



Shropshire Council
Legal and Democratic Services
Shirehall
Abbey Foregate
Shrewsbury
SY2 6ND

Date: Tuesday, 17 March 2015

**Committee:
Performance Management Scrutiny Committee**

Date: Wednesday, 25 March 2015

Time: 2.30 pm

**Venue: Shrewsbury/Oswestry Room, Shirehall, Abbey Foregate, Shrewsbury,
Shropshire, SY2 6ND**

You are requested to attend the above meeting.
The Agenda is attached

Claire Porter
Head of Legal and Democratic Services (Monitoring Officer)

Members of Performance Management Scrutiny Committee

David Minnery (Chairman)

Roger Evans

David Lloyd (Vice-Chair)

Vince Hunt

Joyce Barrow

Miles Kenny

Gerald Dakin

Alan Mosley

Steve Davenport

Dave Tremellen

Your Committee Officer is:

Jane Palmer Senior Democratic Services Officer

Tel: 01743 252748

Email: jane.palmer@shropshire.gov.uk

AGENDA

1 Apologies for Absence and Substitutions

2 Disclosable Pecuniary Interests

Members are reminded that they must not participate in the discussion or voting on any matter in which they have a Disclosable Pecuniary Interest and should leave the room prior to the commencement of the debate.

3 Minutes of the meeting held on 28 January 2015 (Pages 1 - 10)

To consider the Minutes of the Performance Management Scrutiny Committee meeting held on 28 January 2015.

4 Public Question Time

To receive any questions, statements or petitions from the public of which members of the public have given notice. Deadline for notification for this meeting is Friday 20 March 2015.

5 Member Question Time

To receive any questions of which members of the Council have given notice. Deadline for notification for this meeting is Friday 20 March 2015.

6 Quarter 3 Performance Report 2015/16 (Pages 11 - 20)

The Performance Manager will present the Quarter 3 Performance Report, attached.

7 Quarter 3 Revenue Monitoring Report (Pages 21 - 48)

To consider the Quarter 3 Revenue Monitoring Report [as reported to Cabinet on 11 February 2015]. The Head of Finance, Governance and Assurance will provide a verbal update on any changes that have occurred since that time.

8 Mobile and Flexible Working Scoping Document (Pages 49 - 52)

To consider the scoping document on mobile and flexible working including the role of I.T., mobile telephony and staff skills and behaviour. This work area was

identified by the Committee at its meeting held on 21 January 2015.

9 Discretionary Housing Payments Task and Finish Group Scoping Document

To consider the scoping document for the Discretionary Housing Payments [DHP] Task and Finish Group. **TO FOLLOW**

10 Date/Time of next meeting of the Committee

The Committee is scheduled to next meet at 2.30pm on Wednesday 17 June 2015.

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SHOPSHIRE COUNCIL

PERFORMANCE MANAGEMENT SCRUTINY COMMITTEE

Minutes of the meeting held on 28 January 2015

2.30pm - 4.55 pm in the Shrewsbury/Oswestry Room, Shirehall, Abbey Foregate,
Shrewsbury, Shropshire, SY2 6ND

Responsible Officer: Jane Palmer

Email: jane.palmer@shropshire.gov.uk Tel: 01743 252748

Present

Councillor David Minnery (Chair)

Councillors David Lloyd (Vice-Chair), Joyce Barrow, Gerald Dakin, Steve Davenport,
Roger Evans, Miles Kenny and Alan Mosley

36 Apologies for Absence and Substitutions

Apologies for absence were received from Councillor Vince Hunt and Councillor David Tremellen for whom Councillor P Cherrington attended as substitute.

37 Disclosable Pecuniary Interests

No declarations of interest were declared.

38 Minutes of the meeting held on 21 January 2015

RESOLVED:

That the Minutes of the Performance Management Scrutiny Committee meeting held on 21 January 2015 be approved as a correct record and signed by the Chairman.

39 Public Question Time

Two public questions were received and considered, as follows:

1. Question from the Association of Local Councils

Will the Performance Management Scrutiny Committee support the request that the Parish Council element of the Council Tax Support Grant be reinstated to the value that Shropshire Council's Cabinet approved in November 2013?

Response: Members will be considering your views during the forthcoming debate on this issue.

Supplementary question: Is the Council sending a representative to the forthcoming ALC conference on 9 February 2015? A reply has yet to be received to the invitation sent to the authority.

Response: A reply will be sent.

2. Question from Mr David Cooper

The Committee has as Agenda Item 7 the Financial Strategy 2015/16 to 2016/17, and the draft refresh business plan. These items were considered at Cabinet on 10 December 2014. At that Cabinet meeting, members agreed Recommendation C in the Financial Strategy Report "Agree to remove any allocation of council tax support grant to Town and Parish Councils for 2015/16 and future years' council tax reduction scheme." This recommendation has attracted considerable criticism for Shropshire Council, and appears to be contrary to Government policy.

At the Council meeting on 18th December 2014, the leader responded to a public question about this recommendation by stating that "The Council's budget is subject to Scrutiny and this issue can certainly be considered as part of this process." Subsequently, the Council produced its consultation document about the coming year's budget, which included this proposal (identified as producing a saving of £0.511m for 2015/16) on page 25, and also featured on that page a saving captioned "Plan for 7.5% on-going reduction in costs across Resources and Support through continual review and redesign to meet the changing needs of the organisation as they develop", which actually has a figure for 2015/16 which is £0.511m lower than that included in the report to Cabinet and before the Scrutiny Committee today.

- i. What savings, amounting to £0.511m a year, were being considered under this heading but are not now?
- ii. Why are efforts to procure these savings apparently being abandoned?
- iii. Why is it thought appropriate that local Town and Parish Councils should foot the bill for this either by making savings in their own budgets or by putting their Council Tax up?

Response: Members will be considering the issues you raise during their forthcoming debate.

Supplementary question: Rather than pleading poverty, will Shropshire Council consider the principle behind the recommendation to remove the allocation of council tax support grant to Town and Parish Councils for 2015/16 and future years' council tax reduction scheme?

Response: Members will be considering the issues you raise during their forthcoming debate.

40 **Member Question Time**

Question from Councillor Roger Evans

'I note the message that has been sent around to all staff and Shropshire Councillors. Can I please be informed what has necessitated such drastic and sudden action?

I understand a number of posts had already been advertised and appropriate costs incurred, does this include these posts. Does it also include any posts that have been offered but not yet accepted?

For members information a copy of the letter sent to all staff and Councillors is shown below'.

'As you know, and as in previous years, the council is under financial pressure and we have significant savings to make before the end of this financial year in March. I would be very grateful for your support and co-operation to enable the necessary savings.

As part of this, a spending freeze is immediately being applied in all areas of the council. This means that you should avoid council expenditure wherever possible, so please don't spend any of your budget unless you have to.

We are not allocating specific targets to services, as we trust that you will do everything you can to avoid expenditure on anything that is not essential. We're also not prescribing what essential spending is, as you are best placed to know what is absolutely necessary to provide your service.

We recognise that most people will do everything they can to avoid costs this year. However, in similar circumstances previously some individuals continued to spend their budget to avoid it being reduced in the subsequent years. This 'use it or lose it' approach must be avoided and will be monitored and challenged.

We will take account of spending commitments made before this spending freeze, but will be monitoring where people are spending to the upper limits of their budget as well as recognising where individuals have saved significantly.

Recruitment is also frozen with immediate effect and any recruitment must now be approved by me directly. Recruitment currently underway should be discussed with me before it continues and no new adverts for posts are to be initiated'.

Response: The Chief Executive stated that the spending freeze was not unusual and stressed the need for all to recognise that the level of local government cuts remained at an unprecedented level. He added that Shropshire Council was continuing to achieve within budget year on year and staff were managing budget limiting expenditure. He added that, whilst the Council's Voluntary Redundancy scheme was ongoing, it would be wrong to recruit without proper consideration of the available options.

Supplementary question: In certain areas, namely planning, the authority is short staffed and the recruiting process had been initiated. Will recruiting to these posts still be progressed?

Response: The Chief Executive advised that the workload dictated that the three planning posts were needed and the recruitment process would therefore continue. He confirmed that posts would be filled if there was a demand for recruitment in order

to meet the needs of local people, this recruitment could include retraining existing staff who may be under threat of redundancy.

41 **Petition re Council's Consultation Processes**

Members considered the following petition:

'We, the undersigned, petition the Council to review the methods used for public consultation by Shropshire Council.

The methods used by Shropshire Council for their consultations are very poor and rely largely on the use of their website to inform the public. This is disenfranchising, particularly to those without access to the internet, and requires the public to be proactive. A complete review is urgently required and Shropshire Council needs to engage more effectively with the public'.

Mr S Mulloy made the following statement:

'I am here today to present a petition seeking better consultation and engagement from Shropshire Council.

It was just over 12 months ago that I sat before this very same committee (27th Nov 2013) and questioned the lack of consultation on last year's Draft Business Plan.

I sought a review of Shropshire Council's engagement methods, and twelve months on, there has been no visible change. Rapid Action Groups were set up to scrutinise different service areas, but no one looked at Community Engagement. At that meeting, the Leader proudly announced that the recent success in winning the court case over the closure of Adult Day Care Centres, vindicated the Council's approach to consultation. That decision was subsequently overturned on appeal, and therefore the Council's approach to consultation is no longer justified.

That failure to consult cost the Council £250,000 so not only does poor consultation create poor policy, but it also wastes public money at a time when grants are being cut to local Town & Parish Councils.

As we sit here today, 6 years after the formation of this Unitary Authority, there is no Service Wide Engagement Strategy, and given the amount of policy that has been adopted during that period, this calls in to question the robustness of those policies.

The mission statement of the Business Plan leads with: "OUR CUSTOMERS AT THE CENTRE OF EVERYTHING WE DO." but this can only be considered a platitude if you do not consult and engage with your customers effectively.

In recent years public participation has become a defining feature of all areas of public policy, but I have to question whether those people working in this field have had a chance to gain the skills required. As a result, the experience of community engagement has not been as positive as it should or could have been.

When asked about Localism in practice, the Chief Executive said: "There is a need to get in to the community to get feedback in order to change and adapt instead of expecting people to come to us." I would ask, how has this been done?

Shropshire Council's preferred method of engagement is through electronic means, but this is disenfranchising, and risks being challenged through the Equality Act (2010 Sect 149) as it prohibits consultation with groups unable to access the internet.

There is a need to address the fundamental problem of motivation in public participation exercises, recognising that there are people who are different or disadvantaged and may face barriers to participation. These issues can only be overcome through appropriate and effective consultation.

Done properly engagement is a relationship that is transformative and creates hope for a better tomorrow. It's about reaching out to those marginalised in our society. It's about social inclusion and partnership.

What it is not about, is working in isolation!

I respectfully request that this committee sets up a Rapid Action Group to look at the methods of engagement used by Shropshire Council and report their findings to Full Council'.

The Committee Chairman thanked Mr Mulloy for presenting the petition and commented that the Scrutiny Chairs' Group would give consideration to establishing a Working Group to look at community engagement as part of Scrutiny's future Work Programme.

42 Financial Strategy 2015/16 to 2016/17

The Committee considered the draft refresh of the Council's Business Plan and the Financial Strategy 2015/16 to 2016/17 that included updates in expenditure.

Members were mindful that the Council's draft settlement had been received and this would be included in the updated Financial Strategy that would be reported to Council in February 2015 together with the update of the Capital programme that would be included in the Business Plan.

In response to a Member's request, the Head of Finance, Governance and Assurance confirmed that the consultation responses received by the Council could be made available to Members and confirmed that they would be circulated prior to the Council meeting on 26 February 2015.

Council Tax Support Grant

A minority of Members vehemently objected to the recommended removal of the allocation of Council Tax Support Grant to Town and Parish Councils for 2015/16 and future year's Council Tax reduction scheme. It was recognised the funding was not ring fenced for this purpose but that Council would be the final arbiter.

Comments were made on the short notice given to Parish and Town Councils on the recommended removal of this funding and its subsequent retention by the Council. And the damage that could result in the relationship between the Council and the Shropshire Parish and Town Councils.

Other issues raised during the debate on this issue included:

- Work with Parish and Town Clerks was ongoing and was providing an opportunity to work together to provide better accountability for very local services
- It was recognised that some Parish/Town Councils were better placed than others; it was understood that some may have to raise their precept
- It was understood that the recommendation to Cabinet had been made because of the huge pressure on the Adult Social Care budget but some Members were concerned that it amounted only to 'robbing Peter to pay Paul'
- The feedback from a forthcoming ALC conference would be considered as part of the budget consultation

It was recognised that consultation on this issue was ongoing but some Members considered that a strong comment should be made by the Committee.

A proposal to recommend to Cabinet the retention of the allocation of Council Tax Support Grant to Town and Parish Councils for 2015/16 was defeated.

Adult Social Care [ASC]

The Committee noted that service redesign was ongoing and a projected £10M saving was anticipated in the current year; despite the Council's low care cost per head there was a very high level of satisfaction at 96%.

It was acknowledged that problems had arisen beyond the Council's control largely because people already within the ASC system were living longer and those who were self-funding had run out of funds. Of those coming into the care system less than 50% were coming into residential care as better alternatives were being found.

The Committee acknowledged the ongoing process of redesign in ASC that had continuing benefits that would roll forward. Figures presented to the Committee represented the ongoing position but it was accepted that this was continually evolving as service redesign was implemented.

Children and Young People's Services

The Committee noted that transport costs were being reviewed across the whole Council and, as Children's Services had the largest transport budget, it was likely that this service area could probably make the biggest saving.

It was noted that savings were planned as a result of:

- The renegotiation of contracts
- Early prevention work to prevent children coming into care in the first place [if safe to do so]

Members noted the aim to ensure that children were properly looked after and safe whilst ensuring money was not wasted. The Committee was pleased to learn that many schools were renewing their contracts with the Council's education services that continued to offer a quality service to meet the current needs of schools.

Impact of ip&e

In answer to a Member's query whether profit from ip&e could be ploughed back into services in order to reduce the planned budget cuts, the Leader advised that profitability was slowly improving.

General remarks re future scrutiny of the budget

In bringing the debate to a close the Chairman queried whether scrutiny consideration of the budget would be better undertaken during the summer months in order to allow the scrutiny process to be more informed and have the opportunity to input into the process at an earlier stage. Members supported revised timetabling for scrutiny consideration of the budget and it was noted that this could be developed as part of the redesign of the scrutiny process.

RESOLVED:

- i. That responses received by the Council to its budget consultation process be made available to all Members in the Members' Services office and emailed to members of the Performance Management Scrutiny Committee before the Council meeting on 26 February 2015; and
- ii. That consideration be given to Scrutiny Committee meetings being timetabled in future to allow consideration of the budget throughout the year with a review of all information available to take place during the summer months.

43 Quarter 2 Performance Report 2015/16

The Performance Manager presented the report detailing Quarter 2 performance and drew Members' attention to the two appendices relating to the Change Infographic Dashboard – the Quarter 2 Transformation Data relating specifically to the Council's overall budget, the increase in commissioning services, reduced staffing and the 84% satisfaction rate of local residents. The second appendix referred to the Outcome Summary Infographic Dashboard – Shropshire outcomes. The Performance Manager urged the Scrutiny Committees to interrogate the information within the dashboards to look at the information within them.

The Deputy Portfolio Holder for Transformation Performance commended the Performance staff on making the data easily digestible and commended the use of the dashboards to the Council's Scrutiny Committees.

RESOLVED:

- i. That the information contained within the Quarter 2 Performance Report 2014/15, be noted; and
- ii. That the use of the performance dashboards be commended to the Council's Scrutiny Committees.

44 Discretionary Housing Payments [DHP] Update. The Review of DHP Policy and Administration

The Head of Customer Involvement presented an update report on the review of the Discretionary Housing Payments [DHP] Policy and its administration. The DHP Task and Finish Group that met in 2014 focussed its work on understanding the Shropshire approach to the award of DHPs and whether this could be improved both to meet the needs of the tenants and ensure that the allocation made to Shropshire was maximised.

Members noted that in order to align this Policy with the new Local Support and Prevention Fund (LSPF) Policy and to take into account the DWP's recent announcement of the Universal Credit rollout plan for Shropshire referral to Cabinet would take place in February 2015. Originally, when the Task and Finish Group met, the Government's plans for the rollout of Universal Credit in Shropshire were not known.

A short presentation was made by the Contact Transfer Manager to provide more detail on the issues raised, particularly the issue of disability benefits and the additional risks that the roll out of the Universal Credit may raise.

Members had the opportunity to raise any concerns or issues during consideration of this issue. The main concern related to the need of the Council to maximise the use of the Shropshire allocation to support the needs of Shropshire tenants and ensure that as little, if any, funding remained unspent and returned to the DWP or that the funding allocated by the DWP was not exceeded. It was noted that the trend in the allocation of this funding had risen but the 2015/16 settlement was not yet known.

RESOLVED:

- i) That the draft DHP Policy be referred to Cabinet for consideration and onward consultation;
- ii) That the DHP Task and Finish Group be reconvened to progress the development of a response to the consultation to ensure the Scrutiny

Committee's continued influence in the development of the Council's DHP Policy.

45 Date/Time of next meeting of the Committee

It was noted that the next meeting of the Committee was scheduled to be held at 2.30pm on Wednesday 25 March 2015.

Signed (Chairman)

Date:

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| <u>Committee and Date</u> | <u>Item</u> |
|---|---------------|
| Cabinet 11 February 2015 | 6 |
| Performance Management Scrutiny Committee 25 March 2015 | <u>Public</u> |

Quarter 3 Performance Report 2014/15

Responsible: Tom Dodds, Performance Manager

e-mail: tom.dodds@shropshire.gov.uk

01743 253068

1. Summary

- 1.1 The report is produced based on the new performance management framework and reporting methodology. This has been developed following work with the Portfolio Holders and Scrutiny members during the Performance Management Rapid Action Group in January - February 2014.
- 1.2 At the corporate level performance is monitored using an overall change infographic (See Appendix 1). The delivery of the outcomes for Shropshire stated in the Shropshire Council's Business Plan and Financial Strategy 2014 – 2017 is being monitored through a basket of indicators grouped in technical dashboards. The 4 technical outcomes dashboards (signed off by Directors and considered by the relevant Scrutiny Committee) are not included with this report but are available on request. The key intelligence is summarised in the outcomes infographics dashboards (Appendix 2).
- 1.3 This report summarises the latest measures of performance relating to the four outwards focusing outcomes for Shropshire Council:
 - **Your money** – 'Feel financially secure and to believe in a positive future for myself and my family'
 - **Your environment** – 'Live in an attractive, vibrant and safe environment, in a place that is right for me'
 - **Your life** – 'Feel valued as an individual and to live my life, with my choices respected and with as few compromises as possible'
 - **Your health** – 'Live a long, enjoyable and healthy life'
- 1.4 Information from the Change info graphic dashboard reflects the progress towards the fifth council outcome:
 - **Your council** – 'Feel confident that the council is doing the right thing with my money and that my needs are at the centre of any decisions taken about my life'
- 1.5 As part of developing and further refining what is measured to demonstrate progress and the impact of commissioning decisions and changes to services, work is taking place with Scrutiny Committees. A Member working group has been in operation with the Adult Social Care and Health Scrutiny Committee looking at

measures appropriate to the new operating model for Adult Social Care. They will be working with officers to develop a refreshed dashboard for Q1 2015/16. Alongside this, the Portfolio Holder for Performance has discussions with fellow Portfolio Holders to understand what actions and developments are planned and/or in place to respond to the issues and ensure outcomes are achieved.

2. Recommendations

Members are asked to

- A. Consider the key underlying and emerging issues in the reports and appendices.
- B. Identify any performance areas that they would like to consider in greater detail or refer to the appropriate Scrutiny Committee.

REPORT

3. Risk Assessment and Opportunities Appraisal

- 3.1 Poor performance could have implications for vulnerable people (including children) who are supported by Council services and the economic growth in Shropshire. In turn, there may be significant financial, legal and reputational risk to the Council, Schools (and Academies), and partners from across the public and voluntary and independent care sectors.
- 3.2 Effective monitoring and follow-up against key measures of success provides the opportunity to manage risks and ensure that Children and Young People and vulnerable adults in Shropshire remain safe and achieve the desired outcomes. Increasingly, performance reporting will reflect the impact of commissioning decisions by the Council, linking directly with the management of contracts and building on the current approach of looking at how effective the Council is at delivering its outcomes.

4. Financial Implications

- 4.1 This report does not have any direct financial implications, but presents service and financial information to support decision making. Accountable officers and senior managers may use the information to inform actions or interventions for improving service performance and the prioritisation and use of resources.
- 4.2 Full financial details are presented as part of the Financial Reports.

5. High level Change Infographics dashboard

- 5.1 The high level graphic (appendix 1) shows the four measures which are used to show the Council's performance in managing the budget, its staffing levels, its expenditure and residents satisfaction in the area they live.

- 5.2 The projected revenue forecast for the year, at Quarter 3, shows a potential (forecast) overspend of £0.371m on a net budget of £223.45m for the full year. This has reduced from the Q2 potential overspend of £1.6m. This is being monitored and will be revised each month. Full details are presented in the financial reports.
- 5.3 The number of non-school FTE equivalent has reduced from 4219 in March 2011 to 2874 in December 2014. The average number of layers of management between Chief Executive and staff has remained at 4.9 over the last two quarters.
- 5.4 In Q3 2014/15, The Council spent 52.72% of its original gross revenue budget with external organisations (therefore excluding staffing costs, transfer payments and recharges). This is better than the profiled minimum standard 48.3% for the quarter and reflects progress of the Council's approach to the way services are being delivered.
- 5.5 The quarterly survey to track satisfaction with local areas was launched in Quarter 1. When asked: "Overall, how satisfied or dissatisfied are you with your local area as a place to live? By local area we mean within 15-20 minutes walking distance from your home." Respondents of the third survey reported that 82% were either very satisfied or fairly satisfied with their local area. This is significantly better than 73% at the end of quarter 1 and broadly in line with Q2 (84%). The survey conducted through Shropshire Council's People's Panel will be repeated on a quarterly basis to reflect the residents' view overall about the impact of the outcomes delivered by Shropshire Council and its partner organisations and will provide intelligence to identify any in year cyclical variation.

6. Summary Outcomes Infographic Dashboard

- 6.1 The summary outcomes dashboard (appendix 2) presents the key messages from the intelligence captured by the technical performance dashboards using infographic images – one for each outcome prioritised by the Council.
- 6.2 The rate of Looked After Children (LAC) per 10k population has slightly increased from previous quarter and is now above the average level for statistical neighbours (SN) 2014 level (49.7) but below England (60.0). Recently published 2014 comparator data shows SN have reduced, England averages have remained the same whilst Shropshire's number increased compared with 2013. The absolute number of LAC has been rising since August 2011 when it stood at 195. At the end of Q3 there were 312 LAC, representing a 60% increase over this period.
- 6.3 Children's Social Care Services are being re-designed with a focus to reduce the need for children to be looked after or the period of time that children are looked after in a safe way. More support is being provided to the children on the edge of care. For children deemed in need of permanency care due to significant harm, more focus is put on ensuring planning for their care is concluded without delay. Early Help strategy developments included support from social workers for partner organisations to help manage risk at lower level or in case of significant harm to act promptly.

6.4 The increasing levels of demand on our Children's Social Care and Safeguarding Teams have continued from previous quarters. Data for the third quarter of this financial year shows an increasing number of referrals to Children's Social Care. At the end of Q3 2014 there were 2091 referrals compared to 1696 in Q3 2013, representing a 23% increase. This is due to changes to the way the operational decisions are made at ICT (Initial Contact Team) but also similar to other local authorities where there has been an increase in referrals.

6.5 Street cleanliness is assessed against national standards through an annual regime of 4500 inspections. Standards in Shropshire are that less than 10% of inspections are worse than grade B for litter. Definition - Grade B – predominantly free of litter and refuse except for some small items.

The latest figures show that the % of inspections that are worse than grade B are 4.46% which is better than The Keep Britain Tidy benchmark of 11% for litter.

6.6 The amount of household waste that is re-used, recycled or sent for composting in Nov 2014 has slightly increased when compared to July of previous year.

6.7 The number of properties on the valuation list for council tax shows an increase of 1098 homes when compared to the previous year. There are now 136,917 properties at Dec 2014 compared to 135,819 in Dec 2013.

6.8 Educational outcomes for pupils in Shropshire remain above the national average.

Attainment results for 2013/14 exams show that Shropshire results of 55.6% of pupils achieving 5 or more A*-C grades at GCSE or equivalent including English and mathematics are better than the England result and inline with other similar councils.

Inline with national results the percentage of pupils attaining 5 A* - C grades has reduced, compared to previous years, due to changes to the methods used for calculating results including;

- The counting of pupils' first results in school performance measures, rather than their best results (following resits) which had been measured in 2013 and previous years.
- Changes to GCSE examination specifications that altered the proportion of marks allocated to specific elements and excluded elements of assessment that had been included in the previous year and for early entry in 2014.

6.9 Permanent admissions into residential care homes (as a rate per 100,000 population) continues to show an year on year reduction for both 18 to 64 and 65+ age groups. Performance at quarter 3 is track to meet the end of year improvement targets. People have been supported with earlier alternative care options to residential care, with a clear strategy for supporting people at home, wherever possible.

6.10 Delays in discharges from hospital due to adult social care have now fallen behind target and are now higher than the same period in 2013. Early performance was better than target but this has now declined and this is being reviewed with partners to ensure delays are kept to a minimum. Reducing delays is a high priority as this links to the supporting measures which have been agreed in the plan, to deliver the Better Care Fund outcomes and priorities.

7. Conclusion

- 7.1 This performance report provides an update on the results achieved and the impact on delivering the five outcomes for Shropshire based on the methodology developed as part of the Members Rapid Action Group at the beginning of the calendar year.
- 7.2 Performance in the third quarter of 2014/15 has shown a number of improvements compared to the same period in 2013/14.
- Performance has improved in the recycling rates of household waste,
 - There are fewer permanent admissions into residential care and
 - Street cleanliness remains better than target

In addition to these improvements there are confirmed challenges to be faced.

- Increasing numbers of Looked After Children
- An increase in delayed transfer from hospitals

Measures and new ways of working are being developed and implemented to deliver services in different ways and continue to deliver the council's outcomes and priorities.

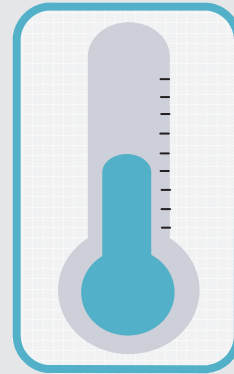
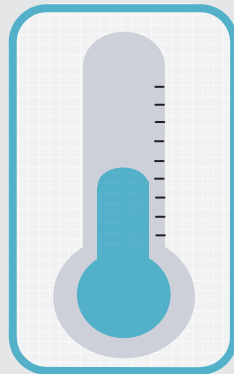
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|---|
| List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information) |
| Business Plan and Financial Strategy 2014 – 2017 |
| Cabinet Member (Portfolio Holder) Tim Barker |
| Local Member All |
| Appendices Appendix 1 – Change Infographic Dashboard Appendix 2 – Outcome Summary Infographic Dashboard |

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Quarter 3 Transformation Data

End of year budget

£223,445,000

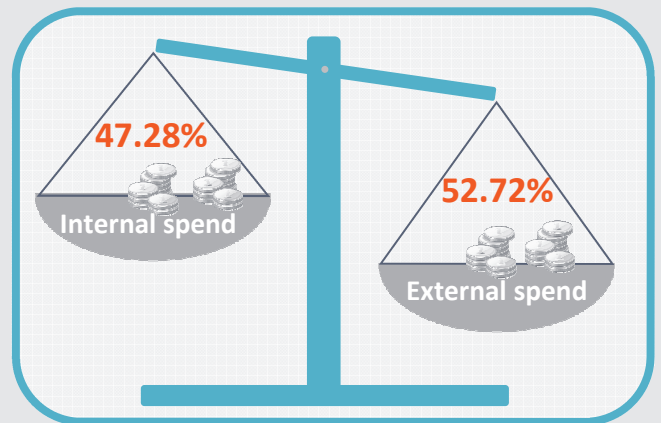


Forecast outturn

£223,816,000

£371,000 forecast **overspend**

% of **gross revenue** budget spent **externally** exceeds the profiled budget of 49.45%



March
2011



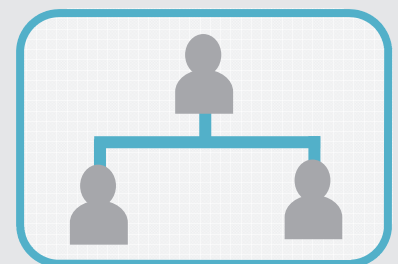
4,219
FTE

Sept
2014

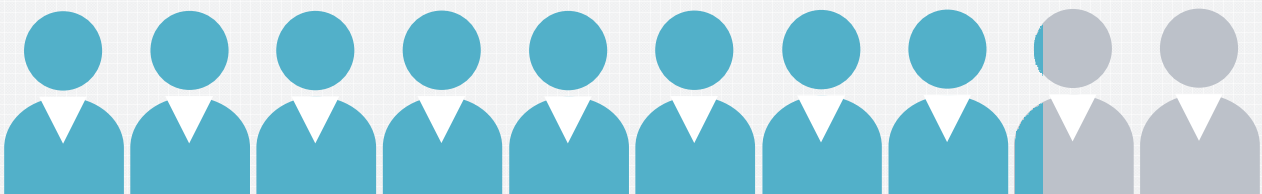


2,850
FTE

The average number of **Council work-force layers** under the Chief Executive has **remained at 4.9**



82% of **residents** surveyed are **satisfied** with their **local area**



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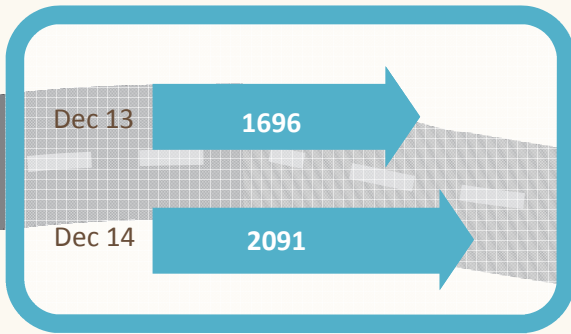
Shropshire Outcomes

Your life outcome SC1
Welcome to Shropshire

Number of **looked after children** per 10,000 has continued to **increase**



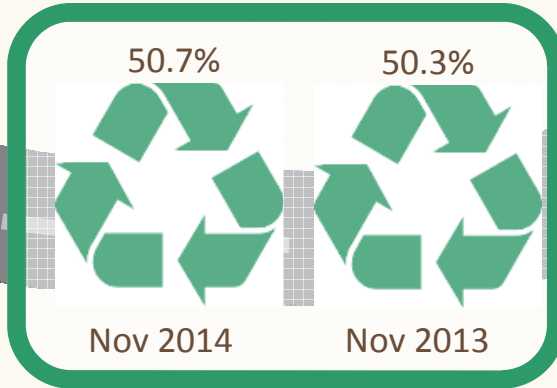
Number of **referrals** to children's social care has continued to **increase** compared to last year



Born in 2012, average **life expectancy** is **81.8 years**

Your environment outcome SC2
A Great Place To Live

Household waste sent for **recycling, re-use or composting** has slightly increased



Shropshire Cleanliness

From April only **4.9%** of street inspections **fall below good standard** for **littering**

Your money outcome SC3
Floreat Salopia

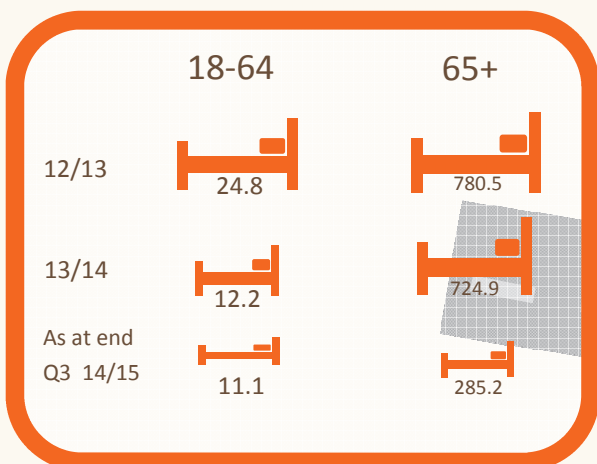
1100 More houses on Council Tax register



Education Standards

% of pupils achieving 5 A*- C GCSE

Your health outcome SC4
Please Drive Carefully



Keeping **permanent admissions into residential care homes**, per 100,000 population, to a minimum



"Delays in transfers of care from hospital, attributable to Adult Social Care, per 100,000 population aged 18+ are **increasing** compared to previous quarter

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| <u>Committee and Date</u> | <u>Item</u> |
|--|---|
| Performance Management Scrutiny Committee 25 th March 2015 2:30pm | <b style="font-size: 2em;">7 <u>Public</u> |

Revenue Monitoring Position – Quarter 3 2014/15

Responsible Officer James Walton
 e-mail: james.walton@shropshire.gov.uk Tel: 01743 255011

1. Summary

The Quarter 3 Revenue Monitoring Report, agreed by Cabinet on 11 February 2015, is attached at Appendix 1 for consideration by the Performance Management Scrutiny Committee and identifies a projected overspend of £0.371m by the end of the financial year.

Financial Monitoring is produced internally on a monthly basis and a verbal update will be provided to the Committee of the latest projected position for 2014/15.

2. Recommendation

Performance Management Scrutiny Committee are asked to consider and endorse, with appropriate comment, the financial position as identified in the attached Revenue Monitoring Report for Quarter 3 2014/15.

REPORT

3. Background

Cabinet receives key information on a quarterly basis in relation to the Council's Financial Position for the current financial year. In summary these reports are as follows:

- Revenue Monitor
- Capital Monitor
- Treasury Management update

At the present time the areas representing the greatest financial risk to the organisation are reflected in the Revenue Monitoring Report, the latest of which was approved by Cabinet on 11 February 2015.

The Quarter 3 Revenue Monitoring Report is attached at Appendix 1 and identifies a projected overspend of £0.371m by the end of the financial year. Any variance at year end is managed against the Council's General Fund Balance; the projected overspend reducing the current balance to an estimated £14.535m. Cabinet separately approves a paper setting out the criteria for a risk assessed level of General Fund Balance, which for 2014/15 was originally set at £18.513m.

Financial Monitoring is produced internally on a monthly basis and a verbal update will be provided to the Scrutiny Committee of the latest projected position for 2014/15.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Business Plan and Financial Strategy (Council 27 Feb 2014)
Revenue monitoring Reports - Quarterly to Cabinet

Cabinet Member (Portfolio Holder)

Mike Owen

Local Member

N/a

Appendices

Appendix 1 – Revenue Monitoring Report – Quarter 3 2014/15



| |
|---|
| <u>Committee and date</u> |
| Cabinet 11 February 2015 |
| Performance Management Scrutiny Committee 25 March 2015 |

| |
|---------------|
| <u>Item</u> |
| 7 |
| <u>Public</u> |

REVENUE MONITORING REPORT – QUARTER 3 2014/15

Responsible Officer James Walton

Email: james.walton@shropshire.gov.uk

Tel: (01743) 255011

1. Summary

The report sets out the Revenue forecast for 2014/15 as at Quarter 3 and identifies the current projections on delivery of savings included within the forecast.

To aid reporting of savings delivery the Council uses a RAG (Red, Amber, Green) rating to identify a rating for the delivery of savings proposals (more details provided in the report below). As at Quarter 3, evidence currently suggests that of the £39.9m of proposals to be delivered in 2014/15, £39.2m are rated as Green – with a high degree of certainty of being delivered.

The Quarter 3 position indicates that £0.5m of the £39.9m savings planned are categorised as red, and further work is required within service areas to ensure that the total value of savings proposals are fully deliverable within the financial year. Furthermore a number of additional service pressures of £10.9m are already being highlighted, which services will need to address alongside delivering their savings targets. These pressures have been offset by the identification of a number of one off sources of funding that have not been committed and will instead be held to partially address the service pressures identified in year, however service areas will need to identify ongoing solutions to these pressures.

The key issues highlighted by this report are that:

- The projected outturn is an overspend of £0.371m which has decreased by £1.232m since Quarter 2.
- The projected General Fund Balance as at 31 March 2015 is £14.535m.

2. Recommendations

It is recommended that Members:

- A. Note that at the end of Quarter Three (2 January 2015), the full year forecast is a potential overspend of £0.371m;
- B. Consider the impact of this on the Council's General Fund Balance.
- C. Approve that Shropshire Council act as accountable body for the new LEADER programme.
- D. Approve the extension of ERDF funded projects including Marches and

Staffordshire Business Enterprise Fund, Eureka! Moment, Growing Talent and Optimising Business Broadband to December 2015.

- E. Approve that Shropshire Council act as the host authority of the pooled budget arrangement for the Better Care Funding.

REPORT

3. Background

- 3.1 Revenue budget monitors are produced to report on the period from June (Period 2) to February (Period 11) of each financial year and show the anticipated year end projection.
- 3.2 The reports track progress against the agreed budget decisions, forecast any significant variances to the budget, and enables corrective action to be taken to ensure a balanced budget at year end.
- 3.3 Variances are reported on an exceptions basis depending on the total variance from budget, and the percentage change in projection in any one period.

| | |
|--------|---|
| Green | Variance +/- 1% (or £0.05m if budget less than £5m) |
| Amber | Overspend between 1%-2% (or £0.05m-£0.1m if budget less than £5m) |
| Red | Variance over 2% (or £0.1m if budget less than £5m) |
| Yellow | Underspend more than 1% (or £0.05m if budget less than £5m) |

4. Monitoring 2014/15 Budget - Overall Position

- 4.1 The projected revenue forecast for the year, at Quarter 3, shows a potential overspend of £0.371m (0.06%) on a gross budget of £577.5m (net £223.4m) for the full year. The forecast year end position for the whole council will be revised each month and reported using the graph below. The area of the graph banded green shows the extent of variance from the budget that would be seen as reasonable given the size and complexity of the Council's budget. At Quarter 3 the projected year end overspend of £0.371m is falling within the green banding, and the level of overspend has decreased since Quarter 2. The change in projection is the net effect of an increase in budgetary pressures within Adult Services (£2.9m increase in overspend since Q2), and a further underspend within Corporate Budgets (additional £3.6m since Q2) as a result of releasing uncommitted non-apportionable costs and income such as council-wide grants.

4.2 Adult Services

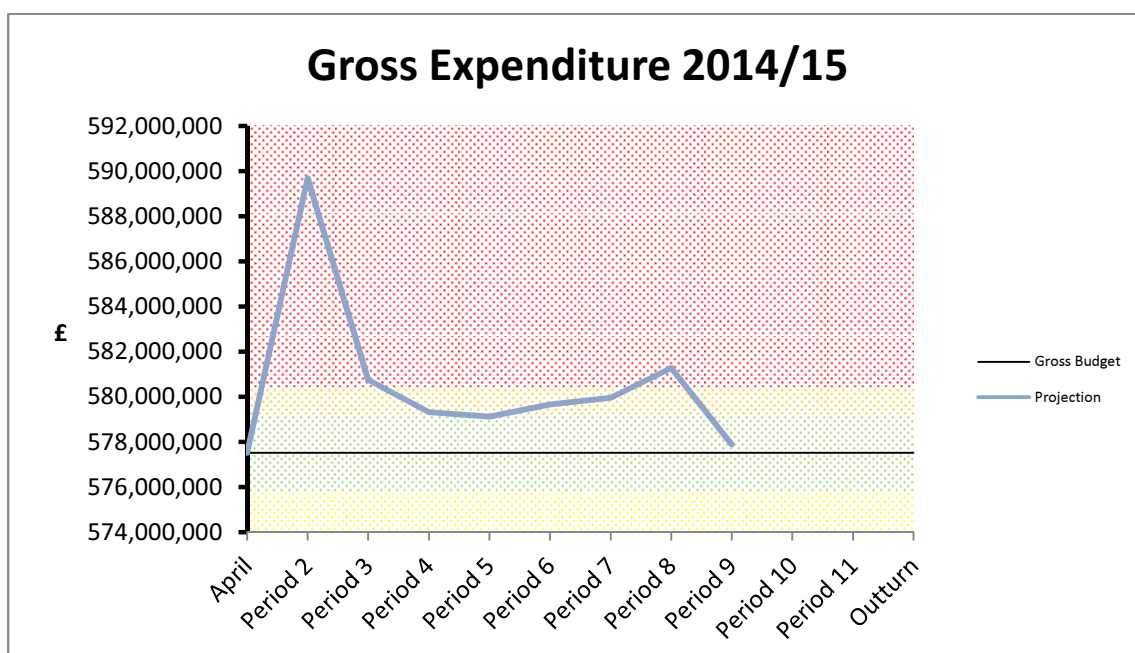
- 4.2.1 Purchasing projections within Adult Services have increased by £3.7million between the periods. £1.4million of this increase is explained by new clients entering the system and a net increase to the existing client base between periods of £1million. The remaining element of the increase in purchasing relates to changes in assumptions and pressure created by unachieved savings of £1.3m.
- 4.2.2 The service has carried out a detailed analysis of the £1.4million pressure

created by new clients entering the system and has found that the primary reasons for new entrants are from sources which cannot be impacted effectively by the New Operating Model.

- 4.2.3 Since the last monitoring period 29% (in current year financial impact terms) of new client pressure has been created by clients coming into the system as a result of Capital Reduction (Indeed 49% came from this source in Period 9 alone), 24% from Change in Need, 21 % from Hospital Discharge, 5% from Carer Breakdown, 5% from Transition and the remainder from other sources.
- 4.2.4 Adult Services is continuing to monitor the sources of new clients at this level in order to ensure that strategies are in place, or can be developed, to mitigate the pressures arising where it is possible to do so. Work is also underway to carry this analysis back to previous monitoring periods in order to establish trends and a review of the change to client base is also going to be undertaken.

4.3 Corporate Budgets

- 4.3.1 At Quarter 2, it was identified that a number of corporate budgets in relation to Council Tax Freeze Grant, Section 31 grants (relating to, for example small business rate relief) and Business Rate appeals provision were uncommitted and at that stage, £2.470m was released as an underspend to offset budgetary pressures across the Council. Further work has been undertaken on these specific budgets to determine whether budgets are uncommitted and can be used as a one off injection of funds into the monitoring position for 2014/15. A spending freeze has also been implemented across the Council. Current estimates of the overall impact on Council budgets suggest £7.916m across a variety of budget areas can be uncommitted within 2014/15 with a reasonable degree of certainty.
- 4.3.2 Where uncommitted funds have been identified which are not a result of delayed but committed spending, these have been utilised to offset overspending areas of the Council's budget. In other areas of the budget a £5.5m commitment is held which has been delayed to 2015/16. Delays may be as a result of a decision to defer spend or more often to enable the development of strategic priorities and direction in relation to the hosting of IT infrastructure, mobile and flexible working, the delivery of the University Centre Shrewsbury and development of the Council's Asset Management Policy. Given the importance of these key strategic priorities, a decision has been taken at quarter 3 to move these funds into ringfenced reserves and control wider Council spending, rather than utilise them to reduce the Council's projected overspend.



- 4.4 The projected overspend of £0.371m for 2014/15 is presented below and analysed in more detail at Appendix 1.

Table 1: 2014/15 Projected Budget Variations Analysed by Service Area

| Service Area | Revised Budget £'000 | Forecast Outturn £'000 | (Under) / Overspend £'000 | RAGY Classification |
|---------------------|-------------------------|------------------------------|---------------------------------|------------------------|
| Adult Services | 71,283 | 76,222 | 4,940 | R |
| Children's Services | 55,545 | 56,300 | 755 | A |
| Commissioning | 83,974 | 83,360 | (615) | Y |
| Public Health | 1,754 | 1,754 | 0 | G |
| Resources & Support | 9,325 | 9,882 | 557 | R |
| Corporate | 1,564 | (3,702) | (5,266) | Y |
| TOTAL | 223,445 | 223,816 | 371 | G |

5. Update on Savings Delivery

- 5.1 The savings projections for 2014/15 have been RAG rated in order to establish the deliverability of the savings and any potential impact on the outturn projection for the 2014/15 financial year. The RAG ratings are updated monthly to determine progress on delivery. Since the Quarter 2 position a further assessment has been undertaken by the Finance Team to determine the ongoing delivery of the savings within the budget and also the in-year delivery of the savings in line with delivery milestones by Directors and Portfolio Holders to be built into the Quarter 3 projections. For transparency, each of these assessments are detailed for each service area in Table 2.

Table 2: Update on Delivery of 2014/15 Savings Proposals

| Service Area | Quarter 2 Projection of 2014/15 Delivery of Savings £'000 | Assessment of Ongoing Delivery of Savings as at Quarter 3 £'000 | Projection of 2014/15 Delivery of Savings as at Quarter 3 £'000 |
|----------------------|---|---|---|
| Red Savings | | | |
| Adult Services | 0 | 2,160 | 0 |
| Children's Services | 1,227 | 1,644 | 246 |
| Commissioning | 131 | 1,266 | 107 |
| Public Health | 0 | 0 | 0 |
| Resources & Support | 212 | 1,217 | 109 |
| Corporate | 0 | 0 | 0 |
| | 1,570 | 6,287 | 462 |
| Amber Savings | | | |
| Adult Services | 0 | 4,542 | 0 |
| Children's Services | 0 | 0 | 0 |
| Commissioning | 18 | 0 | 0 |
| Public Health | 0 | 0 | 0 |
| Resources & Support | 228 | 384 | 195 |
| Corporate | 0 | 0 | 0 |
| | 246 | 4,926 | 195 |
| Green Savings | | | |
| Adult Services | 11,563 | 4,861 | 11,563 |
| Children's Services | 5,985 | 5,568 | 6,966 |
| Commissioning | 6,726 | 5,527 | 6,686 |
| Public Health | 55 | 227 | 227 |
| Resources & Support | 6,947 | 5,696 | 6,993 |
| Corporate | 6,800 | 6,800 | 6,800 |
| | 38,076 | 28,679 | 39,235 |
| TOTAL SAVINGS | 39,892 | 39,892 | 39,892 |

- 5.2 The figures presented above demonstrate a healthy analysis of the Council's current financial position, with 98% of the 2014/15 savings target flagged as green. It should be recognized that the delivery of these savings targets has been delivered through the identification of a number of one off savings in 2014/15. The ongoing delivery as shown in the middle column suggests that 72% of the Council's £39.9m savings target can be demonstrated as green rated. Those areas not delivered within 2014/15 have been assessed as part of the Financial Strategy to identify those areas deliverable but subject to a delay in delivery, and those areas identified as undeliverable.
- 5.3 Further tracking of the movement in savings each quarter is shown in Appendix 2, which details any significant movements in RAG ratings that have occurred during the last quarter. Appendix 2 also includes a number of charts which maps the delivery of the red, amber and green savings over each period. As demonstrated within the Adults, Children's, Commissioning and Resources & Support graphs, the level of red and amber savings is higher when considering the ongoing delivery compared to the in-year delivery projection, and this clearly demonstrates the use of one off savings in 2014/15. Over the year, as service areas have identified plans for ongoing

delivery of these or alternative savings proposals, these two lines converge and the level of green savings moves towards the target savings for each service area.

6. Analysis of Outturn Projections including Delivery of Savings

6.1 The monitoring position detailed in Table 1 includes the current position on delivery of savings proposals for 2014/15 in addition to new monitoring pressures identified and one off solutions to reduce the projected overspend. Table 3 provides further analysis of the projected overspends for each service area.

Table 3: Reconciliation of Monitoring Projections to Savings Delivery

| | Quarter 3 Projection £'000 | Red Savings detailed in Projection £'000 | Amber Savings detailed in Projection £'000 | One Off Savings Delivered to offset Reds and Ambers £'000 | Ongoing Savings Delivered to offset Reds and Ambers £'000 | Director Commitment to Address Reds and Ambers £000 | One Off Monitoring Pressures Identified £'000 | Ongoing Monitoring Pressures Identified £'000 | One Off Monitoring Savings Identified £'000 | Ongoing Monitoring Savings Identified £'000 |
|---|----------------------------------|---|--|---|---|--|---|---|---|---|
| Adult Business Support & Development | (272) | 0 | 0 | (126) | 0 | 0 | 153 | 0 | (298) | 0 |
| Contracts & Provider | 223 | 412 | 0 | (139) | 0 | 0 | 0 | 70 | (119) | 0 |
| Social Care Operations | 5,448 | 1,748 | 0 | (2,002) | 0 | 0 | 23 | 6,514 | (836) | 0 |
| Adult Services Management | (460) | 0 | 0 | (294) | 0 | 0 | 71 | 0 | (237) | 0 |
| Housing Health & Wellbeing | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adult Services | 4,940 | 2,060 | 0 | (2,561) | 0 | 0 | 247 | 6,584 | (1,491) | 0 |
| Learning & Skills | (21) | 246 | 0 | 0 | 0 | 0 | 0 | 0 | (143) | (105) |
| Children's Safeguarding | 757 | 1,141 | 0 | (250) | (891) | 0 | 0 | 1,600 | (207) | (636) |
| Children's Services | 736 | 1,387 | 0 | (250) | (891) | 0 | 0 | 1,600 | (350) | (741) |
| Director of Commissioning | (2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (2) | 0 |
| Local Commissioning | (61) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (61) | 0 |
| Area Commissioning North | 820 | 1,256 | 0 | (1,159) | (53) | 0 | 845 | 30 | (99) | 0 |
| Area Commissioning South | 230 | 63 | 0 | 0 | 0 | 0 | 432 | 1,100 | (1,364) | 0 |
| Public Protection & Enforcement | (198) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (198) | 0 |
| Business Growth & Prosperity | (1,404) | 27 | 18 | 0 | (46) | 0 | 98 | 41 | (1,543) | 0 |
| Commissioning | (615) | 1,346 | 18 | (1,159) | (98) | 0 | 1,375 | 1,171 | (3,267) | 0 |
| Public Health | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Public Health | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Commercial Services | 161 | 469 | 31 | (230) | (137) | 0 | 538 | 428 | (509) | (428) |
| Customer Involvement | 631 | 139 | 328 | (215) | (105) | 0 | 740 | 563 | (746) | (74) |
| Finance, Governance & Assurance | 113 | 0 | 26 | 0 | 0 | 0 | 73 | 370 | (400) | 44 |
| Human Resources | 16 | 0 | 0 | 0 | 0 | 0 | 152 | 61 | (197) | 0 |
| Legal, Democratic & Strategy | (288) | 0 | 0 | 0 | 0 | 0 | 0 | 169 | (372) | (86) |

| | Quarter 3 Projection £'000 | Red Savings detailed in Projection £'000 | Amber Savings detailed in Projection £'000 | One Off Savings Delivered to offset Reds and Ambers £'000 | Ongoing Savings Delivered to offset Reds and Ambers £'000 | Director Commitment to Address Reds and Ambers £000 | One Off Monitoring Pressures Identified £'000 | Ongoing Monitoring Pressures Identified £'000 | One Off Monitoring Savings Identified £'000 | Ongoing Monitoring Savings Identified £'000 |
|--------------------------------|----------------------------------|---|--|---|---|--|---|---|---|---|
| SMB | (75) | 0 | 0 | 0 | 0 | 0 | 7 | 0 | (82) | 0 |
| Resources & Support | 557 | 608 | 384 | (446) | (241) | 0 | 1,510 | 1,591 | (2,306) | (544) |
| Corporate | (5,266) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (5,266) | 0 |
| Corporate | (6,266) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (5,266) | 0 |
| TOTAL | 371 | 5,501 | 403 | (4,415) | (1,231) | 0 | 3,132 | 10,947 | (12,680) | (1,285) |

6.2 **Adult Services** – The savings categorised as red include transport savings (£0.285m), voluntary community sector savings (£0.231m); QICS PFI contract savings (£0.250m); day services transformation (£0.046m); outsourcing of Community Living and Shared Lives (£0.74m), commissioning Mental Health Services under the new Partnership Arrangement (£0.150m), tender and contract savings (£0.530m); children’s transition to Adult Services (£0.111m) and direct payments base cost adjustment (£0.483m). There has been an increase in the ongoing monitoring pressures identified relating to the purchasing budgets within Adult Services. Further analysis and details of the pressure on purchasing budgets is being provided to management so that appropriate action can be taken to manage the situation.

Children’s Services – Savings proposals rated red include the transfer of Education Support Services to an external provider (£1.000m) and transport savings (£0.644m), One off grant monies and earmarked reserves have been released to partially offset the red and amber savings, and further work will be undertaken within Children’s Services to find additional compensatory one-off and ongoing savings to reduce the projected overspend.

Commissioning – Red rated savings proposals include contract savings to be delivered against the Veolia and Shropshire Community Leisure Trust contracts of £1.221m, and £0.044m for Libraries. Commissioning have identified a number of alternative ongoing savings proposals which will help to mitigate the delivery of red rated savings in 2014/15 and future years. The most significant ongoing budgetary pressure identified relates to Environmental Maintenance budgets required to correctly align revenue and capital costs for highways improvements and street scene works. In 2014/15 this pressure has been offset by contributions from reserves, and the budgets have been capped to contain any budgetary pressure. A one off pressure of £0.738m has been included within Waste to reflect the likely costs of the appeal relating to the energy from waste facility. This is being offset by increased planning income being received during 2014/15.

Resources & Support – The savings proposals rated red include £0.435m for the Customer Service Centre; £0.193m for savings in IT Services and £0.469m relating to Property Savings linked to the asset management strategy implementation. This saving will be difficult to deliver in 2014/15 and

hence will continue to cause a budgetary pressure until final decisions are made on which corporate accommodation and assets will be in use in the future.

- 6.3 Table 3 above shows the headline figures of the monitoring projections. Further analysis of the service areas feeding into these headline projections demonstrate that some service areas have relatively consistent monitoring projections, whereas other services appear to be more changeable between periods. Appendix 3 provides charts for all service areas showing the movement in projections over the year to date.

7. General Fund Balance

- 7.1. The effect on the Council's Reserves of the forecast is detailed below. The Council's policy on balances is to have a general fund balance (excluding schools balances) of between 0.5% and 2% of the gross revenue budget. For 2014/15 the minimum balance required is £2.861m. The Financial Strategy, agreed by Council on 27 February 2014, anticipated a level of reserves by year end of £11.3m. Based on the current monitoring position, the General Fund Balance will be above this target and the Council's policy on balances, as shown in Table 3 below:

Table 3: Projected General Fund Balance As At 31 March 2015

| | |
|---|---------------|
| | (£'000) |
| General Fund Balances as at 31 March 2014 | 14,497 |
| Budgeted contribution to General Fund Balance | 409 |
| This report – projected outturn (overspend) | (371) |
| Projected Balance at 31 March 2015 | 14,535 |

- 7.2 The projected balance of £14.535 falls above the Council's policy level on balances, however is significantly below the risk based target for 2014/15 which was calculated at £18.513m. The projected balance is considered appropriate, however, given the significant level of savings required in the Council's Medium Term Financial Plan and the potentially destabilising impact of attempting to meet this target in the short term.

8. External Funding

8.1 LEADER

- 8.1.1 Shropshire Council supported a bid in September 2014 to Defra by the Shropshire Hills AONB Partnership bid to be a LEADER Local Action Group for the 2015-20 round of LEADER funding, with the Council as accountable body. The bid was in the form of a LEADER Local Development Strategy for the southern Shropshire area, titled 'Natural Growth', and worked up with extensive and broad consultation during 2013 and 2014. The southern Shropshire area extends up to a line drawn by the M54/A5/A458, and includes part of Telford & Wrekin. In November Defra indicated approval of this bid

subject to contract, with a budget (to be confirmed) of between £1.9 million and £2.13 million over 2015-20.

8.1.2 A formal contract for the programme is expected from Defra for the Council to sign by the end of March 2015. The AONB Partnership has reviewed its Terms of Reference in relation to delivery of the new programme, and formal Council approval of these will be sought at the appropriate level. These include changes to representation on the Partnership, recognising the wider geographic area covered by the new LEADER programme and the wider economic remit that this new round of funding is focussed on. Further Defra guidance on LEADER is likely to recommend a Memorandum of Agreement between the Local Action Group and the accountable body, with the Council delegating the authority to approve grants (subject to contracting) to the Local Action Group. This guidance is yet to be received. At this stage, the Cabinet is requested to approve the Council's role to act as accountable body for the programme, totalling between £1.9m and £2.13m. As accountable body Shropshire Council will provide staff time to undertake Financial and Monitoring support to the programme. The costs of this have been included within the management costs of the programme and will be funded by the grant.

8.2 ERDF Programme

8.2.1 In December 2014 the West Midlands ERDF Operational Programme invited current projects to submit a request for additional funding and/or an extension to their project contract up to December 2015.

8.2.2 Shropshire Council is the Accountable Body for a number of business projects, involving a wide range of partners, within and outside of the Marches LEP. In summer 2014 two of the projects were approved to be extended to December 2015, these being the ERDF Technical Assistance Programme (providing specialist ERDF expertise across the LEP and Worcestershire) and Metnet (providing support to Environmental technology businesses across the Marches LEP and Worcestershire).

8.2.3 The remaining ERDF funded projects are currently funded up to June 2015, these include:

- Marches and Staffordshire Business Enterprise Fund (providing grants to businesses to help them to start up and grow);
- Eureka! Moment (supporting businesses to innovate);
- Growing Talent (helping businesses to develop by employing graduates); and
- Optimising Business Broadband (enabling businesses to benefit from superfast broadband).

The requests to extend the projects were submitted to DCLG on 16 January 2015 and are subject to Shropshire Council Cabinet approval. The requests include funding for Council departments in providing the Financial and Monitoring Support for the projects. Further details on the specific slippage requests are detailed below.

Business Enterprise Fund (Shropshire, Herefordshire, Telford & Wrekin, Staffordshire)

8.2.4 The current contract with DCLG totals £2,830,422, this includes grant funding for businesses and administration and project management costs. To date the Programme has supported 207 businesses with 178 businesses awarded grants within Shropshire. The request includes additional funding to enable 3 additional calls for grant funding to businesses in March, April and May and administration and project management costs. The total contract value would increase to £3,334,713.

Eureka! Moment (Shropshire, Herefordshire, Worcestershire, Staffordshire)

8.2.5 The current contract with DCLG totals £666,288, this includes grant funding to businesses and administration and project management costs. To date the project has funded 90 business audits and provided (13 businesses) £188,310 grant funding to enable the businesses to innovate (30 audits, and (8 businesses) £99,360 has been allocated to businesses within Shropshire). The request includes an additional £95,493 ERDF (£190,987 total) in 2015 to enable 18 more business audits, 2 additional rounds of grant funding and administration and project management costs up to the end of the year.

Growing Talent (Shropshire, Herefordshire, Telford and Wrekin)

8.2.6 The current contract with DCLG totals £955,000, this includes grant funding towards graduate and project management costs. To date the project has supported 40 businesses to employ a graduate (27 of these businesses being within Shropshire). The request includes an additional £75,701 ERDF in 2015 (£151,403 in total) to enable 21 current graduate appointments to be extended (which will in turn create 10 additional permanent graduate jobs) and administration and project management costs up to the end of the year.

Optimising Business Broadband (Shropshire)

8.2.7 The current contract with DCLG totals £216,467 and includes Staffordshire. The project provides different types of advice and support to businesses to enable them to develop and grow by taking advantage of fibre broadband networks that are being built in the respective counties. The project will deliver support to 34 businesses. Unfortunately Staffordshire has been unable to raise resources to enable them to be part of the extension, however a request has been submitted, totalling £23,280, to enable the continuation of activities in Shropshire including the delivery of the agreed outputs, additional business support, development of a downloadable-book and digital case studies.

9. Pooled Budget Arrangements

9.1 In order to prepare for the implementation of the Better Care Funding (£21m in 2015/16), the Council will be working in partnership with the Shropshire Clinical Commissioning Group (CCG). As part of the preparations for the new requirements of this funding, it has been agreed that funding will be managed in a pooled budget between the two parties. The CCG have agreed in principle to the Council hosting this pooled budget and therefore Cabinet approval is requested for the Council to act as the host organisation. A partnership agreement between the parties is being developed which outlines

the responsibilities of each organisation and the risk sharing principles and this will be formally approved by the Health & Wellbeing Board.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Revenue & Capital Budget 2014/15
Financial Rules

Appendices

- 1 - Service Area Pressures and Actions 2014/15
- 2 - Tracking of Delivery of 2014/15 Savings Proposals
- 3 – Amendments to Original Budget 2014/15

Service Area Pressures and Actions 2014/15**Summary**

| | Full year | | | RAGY |
|--------------------------------|--------------------|--------------------|----------------|----------|
| | Budget | Forecast | Variance | |
| | £ | £ | £ | |
| Adult Services | 71,283,110 | 76,222,619 | 4,939,509 | R |
| Children Services | 55,545,290 | 56,300,315 | 755,025 | A |
| Commissioning | 83,974,260 | 83,359,622 | (614,638) | Y |
| Public Health | 1,753,500 | 1,753,500 | 0 | G |
| Resources & Support | 9,325,160 | 9,882,321 | 557,161 | R |
| Corporate | 1,563,630 | (3,702,272) | (5,265,902) | Y |
| Total | 223,444,950 | 223,816,105 | 371,155 | G |

Detail

| ADULT SERVICES | Full year | | | RAGY |
|----------------|-------------------|-------------------|------------------|----------|
| | Budget | Forecast | Variance | |
| | £ | £ | £ | |
| Total | 71,283,110 | 76,222,619 | 4,939,509 | R |

| | | | | | |
|--|--|------------|------------|-----------|----------|
| Adult Business Support & Development | Portfolio Holder Adult Services and Local Commissioning (South) | 1,494,460 | 1,222,870 | (271,590) | Y |
| £0.200m expected from Public Health as they are commissioning ASC Services in return for delivery of Public Health required outcomes. Funding currently held on a project code until plans finalised. Plus additional one off savings to help contribute to the projected overspend. | | | | | |
| Contracts & Provider | Portfolio Holder Adult Services and Local Commissioning (South) | 6,962,560 | 7,185,786 | 223,226 | R |
| Current income projections on Continuing Healthcare and Residents contributions causing a pressure. | | | | | |
| Social Care Operations | Portfolio Holder Adult Services and Local Commissioning (South) | 54,367,600 | 59,815,707 | 5,448,107 | R |
| There remains a significant pressure within purchasing budgets which accounts for the overall overspend in this area. This overspend reflects the assumption that at present £2.100m of red RAG rated savings will not be achieved. Since Quarter 2 purchasing projections have increased £3.700m. £1.400m is as a result of new clients entering the system and £1.000m as a result of changes to the existing client base. In terms of new client pressure, detailed analysis shows that 29% of current year cost has come through as a result of Capital Reduction (indeed 49% of new cost has come from this source in Period 9 alone), 25% from change in need, 21% from Hospital Discharge. These primary sources of pressure are outside the scope of the New Operating Model. The service will continue to carry out this detailed analysis of the pressure to ensure that strategies are in place, or developed, as far as they possibly can be to tackle the issues. | | | | | |
| Adult Services Management | Portfolio Holder Adult Services and Local Commissioning (South) | 2,564,950 | 2,104,916 | (460,034) | Y |
| The majority of the underspend is due to early delivery of 2015-16 savings. No ongoing pressures within this area. | | | | | |

| ADULT SERVICES | | Full year | | | RAGY |
|--|--|-----------|-----------|----------|----------|
| | | Budget | Forecast | Variance | |
| | | £ | £ | £ | |
| Housing Health & Wellbeing | Portfolio Holder Adult Services and Local Commissioning (South) | 5,893,540 | 5,893,340 | (200) | Y |
| Current pressure against the delivery of savings is being covered in year by the use of reserves and external funding. | | | | | |

| CHILDRENS SERVICES | | Full year | | | RAGY |
|--------------------|--|-------------------|-------------------|----------------|----------|
| | | Budget | Forecast | Variance | |
| | | £ | £ | £ | |
| Total | | 55,545,290 | 56,300,315 | 755,025 | A |

| | | | | | |
|--|--|------------|------------|---------|----------|
| Learning & Skills | Deputy Leader of the Council; Portfolio Holder Children's Services, Transformation and Safeguarding | 27,441,210 | 27,438,979 | (2,231) | Y |
| Minor variation from budget projected as at Quarter 3. This position includes unachieved savings in 14/15 of £1.644m have been offset by a one off contributions from reserves of £1.398m, one off revenue savings of £0.157m and other savings made by the re-structuring of teams and spending freeze. | | | | | |
| Children's Safeguarding | Deputy Leader of the Council; Portfolio Holder Children's Services, Transformation and Safeguarding | 28,104,080 | 28,861,336 | 757,256 | R |
| Due to growth in 'Looked After Children' numbers we have a pressure of £1.6m, however this has been partly offset by savings achieved through restructures, vacancies, spending freeze of £0.6m and one off allocations of £0.2m | | | | | |

| COMMISSIONING | Full year | | | RAGY |
|---------------|-------------------|-------------------|------------------|----------|
| | Budget | Forecast | Variance | |
| | £ | £ | £ | |
| Total | 83,974,260 | 83,359,622 | (614,638) | Y |

| | | | | | |
|--|--|----------------|----------------|----------------|----------|
| Director of Commissioning | Portfolio Holder Leisure, Libraries and Culture | 653,350 | 651,489 | (1,861) | Y |
| Minor variation from budget projected as at Quarter 3. | | | | | |
| Director of Commissioner Total | | 653,350 | 651,489 | (1,861) | Y |

| | | | | | |
|--|---|------------------|------------------|-----------------|----------|
| Local Commissioning | Portfolio Holder Business Growth, ip&e and Commissioning (North) | 430,130 | 427,388 | (2,742) | Y |
| Minor variation from budget projected as at Quarter 3. | | | | | |
| Community Action | Portfolio Holder Business Growth, ip&e and Commissioning (North) | 805,090 | 746,929 | (58,161) | Y |
| Vacancy management and efficiency savings, plus specific budget for redundancies not required. | | | | | |
| Local Commissioning Total | | 1,235,220 | 1,174,317 | (60,903) | Y |

| | | | | | |
|--|---|-------------------|-------------------|----------------|----------|
| Area Commissioner North – Positive Activities | Portfolio Holder Leisure, Libraries and Culture | 1,081,270 | 1,072,728 | (8,542) | Y |
| Minor variation from budget projected as at Quarter 3. | | | | | |
| Area Commissioner North - Libraries | Portfolio Holder Leisure, Libraries and Culture | 3,815,720 | 3,866,116 | 50,396 | A |
| A review of the planned consultation on Libraries and community hubs means that some proposed savings, such as reduction in opening hours, have not taken place this year. However, freezing IT and other supplies and services budgets has reduced the projected outturn position. | | | | | |
| Area Commissioner North - Markets | Portfolio Holder Business Growth, ip&e and Commissioning (North) | 67,470 | 97,242 | 29,772 | G |
| Very little budget for buildings costs, however significant expenditure has been incurred on repairs and maintenance and fixtures and fittings. | | | | | |
| Area Commissioner North - Waste | Portfolio Holder Business Growth, ip&e and Commissioning (North) | 26,726,550 | 27,484,522 | 757,972 | R |
| All savings RAG rated red have now been achieved this year on a one-off basis, however this projection takes into account one-off costs projected to be incurred during the year relating to Bereavement Services and repayment of energy recovery facility planning appeal costs to Veolia. | | | | | |
| Area Commissioner North – Shrewsbury BID | | 0 | (10,300) | (10,300) | Y |
| Repayment of 2013/14 year-end grant, not budgeted for. | | | | | |
| Area Commissioner North | Portfolio Holder Business Growth, ip&e and Commissioning (North) | 239,550 | 240,505 | 955 | G |
| Minor variation from budget projected as at Quarter 3. | | | | | |
| Area Commissioner North Total | | 31,930,560 | 32,750,813 | 820,253 | R |

| COMMISSIONING | | Full year | | | RAGY |
|---|---|-------------------|-------------------|----------------|----------|
| | | Budget | Forecast | Variance | |
| | | £ | £ | £ | |
| Area Commissioner South – Environmental Maintenance | Portfolio Holder Highways & Transport | 26,410,220 | 26,567,143 | 156,923 | G |
| The overspend pressure within Environmental Maintenance has been contained within the service by capping revenue budgets across all areas of the service and commitments made by management that they will contain spend to these revised budgets. An additional pressure has been identified from a number of 'final accounts' costs for professional fees for 'non-current' capital projects and expenditure on assets awaiting disposal. | | | | | |
| Area Commissioner South – Highways & Transport | Portfolio Holder Highways & Transport | 5,168,020 | 5,207,932 | 39,912 | G |
| Additional costs of a condition survey at 'Raven Meadows Carpark' (£0.060m) and a Revenue Contribution to Capital (£0.100m) has been partially offset by additional "Traffic and Street Works" income. | | | | | |
| Area Commissioner South – Passenger Transport | Portfolio Holder Highways & Transport | 788,200 | 788,200 | 0 | G |
| No projected variation as at Quarter 3. This area is subject to a major service review. Current and future year savings will be realised and will essentially result in lower recharges to front line services, hence savings will be reflected in these areas. | | | | | |
| Area Commissioner South – Leisure | Portfolio Holder Leisure, Libraries and Culture | 4,066,180 | 4,099,768 | 33,588 | G |
| Reflects Shropshire Community Leisure Trust saving that has not been achieved, plus part of a one-off payment to transfer a facility to an educational establishment during the year, the rest of which is offset by increasing efficiency savings across the portfolio. | | | | | |
| Area Commissioner South | Portfolio Holder Adult Services and Commissioning (South) | 316,550 | 316,230 | (320) | Y |
| Minor variation from budget projected as at Quarter 3. | | | | | |
| Area Commissioner South Total | | 36,749,170 | 36,979,272 | 230,102 | G |
| Public Protection & Enforcement – Healthier People & Communities | Portfolio Holder Business Growth, ip&e and Commissioning (North) | 1,483,650 | 1,411,579 | (72,071) | Y |
| Underspend has been generated within salaries budgets. The service has two vacant posts and has reduced hours of two other posts. Some of the salary underspend has been offset by the reduction in income for course fees and an increase in expenditure for vet fees. | | | | | |
| Public Protection & Enforcement – Healthier & Sustainable Environment | Portfolio Holder Business Growth, ip&e and Commissioning (North) | 1,335,110 | 1,305,336 | (29,774) | Y |
| Salary underspend due to a reduction in hours and maternity leave. Contributing towards the underspend is reduced expenditure on baits and poisons and equipment budgets. Offsetting some of this underspend is a reduction in income for Private Water Supplies, Pest Control and Petroleum Licensing. | | | | | |
| Public Protection & Enforcement – Safer & Stronger Communities | Portfolio Holder Business Growth, ip&e and Commissioning (North) | (137,730) | (176,905) | (39,175) | Y |
| Salary underspend due to Maternity leave and delays in appointments to posts. Plus additional income is projected for licensing. This has been partially offset by addition consultancy costs and a reduction in the Premises income. | | | | | |

| COMMISSIONING | | Full year | | | RAGY |
|--|---|------------------|------------------|------------------|----------|
| | | Budget | Forecast | Variance | |
| | | £ | £ | £ | |
| Public Protection & Enforcement – Public Protection Management | Portfolio Holder Business Growth, ip&e and Commissioning (North) | 1,333,070 | 1,275,814 | (57,256) | Y |
| <p>£0.075m one off funding from reserves being used to offset additional software costs and the remaining car park collection costs. Further savings throughout the year have been achieved through the spending freeze, restructure, management of vacancies and an increase in the projections for taxi licensing and PCN's, all of which have contributed to the underspend.</p> | | | | | |
| Public Protection & Enforcement Total | | 4,014,100 | 3,815,824 | (198,276) | Y |
| Business Growth & Prosperity – Arts | Portfolio Holder Leisure, Libraries and Culture | 219,040 | 205,475 | (13,565) | Y |
| Minor variation from budget projected as at Quarter 3. | | | | | |
| Business Growth & Prosperity - Enterprise & Business | Portfolio Holder Business Growth, ip&e and Commissioning (North) | 970,890 | 914,258 | (56,632) | Y |
| Deliberate savings in this area (essentially staffing and reduced expenditure on development items), to offset additional costs in 'Infrastructure and Growth' (as below). | | | | | |
| Business Growth & Prosperity - Visitor Economy | Portfolio Holder Business Growth, ip&e and Commissioning (North) | 1,863,300 | 1,899,850 | 36,550 | G |
| <p>There is significant transformation of 'Visitor Economy' in 2014/15, in line with the 'Black Radley' review, that includes consolidation and commercialisation of the service. A number of costs to achieve this transformation have been identified, the more significant include:- costs to achieve the 'Community Asset Transfer' of the Discovery Centre, the move of the library to the community centre and actual Business rates at the Music Hall have been evaluated at a much higher level than anticipated. Any additional costs will be mitigated wherever possible, however, 2014/15 will continue to be a 'learning' and unpredictable year.</p> | | | | | |
| Business Growth & Prosperity - Outdoor Recreation | Portfolio Holder Leisure, Libraries and Culture | 2,473,770 | 2,437,644 | (36,126) | Y |
| There are a number of variations within this this service (essentially staffing, vacant posts). | | | | | |
| Business Growth & Prosperity - Theatre Severn | Portfolio Holder Leisure, Libraries and Culture | 556,650 | 484,785 | (71,865) | Y |
| The Theatre continues to grow and develop, and reduce overall net costs from that success. | | | | | |
| Business Growth & Prosperity - Infrastructure & Growth | Portfolio Holder Business Growth, ip&e and Commissioning (North) | 103,830 | 101,937 | 205,767 | R |
| Income from lettings remains challenging, with some additional development expenditure. This is offset by staffing savings and savings in 'Enterprise and Business', as above. | | | | | |
| Business Growth & Prosperity - Development Management | Portfolio Holder Planning, Housing and Commissioning (Central) | 2,490,180 | 1,125,642 | (1,364,538) | Y |
| <p>This service has significant income from 'Fees and Charges' and 'Applications'. Recent history indicates that levels of income are extremely difficult to predict, 2013/14 was an exceptional year, this has continued (so far) into 2014/15. However, additional resources must be allocated to the service to ensure that applications can be processed within Government timescales. If this fails to happen, 'Special Measures' could apply and the authority would be required to repay any 'Application Fee' that hasn't been processed within 26 weeks. Consequently, the forecast has been revised to include an assessment of the potential risk of repayment of Application fees.</p> | | | | | |

| COMMISSIONING | | Full year | | | RAGY |
|--|---|------------------|------------------|--------------------|----------|
| | | Budget | Forecast | Variance | |
| | | £ | £ | £ | |
| Business Growth & Prosperity – Management | Portfolio Holder Planning, Housing and Commissioning (Central) | 714,200 | 714,486 | 286 | G |
| Minor variation from budget projected as at Quarter 3. | | | | | |
| Business Growth & Prosperity Total | | 9,391,860 | 7,987,907 | (1,403,953) | Y |

| PUBLIC HEALTH | | Full year | | | RAGY |
|---------------|--|------------------|------------------|----------|----------|
| | | Budget | Forecast | Variance | |
| | | £ | £ | £ | |
| Total | | 1,753,500 | 1,753,500 | 0 | G |

| Public Health | Portfolio Holder Health | 1,753,500 | 1,753,500 | 0 | G |
|---|-------------------------|-----------|-----------|---|----------|
| The service continues to project a balanced budget. Within this Public Health are commissioning £1m of Council Services for 2014-15 in return for delivery of Public Health Outcomes. The balanced budget position includes a contribution being made to the Public Health Earmarked Reserve of £352,156. | | | | | |

| RESOURCES & SUPPORT | | Full year | | | RAGY |
|---------------------|--|------------------|------------------|----------------|----------|
| | | Budget | Forecast | Variance | |
| | | £ | £ | £ | |
| Total | | 9,325,160 | 9,882,321 | 557,161 | R |

| Commercial Services | Portfolio Holder Resources, Finance, and Support | 4,057,530 | 4,218,575 | 161,045 | R |
|---|--|-----------|-----------|---------|----------|
| Commercial Services (excluding Shire Services) is projected to be £0.161m overspent by year end. Income generation by the Design Team has been flagged previously as a financial pressure which has partially been addressed by voluntary redundancy within the team. This and other measures have now reduced the shortfall to a minimum level (£0.428m) but no further reductions are achievable and this has been resolved by a virement from corporate resources. The costs of dilapidations across premises that are due to reach the end of their lease in this financial year were estimated to result in a one-off cost of £0.250m, these are currently being negotiated with an aim to reduce them to £0.100m. A total overspend of £0.500m is forecast in relation to property savings. These are identified as Red and Amber flagged savings targets in the current financial year, and can only be realised on disposal of assets, which is beyond our control and necessarily subject to market forces. Additional efficiencies have been identified of £0.230m to offset these savings pressures, and a temporary freeze has been placed on non-essential repair and maintenance of building in order to deliver additional in year saving if possible. | | | | | |

| RESOURCES & SUPPORT | | Full year | | | RAGY |
|--|---|------------------|------------------|----------------|----------|
| | | Budget | Forecast | Variance | |
| | | £ | £ | £ | |
| Total | | 9,325,160 | 9,882,321 | 557,161 | R |
| Customer Involvement | Portfolio Holder Resources, Finance, and Support | 1,329,260 | 1,959,771 | 630,511 | R |
| <p>The Wide Area Network contract has been retendered to deliver a saving of £1.9m over the next three years. In the short term, an element of dual running of the contracts is required in 2014/15 to ensure operational resilience over the transition period, and this one-off cost is now quantified and reflected in current projections, with work on-going to identify alternative one-off savings to mitigate this necessary cost. The cost of £0.490m will be spread over the three years of the new WAN contract and is covered in 2014/15 only by a temporary virement from corporate resources, to be repaid in 2015/16 and 2016/17. Additionally, during this period, IT will continue to support the schools broadband charge at a maximum cost of £0.250m for 2014/15 only. Additional budget pressures have been identified in relation to the costs for software, and delays in the rollout of Lync, There are unachievable savings targets of £0.139m for the Customer Service Centre and Face to Face proposals in 2014/15 which have been flagged as Red and relate to the current delays in implementation which are due to be resolved imminently. The Print unit also continues to experience a budget pressure on income generation, and the structure of the service is being reviewed. Savings from staffing in other areas are currently off setting some of the identified budget pressures.</p> | | | | | |
| Finance, Governance & Assurance | Portfolio Holder Resources, Finance, and Support | 1,576,550 | 1,689,178 | 112,628 | R |
| <p>The current overspend in Finance of £0.042m is in relation to the Schools Finance Team and is the result of a combination of factors to include reducing the staffing in the team to an unsustainable level and this has resulted in the need to recruit to an additional post at a cost of £0.030m. There has also been reduced buy back from schools resulting in an incomes shortfall. Work is being undertaken to review how the team operates and to increase income opportunities in the future. Additional budget pressures have been identified in relation to staffing with Revenues and Benefits and the team structure is being reviewed in order to reduce this down for future years.</p> | | | | | |
| Human Resources & Development | Portfolio Holder Resources, Finance, and Support | 209,150 | 225,108 | 15,958 | G |
| <p>A one-off budget pressure totalling £0.035m has occurred resulting from two invoices paid to Teacher Pensions Association for Employer Pensions Contributions arrears with compound interest. The Payroll Team are seeking to mitigate the risk of future invoices by going through systems to ensure all teachers that should have been opted in have been dealt with correctly. Additional pressures have also been identified including reduced income from Schools and Academies for buyback of Schools HR Advice and Employment Services, and also underachievement of income from first aid training courses. These pressures have more than been offset by in-year vacancy management savings.</p> | | | | | |

| | | | | | |
|--|---|-----------|---------|-----------|----------|
| Legal, Democratic & Strategy | Portfolio Holder Resources, Finance, and Support | 1,152,670 | 864,820 | (287,850) | Y |
| Savings across Committee Services and Members allowances/support services have been identified of £0.246m. Savings of £0.008m in relation to election services postage and printing costs. Additional income generation and savings on staffing have been identified with in Legal services to the value of £0.104m, and this is offsetting other budget pressures of £0.170m within Child Care legal costs. The large spend on legal fees in relation to child care costs continues to be high and this needs to be closely monitored as current spend remains high, the overspend may increase later in the year. Additional savings have been identified across Strategic planning of £0.100m from reduced staffing and reducing general spend. | | | | | |
| Strategic Management Board | Portfolio Holder Resources, Finance, and Support | 1,000,000 | 924,869 | (75,131) | Y |
| Savings of £0.055m in relation to PA vacancies not being filled, with a number of additional savings within subscription, printing and travel budgets amounting to £0.020m. Additional funding of £1.000m has been allocated to this budget to fund a number of activities relating to the development of a new university in Shropshire, as approved by Council. | | | | | |

| CORPORATE | Full year | | | RAGY |
|--------------|------------------|--------------------|--------------------|----------|
| | Budget | Forecast | Variance | |
| | £ | £ | £ | |
| Total | 1,563,630 | (4,702,272) | (6,265,902) | Y |

| Corporate Budgets | Portfolio Holder Resources, Finance, and Support | 1,563,630 | (3,702,272) | (5,265,902) | Y |
|--|--|-----------|-------------|-------------|---|
| <p>Non-distributable costs and added years pensions costs are forecast at £0.026m over budget. However, other savings have been identified from various budgets to offset additional costs in 2014/15, and the WME profit share has now been confirmed and is higher than anticipated leading to an increase in the underspend of £0.083m. A virement of £1.000m has been made from the transformation fund towards the costs of the university, and a virement of £0.416m has been made from additional grant funding received to offset the loss of grant in ESG within Children's Services. A further virement to resolve an underlying budget shortfall in Commercial Services of £0.428m has been undertaken. Furthermore, a one-off virement has been made to spread the £0.490m one-off cost relating to dual running of the WAN contract, which will be repaid in future years.</p> <p>At Quarter 2, it was identified that a number of corporate budgets in relation to Council Tax Freeze Grant, Section 31 grants (relating to, for example small business rate relief) and Business Rate appeals provision were uncommitted and at that stage, £2.470m was released as an underspend to offset budgetary pressures across the Council. Further work has been undertaken and current estimates suggest £7.916m across a variety of budget areas can be uncommitted within 2014/15 with a reasonable degree of certainty. Where uncommitted funds have been identified which are not a result of delayed but committed spending, these have been utilised to offset overspending areas of the Council's budget. In other areas of the budget a £5.5m commitment is held which has been delayed to 2015/16. Delays may be as a result of a decision to defer spend or more often to enable the development of strategic priorities and direction in relation to the hosting of IT infrastructure, mobile and flexible working, the delivery of the University Centre Shrewsbury and development of the Council's Asset Management Policy. Given the importance of these key strategic priorities, a decision has been taken at quarter 3 to move these funds into ringfenced reserves and control wider Council spending, rather than utilise them to reduce the Council's projected overspend.</p> | | | | | |

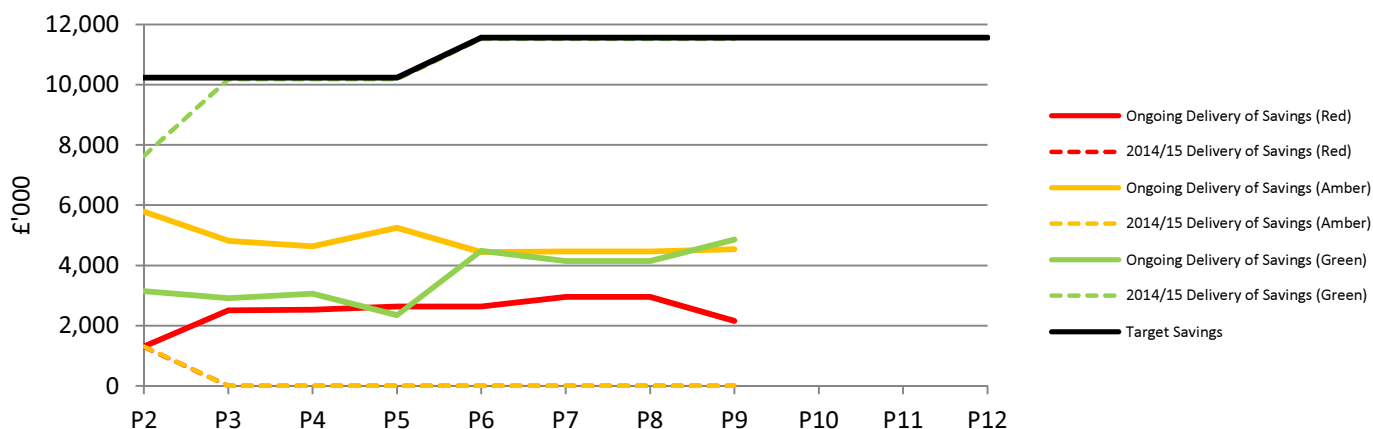
Appendix 2**Tracking of Delivery of 2014/15 Savings Proposals**

| Service Area | Position as at 11 th June 2014 £'000 | Finance Team Assessment of Ongoing Delivery of Savings as at Quarter 1 £'000 | Projection of 2014/15 Delivery of Savings as at Quarter 1 £'000 | Finance Team Assessment of Ongoing Delivery of Savings as at Quarter 2 £'000 | Projection of 2014/15 Delivery of Savings as at Quarter 2 £'000 | Finance Team Assessment of Ongoing Delivery of Savings as at Quarter 3 £'000 | Projection of 2014/15 Delivery of Savings as at Quarter 3 £'000 | Significant Changes to Last Quarter's Projections |
|----------------------|--|---|--|---|--|---|--|---|
| Red Savings | | | | | | | | |
| Adult Services | 1,304 | 2,511 | 0 | 2,639 | 0 | 2,160 | 0 | Delivery of corporate transport savings and partial achievement of children's transition savings |
| Children's Services | 2,922 | 1,908 | 1,908 | 1,897 | 1,249 | 1,644 | 246 | Delivery of savings within children's safeguarding identified in 2014/15. |
| Commissioning | 1,287 | 1,287 | 1,287 | 1,734 | 575 | 1,266 | 107 | Savings achieved in relation to the Ringway contract. |
| Public Health | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Resources & Support | 684 | 684 | 684 | 566 | 245 | 1,217 | 109 | IT savings of £0.193m now considered not achievable and some service redesign savings have not materialised as planned. |
| Corporate | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | 6,197 | 6,390 | 3,879 | 6,836 | 2,069 | 6,827 | 462 | |
| Amber Savings | | | | | | | | |
| Adult Services | 5,781 | 4,812 | 0 | 5,248 | 0 | 4,542 | 0 | |
| Children's Services | 999 | 569 | 0 | 300 | 275 | 0 | 0 | |
| Commissioning | 774 | 774 | 774 | 283 | 12 | 0 | 0 | |
| Public Health | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Resources & Support | 352 | 352 | 123 | 372 | 317 | 384 | 195 | |
| Corporate | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | 7,906 | 6,507 | 897 | 6,203 | 604 | 4,926 | 195 | |

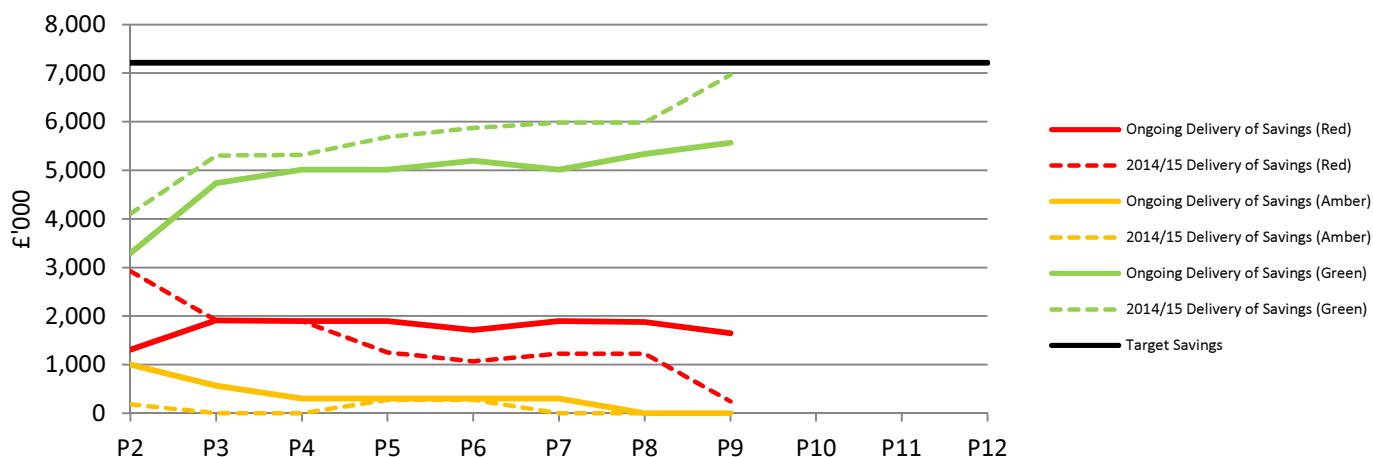
| Service Area | Position as at 11 th June 2014 £'000 | Finance Team Assessment of Ongoing Delivery of Savings as at Quarter 1 £'000 | Projection of 2014/15 Delivery of Savings as at Quarter 1 £'000 | Finance Team Assessment of Ongoing Delivery of Savings as at Quarter 2 £'000 | Projection of 2014/15 Delivery of Savings as at Quarter 2 £'000 | Finance Team Assessment of Ongoing Delivery of Savings as at Quarter 3 £'000 | Projection of 2014/15 Delivery of Savings as at Quarter 3 £'000 | Significant Changes to Last Quarter's Projections |
|----------------------|--|---|--|---|--|---|--|---|
| Green Savings | | | | | | | | |
| Adult Services | 3,148 | 2,910 | 10,233 | 2,347 | 10,233 | 4,861 | 11,563 | Increase represent restructure of Housing Services to Adult Services |
| Children's Services | 3,291 | 4,735 | 5,304 | 5,015 | 5,688 | 5,568 | 6,966 | |
| Commissioning | 6,144 | 6,144 | 6,144 | 6,188 | 7,618 | 5,527 | 6,686 | Increase represent reallocation of savings relating to Coroners, Registrars and CCTV. |
| Public Health | 55 | 55 | 55 | 55 | 55 | 227 | 227 | |
| Resources & Support | 6,351 | 6,351 | 6,580 | 6,448 | 6,825 | 5,696 | 6,993 | |
| Corporate | 6,800 | 6,800 | 6,800 | 6,800 | 6,800 | 6,800 | 6,800 | |
| | 25,789 | 26,995 | 35,116 | 26,853 | 37,219 | 28,679 | 39,235 | |
| TOTAL SAVINGS | 39,892 | 39,892 | 39,892 | 39,892 | 39,892 | 39,892 | 39,892 | |

Tracking of 2014/15 RAG Ratings by Service Area

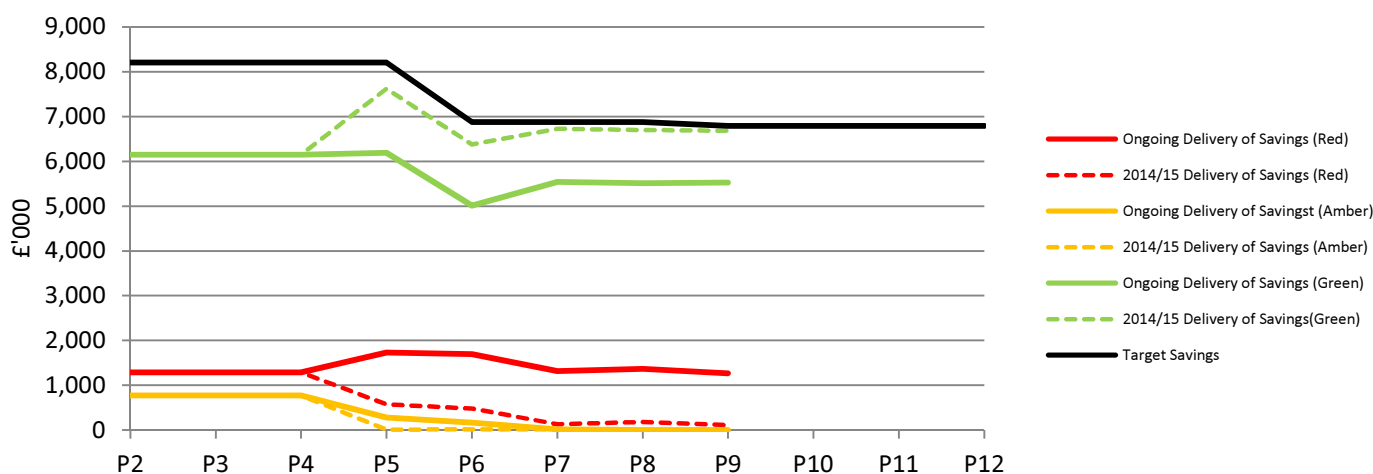
Adults RAG Projections Tracking 2014/15



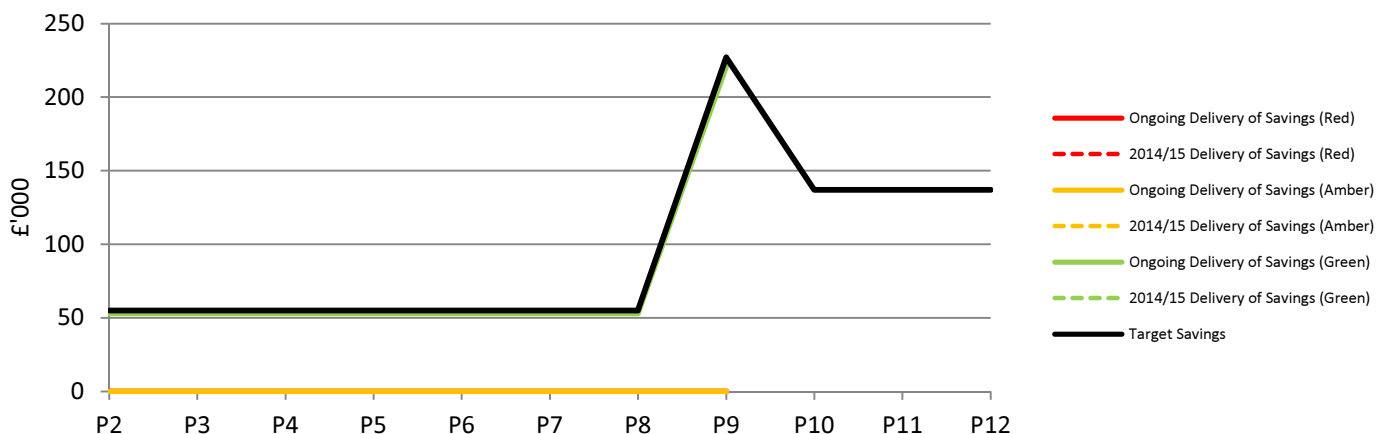
Children's RAG Projections Tracking 2014/15



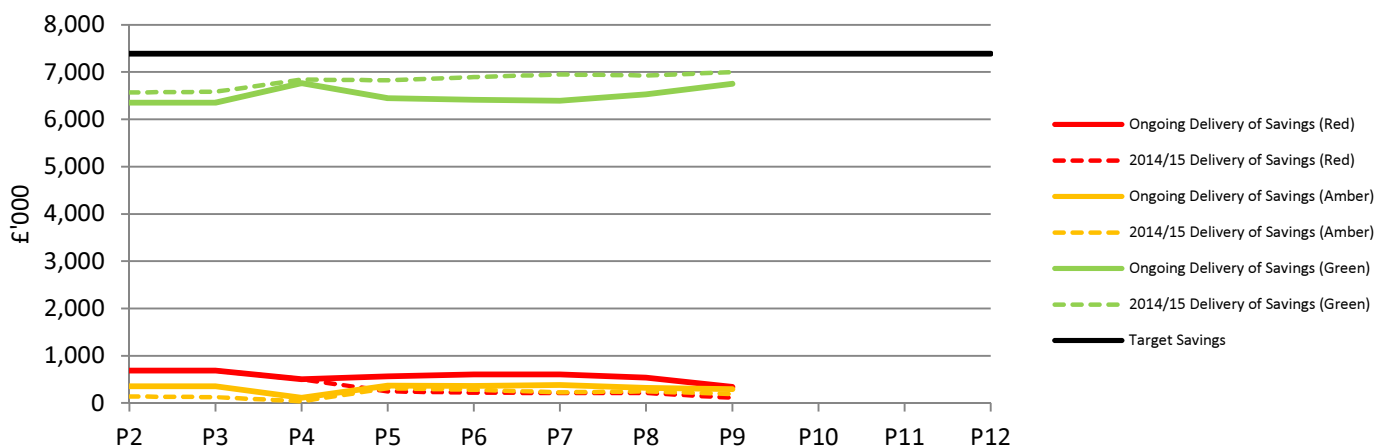
Commissioning RAG Projections Tracking 2014/15



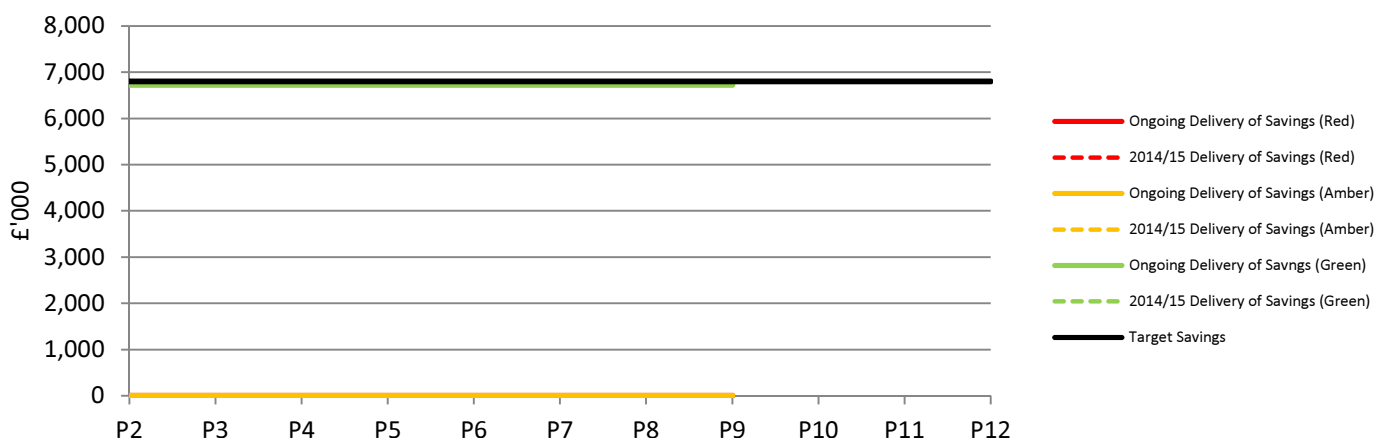
Public Health RAG Projections Tracking 2014/15



Resources & Support RAG Projections Tracking 2014/15



Corporate RAG Projections Tracking 2014/15



The changes in savings targets for Adult Services and Commissioning reflects the transfer of Housing Health & Wellbeing during Period 6 and the accompanying savings targets attached to this service. There have also been reallocations of savings to Public Health from Commissioning and Resources & Support which reflect the structure of services within Public Health.

Amendments to Original Budget 2014/15

| | Total £'000 | Adult Services £'000 | Children's Services £'000 | Commis sioning £'000 | Public Health £'000 | Resources & Support £'000 | Corporate £'000 |
|--|------------------------|-------------------------------------|--|-------------------------------------|------------------------------------|--|----------------------------|
| Original Budget as agreed by Council | 223,445 | 64,555 | 55,902 | 90,356 | 1,470 | 5,127 | 6,035 |
| <u>Quarter 1</u> | | | | | | | |
| Professional Development Unit transferred from Children's Services to Adult Services | 0 | 130 | (130) | 0 | 0 | 0 | 0 |
| Grant funding re shortfall in ESG | 0 | 0 | 416 | 0 | 0 | 0 | (416) |
| Funding to Develop University Plans | 0 | 0 | 0 | 0 | 0 | 1,000 | (1,000) |
| Cost of dual running of the WAN contract | 0 | 0 | 0 | 0 | 0 | 490 | (490) |
| Financial pressures within the Property Services Design Team | 0 | 0 | 0 | 0 | 0 | 428 | (428) |
| <u>Quarter 2</u> | | | | | | | |
| Minor budget variations | 0 | 0 | (3) | (1) | | 4 | |
| Structure change | 0 | 0 | | (22) | | 22 | |
| Sustainability transfer | 0 | 0 | | (163) | | 163 | |
| Restructure of IT budgets held corporately | 0 | 0 | | | | 337 | (337) |
| Transfer of corporate funding for redesign projects in Resources & Support: | | | | | | | |
| - Mail room | 0 | 0 | 0 | 0 | 0 | 300 | (300) |
| - Printing | 0 | 0 | 0 | 0 | 0 | 200 | (200) |
| - EDRMS | 0 | 0 | 0 | 0 | 0 | 412 | (412) |
| - CSC | 0 | 0 | 0 | 0 | 0 | 250 | (250) |
| - Mobile working | 0 | 0 | 0 | 0 | 0 | 280 | (280) |
| - Revs & Bens | 0 | 0 | 0 | 0 | 0 | 238 | (238) |
| - Business Design | 0 | 0 | 0 | 0 | 0 | 120 | (120) |
| <u>Quarter 3</u> | | | | | | | |
| Structure change – Housing Health | 0 | 5,746 | 0 | (5,746) | 0 | 0 | 0 |
| Teme Neighbourhood Life | 0 | 0 | 0 | 5 | (5) | 0 | 0 |
| Structure change – Community Safety | 0 | 0 | 0 | (288) | 288 | 0 | 0 |
| Housing staff transfer | 0 | 148 | 0 | (148) | 0 | 0 | 0 |
| Benefits fraud transfer | 0 | 0 | 0 | (133) | 0 | 133 | 0 |
| Blue Badge transfer | 0 | (114) | 0 | 114 | 0 | 0 | 0 |
| Structure change – Lifelong Learn | 0 | 818 | (818) | 0 | 0 | 0 | 0 |
| Structure change – CIS SSA | 0 | 0 | 178 | 0 | 0 | (178) | 0 |
| Revised Budget | 223,445 | 71,283 | 55,545 | 83,974 | 1,754 | 9,325 | 1,564 |

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PERFORMANCE MANAGEMENT SCRUTINY COMMITTEE

25 MARCH 2015

TERMS OF REFERENCE: MOBILE AND FLEXIBLE WORKING TASK AND FINISH GROUP

Context

The Council is changing the way that it works, moving to be an enabler and Commissioner of services rather than a provider. The Council is also seeking to put in place working practices that will support the better meeting of peoples and community needs, change the way that the Council and its partners work together to do this in localities, and in doing so understand how to best use available building and other assets.

In order to achieve some of these changes the Council is developing it can enable staff to work in a mobile and flexible way. This is based on a practicable mixed approach that could include some time working at home, some time working in locality based facilities (not always the Council's), and some time based in Council offices. The right mix and the precise locations will be subject to the requirements of the different roles being fulfilled and tasks completed. A positive outcome of this work can be improved staff morale and increased productivity, often recognised and reported by the staff themselves.

Over recent years the Council has been testing different options and approaches to support Mobile and Flexible working. Often the problems, challenges and issues which arise from this type of testing are more valuable than I things have run smoothly from the start. There is a good opportunity for scrutiny members to help the Council to understand the learning from the different mobile and flexible working models and approaches that have been tested.

Objectives

To understand how Shropshire Council has tested Mobile Flexible working and the learning to be applied in the future roll-out.

To understand how Mobile and Flexible working will operate and how this will change the way that the Council works in and with Communities, what it means for staff, and for elected Members

To make recommendations that will inform the next stages of Mobile and Flexible working rolled-out but the Council, including how the Council uses assets in communities.

Information Required From Officers

Details of the teams/services areas in the Council that have and are working in a mobile and flexible way.

The specific issues and duties as an employer that need to be taken into account in enabling mobile and flexible working e.g. duty relating to staff health and safety

The different models and approaches tested by the Council, including how the specific issues and duties for an employer were addressed

The learning from these different models and approaches

Other Sources of Information

Any national models and approaches recognised as best practice

Meeting with a group of staff who have and do work in a mobile and flexible way to understand the benefits and issues from their perspective.

Visits to an office base and other sites that currently support mobile and flexible working.

Methods To Be Used

Desk based research/presentation of the different issues that need to be taken into account in enabling mobile and flexible working e.g. duty relating to staff health and safety

Presentation of the different models and approaches tested by the Council and the summary of any learning recorded from the work

Meeting with some staff members who have or are currently enabled to work in a mobile and flexible way

Timescales

6 weeks

Key Results Expected

To present evidence and make recommendations that will support the development and extension of mobile and flexible working to Shropshire Council staff.

That members of the Task and Finish Group and the Scrutiny Committee gain greater understanding of mobile and flexible arrangements and how this will change working practice for staff and the impact of the changes for service users and communities

That members have greater understanding of the relationship between how the Council is operating and how it uses its building (and other) assets.

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