



Meeting: **Scrutiny Commission**

Date/Time: **Friday, 5 July 2013 at 2.00 pm**

Location: **Sparkenhoe Committee Room, County Hall, Glenfield**

Contact: **Mr. S. J. Weston (Tel: 0116 305 6226)**

Email: **sam.weston@leics.gov.uk**

Membership

Mr. S. J. Galton CC (Chairman)

Mrs. R. Camamile CC Mr. A. M. Kershaw CC
Dr. R. K. A. Feltham CC Mr. P. G. Lewis CC
Mr. S. J. Hampson CC Mr. K. W. P. Lynch CC
Dr. S. Hill CC Mr. R. J. Shepherd CC
Mr. Max Hunt CC Mr. L. Spence CC

AGENDA

<u>Item</u>	<u>Report by</u>
1. Minutes of the meeting held on 5 June 2013.	(Pages 5 to 10)
2. Question Time.	
3. Questions asked by members under Standing Order 7(3) and 7(5).	
4. To advise of any other items which the Chairman has decided to take as urgent elsewhere on the agenda.	
5. Declarations of interest in respect of items on the agenda.	
6. Declarations of the Party Whip in accordance with Overview and Scrutiny Procedure Rule 16.	
7. Presentation of Petitions under Standing Order	



36.

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| 8. | Consultation on Home to School Transport Policies on: 16+ Transport to Educational Provision, Transport to Denominational Schools and Transport for Pupils in Moving to a New Address in their Final Year(s) of Each Phase of their Compulsory Education. | Director of Environment and Transport | (Pages 11 - 12) |
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The Cabinet Lead Member for Transportation, Mr. P. C. Osborne CC, has been invited for this item.

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| 9. | Proposed Withdrawal of Discretionary Elements of the Concessionary Travel Scheme - Outcome of Consultation. | Director of Environment and Transport | (Pages 13 - 14) |
|----|---|---------------------------------------|-----------------|

The Cabinet Lead Member for Transportation, Mr. P. C. Osborne CC, has been invited for this item.

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|-----|---|---------------------------------|------------------|
| 10. | 2012/13 Provisional Revenue and Capital Outturn. | Director of Corporate Resources | (Pages 15 to 57) |
| 11. | Corporate Complaints and Commendations Annual Report 2012-2013. | Director of Corporate Resources | (Pages 59 to 75) |

12. Date of next meeting.

The next meeting of the Commission is scheduled to take place on 4 September 2013 at 2.00pm.

13. Any other items which the Chairman has decided to take as urgent.

QUESTIONING BY MEMBERS OF OVERVIEW AND SCRUTINY

Members serving on Overview and Scrutiny have a key role in providing constructive yet robust challenge to proposals put forward by the Cabinet and Officers. One of the most important skills is the ability to extract information by means of questions so that it can help inform comments and recommendations from Overview and Scrutiny bodies.

Members clearly cannot be expected to be experts in every topic under scrutiny and nor is there an expectation that they so be. Asking questions of 'experts' can be difficult and intimidating but often posing questions from a lay perspective would allow members to obtain a better perspective and understanding of the issue at hand.

Set out below are some key questions members may consider asking when considering reports on particular issues. The list of questions is not intended as a comprehensive list but as a general guide. Depending on the issue under consideration there may be specific questions members may wish to ask.

Key Questions:

- Why are we doing this?
- Why do we have to offer this service?
- How does this fit in with the Council's priorities?
- Which of our key partners are involved? Do they share the objectives and is the service to be joined up?
- Who is providing this service and why have we chosen this approach? What other options were considered and why were these discarded?
- Who has been consulted and what has the response been? How, if at all, have their views been taken into account in this proposal?

If it is a new service:

- Who are the main beneficiaries of the service? (could be a particular group or an area)
- What difference will providing this service make to them – What will be different and how will we know if we have succeeded?
- How much will it cost and how is it to be funded?
- What are the risks to the successful delivery of the service?

If it is a reduction in an existing service:

- Which groups are affected? Is the impact greater on any particular group and, if so, which group and what plans do you have to help mitigate the impact?
- When are the proposals to be implemented and do you have any transitional arrangements for those who will no longer receive the service?
- What savings do you expect to generate and what was expected in the budget? Are there any redundancies?
- What are the risks of not delivering as intended? If this happens, what contingency measures have you in place?

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Minutes of a meeting of the Scrutiny Commission held at County Hall, Glenfield on Wednesday, 5 June 2013.

PRESENT

(in the Chair)

Mrs. R. Camamile CC
Dr. R. K. A. Feltham CC
Mr. S. J. Galton CC
Mr. S. J. Hampson CC
Dr. S. Hill CC
Mr. D. Jennings CC

Mr. P. G. Lewis CC
Mr. K. W. P. Lynch CC
Ms. Betty Newton CC
Mr. R. J. Shepherd CC
Mr. L. Spence CC

1. Appointment of Chairman.

RESOLVED:

That it be noted that Mr. S. J. Galton CC has been appointed Chairman of the Scrutiny Commission for the period ending with the Annual Meeting of the County Council in 2014 in accordance with Article 6.05 of the Constitution.

2. Election of Deputy Chairman.

RESOLVED:

That Mr. R. J. Shepherd CC be elected Deputy Chairman of the Scrutiny Commission for the period ending with the date of the Annual Meeting of the County Council in 2014.

3. Minutes.

The minutes of the meeting held on 27 March 2013 were taken as read, confirmed and signed.

4. Question Time.

The Chief Executive reported that no questions had been received under Standing Order 35.

5. Questions asked by members.

The Chief Executive reported that no questions had been received under Standing Order 7(3) and 7(5).

6. Urgent Items.

There were no urgent items for consideration.

7. Declarations of Interest.

The Chairman invited members who wished to do so to declare any interest in respect of items on the agenda for the meeting.

Mr. L. Spence CC declared a personal interest that might lead to bias in respect of Item 11 – Transport for Students at Faith and Voluntary Aided Schools as he had children who accessed transport to a faith school.

The following members each declared a personal interest in respect of Item 11, entitled Consultation on Proposed Changes to Transport for Students at Faith and Voluntary Aided Schools and Students aged 16+, Home to School Transport for Students who Change Address During their Final Year of Study and Concessionary Travel, as members of district/borough councils:

Mrs. R. Camamile CC
Mr. S. J. Galton CC
Mr. S. J. Hampson CC
Dr. S. Hill CC
Mr. D. Jennings CC
Mr. K. W. P. Lynch CC
Ms. M. E. Newton CC
Mr. R. J. Shepherd CC
Mr. L. Spence CC

The following members each declared a personal interest in respect of Item 11 as concessionary bus pass holders:

Dr. R. K. A. Feltham CC
Mr. D. Jennings CC
Mr. P. G. Lewis CC
Mr. K. W. P. Lynch CC
Mr. R. J. Shepherd CC

Mr. P. G. Lewis CC and Ms. M. E. Newton CC each declared a personal interest in respect of Item 12, entitled Equality Strategy 2013-2016, as Company Secretary and Member respectively of Human Rights & Equalities, Charnwood.

8. Declarations of the Party Whip.

There were no declarations of the party whip.

9. Presentation of Petitions under Standing Order 36.

The Chief Executive reported that no petitions had been received under Standing Order 36.

10. Leicestershire Supporting Families Programme - Update.

The Commission considered a report and presentation of the Chief Executive concerning an update on the progress of the Supporting Leicestershire Families (SLF) Programme. A copy of the report, marked 'Item 10', together with the slides forming the presentation, is filed with these minutes.

The Chairman explained that, prior to approval for the new Overview and Scrutiny structure being gained at full County Council later in June, the matter of the SLF Programme was being reported to the Commission as part of an interim arrangement. It was noted that the Scrutiny Commissioners would need to address the issue of where the SLF Programme would be considered in future.

Arising from the presentation, the following comments were noted:

- It would be possible to get an indication of what was being achieved through the Programme in approximately six months' time, particularly in respect of early intervention work. A new Performance Framework of key performance indicators had been developed for the SLF which would aid understanding of how successful the Programme was proving. Measurement of such a complex Programme was not easy and it was felt that, ultimately, the best measurement of success would be the extent to which families were being empowered to be less dependent upon public services because they were functioning successfully as family units;
- As a result of the Programme, a number of "hard" and "soft" outcomes were expected. Hard outcomes would be identified through statistical data, such as ASB incidents, use of GP services, reduced crimes, child protection plans and poor school attendance. Soft outcomes would be more difficult to measure, but would be indicated, for instance, through reduced service call-outs and children with up-to-date immunisations. It was pleasing that, thus far, only one family had refused the help offered;
- Family Support Workers, who would be working directly with troubled families, were required to have Level 3 NVQ as a minimum. Workers would have specialties in different areas, such as children and youth justice. Those who would be engaged in social work were required to have Level 5 qualifications as a minimum. In recognising the complexity of the work to be carried out, staff would work on a flexible basis to ensure that they were well placed to respond to issues outside of office hours;
- Staff would be allocated a small amount of funds to purchase bus fares and other low cost items as were deemed essential to contribute to improved outcomes for families. Staff would also seek to access available funds from charities and other funding sources known to them;
- The trigger point for families to enter the SLF Programme would be multiple issues in the family such as unemployment, drug and alcohol problems, poor school attendance, poor parenting and anti-social behaviour. Regular "hub" meetings were held in each district locality to bring together a number of agencies and discuss amongst officers which services such a family would benefit from. If more than one service was likely to be required, it was expected that the SLF would take ownership of that family's needs. It was noted that a family presenting with safeguarding issues would be dealt with by social workers within the Council's Children and Young People's Service;
- The SLF had a partnership-pooled budget for three years. Beyond this point, it was for the SLF to prove its success and then engage all partners in a commitment to continue the work to ensure it obtained the necessary funding to continue operations.

RESOLVED:

- (a) That the approach taken to provide holistic support to troubled families via the SLF Programme be commended and that the update provided be noted;
- (b) That a further update on the performance of the SLF Programme be submitted to the relevant Overview and Scrutiny body in six months' time;
- (c) That a copy of the new SLF Performance Framework be circulated to all members of the Commission for information.

11. Consultation on Proposed Changes to Transport for (i) Students at Faith and Voluntary Aided Schools (ii) Students aged 16+ Schools and (iii) Home to School Transport for Students who Change Address During their Final Year of Study and (iv) Concessionary Travel.

The Commission considered a consultation exercise in relation to proposed changes to transport for students at faith and voluntary aided schools and students aged 16+, home to school transport for students who change address during their final year of study and concessionary travel. A copy of the consultation documents, marked 'Item 11', is filed with these minutes.

Mr. L. Spence CC, having declared a personal interest that may lead to bias on the issue of school transport to faith and voluntary aided schools left the room during the discussion on this matter.

Arising from the debate, the following points were noted:

Home to School Transport

- Clarification of the effect the Government's academies programme would have on home to school transport was awaited. For this reason, transport to academies had been omitted from this stage of the consultation process and would be dealt with at a later date when the consultation options were available in relation to the transport to faith schools, for students aged 16+ and those who change schools in the final year of studies. The outcome of the current consultation exercise would be reported to the Commission at its next meeting;

Concessionary Travel

- The basis for reimbursing operators who participated in the statutory Concessionary Travel scheme was an average fare for each route. "Smart Ticketing" would enable a greater understanding of how people were using services, however this would not impact on reimbursement rates, as these were embodied in the statutory scheme. Smart Ticketing was available on all major operators' buses in the County, though the communication of the data to back offices was not expected to be in place until 2014.

Consultation Methods

- A number of general concerns were raised in relation to the way in which the County Council conducted consultation with its residents. These concerns were

raised, not only within the context of the current consultation on transport, but also the Council's requirement to identify an additional £20million of savings and the associated consultation that would need to be carried out in the near future.

These concerns were expressed as follows:

- At present, the response rates for many County Council consultations were very low and it was questioned whether the results were sufficiently representative and therefore what weighting should be given to the response. It was important that local residents were aware that consultation did not mean a referendum. The text included in consultation exercises needed better to reflect the fact that people were being asked for their views and that these would inform rather than decide any outcome. It was also felt that this should be reflected in the feedback from consultation exercises that was passed on to respondents. The importance of meaningful consultation was stressed;
- It was felt that consultation should not be handled merely as an online exercise, as a number of local residents did not have access to the internet. By excluding this group of people, the number of potential responses was unnecessarily being limited by default. Whilst it was noted that those without access to the internet could request a paper copy of a consultation survey, there remained concerns as to how those without internet access were expected to be aware that any consultation was taking place;
- A clear case should be made for why demography information should be requested in surveys. It was felt this could be off-putting and add to the time commitment required to fill out a survey, hence possibly reducing response rates. The sentence stating that people did not have to include demography information should, in any case, be given more prominence.

RESOLVED:

- (a) That it be noted that the outcome of the consultation on transport to faith schools, for students aged 16+, students who changed schools in their final year and concessionary travel would be reported to the Commission's meeting on 5 July;
- (b) That the concerns outlined above in relation to the way in which the Council conducts consultation exercises be brought to the attention of the Cabinet as part of its discussion on the proposed consultation on the Medium Term Financial Strategy, at its meeting on 12 June.

12. Equality Strategy 2013-2016

The Commission considered a report of the Chief Executive concerning the Equality Strategy 2013-2016. A copy of the report, marked 'Item 12', is filed with these minutes.

Arising from the debate, the following points were noted:

- There was a general recognition for the good work carried out in producing a robust Equality Strategy for the County Council and support for strengthening community cohesion and human rights within the Equalities agenda;

- If the Council did not adequately consider equality, diversity, community cohesion and human rights in its service planning, it could face challenge. The importance of carrying out a rigorous Equalities Impact Assessments was stressed in this regard;
- It was suggested that the following amendments be made to the Strategy to ensure that it was realistic:
 - Page 4, paragraph 2: First sentence to be amended to read, *“We believe promoting equality, diversity, human rights and community cohesion is right because it contributes to ensuring fairness.”*
 - Page 5, paragraph 7: First sentence to be amended to read, *“Human rights are the basic rights and freedoms that should be available to every person in the world.”*
 - Page 37, Case Study 12: It was felt that this should be amended to give greater recognition to the fact that, at present, not all of the Community Forums were an effective mechanism through which all geographic communities across Leicestershire were being engaged. It was noted that a review of the Community Forums and their role was due to be undertaken shortly.
- It was acknowledged that equality and diversity training for Councillors was integral to the implementation of the Strategy.

RESOLVED:

That the Equality Strategy 2013-2016 be commended to the Cabinet for consideration at its meeting on 9 July, subject to amendment in the light of the comments now made.

13. Date of next meeting.

It was NOTED that the next meeting of the Commission would be held on 5 July 2013 at 2.00pm.

2.00 - 4.15 pm
05 June 2013

CHAIRMAN



SCRUTINY COMMISSION – 5 JULY 2013

CONSULTATION ON HOME TO SCHOOL TRANSPORT POLICIES ON:-

- a) 16+ transport to educational provision;
- b) transport to denominational schools;
- c) transport for pupils in moving to a new address in their final year(s) of each phase of their compulsory education.

REPORT OF THE DIRECTOR OF ENVIRONMENT AND TRANSPORT

Purpose

1. The purpose of this report is to advise the Commission of outcome of the recent public consultation into proposals to change some elements of the Mainstream Home to School Transport Policy. The Cabinet at its meeting on 9th July will consider the responses to the consultation and decide whether to proceed with the proposed changes.
2. The Commission is asked to consider the outcome of the consultation and is invited to make comments on the proposals which will be taken into by the Cabinet.

Proposals

3. The proposed changes to the draft Mainstream Home to School Transport Policy that have been consulted upon involve changes to the policies as outlined below:-
 - (i) 16+ transport to educational provision - from September 2014 to continue to provide this at an annual charge for each pupil of £425 (up from £252 from September 2013) which recovers the full cost of provision. To introduce a new entitlement to free 16+ transport, for qualifying students from families on low income or in receipt of maximum Working Tax Credits, also from September 2014.
 - (ii) transport to denominational schools –
 - from September 2014 to continue providing this at an annual charge for each pupil of £450, (up from £252 from September 2013), with continuing concessions, at no charge, for students from families on low income;
 - from September 2015 onwards to cease this provision for any new students and also to phase it out for students part-way through their denominational education;
 - from September 2015 onwards, to apply full cost recovery at a yearly charge of £640 in 2015/16.
 - to continue to provide free transport for students from families on low income between 2 and 15 miles from school.

- (iii) Farepaying spaces – All farepaying spaces to be increased to £450 per academic year from September 2014 and then £640 in 2015/16 to be consistent with the proposed charge for denominational transport.
- (iv) Pupils in their final year(s) of each phase of their compulsory education, moving to a new address which is outside their current Transport Eligibility Area- from September 2013 these pupils will no longer be automatically provided with free transport.

Financial Implications

4. Within the MTFs agreed by the County Council, a saving of £735,000 is built in against denominational and 16+ transport for 2014/15 rising to £1,100,000 from 2015/16 onwards (which breaks down as approximately £605,000 for 16+ transport and £350,000 for denominational school transport) and £145,000 for both the reduction in the final year cost for pupils moving address and an increase in the farepaying places.

Consultations

5. The proposals outlined above have been the subject of consultation. The consultation commenced on 20th May and closes on 30th June. The Director of Environment and Transport will undertake an analysis of the consultation responses, the findings of the Equality Impact Assessment of the proposals and will be submitting a detailed report thereon to the Cabinet meeting on 9th July. A copy of that report will be circulated to all members of the Commission as soon as it is published.

Circulation under the Local Issues Alert Procedure

6. A copy of the Cabinet report will be circulated to all Members under cover of the Members' News in Brief.

Officers to Contact

Ian Drummond Assistant Director, Transportation, Environment and Transport
Department

Email: ian.drummond@leics.gov.uk Tel: 0116 305 5990

Tony Kirk Sustainable Travel Group Manager, Environment and Transport
Department

Email: tony.kirk@leics.gov.uk Tel: 0116 305 6270

Background Papers

Mainstream Home-School/College Transport Policy (May 2012)

County Council minutes of 20th February 2013 approving the MTFs for 2013/14 to 2016/17



SCRUTINY COMMISSION – 5TH JULY 2013

PROPOSED WITHDRAWAL OF DISCRETIONARY ELEMENTS OF THE CONCESSIONARY TRAVEL SCHEME – OUTCOME OF CONSULTATION

REPORT OF THE DIRECTOR OF ENVIRONMENT AND TRANSPORT

Purpose

1. The purpose of this report is to draw attention to the results of the public consultation into proposals for the withdrawal of discretionary elements of the Concessionary Travel Scheme. The Cabinet at its meeting on 9th July will be asked to consider its response to the consultation process and come to a view on whether to proceed with the proposals.
2. The Scrutiny Commission is asked to consider the consultation responses and indicate what comments, if any it wishes to make on this matter to the Cabinet.

Proposed Changes

3. The English National Concessionary Travel Scheme (ENCTS) enables free travel for qualifying elderly and disabled concessionary pass users on any local bus service between 9.30am and 11.00pm Monday to Friday and at any time on Saturday, Sunday and Bank Holidays.
4. The consultation proposals related to the discretionary elements of concessionary travel scheme, which are funded by the County Council and which it is proposed are now removed from 1st September 2013. The discretionary elements include the following:
 - half fare on community transport;
 - £33 of vouchers as an alternative to a bus pass;
 - free travel before 9.30am Monday to Friday for disabled pass holders and;
 - free travel for all concessionary pass holders after 11.00pm Monday to Friday.

Financial Implications

5. Removal of the discretionary elements of the scheme is proposed in order to achieve savings targets agreed by the County Council in the MTF5. This will, if agreed, realise a saving of £135,000 in 2012/13 rising to £270,000 from 2013/14 onwards.

Consultations

6. The proposals outlined above have been the subject of consultation. The consultation commenced on 20th May and closes on 30th June. The Director of Environment and Transport will undertake an analysis of the consultation responses, the findings of the Equality Impact Assessment of the proposals and will be submitting a detailed report

thereon to the Cabinet meeting on 9th July. A copy of that report will be circulated to all members of the Commission as soon as it is published.

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SCRUTINY COMMISSION- 5 JULY 2013

REPORT BY THE DIRECTOR OF CORPORATE RESOURCES

**2012/13 PROVISIONAL REVENUE AND
CAPITAL OUTTURN**

Purpose of Report

1. This report sets out the provisional revenue and capital outturn for 2012/13.

Policy Framework and Previous Decisions

2. The County Council approved the 2013 Medium Term Financial Strategy (MTFS) in February 2013. The key aim of the Strategy is to ensure that the Authority has appropriate resources in place to fund key service demands over the next few years. The Strategy includes the establishment of earmarked funds and the allocation of ongoing revenue budget and capital resources for key priorities.
3. The Standard Financial Instructions stipulate that the Executive may authorise the carry forward of under or over spending. These may also be agreed by the Director of Corporate Resources subject to guidelines agreed by the Cabinet in June 2006. The carry forward requests which could not be approved under delegated powers were approved by Cabinet on 12 June 2013 (see Appendix B).
4. The County Council approved the 2012 Medium Term Financial Strategy (MTFS) in February 2012.
5. On 23 July 2012 the Cabinet approved the following:
 - (i) Use of the (forecast 2012/13) net revenue underspend of £13.5m to fund:
 - Highways maintenance (including bridges) - £2.0m
 - Vehicle replacement (including gritters) - £1.2m
 - Repayment of debt - £10.3m;
 - (ii) Increase the contribution to the Leicestershire Local Authority Mortgage Scheme (LAMS) from £2m to £10m;
 - (iii) To utilise reserve balances to fund the increased LAMS contribution, including:

Repair and renewals	£8.3m
Insurance uninsured loss	£5.1m

Waste infrastructure £5.0m
 A contribution of £1.1m from the Housing Related Support reserve
 (formerly Supporting People).

6. On 16 October 2012 the Cabinet approved a strategic land purchase at Snibston.
7. On 13 November 2012 the Cabinet approved the use of £0.4m of the forecast underspend to fund an extension to the County Hall car park.
8. In December 2012 the Cabinet approved the use of £0.41m of the forecast 2012/13 underspend to fund a number of initiatives designed to provide a lasting Olympic legacy for Leicestershire.
9. On 9 April 2013 the Cabinet approved:
 - (i) the use of the remaining balance of £1.676m in the contingency for inflation to repay debt; and
 - (ii) the use of £1m of the 2012/13 underspend to fund additional highways maintenance.

Overall Position

Revenue Outturn

10. A summary of the revenue outturn for 2012/13 excluding schools grant is set out below:

	£000
Updated budget	349,043
Less provisional outturn	340,196
	8,847
Carry Forwards	
Approved under delegated powers	5,122
Approved by Cabinet, 12 June 2013	3,500
Net Underspending	225

11. Overall there has been a net underspending of £8.8m, which reduces to £0.2m after carry forwards.
12. The Authority has made good progress in achieving the savings in the MTFs, but there is still a long way to go. The underspend to a large extent reflects efficiency savings achieved early. There is a strong focus by service managers on future savings targets. In the MTFs for the period 2013/14 to 2016/17 the savings requirements total £79m, of which £30m still needs to be identified. The Chancellor of the Exchequer is due to announce the 2015/16 Spending

Round on 26 June 2013 and it is anticipated that significant additional savings will be required between 2015/16 and 2017/18, and probably in later years too.

13. The uncommitted County Fund balance as at 31st March 2013 now stands at £10.6m, which represents 3% of the revenue budget, in line with the County Council's policy. It has to be noted that additional risks now face the Authority arising from local government funding changes including localisation of business rates and council tax support from 2013/14. The level of the County Fund will be reviewed during 2013 as more detail becomes available on these and other risks.
14. Appendix A compares the provisional outturn with the updated budget. Column 2 is the original budget updated for 2011/12 carry forwards and transfers between services. Column 3 shows actual expenditure, which in the case of schools reflects the level of delegated schools budgets. This appendix also shows the effect of the provisional outturn on the level of the uncommitted County Fund balance.
15. The Cabinet had previously approved the use of 2012/13 underspends of £12m to repay debt. Cabinet on 12 June 2013 approved an increase to the repayment of £4.7m giving a total of £16.7m from 2012/13 underspends. In addition on 13 November 2012 the Cabinet agreed to increase this by a further £8.9m that had been allocated in June 2012 to repay pension liabilities, giving an overall total of £25.6m leading to ongoing revenue savings of £2m. As reported in June 2012, there were potential technical difficulties with the proposal to repay pension liabilities and following discussions with our actuaries and external auditors these difficulties could not be overcome.
16. The overall net underspend is £8.8m. This reduces to £0.2m after carry forwards are taken into account.
17. The Director of Corporate Resources can approve carry forwards where the money is to be spent for the purpose for which it was originally allocated in the budget. Where the carry forward is to be used for a different purpose (i.e. effectively comprising virement) the Director of Corporate Resources can approve items up to £100,000 with the following exceptions:
 - where a carry forward would result in an overspending position on the department's budget;
 - where a carry forward would represent a change in existing policy; and
 - where ongoing costs might result.

On this basis specific approval by the Cabinet was required for the items described in Appendix B and these items were approved by the Cabinet on 12 June 2013. The full list of carry forwards is available on request.

18. Appendix C gives details of significant variances on Departmental budgets.
19. For information, Appendix D sets out the performance of key aspects of the finance function against performance targets.

Capital Outturn

20. A summary of the capital outturn for 2012/13, excluding schools devolved formula capital, is set out below.

	£000
Updated budget	77,175
Less provisional outturn	58,415
Net Underspending	18,760
Percentage spend to updated budget	76%

21. Overall there has been a net underspending of £18.8m compared with the updated budget. Expenditure incurred is 76% of the total available resources and is lower than the target of 95%. More detail is given in Part B of this report.

DETAILS – REVENUE

Children and Young People’s Service

Schools

22. There is a net underspend of £4.1m. This is mainly due to:
- £2m reduced costs of pupils in Special Educational Needs placements. This is due to robust contract negotiation and management resulting in reduced unit costs in block contracts. In addition out of county placement costs were reduced as additional places have been developed at Birchwood Special School, Shepshed Autism Spectrum Disorder Unit, Abington ASD Unit and the Braunstone Autism Outreach Resource Centre.
 - A saving of £1.6m resulting from Academy conversions, where the Dedicated Schools Grant (DSG) deductions are based on lower levels of business rates and insurance than that included in the Individual Schools Budgets.
23. This net underspend will not affect the General County Fund as under the terms and conditions of DSG any underspend must be allocated to future year’s Schools Budget. The Schools Forum will consider the use of the unallocated DSG earmarked fund at its meeting on 20 June 2013.
24. The outturn shows that the level of school balances fell from £18.1m to £8.4m, mainly due to the effect of transferring school balances to academies. The

detail of school balances will be confirmed at later in the year when schools have submitted their annual Consistent Financial Reporting returns.

Local Authority Budget

25. There is a net underspend of £2.42m which reduces to £0.62m (1.4%) after carry forwards requests of £1.8m.
26. The major underspends relate to an additional element of Early Intervention Grant (EIG) (£1.5m), which has not been allocated to services due to uncertainties around future EIG funding, the withdrawal of the Attendance Improvement Service at the end of August 2012 (£0.4m), and a saving (£0.4m) on the new contract for careers guidance services (formerly Connexions). In addition there are various other underspends across the Department.
27. The underspends are offset by overspends due to increased demand within children's social care. The number of referrals increased by 11% and the number of children in care by 15% and this led to overspends in three particular areas:
 - Use of the legal services budget relating to a threefold increase in case proceedings in the past three years (£0.3m);
 - The number of children placed in Independent Foster Agencies as Foster Carers reach retirement age and leave the authority (£1.1m);
 - The cost of Agency Placements due to the need to make high cost placements (£0.9m).
28. Management action has been taken to reduce the costs in these areas, including additional controls on the employment of agency staff and the approval of placements. The 2013 MTFS also includes growth of £1.6m, £0.3m of which is for Legal Services to meet the increased number of care proceedings.

Adults and Communities

29. There is a net underspend of £4.56m (3.6%), mainly relating to residential services, as more people are being helped to live independently at home. Variations within the net underspend include a £4m overspend on Direct Payments partially offset by savings on supported living and day care, as clients transfer from these services.
30. Discussions have taken place with the PCT and Client Commissioning Groups in Leicestershire to agree funding transfers. These have been used to fund 2012/13 County Council expenditure to make progress towards health related targets within the theme of creating a healthier Leicestershire. The resulting underspend has been allocated to earmarked reserves to fund future partnership work. The transfers include:
 - Post discharge reablement £1.6m

- Provision of adult social care services to assist hospitals with winter pressures £0.7m
- Public Health £2.6m

Highways and Transportation

31. There is a net overspend of £0.2m which increases to £1.27m (2.3%) after carry forward requests of £1.07m requiring Cabinet approval (see Appendix B). The net overspend is mainly due to the Cabinet decision to defer consideration of the home to school transport/ review of discretionary elements (denominational and 16+) savings, and to an overspend on the winter maintenance budget due to the severe winter weather, particularly during March.

Environment

32. There is a net underspend of £1.01m which reduces to £1,000 after carry forward requests of £1.01m, including requests of £0.53m requiring Cabinet approval (see Appendix B). The net underspend is mainly due to lower tonnages of waste than originally anticipated, a reduction in recycling credits, increased income from the disposal of electrical equipment, and slippage on the new waste database system.

Chief Executives

33. There is a net underspend of £1.44m which reduces to £0.86m (5.2%) after carry forward requests of £0.58m. The net underspend mainly relates to staff vacancies, savings on projects and growth for the Police and Crime Panel which has not been required.

Corporate Resources

34. There is a net underspend of £1.29m which reduces to £0.83m (2.3%) after carry forward requests of £0.46m. Underspends mainly relate to staff vacancies, Learning and Development, and increased income. These are partially offset by an overspend of £0.35m on outdoor residential services.

Contingencies

35. A contingency of £0.9m was made for the forecast overall costs of the Carbon Reduction Commitment (CRC) in 2012/13. The schools element has been charged to the schools budget, resulting in a reduced requirement of £0.45m. In addition, £0.45m of the CRC charge for 2011/12 has been met from the Dedicated Schools Grant earmarked fund and around £0.19m of 2011/12 CRC relating to street lighting is not required as this type of supply is currently classified as exempt, and the same exemption has applied in 2012/13. The combined effects of these reductions produce an overall saving of around £1.38m.

36. A contingency of £8m was originally made against delays in the achievement of savings. No major problems have been identified, other than on the home to school transport/ review of discretionary elements savings, which have been absorbed by net underspends on other services. Transfers of £3.2m were made regarding the highways maintenance (£2m) and vehicle replacement (£1.2m) budgets agreed by the Cabinet in July 2012 to the Highways and Transport and Revenue Funding of Capital budgets. The balance of £4.8m is shown as an underspend.
37. A provision of £4.5m was made for severance / Invest to Save initiatives. Severance costs of £2.5m were funded in 2012/13 and the balance has been transferred to the Invest to Save/ Severance reserve to meet costs in future years.
38. A contingency of £8.7m was made for inflation, of which £7.0m has been allocated regarding residential care charge increases, highways and winter maintenance, energy budgets, software contracts and insurance. The remaining balance has not been required and on 9 April 2013 the Cabinet approved the use of the net underspend of £1.68m to repay debt.

Central Items

39. Central Items budgets are overspent by £4.82m, which increases to £6.63m after carry forwards of £1.81m. This is due to the Cabinet decision to repay debt. The main variances are set out below:

	£000	% of Budget	
Bank & Other Interest	-510	30%	Due to balances being higher than anticipated.
Financing of Capital	-3,480	-11%	The original budget assumed that c.£64m of external debt would be borrowed during the year, which would incur interest payments. However, due to continued low interest rates and the level of internal balances, this sum was not borrowed during 2012/13.
Revenue funding of capital	-500	-14%	Within the £2m agreed by the Cabinet in July 2012 for highways maintenance, £0.5m was allocated to the Aylestone Lane Foot Bridge. The scheme has now been delayed until 2013/14. The funding will be provided from the MTFs/Invest to Save reserve (see paragraph 77 below).
Financial Arrangements	-840	n/a	Mainly due to receipt of ESPO dividends of £0.64m and audit fees being lower than anticipated.
NDR Revaluation Savings	-145	n/a	Refunds of rates paid in previous years

			arising from revaluation appeals.
Other Items – prior year adjustments	-1,800	n/a	£1.1m refund of 2011-12 Local Authority Central Spend Equivalent Grant (LACSEG) top-slice; £0.5m for various accrued creditor payments not required; £0.2m regarding a reduction to the Adults and Communities bad debts provision following a review of the levels required.
Repayment of Debt	11,976	n/a	The Cabinet approved the use of 2012/13 underspends to repay debt.
Snibston strategic land purchase	195	n/a	The Cabinet approved the use of 2012/13 underspends to fund a land purchase.

40. The Cabinet approved the use of 2012/13 underspends to fund the following items, which have been delayed to 2013/14 and are included as carry forward items:
- £0.41m to fund a number of initiatives designed to provide a lasting Olympic legacy for Leicestershire.
 - £0.4m to provide an extension to the County Hall car park, to alleviate car parking pressure following the rationalisation of County Council buildings.
 - £1m to fund additional highways maintenance.

County Fund and Earmarked Funds

41. The uncommitted County Fund balance as at 31st March 2013 stands at £10.6m, which represents 3% of the revenue budget, in line with the County Council's policy. It has to be noted that additional risks now face the Authority including those that arise from local government funding changes such as the localisation of business rates and council tax support from 2013/14. The MTFs includes further analysis of the County Council's earmarked funds including the reasons for holding them. A review of earmarked funds will be reported in the autumn.
42. The total level of earmarked funds as at 31 March 2013 is £99.8m, excluding the ringfenced Dedicated Schools Grant earmarked fund, which compares to £110.8m as at 31 March 2012, a reduction of £11m (10%). These are shown in detail in Appendix E. The main earmarked funds are set out below.

Renewals of Vehicles and Equipment (£6.4m)

43. Departments hold earmarked funds for the future replacement of vehicles (the County Council has a fleet of around 500 vehicles) and equipment such as ICT.

Insurance earmarked funds (£11.4m)

44. Earmarked funds of £6.1m are held to meet the estimated cost of future claims to enable the Council to meet excesses not covered by insurance policies. The levels are recommended by independent advisors. Excesses include:
- Fire £500,000
 - Public / Employers' liability £150,000
 - Professional indemnity £25,000
 - Fidelity guarantee £100,000
 - Money – completely self-insured.
45. The uninsured loss fund of £4.8m is required mainly to meet potential liabilities arising from Municipal Mutual Insurance Ltd. (MMI) that is subject to a run-off of claims following liquidation in 1992. The run-off is regulated by a scheme of arrangement entered into by the creditors of MMI. The scheme of arrangement provides for a clawback against the creditors in the event that the assets of MMI at the time of liquidation prove insufficient to meet its liabilities.
46. The Supreme Court Judgement in relation to the 'trigger point' litigation of March 2012, ruled against the insurers, and the net estimated liabilities for MMI are believed to be in the region of £85m. The County Council's share of this is based upon the value of its current paid and outstanding claims and is £2.2m. This sum has been set aside in a provision. However there is a contingent liability for any additional deficit due to the uncertainty of the value of incurred but not reported claims. Experience to date has been a worsening position with actual claims exceeding the forecast made by MMI's actuaries. Hence the level of this reserve will be kept under review and transfers made, as necessary, from the uninsured loss fund, to take account of the latest MMI run-off position and other failed insurers such as The Independent Insurance Co. Limited.

Children and Young People's Service

47. Dedicated Schools Grant (£6.6m). DSG is ring fenced and can only be applied to meet expenditure properly included in the Schools Budget, as defined in the School Finance (England) Regulations 2012. Any underspend on services funded by DSG must be carried forward and ring fenced to those services.
48. Early Intervention Grant Transition (£3.4m). This is the balance of funding set aside in 2010/11 to ease the impact of significant reductions in government grants to Children and Young People's Services. This grant has been reduced and subsumed within Formula Grant from 2013/14.

Adults and Communities

49. Adults and Communities Development, £6.2m. This earmarked fund was established from revenue underspends and is used to fund a number of investments in maintaining social care service levels and improving in-house facilities over the next four years.

50. Health & Social Care earmarked fund (£10.4m). Members approved the use of the earmarked fund to improve health and social care outcomes in Leicestershire including the prevention of admission and readmission into hospital as well as the prevention of other costly health and social care provision. The authority has undertaken a commitment to make decisions, relating to this funding, together with partners from the NHS and District Councils through the Integrated Commissioning Board (ICB) for Leicestershire.

Public Health

51. Public Health (£5.5m). An earmarked fund was established following agreement from the PCT to substitute funding on Public Health initiatives with expenditure already incurred by the County Council. The fund has been earmarked to be spent on Public Health initiatives, for example to boost participation in sport and reduce substance misuse.

Environment and Transport

52. Waste Infrastructure (£4.4m). This is held to fund the improvement to the Recycling and Household Waste Site (RHWS) and Waste Transfer Station (WTS) at Whetstone, development of a WTS at Loughborough RHWS and improvements to Kibworth RHWS.

Chief Executive's

53. Supporting Leicestershire's Families (£8.3m). This will be used to fund both the programme team and the new services under the supporting Leicestershire's Families programme (formally known as Troubled Families) for the period to 2015/16, at which point revenue savings will accrue to the County Council and its partners.
54. Economic Development (£3.2m). This amount was transferred to this new earmarked fund as part of the review of reserves in Autumn 2012, to support economic development initiatives.

Corporate

55. The balance on the Invest to Save/ severance earmarked fund stands at £13.9m. The application of the earmarked fund is set out below:

Severance and Invest to Save	£10.7m
Acquisition of Former Fire HQ building (slipped to 2013/14)	£2.0m
Aylestone Lane footbridge (slipped to 2013/14)	£0.5m
Street lighting column replacement/removal (part slipped to 2013/14)	£0.4m
Highways vehicles (part slipped to 2013/14)	£0.3m
Total	£13.9m

56. Broadband (£6m). The 2012 MTFs allocated the 2012/13 council tax freeze grant of £6m to developing super fast broadband to areas with a poor service. This is currently being held in an earmarked fund. The procurement is being scheduled by Broadband UK, so national issues affect the timetable. State aid rules have been a factor in slower than expected progress. The timetable could be further affected by supplier capacity.
57. Local Authority Mortgage Scheme (-£2.3m) – This is an earmarked fund which was established to make it easier for first time buyers to obtain mortgages, thus stimulating the local housing market and benefiting the wider local economy. At the end of 2012/13 a total of £5.4m (of £10m overall) had been advanced to Lloyds TSB. This advance has been met from £3.1m on the LAMS fund and the balance of £2.3m will be temporarily financed from the Invest to Save/Severance earmarked fund, to be repaid in five years' time (2017/18).

CAPITAL PROGRAMME

58. A summary of the capital outturn for 2012/13, excluding schools devolved formula capital, is set out below:

Programme Area	Updated Budget	Actual	(Under)/Over spend	Percentage spend by Department
	£000	£000	£000	%
Children & Young People	26,240	20,782	(5,458)	79%
Env't & Transport - Transportation	33,909	26,352	(7,557)	78%
Env't & Transport - Waste Management	2,408	822	(1,586)	34%
Adults and Communities	3,514	3,168	(346)	90%
Corporate Resources	10,899	7,243	(3,656)	66%
Chief Executive	205	48	(157)	23%
Total	77,175	58,415	(18,760)	76%

59. The table shows net slippage of £18.8m compared with the updated original programme. Overall, expenditure incurred is 76% of the total available resources and is lower than the target of 95%. Although there are reasons (set out below) for the slippage, departments will be reminded of the need for an accurate capital programme. In addition as part of the first monitoring exercise of the 2013/14 capital programme an assessment will be made of risks of non-delivery.
60. The majority of reasons for variations have been reported throughout 2012/13. A summary of the main variations is set out in Appendix E.
61. Appendix F compares the provisional prudential indicators with those set and agreed by the Council, at its budget meeting in February 2012. This shows that the indicators are all within the approved limits.

Children and Young People's Service

Key Achievements

62. Work has started on the Charnwood Area Special School. The school will be completed in February 2014 with a planned opening after Easter 2014. A total of £2.3m expenditure was incurred in the current year. The state of the art £9.3m area special school will provide a new home for Ashmount School and offer places for 125 children and young people aged between four and nineteen. The school will include a hydrotherapy pool, a sensory and therapy suite, physiotherapy room and conference and training room.
63. A total of £12.5m was invested in the School Accommodation programme during 2012/13. Works were completed at 22 schools to ensure there are sufficient pupil places.
64. Strategic Capital Maintenance - £5.0m was spent on schools works for:
- Replacement of fan convector units.
 - Re-roofing works.
 - Window replacements.
 - Installation of new boiler plants.

Main Variances

65. The year end position shows a variance of £5.5m compared with the updated budget. The variances relate to slippage on:
- Delays to six school accommodation projects (£1.4m) arising for a number of reasons including planning delays, discovery of underground tanks/sewage pipes at one site requiring a build over agreement with Severn Trent, adverse weather conditions, and a new dining facility rescheduled for the summer holidays in order to minimise disruption.
 - The development of Special Education Needs provision (£0.5m) has been delayed. The business case for the ASD / Aspergers School did not support the development of this provision. A SEN Task and Finish Group has been set up to make strategic plans for future SEN provision. The available funding will be slipped until its recommendations are available.
 - Short Breaks for Disabled Children (£0.4m). This will slip into 2013/14 following the late announcement of the grant in December 2012. The programme includes a number of small projects for specialist equipment and minor building works. Completion is expected by the end of August 2013.
 - Delayed start to works to build the new area special school in Charnwood (£1.7m) following planning objections. These have now been overcome.
66. In late November 2012 the DfE announced capital grant of £0.7m for Early Years to fund increased capacity at nurseries for free 2 year old places from

September 2013. Due to the late notification the funding has been slipped to 2013/14. The capital grant is not ring fenced or time constrained.

Environment and Transportation – Transportation

Key Achievements

67. In March 2013 the DfT approved funding of £14.8m for the Loughborough Town Centre Transport Scheme. The whole scheme cost is estimated at £19.3m (£14.8m DfT, £3.4m County Council and the balance from developer contributions). A contractor was selected in January 2013. The works will see improvements to the A6004 junction, completion of the inner relief road, and improvements to the town centre. It will help to reduce traffic demand on the town centre road network and help regenerate the town encouraging economic growth and inward investment. It will also improve public transport facilities and improve accessibility for pedestrians, cyclists and people with disabilities. It is expected that the works will be finished in early 2015.
68. A total of £3.1m was delivered on Integrated Transport Schemes, including:
- £2.1m on Active and Sustainable Travel Schemes.
 - £0.35m on improving Connectivity and Accessibility Schemes
 - £0.1m on improving Network Performance and Reliability
 - £0.55m on local safety schemes
69. A total of £12.8m was also delivered on Highways Asset Maintenance, including:
- £8.3m on carriageways
 - £1.7m on footways & Rights of Ways
 - £1.2m on bridge Maintenance and Strengthening
 - £1.3m on street lighting
 - £0.3m on street lighting part night lighting and dimming (Invest to Save)
70. £1.87m has been spent on modernising the vehicle fleet, including:
- replacing vehicles within Passenger Fleet resulting in reduced maintenance costs in future years.
 - replacing winter maintenance gritters, resulting in reduced maintenance costs and more efficient use of winter salt.

Main Variances

71. The year end position shows a variance of £7.6m compared with the updated budget.
72. The Loughborough Town Centre transport scheme (£3.5m slippage) was delayed pending the Department for Transport full approval on 14th March 2013.

73. The Integrated Transport Schemes block allocation includes around 80 schemes. The main areas of slippage (£0.9m) are:
- Connectivity and Accessibility (£0.1m) reduced internal fees and slippage on advanced design works
 - Network Performance and Reliability (£0.4m) mainly relates to the works originally planned to the M1/J22 roundabout which have now been deferred due to potential development in the area
 - Active and Sustainable Travel (£0.4m) includes reductions to fees from efficiencies in an area based approach to works.
74. Slippage on the Transport Asset Management block Bridges works (£1.1m) comprises:
- Bridge assessment work (£0.2m) caused by a shortage of staff resources
 - Bridge strengthening work (£0.2m) due to a need to assess a Railtrack bridge to establish what strengthening work is required
 - Aylestone Road footbridge (£0.7m) delayed pending confirmation of plans of work being undertaken by Network Rail in the area.

Environment and Transportation – Waste Management

Key Achievements

75. The programme to improve the recycling and household waste sites (RHWS) and Waste Transfer Stations (WTS) has continued to make good progress. The main achievement for the programme has been the Loughborough RHWS bridge, replacing the old bridge, allowing easier access. Also significant work has been undertaken on the Whetstone RHWS & WTS redevelopment project. This work builds upon the previous successes and will underpin our commitment to maximising diversion of waste from landfill and providing a high quality service

Main Variances

76. The year end position shows a variance of £1.6m compared with the updated budget.
77. The variance relates to Whetstone Bulking/Transfer Station and RHWS (£1.3m) where slippage has arisen due to a revision of the proposed development to comply with Environment Agency requirements and Loughborough Transfer Station (£0.3m) where slippage has arisen on the construction of the Station due to the need to prioritise the replacement of the bridge into the site.

Adults and Communities

Key Achievements

78. The scheme incorporating Charnwood Day Service and Loughborough Library now co-locates Charnwood Day Service and the Leicestershire Adult Learning service at the site of Loughborough Library at a cost of £1.3m. Work completed in December 2012.
79. Leicester Forest East Library £0.6m – Work was completed in October 2012. The new Library, located on the former caretakers bungalow at LFE Stafford Leys Primary School, provides a modern service for the local and wider community.
80. A successful procurement exercise has been undertaken for the SSIS replacement programme, £0.4m spent in current year. Implementation of the new system is expected to be completed by the summer 2013. The new system will provide enhanced functionality that is essential to cope with increasing demands as a result of new developments most notably with the personalisation agenda.
81. A 21st century War Memorial was built at County Hall - £0.1m. The monument is sited in the quadrangle at the front of County Hall and is accessible to the public.
82. Snibston Discovery Park £0.3m – refurbishment of the monument has commenced in phases with overall completion due in November 2013.

Main Variances

83. The year end position shows a variance of £0.3m compared with the updated budget.
84. The main variance relates to slippage on the refurbishment of the scheduled monument scheme at Snibston Discovery Park. The main contractor entered into administration in January 2013, resulting in slippage in the 2012/13 programme. Work has since resumed in 2013/14 with the appointment of a new contractor.

Corporate Resources

Key Achievements

85. During 2012/13 expenditure of £3.1m was incurred on the final stage of Office Accommodation Invest to Save Programme.
86. £0.4m has been invested in the Oracle reporting package to increase automation as well as support for online self service and reduce on-going costs.

87. Investment in the ICT infrastructure £0.5m on:
- Infrastructure costs for the single information store and facilitating the move to more efficient channels.
 - Support the Work Well strategy by implementing the infrastructure required for Mobile and Flexible working.
88. Aston Firs Travellers Site – major refurbishment of pitches with most of the work carried out in 2012/13. Completion is expected in June 2013. The works have improved the quality of life for the 20 families who live on site.
89. A back up Generator has been installed at County Hall £0.4m; this facilitates the continuity of services in the event of mains electrical supply failure.

Main Variances

90. The year end position shows a variance of £3.7m compared with the updated budget.
91. The main variance relates to slippage on the purchase and refurbishment of the former Fire Service headquarters building (£2m) which is now forecast to be in late 2013 in line with the vacation of the building. Refurbishment works at Aston Firs Travellers Site (£0.3m) were delayed due to adverse weather conditions early in 2012/13. The remaining variances relate to work no longer proceeding at the Industrial Estate for Lastolite (£0.5m), delays while options are being reviewed for the planned replacement of the bungalow at Catherine Dalley House, and a delayed start to work on the County Hall car park extension.

Chief Executives

92. The year end position shows a variance of £0.2m compared with the updated budget.
93. Slippage has occurred on the Rural Economic Grants and Services programme due to adverse weather conditions during October to December, mainly due to flooding. The programme has been fully committed.

Capital Receipts

94. Actual general capital receipts were £1.0m. In addition, the deferred 2nd staged payment of £1.8m for land sold at Quorn in 2011/12 will be released and added to general capital receipts, giving a revised total of £2.8m compared with an original budget of £2.4m.
95. The actual level of earmarked capital receipts is £1.6m compared with an original budget of £3.7m. The shortfall relates largely to delays in the timing of the disposal of surplus assets arising from the Office Accommodation programme. Due to slippage in the overall capital programme these delays will not affect the financing of the capital programme.

96. In addition to the above, £2.9m has been accrued in the accounts as a deferred capital receipt from the sale of the nine Elderly Persons Homes. This represents the balance outstanding at 31/3/13 (£0.3m was received in year). The income is due to be received by March 2014.

Recommendation

97. The Scrutiny Commission is asked to note the contents of this report

Background Papers

2012/13 accounts.

Report to Cabinet - 27 June 2006 – Provisional Revenue Outturn 2005/06.

Report to County Council – 22 February 2012 – Medium Term Financial Strategy 2012/13 to 2015/16

Report to Cabinet – 23 July 2012 - 2012/13 Medium Term Financial Strategy Monitoring (Period 2)

Report to Cabinets – 13 November 2012:
2013/14 – 2016/17 Medium Term Financial Strategy
Addition to Capital Programme – County Hall Car Park Extension

Report to Cabinet – 18 December 2012 – Proposal for securing an Olympic Legacy in Leicestershire

Report to Cabinet – 9 April 2013 - 2012/13 Medium Term Financial Strategy Monitoring (Period 11)

Circulation under the Local Issues Alert Procedure

None.

Officers to Contact

Mr B Roberts – Director of Corporate Resources
☎ 0116 305 7830 E-mail Brian.Roberts@leics.gov.uk

Mr C Tambini – Assistant Director, Strategic Finance, Property and Procurement, Corporate Resources Dept.
☎ 0116 305 6199 E-mail Chris.Tambini@leics.gov.uk

Mrs J Spence – Head of Corporate Finance, Corporate Resources Dept.
☎ 0116 305 5998 E-mail Judith.Spence@leics.gov.uk

Appendices

Appendix A – Comparison of 2012/13 Expenditure and the Updated Revenue Budget

Appendix B – 2012/13 Carry Forward requests requiring Cabinet approval

Appendix C - Revenue Budget 2012/13 – main variances

Appendix D – Financial Management Performance Indicators

Appendix E – Earmarked Reserve balances 31/3/13

Appendix F - Variations from the updated 2012/13 capital programme

Appendix G - Prudential Indicators 2012/13

Equal Opportunities Implications

No direct implications.

**COMPARISON OF 2012/13
EXPENDITURE AND THE UPDATED REVENUE BUDGET**

SERVICES 1	UPDATED BUDGET 2 £000	ACTUAL EXPENDITURE 3 £000	VARIATION 4 £000	CARRY FORWARDS		NET VARIATION 7 £000	%
				WITHIN GUIDELINES 5 £000	APPROVED BY CABINET 6 £000		
SERVICES							
CHILDREN & YOUNG PEOPLE							
Schools							
Delegated *	216,160	214,558	-1,602			-1,602	
Centrally Managed	44,428	41,786	-2,642			-2,642	
Dedicated Schools Grant (Schools) *	-216,160	-216,160	0			0	
Dedicated Schools Grant (Central)	-46,133	-45,962	171			171	
Transfer 12/13 underspend to DSG Reserve	0	4,073	4,073			4,073	
DSG for Central Dept recharges	-1,705	-1,705	0	0	0	0	
OTHER CHILDREN & YOUNG PEOPLE	44,653	42,235	-2,418	1,801		-617	-1.4%
ADULTS & COMMUNITIES	125,320	120,768	-4,552		1,898	-2,654	-2.1%
ENVIRONMENT & TRANSPORT							
Highways & Transport	54,761	54,960	199		1,070	1,269	2.3%
Environment	26,053	25,042	-1,011	478	532	-1	0.0%
CHIEF EXECUTIVES	16,548	15,106	-1,442	578		-864	-5.2%
CORPORATE RESOURCES	36,191	34,902	-1,289	455		-834	-2.3%
CARBON REDUCTION COMMITMENT	900	-478	-1,378			-1,378	-153.1%
CONTINGENCY FOR EFFICIENCY SAVINGS	4,800	0	-4,800			-4,800	-100.0%
SEVERANCE / INVEST TO SAVE	4,500	4,500	0			0	0.0%
CONTINGENCY FOR INFLATION	1,676	0	-1,676			-1,676	-100.0%
TOTAL SERVICES	313,697	295,330	-18,367	3,312	3,500	-11,555	-3.7%
CENTRAL ITEMS:							
BANK & OTHER INTEREST	-1,706	-2,217	-511			-511	30.0%
FINANCING OF CAPITAL	31,218	27,738	-3,480			-3,480	-11.1%
REVENUE FUNDING OF CAPITAL	3,700	3,200	-500			-500	-13.5%
ELECTIONS	335	335	0			0	0.0%
FINANCIAL ARRANGEMENTS	72	-767	-839			-839	
MEMBERS EXPENSES & SUPPORT ETC.	1,294	1,247	-47			-47	-3.6%
FLOOD DEFENCE LEVIES	258	255	-3			-3	-1.2%
PENSION COSTS	2,000	1,982	-18			-18	-0.9%
COUNCIL TAX FREEZE GRANT (2012/13)	-6,000	-6,008	-8			-8	0.1%
COUNCIL TAX FREEZE GRANT (BROADBAND)	6,000	6,000	0			0	0.0%
NEW HOMES BONUS GRANT	-988	-988	0			0	0.0%
NEW HOMES BONUS GRANT (EXTRA CARE)	575	575	0			0	0.0%
LOCAL SERVICES SUPPORT GRANT	-1,412	-1,412	0			0	0.0%
NDR REVALUATION SAVINGS	0	-145	-145			-145	
OTHER ITEMS (inc prior year adjustments)	0	-1,800	-1,800			-1,800	
REPAYMENT OF DEBT	0	16,676	16,676			16,676	
COUNTY HALL CAR PARK EXTENSION	0	0	0	400		400	
OLYMPIC LEGACY	0	0	0	410		410	
SNIBSTON STRATEGIC LAND PURCHASE	0	195	195			195	
CONTRIBUTION TO HIGHWAYS MAINTENANCE	0	0	0	1,000		1,000	
TOTAL CENTRAL ITEMS	35,346	44,866	9,520	1,810	0	11,330	32.1%
TOTAL EXPENDITURE	349,043	340,196	-8,847	5,122	3,500	-225	-0.1%
INCOME							
REVENUE SUPPORT GRANT	-1,986	-1,986	0			0	
NATIONAL NON DOMESTIC RATE INCOME	-102,432	-102,432	0			0	
PRECEPT	-240,339	-240,339	0			0	
NET SURPLUS ON COLLECTION FUNDS	-836	-836	0			0	
TOTAL INCOME	-345,593	-345,593	0	0	0	0	
WITHDRAWAL FROM(-)/ADDITION TO COUNTY FUND	3,450	-5,397	-8,847	5,122	3,500	-225	
COUNTY FUND							
UNCOMMITTED BALANCE 1.04.12	10,400						
BUDGETED WITHDRAWAL FROM COUNTY FUND	0						
NET UNDERSPEND	8,847						
CARRY FORWARDS	-8,622						
FORECAST BALANCE 31.03.13	10,625						

* Schools Delegated and Dedicated Schools Grant (Schools) budgets have been amended to reflect DSG reduction due to Academy transfers.

**COMPARISON OF 2012/13
EXPENDITURE AND THE UPDATED REVENUE BUDGET**

SERVICES 1	UPDATED BUDGET 2 £	ACTUAL EXPENDITURE 3 £	VARIATION 4 £	CARRY FORWARDS		NET VARIATION 7 £	%
				WITHIN GUIDELINES 5 £	CABINET APPROVAL REQUESTED 6 £		
SERVICES							
CHILDREN & YOUNG PEOPLE							
Schools							
Delegated	216,160,000	214,558,000	-1,602,000			-1,602,000	
Centrally Managed	44,428,000	41,786,000	-2,642,000			-2,642,000	
Dedicated Schools Grant (Schools)	-216,160,000	-216,160,000	0			0	
Dedicated Schools Grant (Central)	-46,133,000	-45,962,000	171,000			171,000	
Transfer 12/13 underspend to DSG Reserve	D 0999 000 495 0	4,073,000	4,073,000			4,073,000	
DSG for Central Dept recharges	-1,705,000	-1,705,000	0	0	0	0	
OTHER CHILDREN & YOUNG PEOPLE	44,653,139	42,234,583	-2,418,556	1,800,654		-617,902	-1.4%
ADULTS & COMMUNITIES	125,319,736	120,768,000	-4,551,736		1,898,000	-2,653,736	-2.1%
ENVIRONMENT & TRANSPORT							
Highways & Transport	54,761,037	54,960,180	199,143		1,070,488	1,269,631	2.3%
Environment	26,053,222	25,042,065	-1,011,157	478,077	532,326	-754	0.0%
CHIEF EXECUTIVES	16,548,349	15,105,692	-1,442,657	578,135		-864,522	-5.2%
CORPORATE RESOURCES	36,191,231	34,902,020	-1,289,211	455,000		-834,211	-2.3%
CARBON REDUCTION COMMITMENT	K 7897	900,000	-477,763	-1,377,763		-1,377,763	
CONTINGENCY FOR EFFICIENCY SAVINGS	n/a	4,800,000	0	-4,800,000		-4,800,000	-100.0%
SEVERANCE / INVEST TO SAVE	V 8998 000 939 8	4,500,000	4,500,000	0		0	0.0%
CONTINGENCY FOR INFLATION	n/a	1,676,211	0	-1,676,211		-1,676,211	-100.0%
TOTAL SERVICES	313,697,925	295,329,777	-18,368,148	3,311,866	3,500,814	-11,555,468	-3.7%
CENTRAL ITEMS:							
BANK & OTHER INTEREST	V 8999 000 943 X , V 8998 000 944 X , V 8999 000 950 X , V 8999 000 952 X	-1,706,575	-2,216,574	-509,999		-509,999	
FINANCING OF CAPITAL	V 8998 000 938 6 , V 8998 000 938 8 , V 8998 000 939 0 , V 8999 000 941 X less adjusts re LHO, Indust Prop & Central Print	31,218,069	27,738,474	-3,479,595		-3,479,595	
REVENUE FUNDING OF CAPITAL	V 8998 000 939 1 / 8	3,700,000	3,200,000	-500,000		-500,000	
ELECTIONS	V 8998 000 939 8	335,000	335,000	0		0	
FINANCIAL ARRANGEMENTS	K 7898	72,323	-766,525	-838,848		-838,848	
MEMBERS EXPENSES & SUPPORT ETC.	K 7890 - K 7894	1,294,416	1,247,336	-47,080		-47,080	
FLOOD DEFENCE LEVIES	V 8999 000 942 0/2	258,000	254,501	-3,499		-3,499	
PENSION COSTS	Corp subj 160 & 162	2,000,000	1,982,275	-17,725		-17,725	
COUNCIL TAX FREEZE GRANT (2012/13)	V 8999 000 945 4	-6,000,000	-6,008,477	-8,477		-8,477	
COUNCIL TAX FREEZE GRANT (BROADBAND)	V 8998 000 939 8	6,000,000	6,000,000	0		0	
NEW HOMES BONUS GRANT	V 8999 000 945 7	-987,873	-988,056	-183		-183	
NEW HOMES BONUS GRANT (EXTRA CARE)	V 8998 000 939 8	575,000	575,000	0		0	
LOCAL SERVICES SUPPORT GRANT	V 8999 000 945 6	-1,412,514	-1,412,514	0		0	
NDR REVALUATION SAVINGS	V 8999 XXX 949 X	0	-145,050	-145,050		-145,050	
OTHER ITEMS (inc prior year adjustments)	V 8999 000 946 X	0	-1,799,794	-1,799,794		-1,799,794	
Repayment of Debt		0	16,676,000	16,676,000		16,676,000	
County Hall car park extension		0	0	0	400,000	400,000	
Olympic Legacy		0	0	0	410,000	410,000	
Shibston strategic land purchase		0	195,000	195,000		195,000	
Contribution to Highways Maintenance		0	0	0	1,000,000	1,000,000	
TOTAL CENTRAL ITEMS	35,345,846	44,866,595	9,520,749	1,810,000	0	11,330,749	
TOTAL EXPENDITURE	349,043,771	340,196,372	-8,847,399	5,121,866	3,500,814	-224,719	
INCOME							
REVENUE SUPPORT GRANT	V 8999 000 945 2	-1,985,630	-1,985,630	0		0	
NATIONAL NON DOMESTIC RATE INCOME	V 8999 000 945 1	-102,432,540	-102,432,544	-4		-4	
PRECEPT	V 8999 000 945 0	-240,338,800	-240,338,800	0		0	
NET SURPLUS ON COLLECTION FUNDS	V 8999 000 945 3	-835,890	-835,892	-2		-2	
TOTAL INCOME	-345,592,860	-345,592,866	-6	0	0	-6	
WITHDRAWAL FROM(-)/ADDITION TO COUNTY FUND	3,450,911	-5,396,494	-8,847,405	5,121,866	3,500,814	-224,725	
COUNTY FUND							
UNCOMMITTED BALANCE 1.04.12	10,400,101			355,996,250			2013/14 net budget
BUDGETED WITHDRAWAL FROM COUNTY FUND	0			10,400,000			equates to 2.9%
NET UNDERSPEND	8,847,405						3% equates to 10,679,888
CARRY FORWARDS	-8,622,680						
FORECAST BALANCE 31.03.13	10,624,826						equates to 2.98%

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REVENUE BUDGET MONITORING STATEMENT
FOR THE PERIOD : APRIL 2012 TO FEBRUARY 2013

APPENDIX 1

	Updated Budget	Projected Outturn	Difference from Updated Budget		
	£000	£000	£000	%	
<u>Schools Budget</u>					
Delegated	302,883	204,483	-98,400	-32.5	*
Centrally Managed	47,217	45,877	-1,340	-2.8	
Dedicated Schools Grant (DSG)	-350,100	-253,450	96,650	-27.6	*
DSG Reserve (original budget)	0	190	190	n/a	
	<u>0</u>	<u>-2,900</u>	<u>-2,900</u>	<u>n/a</u>	GREEN
<u>LA Budget</u>					
Other Children & Young People's Services	44,653	42,883	-1,770	-4.0	GREEN
Adults & Communities	125,320	121,860	-3,460	-2.8	GREEN
Environment & Transport					
Highways & Transport	54,761	55,171	410	0.7	AMBER
Environment	26,053	25,603	-450	-1.7	GREEN
Chief Executives	16,548	16,028	-520	-3.1	GREEN
Corporate Resources	36,191	35,771	-420	-1.2	GREEN
DSG (Central Dept recharges)	-1,705	-1,705	0	0.0	GREEN
Carbon Reduction Commitment	900	-380	-1,280	-142.2	GREEN
Contingency for efficiency savings	4,800	0	-4,800	-100.0	GREEN
Severance / Invest to Save	4,500	4,500	0	0.0	GREEN
Contingency for inflation	1,676	0	-1,676	-100.0	GREEN
Total Services	<u>313,697</u>	<u>299,731</u>	<u>-13,966</u>	<u>-4.5</u>	
<u>Central Items</u>					
Bank & Other Interest	-1,706	-2,206	-500	29.3	GREEN
Financing of Capital	31,218	28,718	-2,500	-8.0	GREEN
Revenue funding of capital	3,700	3,700	0	0.0	GREEN
Provision for future Elections	335	335	0	0.0	GREEN
Financial Arrangements etc	72	-568	-640	-888.9	GREEN
Members Exps & Support etc.	1,294	1,254	-40	-3.1	GREEN
Flood Defence Levies	258	258	0	0.0	GREEN
Pension Costs	2,000	1,980	-20	-1.0	GREEN
Council Tax Freeze Grant	-6,000	-6,000	0	0.0	GREEN
Council Tax Freeze Grant (Broadband)	6,000	6,000	0	0.0	GREEN
New Homes Bonus Grant income	-988	-988	0	0.0	GREEN
New Homes Bonus Grant (Extra Care)	575	575	0	0.0	GREEN
Local Support Services Grant	-1,412	-1,412	0	0.0	GREEN
Prior Year Adjustments	0	-2,350	-2,350	n/a	
Repayment of Debt	0	11,976	11,976	n/a	
County Hall car park extension	0	400	400	n/a	
Olympic Legacy	0	410	410	n/a	
Snibston strategic land purchase	0	195	195	n/a	
Total Central Items	<u>35,346</u>	<u>42,277</u>	<u>6,931</u>	<u>19.6</u>	
Total Spending	<u>349,043</u>	<u>342,008</u>	<u>-7,035</u>	<u>-2.0</u>	
Potential carry forwards / transfers to reserves			5,010		
Contribution to Highways Maintenance			1,000		
Net Total			<u>-1,025</u>		

'Traffic lights' :

Underspending / on budget GREEN

Overspending of 2% or less AMBER

Overspending of more than 2% RED

* Delegated Schools budget and DSG variances reflect the estimated reductions to both budgets relating to Schools transferring to Academy status during 2012/13

2012/13 CARRY FORWARD REQUESTS
APPROVED BY CABINET

£000

ADULTS & COMMUNITIES

Invest to Save initiatives to save ongoing revenue costs as part of the efficiency and service reduction programme, including:

IAS Care Management and Payment (SSIS Replacement) System	798
Customer Service Centre Tier 1 staff	165
Residential Review Team (service users reviews)	385
Domiciliary Review Team (service users reviews)	200
Replacement of department systems.	350
	<hr/> 1,898 <hr/>

ENVIRONMENT & TRANSPORT**HIGHWAYS**

Flood Funding - on-going work still being carried out due to delays in programme. 271

TRANSPORTATION

Data Collection/ Survey Budget. Telemetry (automatic data collection by telecom) and underspend to be used to fund data collection for the Leicester and Leicestershire Integrated Transport Model (LLITM) system. 159

Traffic Management: due to a full team not being in place until October 2012. This has affected the programme of work for the year. A carry forward request has been submitted to allow the programme of works to be completed. 80

Public Rights of Way - carry forward of underspend to fund Capital Connect 2 project commitments in 2013/14 100

Accessibility (Park & Ride Employers Parking Scheme) - 10% of the net income carried forward for investment in Green Travel (As per agreement with employers) 23

Community Transport - Supporting Community Transport Funding Grant (Baker Fund) 334

Fleet Transport - Surplus on Fleet Trading Account - to be used for vehicle purchases 103

WASTE

General underspend on Waste Management - to fund Waste Compactors and contribution towards a potential Waste Transfer Station (WTS) in the north west of the county. A new WTS would deliver an improved and more cost effective waste management service capable of accommodating all of the household waste arising in the area. It would provide capacity to receive, handle and bulk up waste for onward transfer to waste treatment facilities. 532

1,602

TOTAL

3,500

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Revenue Budget 2012/13 – main variances**Children and Young People's Service****Schools**

There is a net underspend of £4.07m. The main variances are:

	£000	% of Budget	
ICT Harnessing Technology Grant	180	16%	Financial commitment for school Broadband ceased with the cessation of the EMBC contract in October 2012; costs were greater than anticipated. DSG reserves have been held in order to meet 2012/13 costs.
Dedicated Schools Grant - Non Schools	170	-0.4%	Received £575k more DSG than estimated. Reduction of £745k for schools converting to Academy status.
Behaviour Support Service	150	4%	Shortfall in 2012/13 savings target.
Special Education Independent Schools	-2,005	-14%	Reduction in number of pupils in independent schools. The number of new pupils starting in the Autumn term was lower than forecast, additional local capacity has been achieved through places developed at Birchwood Special School, Shepshed Autism Spectrum Disorder Unit, Abington ASD Unit and the Braunstone Autism Outreach Resource Centre. Average place costs at Behavioural Emotional Social Difficulty schools have also reduced as Block Places have been used more efficiently.
Schools – Academy transfers (net impact on Delegated and DSG budgets)	-1,600	n/a	Business rates and insurance adjustments as schools convert to academies. As schools become academies the DfE calculates the amount to be taken from the County Council's DSG, including an amount for business rates. However because academies are treated as charities for business rate purposes and pay a reduced amount, this results in lower transfers of DSG.
LMS Contingency	-295	-58%	Calls on the contingency by schools have been lower than anticipated.
Nursery Education Funding	-160	-1%	Budget /funding was based on 38

(NEF)			weeks, however 2012/13 NEF was 37 weeks leading to an underspend. There will be 41 weeks in 2013/14, therefore the 2012/13 underspend will be carried forward to 2013/14 via the DSG Reserve.
Autism Intensive Support	-155	-41%	Underspend due to a combination of vacancies within the service, and the newly set up Braunstone Autism Intensive Support centre unoccupied for 6 months.
Education Admin Insurance	-125	-17%	Underspend due to the Academies programme.

Local Authority Budget

There is net underspend of £2.42m which reduces to £0.62m (1.4%) after carry forward requests of £1.8m. The main variances are:

	£000	% of Budget	
Independent Fostering Agency	1,095	165%	Increased demand within children's social care. The number of referrals increased by 11% and the number of children in care by 15%. Overspend is also partly due to a reduction in in-house foster carers as a result of carers retiring and an increase in number of baby placements.
Fostering	-220	-4%	Underspends of £358k including delay in staff recruitment and underspend on payments to Foster Parents for equipment and clothing grants etc. There is an overspend of £138k regarding payments of Special Guardianship Orders.
Children's Agency	855	15%	Increased demand in high cost residential agency placements. Through 2012/13 the number of children in care increased by 15%.
Asylum Seekers	380	n/a	The Home Office has changed the basis for the grant payments and the service is meeting the needs of some children and young people for which it receives no Home Office income. The costs depend on the age and number of children requiring support.
Specialist Services Legal Costs	295	77%	Increased demand due to increased numbers of referrals and children in care.

Family Assessment & Safeguarding	140	5%	Increased staffing numbers and increased travel expenses.
Safeguarding Unit	125	9%	Agency staff used to cover key roles in the service where they were unable to recruit despite several attempts. These posts have now been.
Early Intervention Grant (EIG)	-1,510	n/a	Additional EIG was received for 2012/13 but because of uncertainty around future funding levels this has not been allocated to services.
Other Savings	-475	-100%	£155k early achievement of MTFs savings requirement. £150k additional Local Support Services Grant not allocated to services. £170k various savings identified from staffing budgets.
Leicestershire Connexions	-370	n/a	Contract saving arising from tender for the new service (£0.8m) offset by legal costs in clarifying the local authority position in respect of withdrawal from the two Connexions companies (£0.4m).
Attendance Improvement Service	-365	-51%	Savings as result of service ceasing at end of August - savings target exceeded.
Specialist Services Staffing	-275	-20%	Tighter controls have been placed upon the engagement of agency staff as a response to overspends in residential placements; EIG allocation not utilised.
Strengthening Families	-185	-53%	New staffing structure in place during 2012/13, which has resulted in an underspend on staffing due to delays in recruiting additional staffing from the 2012/13 approved growth bid to deliver increased internal capacity. Also underspend on Section 17/23 payments where robust management resulted in lower calls on funding.
Adoption Team	-170	-13%	Staffing underspend due to delays in recruiting to posts.
Homecare non-disabled children	-120	-100%	Reduced demand for non disabled homecare across different localities.
School Improvement	-110	-8%	Additional income received from carrying out inspections on behalf of SERCO & income from charging academies for NQT administration.
PEIP Intervention Project	-100	n/a	Two vacant parenting programme worker posts, other staff not in pension scheme and less parenting programmes ran in the Summer Term than planned.

Children's Centres Central Management	-100	n/a	£43k underspend from Homesafety grant to be carried forward to 2013/14, staffing savings of £38k and other one off savings also achieved in year.
Human Resources budgets	-95	-8%	Increased underspend due to less redundancies for school based staff including teachers as a result of new controls being implemented.
Early Learning & Childcare Central Services Team	-95	n/a	Savings on pension contributions with existing staff not being part of pension scheme and savings due to staff vacancies.
Young People at Risk	-90	-11%	Contract savings during the year.
Education Psychology Service	-90	-7%	Increased amounts of external income together with savings on staffing budgets.
Children's Centres Co-ordinators	-90	n/a	Underspend due to vacancies in the Business Support Team during a period of restructure; travel cost also less than budgeted.

Adults & Communities

There is a net underspend of £4.55m (3.6%). The main variances are:

	£000	% of Budget	
Community Based: Independent	4,060	13%	Increased demands as Personalisation is rolled out across all districts and more people helped to live independently at home.
Residential	-3,430	-7%	Reduced demands as more people helped to live at home plus higher income levels than budgeted for due to relative wealth of service users in Leicestershire.
Strategy & Commissioning	270	4%	Timing of care management system replacement (reserves carried forward for 13/14) offsetting underspends on area office running costs.
Communities & Wellbeing	150	2%	Delays to implementing service restructure. Future year's MTFS savings have been rephased to reflect a more realistic delivery timetable considering the complexity of the programme.
Community Based: in house inc. Shared Lives & Homecare Assessment & Reablement Team (HART)	-1,690	-16%	The majority of this variance relates to health grant investments in HART reablement service resulting in an underspend of Council's budgeted funds.

Housing-related support services	-750	-14%	Planned commissioning of housing related support to fall into 2013/14.
Services for the Disabled	-610	-20%	Efficiencies as a result of the new tender agreement and equipment being recycled.
Health and Learning Disability Transfer Funding	-830	-4%	Combination of unspent grants and higher proportion of health funding for Continuing Health Care cases.
Adult Learning	-560	n/a	Clawback from the Skills Funding Agency for 2011/12 contract underperformance less than originally anticipated.
Care Pathway Teams	-480	-6%	Timing of recruiting vacancies and spending health grants.
Supported Living	-380	-3%	Staffing vacancies and early achievement of efficiencies as staffing structures are under review and some are now completed.
Mental Health Management	-110	-36%	Mainly due to a significant change to the training programme which resulted in a one-off gap in the schedule of training

Highways and Transportation

There is a net overspend of £0.2m which increases to £1.27m (2.3%) after carry forward requests of £1.07m requiring Cabinet approval (see Appendix B). The main variances are:

	£000	% of Budget	
Winter Maintenance Service	650	40%	The budget of £1.6m is overspent by £0.65m during 2012/13 due to the severe winter weather, particularly during March.
Mainstream school transport	500	8%	Home to school transport/ review of discretionary elements (denominational & 16+) savings item within the MTFs not being implemented at this stage (£735k), offset by lower demand and savings arising from e-auctions.
Local Bus Services	295	10%	Budget includes a £250k saving for "Review of Supported Bus Network". The saving has not been achieved in 2012/13, due to delays in the approval of the policy. In addition, short term emergency contracts required as a result of the saving not being achieved have added to the cost of the service.
Contribution from Operations (Leicestershire Highways Operation)	175	-60%	A surplus of £116,000 is reported for 2012/13 (budgeted surplus £290,000) The level of return is below what it has been in previous years (largely due to the poor weather over the summer months).

Departmental General Costs	180	n/a	The original 2012/13 budget included two efficiency savings totalling £310,000 which have not been achieved as originally envisaged. It has been possible to mitigate the effect of this to £180,000 through identifying other savings within the budget, and additional income. This has been resolved going forward into 2013/14.
Highways Staffing	140	3%	Reduction in the amount of staff time charged to the Capital Programme, partly offset by an underspend on staff salaries due to vacancies and turnover.
Structural Maintenance	-395	-5%	Mainly due to slippage on flood alleviation/ flood risk schemes (£0.27m) for which a carry forward request has been submitted to allow the programme of works to be completed in 2013/14.
External Income	-340	83%	Additional income from Developers to cover inspection of works, design checking and process administration associated with new housing developments.
Community Transport	-305	-44%	Budget includes funding from the Department for Transport to fund Community Transport Projects which will be utilised during 2013/14. A carry forward request has been made to allow for the commitments made to be met in 2013/14.
Social Care Transport	-175	-4.6%	Growth included in the Budget of £480,000 for increased demand was more than needed due to a reduction in the number of placements, leading to an underspend of £175,000.
Traffic Data Collections & Surveys	-170	-79%	Underspend due to a combination of additional income, slippage on a Telemetry system and slippage on some data collection work while the update of the Leicester & Leicestershire Integrated Transport Model (LLITM) project is completed. A request to carry forward this underspend has been made.
Public Rights of Way	-100	80%	Due to the revenue contribution to the capital Connect 2 project not being required until 2013/14. A carry forward request has been made to allow for the contribution to the capital project to be made in 2013/14.
Fleet Transport	-100		Surplus on the Fleet Trading Account for which a carry forward request has been made, to be used as a contribution towards the future replacement of Passenger Transport vehicles.

Environment

There is a net underspend of £1.011m which reduces to £1,000 after carry forward requests of £1.010m, including requests of £0.53m requiring Cabinet approval (see Appendix B). The main variances are:

	£000	% of Budget	
Mechanical, Biological Treatment (MBT) Contracts	505	12%	Overspend due to an inflationary increase in the gate fee of 4.3% and additional tonnage of 4,000 tonnes. This includes the redirection of 5,000 tonnes to this facility from disposal contracts.
Recycling Credits	-365	-7%	Underspend due to the following: 1) From April 2012 Melton started to charge for garden waste collections which has resulted in a reduction in tonnages and hence recycling credits. 2) Changes to guidance means that due to the way street sweepings are recycled the District Councils can no longer claim credits against them. 3) The weather in March led to an approximately 60% reduction in the amount of green waste collected by the District Councils which resulted in a reduction in the amount of recycling credits paid.
Disposal Contracts	-305	-4%	When the original budget was calculated in September 2011 the estimated tonnage was 94,000 tonnes. The actual tonnage for 2012/13 is 89,700 tonnes. The actual includes the redirection of 5,000 tonnes to the MBT facility and a cost of £70,000 for the increase in gate fee from one of the providers.
Waste income	-165	-18%	Increase in income from the recycling of electrical equipment.
Waste Strategy Implementation	-140	-91%	Mainly due to costs on the new Waste Database System slipping into 2013/14.
Energy From Waste	-95	-9%	A reduction of 1,700 tonnes from the 15,000 tonnes built into the budget, off set by an inflationary increase of £30,000.
Climate Action Green Issues	-90	-29%	Mainly due to Grants and other contracts entered into during 2012/13 for which there is outstanding work which is due to be completed during 2013/14. Carry forward requests have been submitted to allow this committed expenditure to be met from the 2013/14 budget once the work is completed.

Recycling Household waste Sites (RHWS)	-80	-2%	Mainly due to a reduction in the bonus payment to the main contractor as a result of contract extension negotiations. Also due to a reduction in the general repairs and maintenance spend at the sites.
Food Waste Treatment	-70	-50%	Food Waste Collection Service operated by Harborough District Council ceased in November resulting in an underspend

Chief Executives

There is a net underspend of £1.44m which reduces to £0.86m (5.2%) after carry forward requests of £0.58m. The main variances are:

	£000	% of Budget	
Strategy, Partnership & Communities - Policy	-330	-9%	Mainly relates to unforeseen changes to programme and/or project plans and unanticipated reduction in funding required from partnership projects.
Trading Standards	-280	-16%	Relates mainly to staffing vacancies held in advance of action plans and a higher than forecast level of income generation arising from licensing and the disposal of specialist equipment. Additional funding also received from the Food Standards Agency for animal feed enforcement and testing for horsemeat.
Registrars	-280	-264%	Slippage in digitalisation of records and additional income from an increase in ceremonies mainly weddings.
Strategic Partnerships & Communities - Performance Improvement	-135	-16%	Mainly relates to staff turnover and delays in appointment to a vacant post together with a higher than forecast level of success in trading with academies due in part to a new pricing strategy.
Democratic Services	-120	-19%	Underspend relates to a vacant post, maternity leave and the non-use of growth funding for the establishment and support of the Police and Crime Panel, the impact of which is still being assessed alongside that of other developments.
Legal	-110	-9%	Delays in recruitment to vacant posts (net of the additional cost of Locums) and an increase in income from ESPO resulting from the conclusion of a major litigation matter.

Corporate Resources

There is a net underspend of £1.29m which reduces to £0.83m (2.4%) after carry forward requests of £0.46m. The main variances are:

	£000	% of Budget	
Facilities Management	450	27%	£0.35m overspend on the outdoor residential service, which transferred from CYPs during the financial year. Quorn and Aberglasyn are due to be closed and other options are being explored to help the service achieve a breakeven position by 2014/15. Other trading services overspent by £0.1m while initiatives are implemented to help those services break even.
East Midlands Shared Services	120	7%	An underspend on running costs through extra income achieved and early savings (£0.4m), offset by additional costs of £0.5m incurred for contractors and transitional arrangements to manage the implementation programme.
ICT Delivery	-515	-6%	Underspend due to vacancies partially offset by spend on contractors for one off projects. Also underspend due to lower requirement on the computer (PC) refresh budget.
School Food Support Service	-350	n/a	Increase in meal uptake and reduction in staff uniform and cleaning expenditure
Accounting	-240	-9%	Underspend due to vacancies.
Strategic ICT	-235	-10%	Underspend on staffing due to secondments to Operational ICT and difficulty in recruiting the right quality of candidate to vacant posts.
Learning & Development	-200	-8%	Unspent training budgets as a result of action plans across departments being delayed and suitable training courses not being identified.
Property Services general	-200	-2%	Property Services phase 2 review was implemented with effect from 1st January and this early implementation has resulted in an underspend on staffing costs.
County Farms	-170	63%	Underspend due to increased rental income and fewer vacant plots.
Procurement	-165	-22%	Underspend due to vacancies and unspent carry forward money for the Olympics.

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APPENDIX D**FINANCIAL MANAGEMENT - 'BALANCED SCORECARD' INDICATORS**

The indicators below have been extracted from the overall Strategic Finance 'Balanced Scorecard'. The Balanced Scorecard is a strategic planning and management system that is used in organisations to align business activities to the vision and strategy of the organisation, improve communications and monitor organisation performance against strategic goals.

The chosen indicators below are used by the Authority to measure key elements of financial management and financial standing of the County Council. The indicators relating to Finance Shared Services Centre shown below will be updated during 2013/14 following the implementation of East Midland Shared Services.

These indicators also supplement information presented to members on the key financial processes of budget and capital monitoring, budget setting and outturn reporting.

Strategic Finance

Objective	Internal Business Processes (Operational Excellence)	Measure	Target	Current Performance (year end 2012/13)
Effective internal processes will lead to achievement of strategic objectives	Accuracy of Budget Monitoring	Percentage (%) – Outturn to updated original budget)	98.5%	97.5%
	Accuracy of Capital Monitoring	Percentage (%) – Outturn to resources available	95%	76%
	Corporate Statutory Returns	Statutory returns submitted on time	100%	100%

Finance Shared Service Centre (FSSC)

Objective	Effectiveness and Efficiency of Service	Measure	Target	Current Performance (year end 2012/13)
To ensure that the FSSC delivers a high level of service to Corporate Finance in an effective and timely manner	Average Invoice Payment Duration	Days	Pay 90% in 30 days	n/a
	Volume of aged debt (excl ASC)	Percentage (%)	<4.3% over 42 days	n/a
	Volume of Aged debt (ASC)	Percentage (%)	<4.3% over 42 days	6.9%
	Invoices entered within 7 days of receipt	Percentage (%)	100%	n/a

Internal Audit

Objective	Effectiveness and Efficiency of Service	Measure	Target	Current Performance (year end 2012/13)
To provide assurance on the Authority's overall internal control environment.	Number of planned audits undertaken, compared to total plan.	Percentage (%)	90%	85%

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EARMARKED FUND BALANCES 31/3/12 AND 31/3/13

	Actual 31/03/12 £000	Forecast 31/03/13 £000	Actual 31/03/13 £000
Renewal of Equipment and Vehicles			
Adults & Communities	570	80	218
Environment & Transport	2,813	2,430	3,008
Corporate Resources	3,682	2,150	3,172
Trading Accounts			
Industrial Properties	623	600	473
Insurance			
General	8,229	8,200	6,073
Schools LMS	712	700	537
Uninsured loss fund	5,100	5,000	4,815
Committed Balances			
Central Maintenance Fund	1,425	1,000	1,230
Community Grants	780	30	115
Other			
Childrens & Young People's Service			
School Reorganisation	455	0	0
Youth Initiatives	447	400	404
Area Special School	2,000	2,000	2,000
Early Intervention Grant Transition	3,496	3,200	3,448
Connexions Contract Changes	1,019	1,000	19
Other	1,484	1,100	1,089
Adults & Communities			
Adults & Communities Developments	7,981	7,000	6,185
Health & Social Care Outcomes	8,671	8,120	10,433
Housing Related Support	1,828	730	728
Extra Care	0	0	575
Assistive Technology / Telecare	350	0	0
Library Services to Education	163	0	0
Museums & Arts	166	150	158
Other	135	0	38
Public Health	3,926	2,050	5,473
Environment & Transport			
Commuted Sums	1,541	1,540	1,636
Civil Parking Enforcement	81	80	138
Waste Infrastructure	5,247	3,710	4,426
Section 38 Income	487	300	487
Section 106	405	300	364
LHO Future Capital Works	777	280	22
Other	27	0	55
Chief Executive			
Youth Justice & Safer Communities	1,843	1,370	2,005
Supporting Leicestershire Families	6,794	6,690	8,350
Economic Development	0	3,200	3,200
Community Planning	863	580	1,217
Leicestershire & Rutland Sport	836	410	975
Other	2,038	1,360	1,705
Corporate Resources			
Corporate Resources Other	1,580	1,500	2,005
Leics Social Care Development Group	759	500	566
Single service	400	0	0
Corporate:			
Invest to Save / Severance	22,317	12,750	13,864
Broadband	0	6,000	6,000
Change Management Programme	1,501	500	1,501
East Midlands Shared Services	2,298	300	1,359
Environmental/Energy Efficiency Programme	692	250	297
Academies Programme	896	450	459
Local Authority Mortgage Scheme (LAMS)*	2,000	-2,300	-2,300
Elections	335	670	670
Local Area Agreement	306	0	0
East Midlands Council	731	700	606
New Health & PCT (Estimated)	0	10,000	0
TOTAL	110,811	97,080	99,798
Dedicated Schools Grant (ringfenced per DfE regulations)	1,779	2,110	6,582
TOTAL	112,589	99,190	106,380

* LAMS to be temporarily advanced from the Invest to Save/Severance earmarked fund pending repayments in 2017/18

Initial Draft Reserve Balances - end of 2012-2013

(@ 3 June 2013)

Code	Project	Project Description	2012	Movement between Reserves	2013 Transfers In @ 030613	2013 Transfers Out @ 030613	2013 Balance @ 030613	Additional Transfers In & Out			2013 Forecast Balance
								£	£	£	
C95507479720	747	Ind Properties - Other	-100,000.00				-100,000.00				-100,000.00
C95507509720	750	Industrial Properties	-523,075.00			150,290.18	-372,784.82				-372,784.82
C95507519720	751	CMF	-1,425,055.98		-49.50	194,986.02	-1,230,119.46				-1,230,119.46
C95507569720	756	Resources Change Management	-239,532.90				-239,532.90				-239,532.90
C95507609720	760	Insurance - Risk Management	-36,834.59		-1,598.54		-38,433.13				-38,433.13
C95507619720	761	Insurance - Public & Employers Li	-5,110,235.99			2,373,194.12	-3,737,041.87				-3,737,041.87
C95507629720	762	Insurance - Fidelity & Money	-500,000.00		-35,329.54		-535,329.54				-535,329.54
C95507639720	763	Insurance - Fire(MD/B)	-1,550,000.00		-135,288.54		-1,685,288.54				-1,685,288.54
C95507709720	770	Insurance LMS	-711,924.11			174,461.33	-537,462.78				-537,462.78
C95507719720	771	HR Renewals	-100,000.00				-100,000.00				-100,000.00
C95507739720	773	Staff Absence Insurance	0.00		-64,778.00		-64,778.00				-64,778.00
C95507759720	775	Single Service	-400,000.00	400,000.00			0.00				0.00
C95507779720	777	Uninsured Loss fund	-5,100,000.00			285,000.00	-4,815,000.00				-4,815,000.00
C95507799720	779	Learning & Development	-619,000.00			26,073.00	-592,927.00				-592,927.00
C95507819720	781	Leics Social Care Dev Group	-758,501.00			192,632.50	-565,868.50				-565,868.50
C95507829720	782	Insurance - Academy Fund	-31,806.57				-31,806.57				-31,806.57
C95507849720	784	HR Legal Expenses	0.00		-21,859.75		-21,859.75				-21,859.75
C95507859720	785	Maternity Scheme	0.00		-364,644.00		-364,644.00				-364,644.00
C95517529720	752	Asset Management Planning	-80,000.00				-80,000.00				-80,000.00
C95517539720	753	Property Admin	-1,133,651.44			-54,910.00	-1,188,561.44				-1,188,561.44
C95517549720	754	Shredder/CCTV	-62,999.48				-62,999.48				-62,999.48
C95517559720	755	Energy Efficiency	-492,323.60	549,583.97	-57,260.37		0.00				0.00
C95517599720	759	Reprographics	-1,304.15				-1,304.15				-1,304.15
C95517649720	764	Finance	-571,276.04				-571,276.04				-571,276.04
C95517659720	765	ICT General	-209,336.19				-209,336.19				-209,336.19
C95517669720	766	ICT Server Infrastructure	-487,852.79				-487,852.79				-487,852.79
C95517679720	767	ICT WAN	-864,980.16				-864,980.16				-864,980.16
C95517689720	768	CTS - Sites Development	-21,419.33				-21,419.33				-21,419.33
C95517729720	772	EUJAM Project	-658,821.00				-658,821.00				-658,821.00
C95517789720	778	Printers - Desktop & Servers	-211,555.00				-211,555.00				-211,555.00
D95515419720	541	Renewals & Development	-458,348.81			91,651.72	-366,697.09				-366,697.09
D95515429720	542	MIS	-106,339.95				-106,339.95				-106,339.95
D95531969720	198	EIG Transition	-3,496,244.26			48,847.30	-3,447,396.96				-3,447,396.96
D95531999720	199	Area Special School	-2,000,000.00				-2,000,000.00				-2,000,000.00
D95532029720	202	LAA/ABG	-726,670.14	300,000.00		75,783.78	-350,886.36				-350,886.36
D95532039720	203	School Reorganisation	-455,205.20	455,205.20			0.00				0.00
D95532049720	204	DSG Non Delegated	-1,778,590.32		-5,361,082.00	557,904.00	-6,581,768.32				-6,581,768.32
D95532059720	205	CYPLe Youth Initiative	-447,172.75			43,090.62	-404,082.13				-404,082.13
D9553209720	520	CYPLe Redundancy Reserve	-61,000.00				-61,000.00				-61,000.00
D9553229720	522	LCSB	-44,913.86		-62,992.00	5,642.00	-102,263.86				-102,263.86
D9553239720	523	SAB	-86,468.12		-24,177.00	8,850.00	-102,795.12				-102,795.12
D9553249720	524	Connexions Contract Changes	-1,019,400.00	1,000,000.00			-19,400.00				-19,400.00
J95519169720	916	IT Renewals	-348,826.12				-348,826.12				-348,826.12
J95519269720	926	Fleet Vehicle Renewals	-1,310,220.00				-1,310,220.00				-1,310,220.00
J95549209720	920	C P E	-80,791.11		-57,378.00		-138,169.11				-138,169.11
J95549219720	921	LTP Highway Maintenance	-16,000.00	16,000.00			0.00				0.00
J95549239720	923	Waste Strategy Implementation	-5,247,338.00			821,746.84	-4,425,591.16				-4,425,591.16
J95549249720	924	Commuted Sums	-1,540,753.06		-95,244.84	440.00	-1,635,557.90				-1,635,557.90
J9554929720	929	Landscaping Asfordby Mine Rav	-11,488.41	11,488.41			0.00				0.00
J95549309720	930	Section 38 Income	-487,397.00				-487,397.00				-487,397.00
J95549319720	931	LLITM			-54,567.45		-54,567.45				-54,567.45
J95549329720	932	S106 Income not Repayable	-405,251.28		-602.16	41,820.51	-363,932.93				-363,932.93
J95549339720	933	Future Capital Works (LHO)	-777,048.13		-116,388.78	870,971.00	-22,465.91				-22,465.91
K9551819720	981	Catering	-11,814.84	11,814.84			0.00				0.00
K9552969720	969	Supporting Leics Families			-1,607,853.41	132,091.00	-1,475,762.41				-1,475,762.41
K95529709720	970	DAAT	-1,230,221.00				-1,230,221.00				-1,230,221.00
K95529729720	972	Leicestershire & Rutland Sport		-836,469.00	-138,820.00		-975,289.00				-975,289.00
K95529739720	973	Economic Development		-3,200,000.00	-95,000.00	95,000.00	-3,200,000.00				-3,200,000.00
K95529759720	975	Place Based Budget		-3,469,591.43	-520,077.00	419,204.00	-3,570,464.43				-3,570,464.43
K95529769720	976	Community Planning	-2,674,566.00	1,304,000.00	-540,664.00	693,844.00	-1,217,386.00				-1,217,386.00
K95529779720	977	County Council Elections	-335,000.00				-335,000.00				-335,000.00
K95529789720	978	Proceeds of Crime	-156,383.33		-10,772.86	39,005.74	-128,150.45				-128,150.45
K9552989720	980	Chief Executives	-1,024,499.90	487,423.29	-43,000.00	166,739.00	-413,337.61				-413,337.61
K9552989720	982	Legal	-557,380.24				-557,380.24				-557,380.24
K9552989720	983	YOS Pooled Budget Reserve	-313,072.12	-200,000.00	-4,277.00	100,423.00	-416,926.12				-416,926.12
K9552989720	984	Civic Affairs	-57,715.87	57,715.87			0.00				0.00
K9552989720	985	Historic Building	-76,878.00	76,878.00	-50,000.00		-50,000.00				-50,000.00
K9552989720	986	Shire Community Grant	-26,098.41			26,097.92	-0.49				-0.49
K9552989720	987	Village Hall Grants	-44,573.36			25,662.67	-18,910.69				-18,910.69
K9552989720	988	Shire Environmental Grants	-125,284.16		-3,956.00	83,732.74	-45,507.42				-45,507.42
K9552989720	989	MWDF	-530,384.68	76,878.00			-453,506.68				-453,506.68
K9552989720	990	Reserved for Bal Sht Purposes	-3,989,591.43	3,989,591.43		20,000.00	0.00				20,000.00
L9550009720	000	Null	0.32		-0.32		0.00				0.00
L9550009720	800	Arts Fund	-165,885.12	165,885.12			0.00				0.00
L955019720	915	Service to Educ Reserve	-162,721.30			162,721.30	0.00				0.00
M9550009720	000	Null	-731,024.09		-191,490.06	316,329.00	-605,185.15				-605,185.15
S95512019720	201	F&E Renewal	-569,941.08	300,000.00		52,243.00	-217,698.08				-217,698.08
S95512039720	200	A & C Developments	-7,980,988.50	-100,000.00	-244,890.00	2,140,695.50	-6,185,183.00				-6,185,183.00
S95512029720	202	Housing Related Support	-1,827,588.67	1,100,000.00			-727,588.67				-727,588.67
S95512039720	203	Ellen Dobbs	-135,066.91			87,537.04	-47,529.87				-47,529.87
S95512049720	204	Leicestershire and Rutland Sport		836,469.00			836,469.00				836,469.00
S95512059720	205	Assiveive Technology + Telecare	-350,000.00	350,000.00			0.00				0.00
S95512069720	206	Health & Social Care Outcomes	-8,670,749.00		-2,287,033.00	525,161.00	-10,432,621.00				-10,432,621.00
S95512079720	207	Arts Fund		-165,884.80		7,525.00	-158,359.80				-158,359.80
S95512089720	208	A&C Extra Care (NHBS)			-575,000.00		-575,000.00				-575,000.00
V95561839720	183	Local Authority Mortgage Scheme	-2,000,000.00	-1,100,000.00		3,100,000.00	0.00	2,300,000.00			2,300,000.00
V95561859720	185	Broadband	0.00		-6,000,000.00		-6,000,000.00				-6,000,000.00
V9556589720	550	Operational Changes Reserve	-1,501,028.89				-1,501,028.89				-1,501,028.89
V9556589720	551	Environ/Energy Efficiency Prog	-199,836.00		-549,583.97	-104,942.88	-549,583.97				-549,583.97
V9556589720	552	Local Area Agreement Reserve	-305,822.95		305,822.95		0.00				0.00
V9556589720	553	Corporate Severance Reserve			2,146,263.42	-4,672,661.65	-2,526,398.23				-2,526,398.23
V9556589720	554	Change Mgt - Invest to save	-22,297,430.32		-2,361,733.98	13,095,414.08	-11,563,750.22	-2,300,000.00			

APPENDIX F**Capital Budget – main variances**

The significant variances are:

Department	Reasons	£000
CYPS – Charnwood New Area Special School	Delayed start due to planning objections. Planning permission and section 77 application have now been agreed and work on site started in November 2012; the anticipated completion date is February 2014 with opening planned for Easter 2014.	-1,695
CYPS – School Accommodation Programme	Six schemes from this block allocation have incurred slippage to 2013/14: <ul style="list-style-type: none"> • Enderby Danemill Primary School (£0.2m) – planning delays due to objections to the loss of a swimming pool • Market Harborough Ridgeway Primary School (£0.4m) – planning delays due to a change in scope of the scheme from one classroom to three • Loughborough Outwoods Edge Primary School (£0.1m) – delays due to the discovery of an underground tank which has required a build over agreement with Severn Trent. • Braunstone Ravenhurst Primary (£0.3m) has been delayed due to the discovery of a sewage pipe which means that only the investigation costs will be charged to 12/13. • Ullesthorpe Primary (£0.2m) – phase 2 refurbishment cannot start until phase 1 is completed which was scheduled for February half term, however there has been a 3 week delay due to adverse weather conditions. • Markfield South Charnwood High (£0.5m) - a new dining facility has been rescheduled to the summer holidays to minimise disruption. 	-1,729
CYPS – School Accommodation Programme	Overall across the programme an underspend of £0.1m is reported. This has arisen due to minor underspends on a numbers of schemes. It is proposed to carry forward this funding to 2013/14 to fund school accommodation (£56,000) and strategic capital maintenance projects (£52,000).	-108
CYPS – Early Years Capital Grant	New capital funding awarded in late November 2012 to grow capacity at nurseries for free 2 year places. Due to the late notification the	-698

Department	Reasons	£000
	funding will now slip into 2013/14. This funding is not ring fenced or time constrained.	
CYPS - Development of SEN Provision	The business case for the ASD / Aspergers School did not support the development of this provision. A SEN Task and Finish group has been set up to make strategic plans for future SEN provision. The available funding of £0.4m will be slipped until their recommendations are available. Braunstone Autism Intensive Outreach Resource Centre underspend of £0.1m expenditure charges against Aiming High for Disabled Children Capital Grant to utilise the funding.	-525
CYPS – Short Breaks for Disabled Children	The available grant was announced by the DfE late in December 2012. Two rounds of bids for specialist equipment and minor building works have been returned, however demand has not been strong. Schemes will be agreed and completed before 31 August 2013 per the grant terms and conditions.	-447
CYPS – Birstall Longslade All Weather Pitch	The Football Foundation grant application, made by Longslade College, has now been approved. LCC is making contributions of £50,000 from PTT and £0.135m Section 106 receipts totalling £0.185m. These contributions will slip into 2013/14 as other time limited sources of funding are being drawn down first. The scheme has been delayed pending sign-off of the lease agreement.	-185
E&T – Transportation – Loughborough Town Centre Major Works	Delays in agreeing the target price and receiving full DfT scheme approval on 14 th March 2013. A delay of 2 to 3 months was incurred.	-3,500
E&T – Transportation – Transport Asset Management (TAM) block - Bridges	Slippage on bridge assessment work (£0.2m) caused by a shortage of staff resources; and slippage on bridge strengthening work (£0.2m) due to a need for an assessment of a Railtrack bridge to establish what strengthening work is required; slippage has also occurred on the Aylestone Road foot bridge (£0.7m) as a result of planned works by Network Rail in the area.	-1,100
E&T – Transportation – Integrated Transport Schemes (ITS) block	Block includes around 80 schemes. Slippage has been encountered in the following areas; Connectivity and Accessibility (£0.1m) reduced internal fees and slippage on advanced design works; Network Performance and Reliability (£0.4m) mainly relates to the works originally planned to the M1/J22 roundabout which have now been deferred due to potential development	-891

Department	Reasons	£000
	in the area; Active & Sustainable Travel (£0.4m) includes reductions to fees from efficiencies in an area based approach to works, slippage across various small schemes and various small individual scheme underspends. It is proposed to carry this funding forward to continue works under this programme heading.	
E&T – Transportation – Major Works	Planned works to improve traffic flow on and around the Asda, A5460/B4114 Roundabout has been delayed due to development work in the area. The work will now take place in 2013/14.	-420
E&T – Transportation - Maintenance	The Street Lighting Column Replacement budget is forecast to slip by £0.39m. In addition the Street Lighting Part Night Lighting/ switch off project is forecast to slip by £0.25m and road networks by £0.13m. This is offset by acceleration of £0.37m on the Highway Maintenance programme.	-400
E&T – Vehicle replacement	Delays due to the need to review and challenge the need for vehicles and consider alternatives, where appropriate, taking into account future levels of service across different activities, rather than like for like replacement.	-335
E&T – Transportation – Advance Design Future Major Schemes & LTP Monitoring.	Work on the future Major Schemes and LTP Monitoring has slipped due to staff time being spent on the Loughborough Town Centre Scheme, and the re-organisation of the strategy client role within the Department.	-261
E&T – Waste – Whetstone Bulking / Transfer Station and RHWS	Slippage has arisen due to a planning requirement from the Environment Agency. A redesign of the site was considered and approved at a Planning meeting on 22 November. This has caused an estimated two month delay and a revised start date of February 2013 and completion date of September 2013.	-1,286
E&T – Waste – Loughborough Transfer Station	Slippage has arisen on the construction of the Transfer Station due to the need to reconstruct the bridge into the site. The bridge needed replacing and was prioritised before work on the transfer station could begin. A new bridge was constructed between October and December 2012. Construction of the Transfer Station is scheduled to be completed by the end of 2013.	-300
A&C – Snibston Discovery Park, refurbishment of Monument	The main contractor entered into administration in January 2013, resulting in slippage in the 12/13 programme. Work has since resumed in 2013/14 with the appointment of a new	-169

Department	Reasons	£000
	contractor.	
Corporate Resources – former Fire HQ	Purchase of the former Fire HQ is now forecast to be in late 2013, in line with the vacation of the building. This will be followed by refurbishment of the building.	-1,945
Corporate Resources – Lastolite Premises	Scheme is no longer required due to the tenant searching for other premises.	-540
Corporate Resources – Car Park Extension	Delayed start to the car park extension has resulted in a slippage, full cost should be incurred in first 3 months of 2013/14.	-344
Corporate Resources – Aston Firs Travellers Site	Adverse weather conditions early in 2012/13 have caused a delay to the scheme which will complete in June 2013.	-309
Corporate Resources – ICT Citizen Self Service	Delays in agreeing a specification and how the service will be implemented has meant rescheduling of the work.	-177
Corporate Resources – replacement accommodation	Delay while options are being reviewed for the planned replacement of the bungalow at Catherine Dalley House.	-150
Corporate Resources – Air conditioning	Slippage due to adverse weather conditions in March delayed the completion of the works. The work was stopped and resumed in April. The scheme was finished middle of May 2013.	-135
Chief Executives – Rural Economic Growth and Services Programme	Slippage has occurred due to adverse weather conditions during October to December, mainly due to flooding. The programme has been fully committed.	-100

APPENDIX G**PRUDENTIAL INDICATORS 2012/13**

	Original Indicator	Forecast as at 22/01/2013	Provisional Actual as at 31/03/2013
Actual Capital Financing Costs as a % of Net Revenue Stream	7.89%	6.70%	6.55%
Capital Expenditure (£000's) (including Schools devolved formula capital)	69,000	61,400	*61,640
Operational Limit for External Debt (£000's)	379,800	379,800	379,800
Authorised Limit for External Debt (£000')	389,800	389,800	389,800
Interest Rate Exposure – Fixed	50-100%	94%	94%
Interest Rate Exposure – Variable	0-50%	6%	6%
Capital Financing Requirement (£000's)	371,000	346,000	340,000
Actual debt as at 31/3/2013 (£000's)			306,100

* includes schools devolved formula capital of £3.2m

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SCRUTINY COMMISSION - 5 JULY 2013

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

**CORPORATE COMPLAINTS AND COMMENDATIONS ANNUAL
REPORT 2012 – 2013**

Purpose of Report

1. The purpose of this report is to present for the Commission's consideration the Corporate Complaints and Commendations Annual Report, covering the period 1 April 2012 to 31 March 2013. This is attached as an Appendix to this report.

Background

2. A new Corporate Complaints Procedure was adopted by the Authority in April 2010 which requires an Annual Report to be produced, analysing and reviewing complaints received during the preceding 12 months.

Key Points

3. The report covers the third full year of the operation of the new procedures and revised handling arrangements. Comparative figures for the prior year are included throughout the Annual Report.
4. The number of complaints has increased by 13% compared to the previous year. From a total of 234 complaints received, 44% have been upheld either partly or totally.
5. The Environment and Transport Department had the most complaints (146). However, it should be noted that the bulk of Adults and Communities and Children's and Young Peoples complaints fall under statutory complaints procedures and are reported separately.
6. Of the complaints resolved within the year, 83% received a response within 10 working days, 98% received a response within 20 working days and all complaints received a response within the 60 working day maximum expected by the Ombudsman.
7. Service delivery and communication were the issues complained about most often, with service delivery the highest at 46%. It is recognised however that these categories are broad and are in need of further refinement. A review of classification has taken place for the year 2013/14

8. There were 5 complaints, submitted via the Ombudsman during 2012/13 wherein maladministration was found. These all related to School Transport and specifically around our walking route assessment policy. The policy was reviewed and has been confirmed as fully compliant.
9. There has been a significant increase in the number of commendations recorded (101) which is up from 66 in 2011/12 and just 15 in 2010/11. This figure is still not considered to be a true reflection of positive customer opinion. Redressing this balance of positive and negative customer feedback will remain a key objective of the Customer Relations Team for the year ahead

Recommendations

10. The Scrutiny Commission is asked to:

- (a) Note the contents of the third Corporate Complaints and Commendations Annual Report 2012 - 2013, covering the period 1 April 2012 to 31 March 2013;
- (b) Provide comment and feedback on the Corporate Complaints Annual Report; and
- (c) Note the positive steps being made in both complaints handling times and capturing commendations.

Background Papers

None

Circulation under the Local Issues Alert Procedure

None.

Officers to Contact:

Julian Haywood, Customer Service and Business Support Manager

Tel: 0116 3056747

Email: julian.haywood@leics.gov.uk

Simon Parsons, Customer Relations Manager

Tel: 0116 3056243

Email: simon.parsons@leics.gov.uk

List of appendices

Appendix – Corporate Complaints and Commendations Annual Report 2012 – 13

Equal Opportunities Implications

None.



Customer Relations

Corporate Complaints & Commendations

Annual Report April 2012 – March 2013

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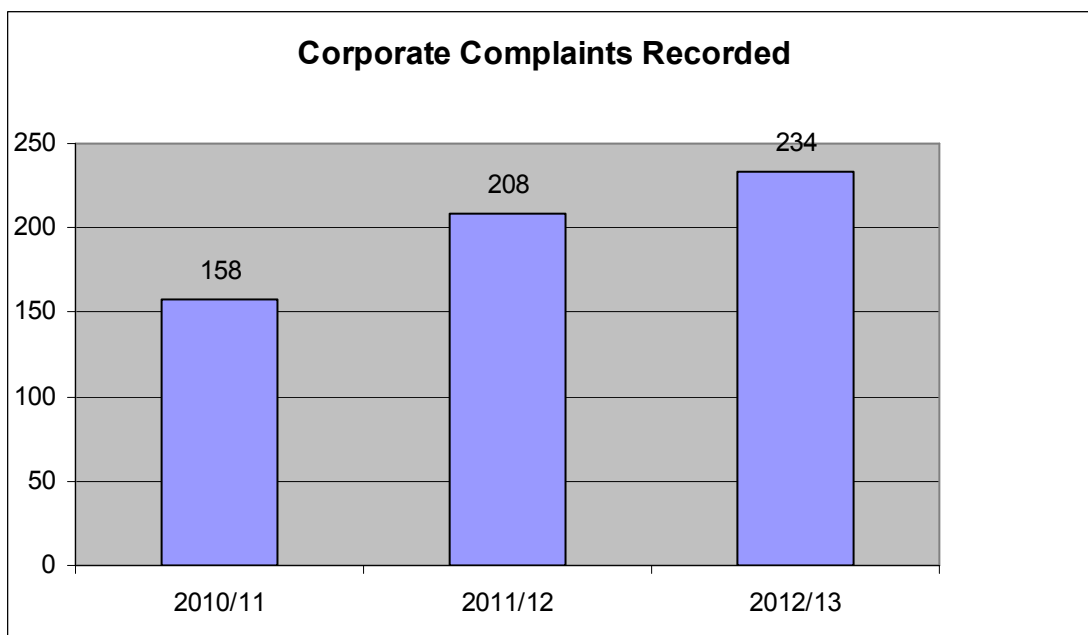
1. Purpose and Summary of Report

- 1.1 To report statistical information to Members and Officers detailing Leicestershire County Council's (LCC) Corporate Complaints activity from 1st April 2012 to 31st March 2013 including developments and planned improvements.

2. Complaints and Commendations Analysis

2.1 Complaint Volumes

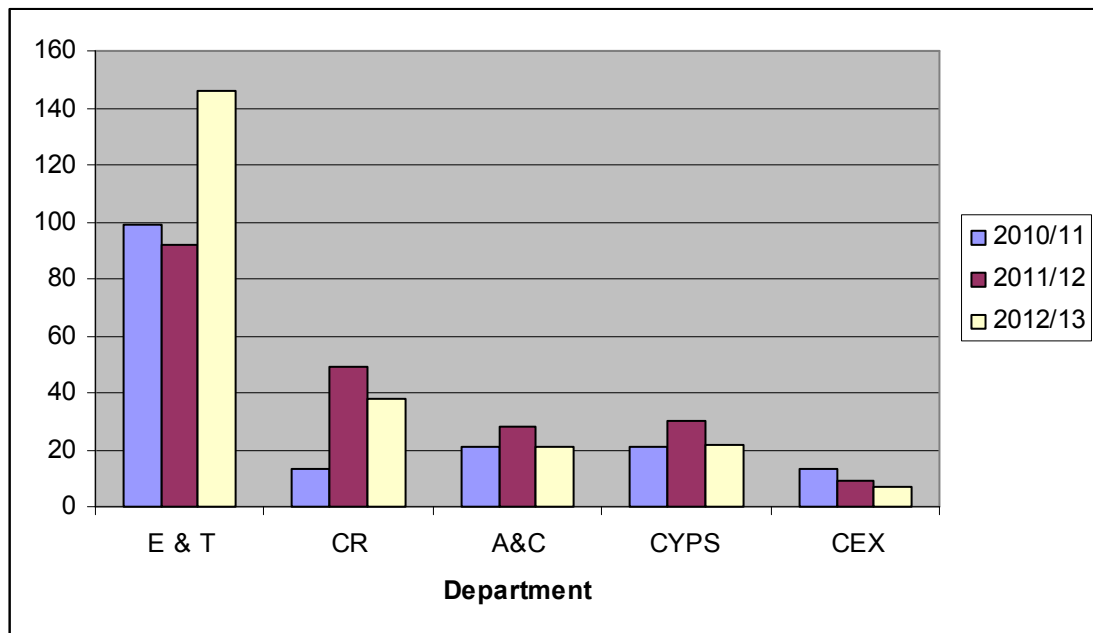
Table 1: Corporate Complaints recorded



As illustrated above the total number of corporate complaints received this year has increased by 26 (13%) since last year. Much work has been done with departments to ensure all complaints are captured and monitored, and as such this increase should not be viewed negatively.

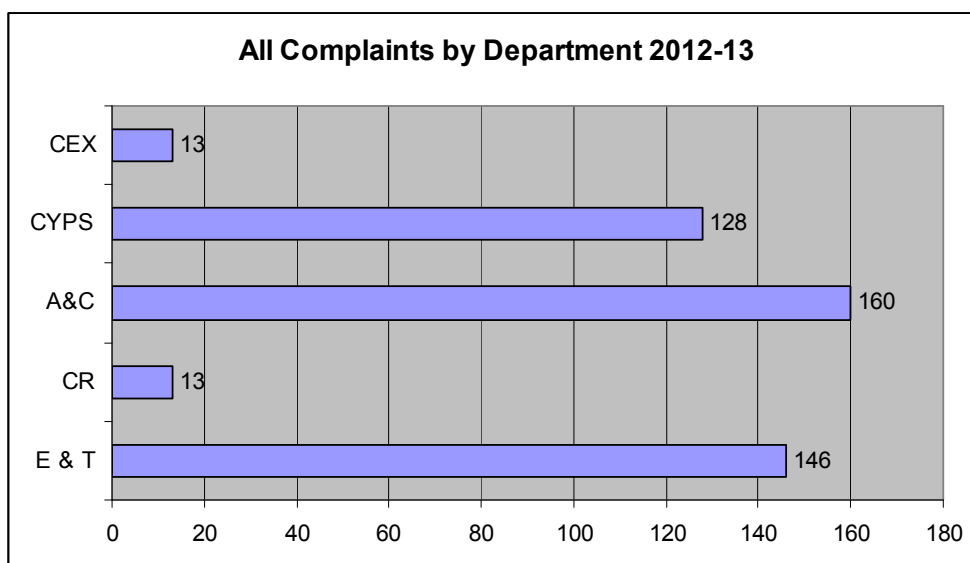
Both Adult Social Care and Children's Social Care complaints are governed by statutory regulations and are therefore not considered in this report. Separate annual reports are created for both areas and will be posted on our website once completed.

Table 2: Corporate Complaints by Department



The above table shows the departmental contributions to corporate complaints across the previous 3 years. As mentioned already, It is important to note that for both Children's and Young People (CYPS) and Adults and Communities (A & C) the bulk of their complaints are social care related and therefore are not presented here. With this in mind it is unsurprising that by far the largest contribution comes from the Environment & Transport department which has no separate statutory process.

To illustrate this better, the graphic below shows the total volume of all complaints (both social care & corporate) by department and shows the big 3 customer facing departments to be quite closely aligned in terms of overall volume. Both Corporate Resources and Chief Executives are predominantly inward facing and as such it is unsurprising these levels are low



For all departments except Environment & Transport, there has been a reduction in numbers of corporate complaints recorded. The E & T department has however seen a sharp rise in numbers (58%) The key themes behind this will be considered later.

Complaint Causes

All complaints are mapped against a number of high level categories which are detailed in Table 3 below.

Table 3 – What were complaints about?

Issues Raised in Complaints		Issues Upheld	
Communication	73	31	42%
- Appropriateness	19	5	26%
- Contact Problems	25	13	52%
- Co-ordination	19	3	16%
- Information Provision	43	18	42%
- Understanding	5	3	60%
Staff Conduct	44	15	34%
Practice & Procedure	45	7	16%
Service Delivery	108	34	31%
Confidentiality	2	1	50%
Plans/assessment	19	1	5%
Other	6	2	33%

As can be seen from the table above, the issue most commonly raised is Service Delivery, which typically relate to process failings, such as maintenance schedules not being adhered to, poor work being carried out or incorrect information being generated.

The second highest category is communication, and within this sub-set, Information Provision and Contact problems feature highly. Typically this relates to complaints that the authority has not kept complainants up to date with affairs, or calls not being returned promptly. This is also the area that has seen the most number of complaints upheld.

Whilst the numbers of staff conduct complaints have increased from prior year, it is worth noting that only 34% (15 cases) of these were upheld. These cases all related to attitude and tone of staff either in telephone or face to face conversations.

Often complaints are about more than 1 aspect, and as such the totals do not balance with overall numbers. This is considered a weakness and with effect from April 1st 2013, an assessment will be made by the Customer Relations team as to what was the dominant cause for the complaint. This classification will be made using “root cause analysis” techniques which is a recognised best practice approach.

A review of the categorisation is also been undertaken to make them more specific than at present. For example Service Delivery can cover a multitude of topics and does not make it easy to pick out any key learning points.

Accessibility

Once again the vast majority of complainants describe themselves as White British at 91%, however when set against the local area breakdown as supplied by the Research & Information unit (89% White British) this would not appear to indicate any adverse impact.

51% of complaints were raised by Males and 49% by females

A review of the website content has been carried out which has simplified the content and it is encouraging that e-contact (web-forms or e-mail) remains on the up representing 64% of corporate complaints received

Compliments

101 compliments were recorded across all services (excluding social care) during 2012/13 which marks an increase on prior year (66). In particular the Libraries teams have seen a large rise in recorded compliments, with 31 coming for this area alone. It is encouraging to see greater visibility of the good work that is being delivered by the department which has been a key objective of the Customer Relations team this year. It is however accepted that there is more we can do here and this will remain a key priority for the year ahead. A small selection of the comments received appear below.

- The library has made such a difference to my life by being able to borrow talking books since being ill and registered disabled
- I'd like to thank you, your colleagues and the Job Club for all your help. You've been great and I've now got a job
- Modern society sadly means there is a lack of community, leading to loneliness and even depression. Groups like this (knitting group) are vital so that young and old can mix and give support and share skills and advice at times. It is essential that these projects are supported and encouraged
- Very impressed by the welcome I received from Reception, who communicated with me using sign language and gave me a very warm reception warmest welcome I have received from any of the councils I work with.

- Just like to congratulate you on gritting during current snow. all I hear on local radio are moaners and wingers, I think your efforts have been outstanding!!! keep up the good work, many thanks
- 'Marshals were very calm and polite despite abuse from motorists - they did a sterling job re marshalling the marathon
- I am sure I speak for those in our immediate neighbourhood in thanking you, and other members of your department, for listening to our fears of increased flooding risks and moving the tables from their original positions
- All way mark posts & signs on my route were in position and as is customary with Leicestershire, clearly visible. Well done!
- I have special needs and every time I come to the Library they make me welcome and when I cannot find my books they help me. With all the help of the staff I learned how to read and how to use the computer. The staff are all very special to me
- I received such excellent service from the customer service centre that I felt I had to contact you to congratulate your team. Your operator was attentive, efficient, polite, thoughtful, knowledgeable and caring to the issues I raised. All-in-all extremely helpful and demonstrated excellent customer care skills

The Customer Relations Team will continue to work closely with departments to try to reflect all the positive feedback received across the teams.

Performance against timescales: How responsive have we been?

Table 4: Corporate Complaints Performance

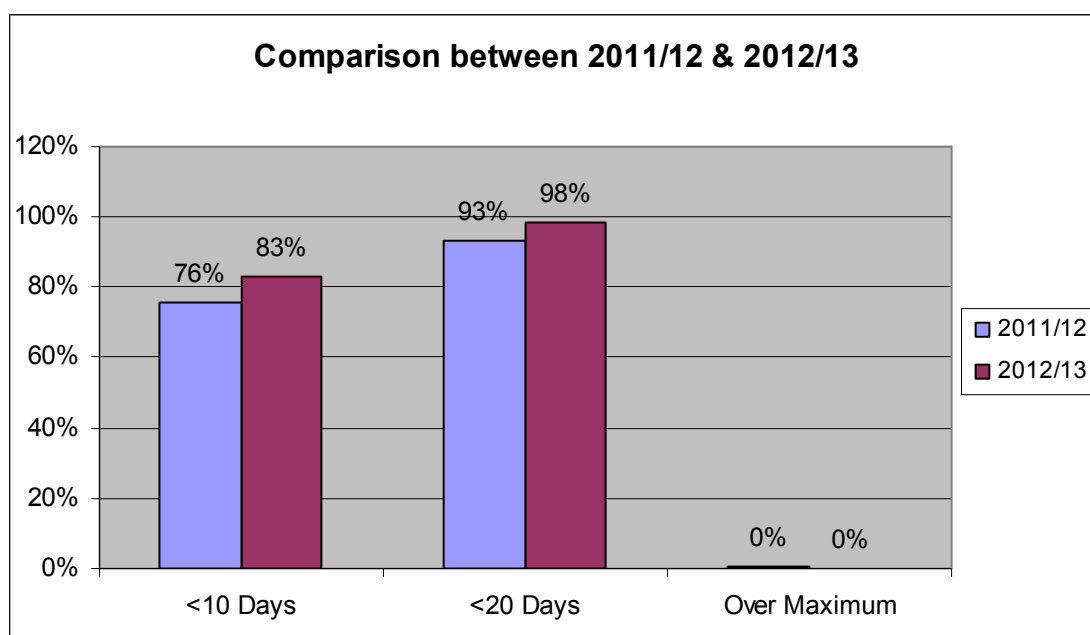


Table 4 above shows the detail of time taken to respond to complaints, providing a comparison between the current reporting year and the previous one. The table shows an improved compliance with our internal best practice target of 10 working days, with 83% now achieving this target. Performance has also improved in terms of compliance with the 20 day timescale at an impressive 98%. These are pleasing figures and reflect the strong collaborative working with service managers.

No complaints were recorded as outside of the maximum 60 working days, which continues the strong progress made since 2010-11 when an unacceptable 14 complaints exceeded this mark.

Complaints Outcomes & Resolutions

Table 5: Corporate complaints recorded by outcome.

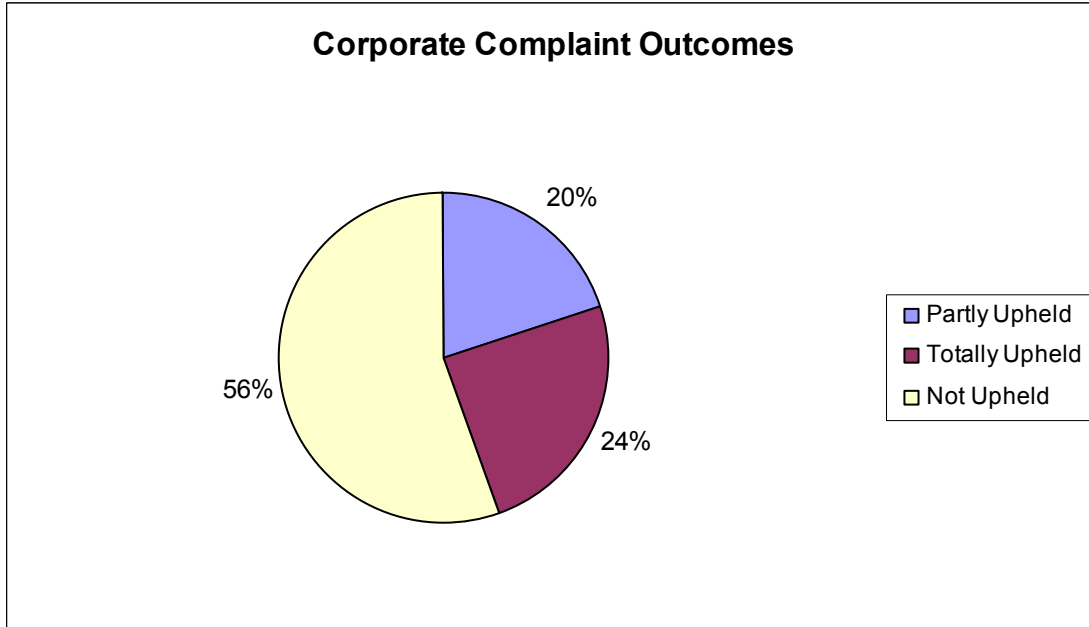


Table 5 above shows that a majority (56%) of complaints responded to were “not upheld”. 24% were fully upheld, with a further 20% of complaints having some element of the complaint upheld.

The fact that only 24% of complaints are recorded as “fully upheld” does not necessarily mean that complaints received are not reasonable or have no value. It is always important to listen to what we are being told about our service in order to put matters right at the earliest opportunity, and to learn and improve.

It should also be noted that some of the complaints classified as “not upheld” concern matters which are outside of our jurisdiction to respond to, for example those about actions or decisions made by other organisations. It is proposed with effect from April 1st 2013 to record these under a separate category of “Not Applicable” which better reflects the decisions reached.

Local Government Ombudsman Complaints

The Local Government Ombudsman investigated 23 cases during 2012/13, of which 2 remain open. Of the 21 that have been resolved, the following outcomes were seen

- 3 cases were subject to an Ombudsman report finding maladministration relating to our approach to carrying out School Transport walking route assessments¹

¹ There were 5 complaints settled as part of this report, but 2 cases were referred to Ombudsman in 2011-12

The Ombudsman report asked the authority to revise its policy to take account of national guidance and then carry out fresh assessments for each of the complainants. Time and trouble payments were also made to each of the parties involved.

The Council has reviewed the policy in this area and the Ombudsman has confirmed it is now compliant.

- A further 2 cases were settled locally under the same terms.
- All of the remaining 16 cases were discontinued at the Ombudsman discretion as no or insufficient evidence of maladministration could be found.

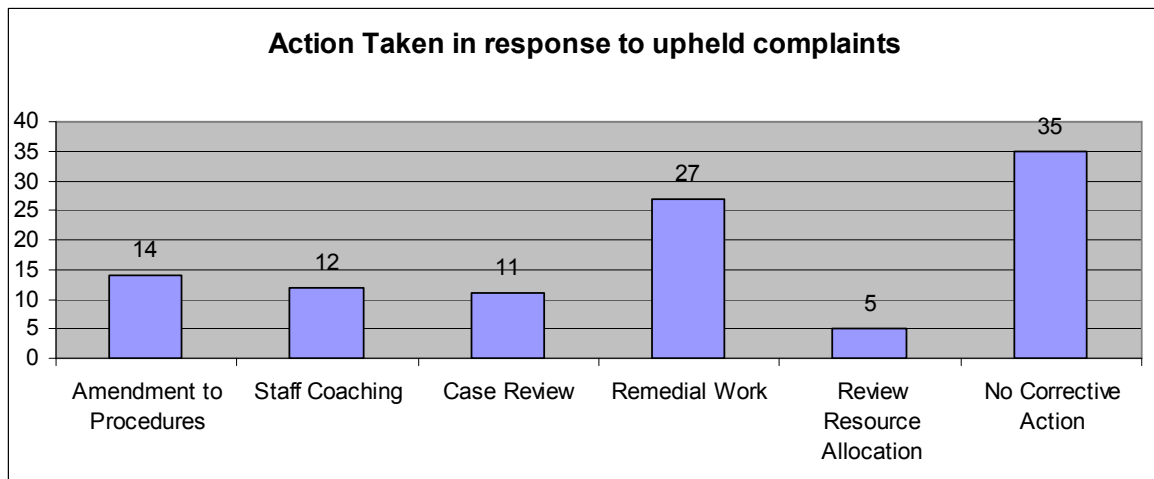
At time of writing the Ombudsman has not released her annual report on the Council's performance, but it is not anticipated that this will cite any concerns with complaints administration.

Learning from Complaints

Corrective action taken

Each of the 104 complaints either partly or fully upheld have been reviewed to ascertain what action the department has taken to learn from the complaints and avoid such issues occurring in the future.

Table 6 below provides a breakdown of the action taken.



The results indicate that in many cases there is no specific action to be taken aside from fixing the immediate problem. Indeed the combined figure of remedial work and No Corrective action equates to 60% of the cases. In this light, in just 40% of upheld complaints has the Council been able to identify a learning point from the situation.

It should be noted that some initiatives have been implemented as part of wider feedback rather than as a direct result of a complaint. An example of this is the

decision to review the way we manage drain maintenance. Whilst this review was not commissioned solely on the back of complaints, they have clearly played a part in this decision. Notwithstanding this, it is felt that more work is needed to show the link between complaints and service improvements.

Specific actions taken include the following

- Instigate a review of how LHO work with the Highways Management Group
- Further roll-out of automated e-mail updates to customers reporting Highway defects
- Introduce a system whereby Blue Badge renewals are prioritised by expiry dates
- Team Manager has adopted a formal discipline of reviewing case-loads of Senior Engineers before periods of annual leave.
- Involve Facilities Management team to look at options around parking barriers at Watermead CP
- Review how we communicate with utility companies regarding working on our Highways.
- Terminated contract for SEN taxi operation following investigation of complaint

Summary: What have we done well and where can we improve?

What are we doing well?

- Response timescales have improved further to a very strong position
- Continued low numbers of complaints seeking escalation to the Ombudsman
- Customer Relations and Departmental Managers continue to work well in partnership building on the relationship developed in previous years

What do we need to improve?

- Implement an effective mechanism for assessing satisfaction rates with complaints handling.
- Improve identification and recording of learning from complaints.
- Establish clearer visibility of interactions not classified as complaints but where the Customer Relations team has been involved.

3. Departmental Details

Environment and Transport

The table below shows a monthly breakdown of complaints received within the Environment & Transport department, along with detailed information around response times.

	Received	Outstanding	Complaints completed in the month									
			Responses			Complaints Upheld		Investigation Duration				
			On time	Late ²	Late & Over Max ³	Number	% of Responses	Up to 10 days	11 - 20 days	21 - 35 days	36 - 60 days	Over 60 days
April	8		7			3	42.9%	7				
May	13		11			2	18.2%	8	3			
June	9		8			4	50.0%	5	3			
July	7		8			5	62.5%	6	2			
August	16		10	1		5	45.5%	10	1			
September	15		15	2		12	70.6%	15	2			
October	11		14	1		9	60.0%	13	2			
November	13		6			3	50.0%	6				
December	22		27	2		3	10.3%	26	3			
January	10		9			3	33.3%	9				
February	9		7			2	28.6%	7				
March	13		12	1		6	46.2%	12	1			
April on			5			3	60.0%	2	3			
Total	146		139	7		60	41.1%	126	20			
			95.2%	4.8%				86.3%	13.7%			

The key areas of note is that the department has performed strongly in terms of response timescales, with an impressive 86% responded to within 10 days (3% higher than overall performance)

The bulk of the complaints were recorded against the Highways branch with 110. 28 Complaints were about Transport matters with just 8 relating to the Environment services.

Information is not currently segmented at a lower level, though from April 1st 2013, all complaints are now mapped at a third category (service area) which will enhance reporting of trends.

Whilst there are no major seasonal spikes, in December 22 complaints were recorded. This figure was heavily impacted by an organised chain complaint regarding concerns over a lack of action to support flooding problems. A total of 11 households wrote in separately about this issue which largely explains this uplift.

Heavily influenced by the weather conditions, the most common areas complained about over the year were Flooding (16) & Drain / Gulley maintenance (13)

Roadwork co-ordination (11) and Street lighting (7) also featured prominently

Areas which saw a significant decrease from prior year were Gritting (just 5 complaints) & Grass cutting (7)

The major complaint theme was around information provision, specifically around the department's ability to provide timescales for work to be carried out and completed. This is an area which is being progressed jointly by the Service Centre and Highways teams.

Corporate Resources

With 38 corporate complaints recorded, the Corporate Resources department has the second largest contribution.

Property Services received the most with 19 - almost exclusively relating to parking management issues at County Hall.

The next highest area is Customer Services & Operations with the majority linked to the Customer Service Centres. Principally these were around call wait times or customer service skills of the Operator. These account for a further 15 complaints.

Children's and Young Peoples

With the majority of social care complaints considered under statutory complaints procedures, this department saw just 22 complaints considered under the corporate framework.

10 complaints related to Social Care, but were made by individuals falling outside of the eligibility criteria for the statutory complaints procedure.

Other areas seeing multiple complaints were Special Educational Needs with 4 and Admissions with 4.

Adults and Communities

Again the majority of social care complaints have been considered under statutory regulations.

With 16 of the 22 complaints, Libraries services received the highest number of complaints. There was no dominant theme here though, with complaints ranging from noise levels, reservation charges, availability of computers and staff attitude. All were resolved promptly at a local level.

Chief Executives

Just 7 complaints were recorded against the Chief Executives department.

Legal Services were the only service which saw more than 1 complaint, all related to decisions reached by staff members.

4. Monitoring the Process

The Customer Relations team continue to support services to manage and learn from complaints. The key services offered are

1. Complaints advice and support
2. Production of Performance Reports
3. Liaison with Local Government Ombudsman
4. Quality Assurance of complaint responses
5. Complaint handling training for Operational Managers
6. Scrutiny and challenge to complaint responses.
7. Support with persistent and unreasonable complainants.

During this reporting period, no complaints handling workshops have been run for non social care managers. The Customer Relations team are keen to promote this facility further over the next year.

Assistance continues to be routinely provided to managers in drafting responses to complaint investigations. This helps ensure a consistency of response and that due process is followed.

Quarterly performance reports are created and presented to Departmental Management Teams (DMT) as appropriate. The Customer Relations Manager also regularly meets with each department's Intelligent Client each quarter to talk through complaints matters.

During the year the Customer Relations Manager used the Council's vexatious complainant policy on 3 occasions, implementing restricted communications protocols. This has proved an effective way of controlling difficult and complex complaints.

During 2013/14, the Customer Relations team will focus on:

- Improving the learning from complaints considered. This will be helped by more detailed root cause analysis by the Customer Relations unit.
- Continuing to increase the visibility of compliments across the departments
- Maintaining the strong track record of timely complaint responses.

- Implementation of a revised approach to monitoring satisfaction levels of complainants.

5. Final Comments

Overall this has been another positive year for complaints management across the board. During the year, there has been a change of the designated complaints manager, but this has been a smooth transition, and a number of positive developments have been made in terms of ability to record and track complaints.

The Customer Relations Team continue to get strong support and commitment from Service Managers and Heads of Service, emphasised by the excellent response timescales achieved.

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