources	3.291
Use of Capital receipts and earmarked reserves	1.271
Use of Prudential Borrowing (2016/17 approved schemes)	1.704
Use of Prudential Borrowing (2015/16 schemes brought forward)	0.316
Total Council Resources used to support the Capital Budget for Year	3.291

5.5 Capital Programme Monitoring

- 5.5.1 The programme will continue to be monitored closely during the second half of the year by CPMG and Management Accountancy with an aim to deliver the Council's capital schemes on cost and on time with minimum slippage into 2017/18.

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 £1.010m at the end of 2016/17. The projected outturn shows a working balance carried forward of £0.976m. See Appendix B.
- 6.3 There are a number of variations that contribute to the projected outturn position however there are no areas where the variance exceeds 10% and £50k.
- 6.4 The main impacts on the HRA year end balance are normally **void levels**, the **level of rent arrears** and the **level of Right to Buy sales**.

Voids:

The rent loss due to voids for April to September was on average 1.9% which is worse than the 1.6% void target level set in the original budget but an improvement on the 1st quarter position. If this performance continues for the rest of the year there will be a reduction in rental income of £90k over the original budget; the projections of rental income in Appendix B have been calculated on this basis. The level of void loss has been affected by the number of decant properties being provided for those tenants affected by the Boxing Day floods however this should not be a factor in the performance for the rest of the financial year.

Six Town Housing continue to review the voids processes and the various factors affecting demand.

Arrears:

The rent arrears at the end of September totalled £1.266m, an increase of 9.6% since the end of March. Of this total £0.514m relates to former tenants and £0.752m relates to current tenants. Approximately £0.210m of current tenant arrears are in cases where either the under occupancy charge applies or the tenants are in receipt of Universal Credit rather than Housing Benefit.

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 £0.328m to be made.

The 2016/17 HRA estimates allow for additional contributions to the provision totalling £0.481m, £0.180m for uncollectable debts and £0.301m to reflect the potential impact that welfare benefit changes could have on the level of rent arrears. Therefore there is a potential underspend of £0.153m. The projected outturn has not been amended to reflect this as rent arrears are volatile and the impact of increased numbers of Universal Credit cases coupled with further benefit changes is ongoing.

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 41 sales in 2014/15 and this increased to 47 sales last year.

The forecast for 2016/17 was set at 50, this being an increase of 6 on the level of sales assumed for Bury in the Government's self-financing valuation.

From July 2014 the maximum Right to Buy discount increased to £77,000 and the maximum percentage discount on houses increased from 60% to 70% (in line with the discounts allowed on flats). The maximum discount now stands at £77,900.

From 26th May 2015 the qualifying period for Right to Buy was reduced from 5 years to 3 years.

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.

There have been 27 sales in the period April to September. This is an increase of 7 over the same period last year. Based on this level of activity it would seem likely that the total number of sales will exceed the forecast but not by as significant a number as was suggested by the 1st quarter's activity.

Therefore the forecast has been amended from 84 to 63, with the additional 13 forecast sales (over the original budgeted figure of 50) resulting in a reduction in rental income of around £25k in the current year; the projections of rental income in Appendix B have been calculated on this basis.

- 6.5 Starting from April this year properties becoming empty are re-let at their higher target rents; based on the properties moved to target rents in the first half of the year (403 properties) it is estimated that an additional £121k of rental income will be generated in the current year; the projections in Appendix B have been calculated on this basis.
- 6.6 The Welfare Reform and Work Act requires a 1% reduction in social housing rents for 4 years from 2016/17 which has a significant impact on future HRA resources; the impact of this and other changes contained in the Housing and Planning Act are being assessed as information becomes available. It has been confirmed that the 1% reduction will apply to rents of Sheltered properties from next year.

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 2016/17 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 2016/17 (approved by Council on 24 February 2016) with the revised projections as at 30 September 2016. The variances can be seen in the Appendix together with explanatory notes. The Prudential Indicators were not breached during the first six months of 2016/17.

8.0 TREASURY MANAGEMENT

8.1 Investments:

- 8.1.1 At the 30th September 2016 the Council's investments totalled £28.8 million and comprised:-

Type of Investment	£ Million
Call Investments (Cash equivalents)	18.8
Fixed Investments (Short term investments)	10.0
Total	28.8

- 8.1.2 All investments were made in line with Capita's suggested credit worthiness matrices and the approved limits within the Annual Investment Strategy were not breached during the second quarter of 2016/17.
- 8.1.3 The Council has earned the following return on investments:
 Quarter 1 0.92%
 Quarter 2 0.83%
- 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 2016/17, of 0.50%.

8.2 Borrowing:

- 8.2.1 External borrowing of £10 million was undertaken in the quarter to 30th September 2016. 2 loans were taken over 2 and 5 years respectively to take advantage of low interest rates. The loans are required to replace a loan, which matured in July 2016.
- 8.2.2 At 30th September 2016 the Council's debts totalled £196.511 million and comprised:-

		30 September 2016		
		Principal		Avg. Rate
		£000	£000	
Fixed rate funding				
	PWLB Bury	131,453		
	PWLB Airport	2,555		
	Market Bury	62,500	196,508	
Variable rate funding				
	PWLB Bury	0		
	Market Bury	0	0	
Temporary Loans / Bonds		3	3	
Total Debt			196,511	3.95%

8.2.3 The overall strategy for 2016/17 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 2016/17 then savings will be made by running down investments and taking shorter term loans rather than more expensive long term borrowing.

9.0 MINIMUM LEVEL OF BALANCES

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

	£m
General Fund Balance 31 March 2016 per Accounts	10.063
Less : Minimum balances to be retained in 2016/17	-4.250
Less : Forecast overspend at Month 6	-4.921
Forecast Available balances at 31 March 2017	+0.892

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 2016/17 and using information currently to hand on the likely achievement of cuts options, there is no reason at present to take the minimum level of balances above the existing level of £4.250m.

9.3 In light of the above assessment it is recommended that the minimum level of balances be retained at **£4.250m**.

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 Star Chambers will take place for Quarters 2 & 3 whilst a Council wide Q1 meeting has already been held in August 2016.

Councillor Jane Lewis, Deputy Leader of the Council and Cabinet Member for Finance and Human Resources

List of Background Papers:-

Finance Working Papers, 2016/17 held by the Interim Executive Director of Resources & Regulation.

Contact Details:-

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Bury MBC: Capital Budget Monitoring Statement
Month 6 - 2016/17

APPENDIX A

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
	2016/17 Original Approved	Slippage	Adjustments	Revised Estimate Before Reprofile	Reprofiled to Future Years	Revised Estimate After Reprofile Col.4- Col.5	Forecast Outturn 2016/17	2016/17 Month 06 Actual	Month 6 Variance / (Underspend) or Overspend Col.7-Col.6	
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
Children, Young People & Culture	Support Services		56	56	(4)	52	52	10	-	
Children, Young People & Culture	DFES - Devolved Formula	500	815	(23)	1,292	(1,020)	272	273	205	(0)
Children, Young People & Culture	NDS Modernisation	4,887	5,293	1,133	11,313	(8,302)	3,011	3,007	1,516	(3)
Children, Young People & Culture	Access Initiative		10		10		10	10	0	-
Children, Young People & Culture	Targetted Capital Funds		85		85		85	85	3	-
Children, Young People & Culture	Upgrade and remodel Radcliffe Hall	800	96		896		896	896	896	-
Children, Young People & Culture	New Adolescent support unit	500		9	509		509	508		(0)
Children, Young People & Culture	Children Centres		18		18		18	18	1	-
Children, Young People & Culture	Free School Meal Capital Grant		32		32		32	32	10	-
Children, Young People & Culture	Early Education Fund		248		248	(8)	239	239	63	-
Children, Young People & Culture	Protecting Play Fields		30		30		30	30	5	-
Communities & Wellbeing	Contaminated Land		21		21		21	21		-
Communities & Wellbeing	Air Quality		9		9		9	9		-
Communities & Wellbeing	Heat Network In Bury TC		72		72		72	72		-
Communities & Wellbeing	Play Areas		118	47	165		165	165	148	0
Communities & Wellbeing	Demolition of Radcliffe Pool		218	529	747		747	747	367	-
Communities & Wellbeing	Learning Disabilities		18		18		18	142	97	124
Communities & Wellbeing	Improving Info.Management		32		32		32	32		-
Communities & Wellbeing	Older People	455	332	37	825		825	743	52	(82)
Communities & Wellbeing	Empty Property Strategy	205	643	(205)	643	(617)	26	26	9	(0)
Communities & Wellbeing	Housing development - Urban Renewal		4		4		4	9		5
Communities & Wellbeing	Disabled Facilities Grant	781	66	219	1,066		1,066	1,066	414	-
Communities & Wellbeing	Waste Management		53		53		53	53		0
Resources & Regulation	Traffic Management Schemes		350	(1)	350		350	350	37	1
Resources & Regulation	Prestwich Town Centre		1,982		1,982	(1,132)	850	850	2	-
Resources & Regulation	Planned Maintenance	1,233	1,294	(405)	2,123	(261)	1,861	1,859	407	(2)
Resources & Regulation	Bridges	475	287	(50)	712	(311)	401	419	170	18
Resources & Regulation	Traffic Calming and Improvement	450	283	1	734	(250)	484	237	59	(247)
Resources & Regulation	Street Lighting LED Invest to Save	1,046	396	620	2,062	(545)	1,517	1,517	366	-
Resources & Regulation	Development Group Projects		111		111		111	111	17	-
Resources & Regulation	Planning Environmental Projects	214	280	125	619	(156)	462	279	113	(183)
Resources & Regulation	Corporate ICT Projects	71	81		152		152	152		-
Resources & Regulation	Corporate Property Initiatives		276		276		276	718	245	442
Resources & Regulation	Radcliffe Market Redevelopment		(100)		(100)		(100)	100		200
Resources & Regulation	Radcliffe TC Bus Station Relocation		1,000		1,000		1,000	1,001	1,001	1
Resources & Regulation	12 Tithebarn Street		45		45		45	45		-
Resources & Regulation	The Met Theatre Refurbishment	1,000	(250)		750		750	750	312	-
Resources & Regulation	Concerto Asset Management Software		9		9		9	9	7	-
Resources & Regulation	William Kemp Heaton LD Centre Demolition							88	87	88
Resources & Regulation	Howarth Close LD Centre Demolition							59	59	59
Resources & Regulation	New Energy Development Organisation (NEDO) works			156	156		156	156	91	-
Housing Public Sector	Fernhill Site			16	16		16	16	10	-
Housing Public Sector	Play Areas/St Lighting			113	113		113	113	25	0
Housing Public Sector	Disabled Facilities Adaptations	572	75	(9)	638		638	638	159	-
Housing Public Sector	Major Repairs Allowance Schemes	7,886			7,886		7,886	7,886	176	0
Housing Public Sector	Major Repairs Allowance Schemes	4,119	2,683		6,802		6,802	6,514	3,601	(288)
Total Bury Council controlled programme	25,192	17,015	2,368	44,575	(12,606)	31,969	32,100	10,742	131	

Funding position:

Capital Receipts	800	627	-	1,427	(156)	1,271	1,403
Reserve / Earmarked Capital Receipts	276	2,470	369	3,115	(617)	2,498	2,498
General Fund Revenue	137	3	107	247	-	247	247
Housing Revenue Account	4,119	2,758	313	7,190	-	7,190	7,190
Capital Grants/Contributions	9,726	9,708	1,578	21,012	(10,156)	10,856	10,856
HRA/MRA Schemes	7,886		-	7,886	-	7,886	7,886
Supported Borrowing							
Unsupported Borrowing	2,248	1,449		3,697	(1,677)	2,020	2,020
	25,192	17,015	2,368	44,575	(12,606)	31,969	32,100

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
	a major projected underspend (or income surplus)	more than 10% and above £50,000

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April 2016 - September 2016

	2016/17 Original Estimate £	2016/17 Latest Estimate £	2016/17 Projected Outturn £	2016/17 Variation Over/(Under) £
INCOME				
Dwelling rents	29,586,000	29,586,000	29,600,400	(14,400)
Non-dwelling rents	216,300	216,300	204,089	12,211
Heating charges	66,300	66,300	65,638	662
Other charges for services and facilities	921,500	921,500	895,300	26,200
Contributions towards expenditure	53,900	53,900	42,700	11,200
Total Income	30,844,000	30,844,000	30,808,127	35,873
EXPENDITURE				
Repairs and Maintenance	0	0	0	0
General Management	859,900	859,900	848,000	(11,900)
Special Services	792,200	792,200	838,500	46,300
Rents, rates, taxes and other charges	103,500	103,500	94,100	(9,400)
Increase in provision for bad debts - uncollectable debts	180,400	180,400	181,000	600
Increase in provision for bad debts - impact of Benefit Reforms	300,700	300,700	301,700	1,000
Cost of Capital Charge	4,468,000	4,468,000	4,468,000	0
Depreciation/Impairment of fixed assets - council dwellings	7,771,500	7,771,500	7,771,500	0
Depreciation of fixed assets - other assets	42,300	42,300	42,391	91
Debt Management Expenses	40,600	40,600	40,600	0
Contribution to/(from) Business Plan Headroom Reserve	(2,183,100)	(2,183,100)	(2,183,100)	0
Total Expenditure	12,376,000	12,376,000	12,402,691	26,691
Net cost of services	(18,468,000)	(18,468,000)	(18,405,436)	62,564
Amortised premia / discounts	(13,300)	(13,300)	(13,300)	0
Interest receivable - on balances	(55,800)	(55,800)	(55,800)	0
Interest receivable - on loans (mortgages)	(700)	(700)	(455)	245
Net operating expenditure	(18,537,800)	(18,537,800)	(18,474,991)	62,809
Appropriations				
Appropriation relevant to Impairment	0	0	0	0
Revenue contributions to capital	5,149,200	5,149,200	5,120,100	(29,100)
(Surplus) / Deficit before ALMO/SHU payments	(13,388,600)	(13,388,600)	(13,354,891)	33,709
Payments to Six Town Housing / Transfers re Strategic Housing Unit excluded from above				
Six Town Housing Management Fee	13,058,600	13,058,600	13,058,600	0
Contribution to SHU Costs	320,000	320,000	320,000	0
Total	13,378,600	13,378,600	13,378,600	0
(Surplus) / Deficit after ALMO/SHU payments	(10,000)	(10,000)	23,709	33,709
Working balance brought forward	(1,000,000)	(1,000,000)	(1,000,000)	0
Working balance carried forward	(1,010,000)	(1,010,000)	(976,291)	33,709

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 2016/17 and the Original Budget for 2016/17 as approved at Council in February 2016. The Original Budget for 2016/17 is compared with the Forecast Outturn for 2016/17 as at 30th September 2016.

CAPITAL EXPENDITURE	Original Budget 2016/17 £'000	Forecast Outturn at 30 September 2016 £'000	Variance	Notes
Estimate of Capital Expenditure				
Non-HRA	12,616	16,779	33.00%	
HRA existing expenditure	12,576	15,321		
TOTAL	25,192	32,100		1
Estimate of Capital Financing Requirement (CFR)				
Non-HRA	113,371	112,009	(1.20%)	
HRA existing expenditure	40,530	40,531		
HRA reform settlement	78,253	78,253		2
	232,154	230,792		3
AFFORDABILITY	Original Budget 2016/17 £'000	Forecast Outturn at 30 September 2016 £'000	Variance	Notes
Estimate of incremental impact of capital investment decisions				
Increase in council tax (band D, per annum)	-£2.33	-£5.33		4
Increase in housing rent per week	£0.00	£0.00		5
Ratio of Financing Costs to net revenue stream				
Non-HRA	2.99%	3.08%	2.85%	6
HRA	14.44%	14.14%	(2.06%)	6
Net External Borrowing only to support the CFR in Medium Term	£'000	£'000		
Net External borrowing over medium term	179,705	195,682		7
Total CFR over Medium Term	232,154	230,792		7
Net External Borrowing < Total CFR	TRUE	TRUE		
EXTERNAL DEBT	Original Budget 2016/17 £'000	Forecast Outturn at 30 September 2016 £'000	Variance	Notes
Authorised limit of external debt				
Borrowing	187,900	186,500		
Other long term liabilities	6,700	5,000		
HRA reform settlement	79,300	79,300		
TOTAL	273,900	270,800	(1.13%)	8
Operational boundary				
Borrowing	152,900	151,500		
Other long term liabilities	6,700	5,000		
HRA reform settlement	79,300	79,300		
TOTAL	238,900	235,800	(1.30%)	8

TREASURY MANAGEMENT	Original Budget 2016/17	Forecast Outturn at 30 September 2016	Variance	Notes
Upper limit for fixed interest rate exposure Net principal re fixed rate borrowing / investments	102%	117%	15.21%	9
Upper limit for variable rate exposure Net principal re variable rate borrowing / investments	-14%	-17%	22.74%	9
Upper limit for total principal sums invested for > 364 days	£10 m	£10 m		10
Maturity structure of fixed rate borrowing at 30 September 2016	Upper/lower limit	Actual		
Under 12 months	40% - 0%	9.54%		
12 months and within 24 months	35% - 0%	1.60%		
24 months and within 5 years	40% - 0%	7.84%		
5 years and within 10 years	50% - 0%	1.80%		
10 years and above	90% - 30%	79.22%		

Notes to the Prudential Indicators:

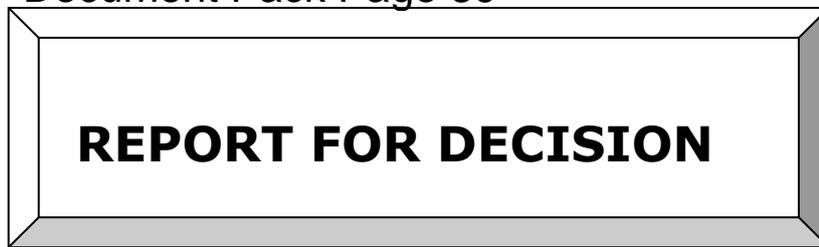
1. The original budget shows the approved Capital Programme expenditure of £25,192,000. The forecast outturn of £32,100,000 is higher than budget because of slippage from 2015/16.
2. Following the Government announcement to reform the system of financing Council housing, the Authority had to pay the Department for Communities and Local Government £78.253m on the 28th 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 2016/17 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.

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9. The variable and fixed limits together look at the whole portfolio and will therefore together always show 100% exposure. Variable interest 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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DECISION OF:	CABINET
DATE:	14 DECEMBER 2016
SUBJECT:	CORPORATE PERFORMANCE – 2016/17 QUARTER 2
REPORT FROM:	THE LEADER OF THE COUNCIL
CONTACT OFFICER:	CHRIS WOODHOUSE IMPROVEMENT ADVISOR, CORPORATE POLICY
TYPE OF DECISION:	CABINET KEY DECISION
FREEDOM OF INFORMATION/STATUS:	This paper is within the public domain
SUMMARY:	This report provides an update on performance in line with the Single Outcomes Framework for Team Bury. This is the first report in this style, outlining a series of indicators and performance measures under each outcome, with the most recent data provided for each of these.
OPTIONS & RECOMMENDED OPTION	Cabinet are asked to note the report
IMPLICATIONS:	
Corporate Aims/Policy Framework:	Do the proposals accord with the Policy Framework? Yes
Statement by the S151 Officer: Financial Implications and Risk Considerations:	A robust performance management framework is essential if the Council is to measure the effectiveness and value for money of the services it delivers. This report compliments the regular finance and risk monitoring reports that Members receive.
Health and Safety	There are no implications directly arising

- *Bury is a safe place to live, with all people protected (and feel protected) from harm (SOF-5)*

- 1.4 These five outcomes align with the Council's six corporate priorities, illustrated in the Vision, Purpose and Values document, and the five priorities outlined by the Leader of the Council in May 2016.
- 1.5 In addition to these outcomes, an 'enabler' has been added called 'organisational resilience' (SOF-E), in order to allow assessment of the health (in a non-medical sense) of the organisation, as well as that of the Borough.

2.0 MEASURING CORPORATE PERFORMANCE

- 2.1 Under each of the five SOF outcomes and the enabler, a series of indicators and performance measures have been identified
- Indicators are ways of quantifying performance at a whole population level, so more reflect the state of the Borough. The Council will have a role to play in contributing towards these but no one organisation is solely responsible for the achievement of an indicator.
 - Performance measures focus on a particular programme of work or initiative, usually aimed at a particular strand of the population and how successful this has been, so more reflect how well the Council is doing in terms of contributing towards an outcome.
- 2.2 This report provides a progress update on these indicators and success measures, with the key trends outlined below, and the wider set of performance information available in *Appendix 1A and 1B*.
- 2.3 *Appendix 2* provides some guidance with regards to the *Clear Impact software* which has been used to collate the performance update. It is specifically designed to accommodate Outcome Based Accountability approaches.
- 2.4 Reporting to Cabinet will take place on a quarterly basis, with quarter 4 also including an 'Annual Report' style review of the year,. This will be more in the style of infographics which have been used in previous performance reporting.

3.0 LATEST PERFORMANCE

- 3.1 Appendix 3 shows a selection of highlights from the Corporate Performance Dashboard. Each quarter a number of indicators and measures will be picked out if they show particular trends of note or if important new data has become available since the previous report.
- 3.2 Areas of good and improved performance (indicators)
- The percentage of 16-18 year olds not in education, employment or training continues to fall.
 - The average wage level in Bury has increased and is above the regional average by nearly 70p per hour.

- The number of businesses in the Borough continues to grow (based on recent data the largest increase is in the Sedgley Ward, and Unsworth Ward has seen more business dissolutions than incorporations).

3.3 Areas of good and improved performance (performance measures)

- I Will If You Will attendances have seen a large increase since April, reversing a declining trend last year and there has been with a sharp improvement in the number of BEATs customers who have achieved a noticeable behaviour change during quarter 2.
- There were over 10,000 hits on The Bury Directory in September, with an increased number of local services and events now on the Directory.
- Record high levels of household recycling.
- All 12 'Green Flags' for the Borough's parks and green spaces have been retained.
- The gap in attainment between Special Educational Needs (SEN) and non-SEN pupils has reduced to a level that Bury is now better than the England average.
- Minor and Major planning decisions made substantially ahead of government targets.

3.4 Areas of declining performance (indicators)

- Healthy life expectancy for females has continued to decline and is now below that of males.
- The percentage of pupils achieving 5 GCSEs at grades A*-C including English and Maths has declined. It should be noted that Bury follows a national declining trend, however, Bury remains better than the England average.
- Although self reported happiness data has continued to improve as a figure year-on-year, Bury is increasingly falling behind the national average.

3.5 Areas of declining performance (performance measures)

- The number of missed bins has increased for two quarters in a row.
- Overall gym membership has declined so far in 2016. The dip in quarter two is caused by season variation due to student memberships expiring and not being renewed as students return to university. .
- Average contact centre call times have increased in recent quarters, largely due to resource issues and the complexity of certain calls taking up operators' time available to deal with other calls.

3.6 Areas of note

- Education measures are changing at the end of this year towards 'progress' rather than direct attainment. New indicators will be required to account for these changes
- Work is taking place with colleagues at Greater Manchester Police to determine the most appropriate measures for Community Safety, to ensure these are robust and meaningful. These will feature in the quarter 3 report.
- As findings from the Life Chances Commission are published, consideration will be made as to the most appropriate indicators and performance measures to allow for performance management against any recommendations made.

4.0 CONCLUSION

- 4.1 The development of indicators and performance measures will continue as the Single Outcomes Framework becomes increasingly embedded in the organisation.
- 4.2 Departmental plans and Cabinet work plans will be aligned to this during the next quarter so that performance at all levels of the organisation can be discussed in an increasingly consistent fashion.
- 4.3 Areas of declining performance will be looked at with an outcome based approach to consider what steps can be taken to improve performance so that a positive contribution can be made to the delivery of the desired outcomes.

List of Background Papers:-

Contact Details:-

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R		All people of Bury live healthier, resilient lives and have ownership of their own health and wellbeing (SOF 1a)	Time Period	Actual Value	Target Value	Current Trend	Baseline % Change
I	A	PHOF 0.1ii - Life Expectancy at birth (Male)	2014	78.0 yrs	—	↓ 1	1% ↑
I	A	PHOF 0.1ii - Life Expectancy at birth (Female)	2014	81.5 yrs	—	↑ 2	0% →
I	A	PHOF 0.1i - Healthy life expectancy at birth (Male)	3YC 2014	61.5 yrs	62.5 yrs	↓ 1	0% →
I	A	PHOF 0.1i - Healthy life expectancy at birth (Female)	3YC 2014	60.4 yrs	—	↓ 3	-4% ↓
I	Q	BCF - Delayed transfers of care (delayed days) from hospital per 100,000 population (aged 18+)	FYQ2 2017	746Days	728Days	↑ 1	178% ↑
I	A	PHOF 2.13i Percentage of physically active adults	2015	53.7%	57.6%	↓ 1	0% →
I	A	PHOF 2.23iii - Self-reported well-being - low happiness score	FY 2015	10.2%	9.0%	↓ 3	-11% ↓
I	Q	BCF - Proportion of older people (65 and over) who were still at home 91 days after discharge from hospital into reablement/rehabilitation services	FYQ2 2017	85.4%	83.7%	↑ 1	11% ↑
P		All people of Bury live healthier, resilient lives and have ownership of their own health and wellbeing (SOF 1b)	Time Period	Actual Value	Target Value	Current Trend	Baseline % Change
PM	Q	Number of Deprivation of Liberty safeguarding applications (DoLs)	FYQ2 2017	270	—	↓ 1	2900% ↑
PM	Q	Proportion of BEATS customers achieving 150mins of physical activity per week	FYQ2 2017	75.3%	30.0%	↑ 1	-15% ↓
PM	M	Non-elective admissions FFCE (First Finished Consultant Episodes)	Sep 2016	1,624	—	↑ 2	2% ↑
PM	Q	Proportion of BEATS customers who have achieved a behaviour change (inactive to active) in 12 weeks	FYQ2 2017	35.7%	40.0%	↑ 1	114% ↑
PM	M	Repeat Child Protection Plans	Jul 2016	18.7%	—	↑ 2	-5% ↓
PM	M	I Will If You Will- Attendances per month	Aug 2016	2,794	1,928	↓ 1	45% ↑
PM	Q	Quality of Life Wheel score improvements for those completing the Health Yourself to Wellbeing programme	FYQ2 2017	3.2	—	→ 0	0% →
PM	M	Number of hits to The Bury Directory	Sep 2016	10,936	—	↑ 1	16% ↑
R		Bury people live in a clean and sustainable environment (SOF 2a)	Time Period	Actual Value	Target Value	Current Trend	Baseline % Change

I	A	PHOF 3.01 - Fraction of mortality attributable to particulate air pollution	2013	4.9%	5.3%		1	-6%	
P		Bury people live in a clean and sustainable environment (SOF 2b)	Time Period	Actual Value	Target Value	Current Trend		Baseline % Change	
PM	Q	Household collected bin waste recycling rate	FYQ2 2017	60.00%	60.00%		2	13%	
PM	Q	Number of fly tipping service requests	FYQ2 2017	113	—		2	22%	
PM	A	(Tonnes) Per Capita Emissions of Carbon Dioxide	2014	5.2	6.3		2	-29%	
PM	A	Green Flag Awards for local public spaces	2016	12	12		1	0%	
PM	Q	Number of missed bins reported	FYQ1 2017	2,525	—		2	28%	
R		People of Bury at all ages have high level and appropriate skills (SOF 3a)	Time Period	Actual Value	Target Value	Current Trend		Baseline % Change	
I	A	Good level of development at end of reception-Foundation Stage Profile	2015	65.8	63.7		1	17%	
I	A	Achievement of 'progress 8' levels by pupils at KS4 [Placeholder for 2017/18]	—	—	—	—	—	—	—
I	A	% children meeting age related expectations at the end of KS2 [Placeholder for 2017/18]	—	—	—	—	—	—	—
I	A	PHOF 1.05 - % of 16-18 year olds not in education, employment or training (NEET)	2014	5.5%	4.7%		2	-17%	
I	A	% of working age residents aged 16-64, who have obtained qualifications equivalent to NVQ3 and above	2015	57.1%	57.4%		1	22%	
I	A	% of residents 18-64 with no qualifications	2015	8.2 %	8.6 %		1	-21%	
I	A	% pupils achieving 5 GCSEs at grades A*-C including English and maths	2015	55.3 %	53.8 %		3	-12%	
P		People of Bury at all ages have high level and appropriate skills (SOF 3b)	Time Period	Actual Value	Target Value	Current Trend		Baseline % Change	
PM	A	% primary schools rated as 'good' or 'outstanding' by Ofsted	FY 2016	92%	—		1	14%	
PM	A	% of secondary schools rated as 'good' or 'outstanding' by Ofsted	FY 2016	77%	—		1	0%	
PM	A	Attainment gap between pupils eligible for FSM - KS 2-4 English	2015	-16.3	—		1	-12%	
PM	A	Attainment gap between pupils eligible for FSM - KS 2-4 maths	2015	-14.0	—		2	-42%	
PM	A	SEN/non SEN gap achieving 5A*-C GCSEs including English and Maths	2015	-41.8	-44.6		1	-28%	

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R		All Bury people achieve a decent standard of living (and are provided with opportunities through growth) (SOF 4a)	Time Period	Actual Value	Target Value	Current Trend	Baseline % Change
I	BE	ASCOF 1D - Carer-reported quality of life	FY 2015	7.5	7.9	↓ 1	-13% ↓
I	Q	Employment rate 16-64	FYQ4 2016	70.6%	71.4%	↓ 1	-2% ↓
I	A	Average wage level in the Borough (hourly rate)	2015	£13.13	£12.44	↗ 2	4% ↑
I	Q	Proportion of working-age people on out-of-work benefits	FYQ4 2015	9.9%	10.6%	→ 1	-6% ↓
I	M	PHOF 1.17 - Fuel Poverty	2013	10.09	—	↘ 2	-18% ↓
I	M	Rate of Children Looked After at the month end (per 10,000 0-17 years old in population)	Jul 2016	75	70	→ 1	12% ↑
I	A	Children moving out of care into permanence - adoption	2014	20.0%	—	→ 0	0% →
I	A	The number of residential units that can be built on sites that have detailed planning permissions	2016	1,567	—	→ 0	0% →
I	A	The number of affordable housing units proposed to be built on sites that have detailed planning permissions	2016	327	—	→ 0	0% →
I	Q	Average house price in the Borough	FYQ2 2017	£168,300	£174,796	→ 0	0% →
I	A	Number of businesses in the Borough	2016	6,715	—	↗ 4	24% ↑
I	A	Net business growth rate (start ups minus dissolutions)	2015	670	—	→ 0	0% →
I	A	Inward investment into the Borough	2015	£3.22Mil	—	↗ 2	194% ↑
P		All Bury people achieve a decent standard of living (and are provided with opportunities through growth) (SOF 4b)	Time Period	Actual Value	Target Value	Current Trend	Baseline % Change
PM	M	Number on Housing Waiting List	Oct 2016	1,426	—	↘ 1	-56% ↓
PM	M	Number of homeless acceptances	Oct 2016	5	—	↘ 2	-29% ↓
PM	M	Number of homeless preventions	Oct 2016	108	—	↗ 3	671% ↑
PM	Q	Residents moved into employment through Working Well (expansion and GP pilot)	FYQ2 2017	36	—	→ 0	0% →
PM	M	% Non-decent Council homes	Aug 2016	0	0	→ 2	0% →
PM	Q	Transfer of existing statements to Education Health and Care (EHC) plans	FYQ1 2017	85	—	↗ 1	124% ↑
PM	A	Empty properties brought back into use [Placeholder]	—	—	—	—	—

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PM **A** Number of visitors to Council cultural attractions **FY 2016** **399,774** **-** **→ 0** **0% →**

PM **Q** Average number of weeks spent in temporary accommodation **FYQ2 2017** **7.62 weeks** **-** **→ 0** **0% →**

R Bury is a safe place to live with all people protected, and feel protected, from harm (SOF 5a)

	Time Period	Actual Value	Target Value	Current Trend	Baseline % Change
--	-------------	--------------	--------------	---------------	-------------------

I **Q** Potential to be victim of crime rate per 1,000 population [Placeholder] **-** **-** **-** **-** **-**

I **Q** Incidents of anti-social behaviour per 1,000 population [Placeholder] **-** **-** **-** **-** **-**

I **Q** Number of children flagged at risk of child sexual exploitation engaged with [Placeholder] **-** **-** **-** **-** **-**

I **Q** Number of hate incidents reported [Placeholder] **-** **-** **-** **-** **-**

I **Q** Police Satisfaction Survey scores [Placeholder] **-** **-** **-** **-** **-**

P Bury is a safe place to live with all people protected, and feel protected, from harm (SOF 5b)

	Time Period	Actual Value	Target Value	Current Trend	Baseline % Change
--	-------------	--------------	--------------	---------------	-------------------

PM **Q** Community Safety Plan refreshed [Placeholder] **-** **-** **-** **-** **-**

Bury Council Corporate Performance Management - Organisational Resilience

R Organisation Resilience (SOF-Enabler a)		Time Period	Actual Value	Target Value	Forecast Value	Current Trend	Baseline % Change
I	Q Council Tax Yield	FYQ2 2017	46.888£ (million)	45.106£ (million)	—	↗ 1	4% ↑
I	Q Business Rates Yield	FYQ2 2017	30.009£ (million)	29.370£ (million)	—	↗ 1	2% ↑
I	M Staff numbers (FTE)	Sep 2016	5,079	—	—	↗ 1	-5% ↓
I	A Average age of workforce	HY1 2016	44.7yrs	—	—	↘ 3	-3% ↓
I	M Spend on agency staff	Oct 2015	£151,081	—	—	↘ 3	-29% ↓
I	A Number of online forms completed	HY1 2016	13,215	—	—	→ 0	0% →
P Organisation Resilience (SOF-Enabler b)		Time Period	Actual Value	Target Value	Forecast Value	Current Trend	Baseline % Change
PM	M Rent loss from voids (STH)	Sep 2016	2.09 %	1.78 %	—	→ 1	0% →
PM	Q Number of corporate complaints	FYQ2 2017	37	—	—	↘ 1	-52% ↓
PM	A Number of adverse finding as rate of total ombudsman complaints	HY1 2016	1	—	—	→ 0	0% →
PM	Q Percentage of Council Tax Collected	FYQ2 2017	54.91%	55.52%	—	↗ 1	-1% ↓
PM	Q Percentage of Business Rates Collected	FYQ2 2017	55.60%	55.57%	—	↗ 1	0% →
PM	M Percentage of Rents collected	Sep 2016	97.95 %	98.00 %	—	↘ 1	0% →
PM	Q Overall gym membership	FYQ2 2017	4,031	4,100	—	↘ 2	-1% ↓
PM	A Number of apprenticeships created within Bury Council	2016	15	—	—	↘ 2	-40% ↓
PM	M Number of FTE days lost due to sickness absence	Sep 2016	3,434	—	—	↗ 1	-2% ↓
PM	M Number of long term absences (over 20 days)	Sep 2016	129	—	—	↗ 1	-6% ↓
PM	M Evaluation scores for attendees of the Leadership and Management Programme [Placeholder]	—	—	—	—	—	—
PM	Q Average contact centre call waiting time						

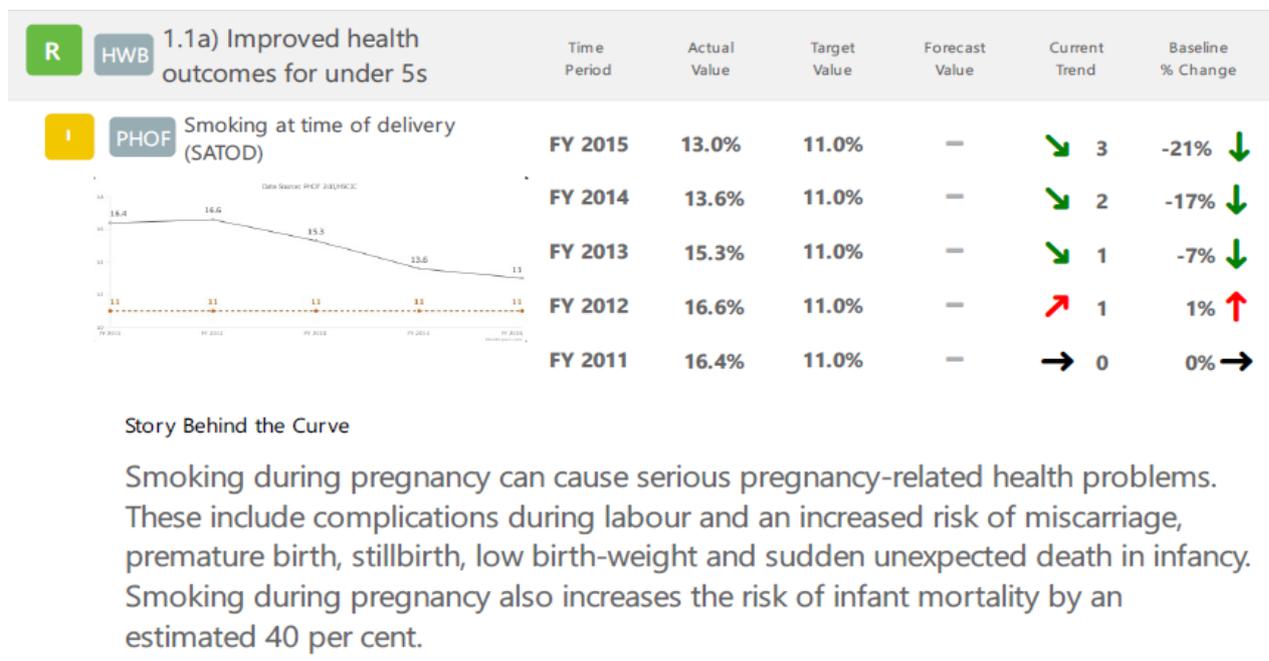
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			FYQ2 2017	182 seconds	-	-		3	119%	
		Percentage of Freedom of Information requests responded to within 20 working days	Oct 2016	91%	-	-		1	5%	
		Average time for processing new housing benefit/ Council tax support claims	FYQ2 2017	24.09 working days	-	-		1	-19%	
		Average time for processing change events for housing benefit and Council tax support claims	FYQ2 2017	8.78 days	-	-		2	-9%	
		Percentage of minor planning applications determined within 8 weeks	FYQ1 2017	99%	77%	-		1	4%	
		Percentage of major planning applications determined within 13 weeks	FYQ1 2017	100%	82%	-		4	0%	

APPENDIX 2

Guidance on Clear Impact Performance Reports

'Clear Impact' is the name of the software being used to capture corporate performance reporting. Below is a screenshot of the system in practice and below this is guidance as to what the different elements of the page represent.



The top level of each scorecard is an outcome, a condition of wellbeing looking to be achieved.

R	In Bury terms this is 'Outcome' but the system uses R for Result
I	Indicator – these are used to quantify the conditions that reflect the progress against achieving the outcome.
P	Programme – this would usually be a department, team or programme of work, eg Neighbourhood Working, but for the sake of a corporate report has been brought together to allow a consideration of multiple measures against each outcome.
PM	Performance Measure – used to quantify how well a programme is performing
HWB	These grey boxes are simply tags that we are using to help where we are using data in multiple scorecards.

For each indicator and performance measure there is a series of information available, as outlined below.

Time period

Data could be monthly, quarterly, half yearly or annually. Examples of time period types are in the table below.

Jul 2016	Monthly
Q1 2016	Quarter, calendar year
FYQ1 2017	Quarter 1 of financial year ending 2017, so 2016/17 Q1 which is 1 st April 2016-30 th June 2016
2016	Calendar year
HY2016	Half yearly
FY2016	Financial year ending in the year specified, so 2015/16
3YC 2016	Rolling 3-year average

Actual value

This is the latest data available for the given indicator/measure. Some of this information has been 'RAG' rated against the 'target values' where such values have been agreed. At present any actual that is above 'target' will show as green, those within 10% of the target will show amber, with red used for those further away from the target value.

Target value

Where statutory targets have been set, e.g. by Government, this has been included. Where there is no formal target, a comparator has been included where available – these vary per indicator/measure dependent on what is the most meaningful source, e.g. statistical neighbour, North West average or England average. If a comparator is being used as target it will be specified in the 'Story Behind the Curve' tab (see below).

Forecast value

At present this only shows for data where there is a rolling three year average measure.

Current trend

- Arrow colour - shows polarity, whether high/low is good. Some of the arrows are black where the polarity is either ambiguous or could be interpreted both ways.
- Figure - represents the number of data entries this trend has continued for, so if the number is 4 on a quarterly measure it means the number has increased or decreased three quarters in a row. Similarly, if the number is 2 for an annual measure it means performance has continued that trend for 2 years in a row.

Baseline % change

- Arrow colour – as 'Current Trend' above.

- Figure – shows % change from whichever data entry has been identified as baseline, which is usually the earliest data source in the system for the indicator/measure. Please note that some percentage changes will look particularly high given the relatively small 'actual value' figure and so any slight variation is a relatively big change in percentage terms.

Story Behind the Curve

This box can be used for contextual narrative as to current (and previous) performance, detailing why the current trend is as it is. This information and the data to which it relates should be used to stimulate debate on activity to improve the indicator/measure, and so to how the curve can be 'turned'. It is not intended to be used to defend an existing action or level of performance.

Other tabs which can be included as commentary tabs are:

What Works

An opportunity to highlight either best practice for this particular measure or to include reference to what you/partners are aware of which has worked elsewhere that could possibly be applied in Bury.

Partners

Particularly of relevance for indicators which are looking at the whole population. This box prompts discussion on who is involved in the indicator/measure, what contribution they are making, whether any other partners should be involved and ensures the accountability is attributed fairly.

Action Plan

This tab allows for details to be provided as to particular activities that are going to take place to improve performance. Consideration should be made as to the previous tabs as to who needs to be involved, what good practice could be drawn upon, and how success of any activity can be captured.

It is possible to attach supplementary documents to this, such as a risk log, project plan, communication plan or board documentation.

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<p>Percentage of Minor and Major planning applications determined within 8 and 13 weeks respectively at 99% and 100% (SOF-E)</p>	<p>The number of homeless preventions is at a record high (SOF-4)</p>	<p>Deprivation of Liberty Safeguards have continued to show a large increase following 2014 Supreme Court Judgement on thresholds (SOF-1)</p>
<p>Household collected bin waste recycling has improved yet again to hit the 60% target (SOF-2)</p>	<p>The percentage of pupils achieving 5 GCSE's at grades A*-C has declined, though Bury still performs better than the national average (SOF-3)</p>	<p>Average contact centre call waiting times have increased for three quarters in a row (SOF-E)</p>
<p>The number of apprenticeships created within Bury Council has fallen in 2016 compared to previous years (SOF-E)</p>	<p>The number of missed bins reported has increased for two successive quarters (SOF-2)</p>	<p>Healthy life expectancy at birth for females has declined for a third year (SOF-1)</p>

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Welfare Reform

Background

This report has been collated by the Welfare Reform Board (WRB). The contributors include Customer Support and Collections (Bury Council), Six Town Housing and Citizen Advice Bureau (CAB).

The WRB continues to work in partnership to share information and plan ahead with the aim of mitigating the effect of such reforms: including promoting work options.

Introduction

There are two groups of welfare reforms – those introduced during the 2010-2015 Parliament and those announced in the Budget in July 2015, which started to be introduced from April 2016.

Many reforms offer an approach where a reduction in the amount of benefits is matched with an offer of government support to help people follow a prescribed course of action. In Universal Credit, for example increased levels of sanctions are imposed if claimants do not take up offers of advice on how to find work.

The starting point for the 2010 reforms was a welfare benefits system that included a large number of eligible people, particularly through the Tax Credits system. The reforms have looked to dismantle this type of welfare.

Welfare reform is a slow process. The government usually tries to avoid reducing the amounts of benefits paid to existing claimants. Most reforms are targeted at new claimants, and those whose circumstances change. This leads to situations where households with similar circumstances receive different amount of benefits depending on when they applied.

Welfare reform changes are themselves subject to reforms, sometimes before they have been introduced. Delays to the introduction of Universal Credit have seen its qualifying criteria change before significant numbers of people have started to receive it.

In the main, these have been targeted at working age claimants, with the aim of getting as many people into employment or training as possible.

Pensioners are protected through not cutting their benefits and also increasing them at a rate either equal to or above inflation. But at the same time the age when people become classed as a pensioner is increasing.

Disabled people are protected from welfare reforms, but the qualifying conditions for disability benefits have been made more stringent.

A number of reforms, particularly those introduced after 2015, affect larger families. This group is also more likely to be affected by more than one type of reform at the same time.

The group of people claiming benefits is not a static one. There is always a steady flow of people starting to receive benefits and those ending their claims as they return to work. This can mean that reductions in the levels of benefits have less effect, because people are only claiming them for relatively short periods. For example a majority of people claiming unemployment benefits in Bury find work within 13 weeks.

In the Autumn Statement in November 2016 the chancellor announced that there would be no more new welfare reforms before 2020.

Costs of reforms

One of the clearest attempts at estimating the costs of welfare reforms can be found in the *Centre for Regional Economic and Social Research (CRESR) report 'The uneven impact of welfare reform'*.

The report uses data from various government sources, and then breaks the figures down into local authority areas. It accepts that forecasting these types of figures up to 5 years in advance is difficult. Previous government estimates have been shown to be too high, and the report does not take account of any changes in behaviour that the reforms may produce. However, the report remains one of the most comprehensive of its kind available.

The report estimates that by 2021 people living in the borough of Bury will be receiving **£249million** less due to the welfare reforms which began in 2010. This equates to a financial loss per working age adult of **£760** per year.

Some of the individual losses in Bury up to 2021 are estimated as follows:

- Employment Support Allowance £7.1m
- Local Housing Allowance cap in social rented sector £2.3m
- Benefit cap £4.2m
- Benefit freeze £38m

2010-2015 reforms

Removal of spare bedroom subsidy/bedroom tax

Introduced April 2013, and set two levels of reductions to Housing Benefit for households living in properties which were too large for their family size. In Bury 953 households were affected at the start of the scheme. This number reduced to 560 over the next three years. Six Town Housing estimate it could take up to another 6 years to re-house all the affected households.

Current Position

- Currently there are 544 bedroom tax cases. 301 accounts are in arrears owing £71,767.

	Aug 2016	Sep 2016	Oct 2016
Bedroom Tax cases	548	543	544
Bedroom Tax cases in arrears	300	309	301
Bedroom Tax arrears	£70,047	£70,270	£71,767

Many tenants affected receive a Discretionary Housing Payment (DHP) to cover the shortfall: 246 payments awarded to Six Town tenants so far during this financial year : on-going this could be a risk as the enhanced DHP budget: (in Bury it has increased from around £50kpa to £330kpa) is only in place temporarily. Further, it is now also intended to help customers affected by the benefit cap: with no further increase in the grant.

Introduction of Universal Credit

The government's flagship welfare reform scheme, which combines a group of working age benefits into one payment. The project as seen many delays and it is estimated it could be 2021 before it is fully rolled out.

The government has made changes to the original scheme to take account of reforms planned from 2016 onwards despite the fact the benefit isn't fully available yet. The work allowance in Universal Credit, the amount you can earn without your benefit being affected, was reduced from April 2016.

From April 2016 the amount of Universal Credit available for child care costs increased from 70% of the costs charged to 85%.

Numbers on UC remain limited: the next stage of rollout for Bury will be May 2018.

In terms of local impact, Six Town Housing have carried out the following analysis relating to their tenants:

We currently have 336 claimants with an arrears total of £148k.	August 2016	Sep 2016	Oct 2016
Number of UC cases	322	330	336
Average arrears per claimant	£513	£513	£516

% Of UC claimant in rent arrears	86.34%	83.33%	85.12%
Total UC arrears	£142,702	£140,969	£147,707
UC collection rates	95.44%	95.77%	95.80%
Arrears covered by an APA	£69,159	£65,161	£66,192

Council Tax Support (CTS)

A transfer of control of providing financial help towards Council Tax from the government to local councils. This was accompanied by a 10% cut in the amount of funding for the new scheme. Despite the funding cut Bury maintained a scheme similar to the old one. There has been a steady reduction in amount of benefits paid out as the caseload has reduced.

In April 2017 Bury Council will introduce a 20% minimum contribution towards the Council Tax for all working age households in receipt of Council Tax Support. This will affect 9000 households in the borough. From the same date, CTS will not be paid in respect of any third or more children born after this date.

Introduction of Personal Independence Payments

Replacing Disability Living Allowance, with more stringent and frequent medical tests. This is still ongoing and is not expected to be completed until 2018.

Child Benefit freeze

Three year freeze in the amounts paid, and the withdrawal of the benefit from households with higher earnings

Limits on uprating of benefits

A 1% cap on the amount most working age benefits are uprated every year.

Benefit cap

A ceiling on the amount of working age benefits paid, set at £26,000 per year. Further reductions have been introduced in November 2016.

In Bury the initial cap in 2013 only affected a small number of claimants. All of those affected lived in privately rented properties where their higher levels of rent took them above the threshold.

In November 2016 the Benefit Cap was reduced to £20,000. This will affect approximately 232 households in the borough. The households affected tend to be those with three or more children, and for the first time it will include some social housing tenants.

The cap is imposed by reducing a claimant's Housing Benefit. If their Housing Benefit is not sufficient then no further reductions are applied. If a claimant is receiving Universal Credit the whole of the cap is applied.

2016 Onwards reforms

2016 Benefit and Tax Credit rates frozen

The amounts of working age benefits, Tax Credits and Local Housing Allowance were frozen for 4 years from April 2016.

Disability benefits, maternity, paternity and statutory sick payments are due to be up-rated in line with the Consumer Prices Index. However because this index fell in September 2015 there was no up-rating of these benefits in April 2016.

Pensioner benefits are excluded.

Although the amounts involved for each household are small this measure will generate the largest saving for the government because of the large number of claimants affected. By the end of the four years it is estimated that residents of Bury will be receiving up to £13M less in benefits than they would have done if their benefits had continued to be up-rated.

2016 Housing Benefit changes

Housing Benefit is worked out by comparing a needs allowance to a household's income. The more their income exceeds their needs allowance the less benefit they are entitled to. From May 2016 Housing Benefit payments for working age households with children were reduced by removing one of the needs allowances called the Family Premium. This is also due to be introduced to Child Tax Credit and Universal Credit.

This only affects:

- households making a new claim or
- households where there is a new birth.

It does not affect existing claimants with children, unless they have more children or have to make a new claim.

2016 Tax credit allowance and taper cut

The government proposed a cut in the amount of Tax Credits by:

- reducing the earnings threshold at which Tax Credits start to be withdrawn, and
- increasing the rate at which Tax Credits were withdrawn as a person's income increased.

This would have seen a reduction in the Tax Credits of anyone earning above £3850 a year. The proposal was unpopular and was cancelled by the government before it could be introduced.

However the change is still scheduled to be introduced into Universal Credit, which will gradually replace Tax Credits. This means that this reform has been delayed rather than being abandoned.

2016 Tax Credit income change disregard reduction

Prior to April 2016 a Tax Credit claimant's income could increase by up to £5000 a year before their award was reassessed. From April 2016 this threshold was reduced to £2500. The government estimates that 800,000 people will see their Tax Credits reduced by an average of £200 to £300 per year because of this change. This means more people will be classed as having an overpayment of tax credits and will find their future payments reduced as a result

2016 New State Pension

For those reaching pension age from 6 April 2016 a new state pension is has been introduced to replace the basic State Pension and State Second Pension. This affects all women born on or after 6 April 1953 and all men born on or after 6 April 1951. The new pension is designed to be much simpler than the current system. It will consist of a same amount, of £155.65, being awarded to everyone who has 35 qualifying years of National Insurance contributions.

Anyone who has between 10 and 35 years of National Insurance contributions, will receive a pro rata amount. Those who do not have enough contributions, will still be able to claim Pension Credit.

2016 National Minimum Wage increased

The National Living Wage was increased to £7.20 per hour for those 25 or over from April 2016. It will increase again to £7.50 from April 2017 and continue to increase until it reaches £9.00 per hour by 2020. These increases are above the rate of inflation and are higher than people not on the National Living Wage are receiving. However, CAB have identified that it may impact in the following ways also:

May impact on overtime / weekend / additional pay and other work incentives (e.g. tips) if employer changes T&Cs

May impact on smaller employers unable to pay and result in potential redundancies / cuts in hours

Will impact on recipients of Carer's Allowance (working 16 hours per week at NLW = £115.20 = more than £110 earning threshold)

In combination with changes to the personal tax allowance rates (see below) this sets a higher threshold of earned income a person can expect to receive. This means that the government's contribution to a household's income through Tax Credits or Universal Credit will be lower.

2016 Personal tax allowance increased

The Personal Tax Allowance, the amount you can earn before paying income tax, was increased from £10,600 to £11,000 from April 2016. It will continue to be increased until it reaches £12,500 by 2020. These increases match those being made with the National Living Wage to make sure that people benefiting from this do not have to pay more tax.

2016 Rent reductions for social tenants

From April 2016 social housing rents will be reduced by 1%, or in some exceptions frozen, for four years.

This will only benefit tenants who have to pay something towards their rent. If their rent is fully covered by Housing Benefit, or Universal Credit then they will not benefit from this reform.

2016 Tax credit debt recovery

Increase in the maximum recovery rate from 25 per cent to 50 per cent of an ongoing award of tax credits for households with income over £20,000 – likely to “hit those with high childcare costs or who receive extra payments due to disability even harder as their awards will be higher.” (Low Incomes Tax Reform Group)

More “efficient” recovery of Tax Credit debt (CTC OP from WTC award and vice versa) – could cause more claimants to fall into hardship

Extending the use of the private sector to improve the collection of Tax Credit debt – Citizens Advice Bureau currently monitoring this with Calls for Evidence

2017 Removal of automatic entitlement to the housing element of Universal Credit for young people aged 18 to 21.

To be affected young people will:

- have to be claiming Universal Credit, as opposed to Housing Benefit.
- be living in an area with a full Universal Credit service. This is where the Department for Work and Pensions will provide support to young people to find work in addition to processing claims for Universal Credit. It is estimated by the government that this level of service will not be rolled across the country until September 2018
- have to have refused an apprenticeship or mandatory work placement
- not be able to return home to live with their parents

- not have been in work for 6 months prior to making a claim
- not be in supported accommodation

Entitlement to Housing Benefit will continue until a person moves onto Universal Credit and in cases where a young person is in supported accommodation.

The Department for Work and Pensions have admitted that they believe that few people will be affected by this reform, because they will either move into work, move back to live with their parents or be exempt. (Social Security Advisory Committee 9.11.16)

2017 Welfare benefits limited to 2 children

From April 2017 awards of Tax Credits, Universal Credit and Housing Benefit will be restricted for some households which contain more than two children.

The benefit entitlements for larger households will be capped at those paid for a family with two children.

This only applies to:

- households in receipt of benefits which currently contain two or more children and who have a third or subsequent child after 1 April 2017
- households with more than two children making a new claim after April 2017

This proposal will not affect:

- households which already contain more than two children, unless another child is born
- multiple births after 1 April 2017 (and the household is not already at their maximum of two children)
- adopted children
- were households merge
- households where the claimant or their partner is a pensioner

Bury Council has also decided to introduce a similar limit to its Council Tax Support scheme.

2017 Reductions in Employment Support Allowance rates.

Employment Support Allowance provides help for people who are ill or disabled and unable to work. There are 2 categories:

- support group – for people considered incapable of work
- work related group – for people considered capable of work at some point in the future

The work related group will see their payments reduced to the equivalent rates of Jobseekers Allowance. In effect this is a 30% reduction.

Bereavement Benefits

Current system (including Bereavement Payment, Bereavement Allowance, Widowed Parent's Allowance) will be replaced with a new single "Bereavement Support Payment"

It will focus support in the 12 month period following the bereavement and will not be ongoing.

2017 Universal Credit requirements for parents to look for work

Parents with a youngest child aged 3, including lone parents, will be expected to look for work if they want to claim Universal Credit.

2017 (September) – increase free childcare provisions from 15 to 30 hours for children aged 3 to 4

This is linked to the changes to Universal Credit requiring parents with a child over the age of 3 to be available for work (see above). The increase in child care funding provides support for parents starting work when their youngest child reaches their third birthday.

2017 Conditionality

Parent conditionality

This involves extending parent conditionality (all work-related requirements applicable to parents of a child aged 3): it will impact on household child care commitments. In practical terms this is the equivalent of threshold levels for Income Support going down from children aged 5 to 3.

In-work conditionality

Low-paid workers working up to 35 hours a week at the NLW will be required to work with DWP job coaches to seek more work hours, higher pay, or an extra job as a condition of receiving low-wage top ups and other benefits

If claimants fall short of the targets agreed with coaches they face fines and sanctions.

It is currently being trialled on 15,000 claimants in 10 UC areas: a report is due early 2018 prior to further expansion.

Youth obligation

18-21 year olds on Universal Credit will participate in an intensive period of support at the start of their benefit claim.

After 6 months they will be expected to apply for an apprenticeship, traineeship, gain work place skills or go on a work placement if they wish to keep the benefit

2018 - Support for Mortgage Interest payments

Support for Mortgage Interest payments are a government scheme where people in receipt of benefits such as Income Support or Jobseekers Allowance can get help towards their mortgage payments. From April 2018 any new Support for Mortgage Interest payments will be treated as a loan rather than a grant. Loans will be repaid upon sale of a claimant's house, or when claimants return to work.

2019 – Social rents to be capped at Local Housing Allowance rates

The amount of Housing Benefit or Universal Credit available for tenants in social housing will be capped at Local Housing Allowance rates. This was originally set to be introduced in 2018 but has been put back a year to April 2019.

The Local Housing Allowance rates are used to work out how much Housing Benefit can be paid to tenants of private landlords. They are a set of banded payments based on the size of the tenant's household.

Although most social rents are lower than those in the private sector this will affect single people under the age of 35, as the Local Housing Allowance rates for this group are set at the average rent for a room in a shared house. This is considerably lower than the rent charged for even the smallest types of social housing.