

CABINET ITEM COVERING SHEET PROFORMA

AGENDA ITEM:

REPORT TO CABINET

22 NOVEMBER 2007

REPORT OF CORPORATE MANAGEMENT TEAM

COUNCIL DECISION

Corporate and Social Inclusion: Lead Cabinet Member – Councillor Laing

PERFORMANCE, FINANCE AND RISK REPORT QUARTER 2 JULY - SEPTEMBER 2007

1. Summary

This report outlines the Council's performance and financial position for the period Quarter 2, July to September 2007, providing details of performance against targets and improvement trends. This report includes the linkages between finance, performance and corresponding risks, general fund balances, medium term financial and capital plan position. Also included in this report is our performance against Council Plan objectives, Service Improvement Plan progress, Corporate Basket of key performance indicators, Gershon Efficiency Savings, complaints and commendations, consultation and sharing of good practice, undertaken during Quarter 2.

2. Recommendation

- 1 That the overall report is noted.
- 2 That the good progress in the delivery of the Council plan objectives and in meeting the corporate Basket targets is noted.
- 3 That the revised MTFP be noted (paragraph 3).
- 4 That Capital slippage of (£3,032,000) and an expenditure saving of (£8,000) be approved (paragraph 18).
- 5 The revised level of working balances be noted (paragraphs 9 to 11).
- 6 The Corporate Director of Resources in consultation with the Leader be given delegated approval to respond to the provisional Revenue Support Grant settlement (paragraph 57).

3. Reasons for the Recommendations/Decision

This report highlights progress against our key Council performance measures and raises any related financial and risk issues.

4. Members Interests

Members (including co-opted Members with voting rights) should consider whether they have a personal interest in the item as defined in the Council's code of conduct (**paragraph 8**) and, if so, declare the existence and nature of that interest in accordance with paragraph 9 of the code.

Where a Member regards him/herself as having a personal interest in the item, he/she must then consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest (**paragraphs 10 and 11 of the code of conduct**).

A Member with a prejudicial interest in any matter must withdraw from the room where the meeting considering the business is being held -

- in a case where the Member is attending a meeting (including a meeting of a select committee) but only for the purpose of making representations, answering questions or giving evidence, provided the public are also allowed to attend the meeting for the same purpose whether under statutory right or otherwise, immediately after making representations, answering questions or giving evidence as the case may be;
- in any other case, whenever it becomes apparent that the business is being considered at the meeting;

And must not exercise executive functions in relation to the matter and not seek improperly to influence the decision about the matter (**paragraph 12 of the Code**).

Further to the above, it should be noted that any Member attending a meeting of Cabinet, Select Committee etc; whether or not they are a Member of the Cabinet or Select Committee concerned, must declare any personal interest which they have in the business being considered at the meeting (unless the interest arises solely from the Member's membership of, or position of control or management on any other body to which the Member was appointed or nominated by the Council, or on any other body exercising functions of a public nature, when the interest only needs to be declared if and when the Member speaks on the matter), and if their interest is prejudicial, they must also leave the meeting room, subject to and in accordance with the provisions referred to above.

AGENDA ITEM:

REPORT TO CABINET

22 NOVEMBER 2007

**REPORT OF CORPORATE
MANAGEMENT TEAM**

COUNCIL DECISION

Corporate and Social Inclusion: Lead Cabinet Member – Councillor Laing

**PERFORMANCE FINANCE AND RISK REPORT, QUARTER 2,
JULY – SEPTEMBER 2007**

SUMMARY

This report outlines the Council's performance and financial position for the period Quarter 2, July to September 2007, providing details of performance against targets and improvement trends. This report includes the linkages between finance, performance and corresponding risks, general fund balances, medium term financial plan position and capital. This report includes performance against Council Plan objectives, Service Improvement Plan progress, Corporate Basket of key performance indicators, Gershon Efficiency Savings, complaints and commendations, consultation and sharing of good practice, undertaken during Quarter 2.

RECOMMENDATION

- 1 That the overall report is noted.
- 2 That the good progress in delivering the Council plan objectives and in meeting the Corporate Basket Targets is noted.
- 3 That the revised MTFP be noted (paragraph 3).
- 4 That Capital slippage of (£3,032,000) and an expenditure saving of (£8,000) be approved (paragraph 18).
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- 6 The Corporate Director of Resources in consultation with the Leader be given delegated approval to respond to the provisional Revenue Support Grant settlement (paragraph 57).

FINANCIAL POSITION

Projected Outturn

- The financial position for 2007/08 is structured around three “ring-fenced” financial areas:
 - General Fund
 - Housing Revenue Account
 - Capital
- Paragraphs 3 to 19 summarise the Council’s position, with regard to these funds.

General Fund

- The following table details the current MTFP position of each service.

MTFP (MS / MC) – September 2007 OUTTURN

Service Reserves (MS)/MC	Approved Position at 31/03/2008 (MS) / MC's £'000's	Projected Outturn Position at 31/03/2008 (MS) / MC's £'000's	Projected Outturn Position at 31/03/200 9 (MS) / MC's £'000's	Projected Outturn Position at 31/03/201 0 (MS) / MC's £'000's	Projected Outturn Position at 31/03/201 1 (MS) / MC's £'000's
CESC	(199)	(883)	0	0	0
D & NS	(1,318)	(2,325)	(876)	0	0
RESOURCES	(40)	(42)	(42)	(47)	0
TES	0	0	0	0	0
LAW & DEMOCRACY	(30)	(84)	(58)	0	0
POLICY & COMMUNICATIONS	(182)	(195)	0	0	0
TOTAL	(1,769)	(3,529)	(976)	(47)	0

- Details of budget variances are incorporated into the performance aspects of this report. The main reasons for the movements, since the previous report to Cabinet in September, are as follows:

Children, Education and Social Care

5. The Service Grouping is currently projecting a £883,000 Managed Surplus at the end of the year. The major variations identified in September are:
 - Elderly Agency - (£408,000 underspend) mainly due to anticipated financial savings relating to the reassessment of high band nursing care clients to Continuing Healthcare, following changes at a national level to the Free Nursing Care banding and Continuing Health Care criteria. As a result, part of the costs will now fall on the Primary Care Trust (PCT) and a further detailed analysis is being undertaken to firm up the financial implications;
 - Adults Learning Disability Agency – (£223,000 overspend) resulting from an increase in the number and complexity of supported cases, including the backdating of fees to providers;
 - Early Years - (£255,000 underspend). Vacant posts are due to remain unfilled for the remainder of the financial year;
 - Community Transport - (£150,000 underspend) due to a lower than anticipated level of inflation and efficiencies from the procurement of services.
6. During 2008/09 the Managed Surplus (£883,000) will be utilised, subject to the appropriate approval, to mainly fund the procurement and implementation of the Integrated Children's System (£226,000). It is intended that any remaining balance will be utilised to fund pressures arising within the service.

Development & Neighbourhood Services

7. The managed surplus for Development and Neighbourhood Services is £2,325,000. The major variations expected during the year are as follows:
 - Planning Service – (£227,000 underspend). Additional fee income generated from major planning applications received by the authority;
 - Waste Disposal – (£406,000 underspend). Savings have been generated following the approval of new waste legislation that states that authorities no longer have to fund the disposal costs of electrical goods, including washing machines etc. (£197,000). In addition, lower than expected tonnages at the incinerator and through landfill have generated further savings of £165,000.
8. The Managed Surplus will be utilised over the medium term to fund pressures within the service.

General Fund Balances

9. The Council's current policy is to hold 3% of General Fund expenditure as balances (equates to £7.4 million at 1st April 2008). In the report to Cabinet in September the forecast level of working balances was £13.0 million and the position has now improved to £14.1 million, with working capital now exceeding the 3% by £6.7 million. The major reason for this change is as follows:

	£000's
Estimated receipt of Local Authority Business Growth Incentive Scheme Grant (LABGIS) from Communities in Local Government (CLG). This will be available to utilize as part of the 2008/09 budget.	870
Improved position on interest received on balances from the Councils investments.	120

10. At present, the overall position on balances can be summarised below:

	£m Expected Position at 31 March 2008	% of General Fund
Corporate Working Capital	(14.080)	(5.7)
Net (MS)/MC	(3.446)	(1.4)
Net Working Balances	(17.526)	(7.1)

11. It should be noted that there are a number of major issues and pressures that may require major funding from the Council's available corporate working capital. These are summarised in the following paragraphs.

Neighbourhood Renewal Grant (NRF)

12. The Comprehensive Spending Review (CSR) identified changes to the distribution methodology of NRF. Further details are awaited, however, this could impact on the current level of funding.

2008/09 Grant Settlement

13. There is some uncertainty around the level of support grant funding that the Council will receive next year, currently a 2% grant increase is built into the Medium Term Financial Plan, but this is by no means certain. The indication from the CSR (see paragraph 17) indicates that the financial settlement will be tight over the medium term.

Housing Benefits

14. A further significant emerging pressure has arisen in Housing Benefits amounting to £131,500 in 2008/09 and rising to £376,000 by 2010/11. This is due to the

Department of Works and Pensions (DWP) decision to reduce the Administration Grant by 5% year on year.

Infrastructure and Capital Investment

15. The Council is currently embarking on a range of large scale major projects which are likely to require further investment. These include Building Schools for the Future (BSF), major regeneration initiatives, housing regeneration schemes, Billingham Forum and Integrated Service areas.

Housing Revenue Account

16. The projected position is in line with the financial report presented to Cabinet in September, which is a surplus of £1.5 million at the 31 March 2008.

Capital

17. The Capital budget for 2007/08 is outlined in the following table:

	Approved Budget £000's	Outturn £000's	Variance £000's
Children, Education and Social Care	14,675	14,175	(500)
Development & Neighbourhood Services	57,728	55,431	(2,297)
Resources	738	495	(243)
Total Programme	73,141	70,101	(3,040)

18. This movement includes savings on expenditure of £(8,000) and slippage of £(3,032,000). In summary, the major reasons for the variances and the areas of slippage include Splash where the scheme has yet to go out to tender. In addition, works on the school at Hardwick have been delayed as Electricity Board works need to be undertaken on cabling and construction will begin once this is complete. Further information on all the significant variations within the capital programme are attached at Appendix 1.

Movements in the 200708 capital programme;

19. The following schemes are the major additions to the 2007/08 capital programme since the financial report to Cabinet in September:

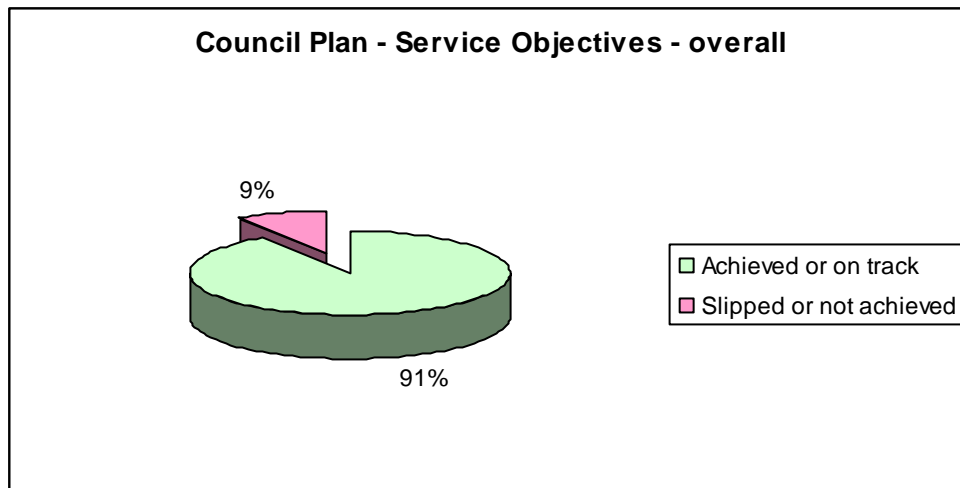
- South Stockton Link Road – originally this scheme was not included in the

2007/08 capital programme. A project initiation document has now been completed for this scheme amounting to £477,000, fully funded from developer contributions.

- John Whitehead Park Sensory Garden – a contribution amounting to £80,000 has been secured during this year and will be fully utilised to fund the above scheme.

OVERALL COUNCIL PLAN PERFORMANCE POSITION

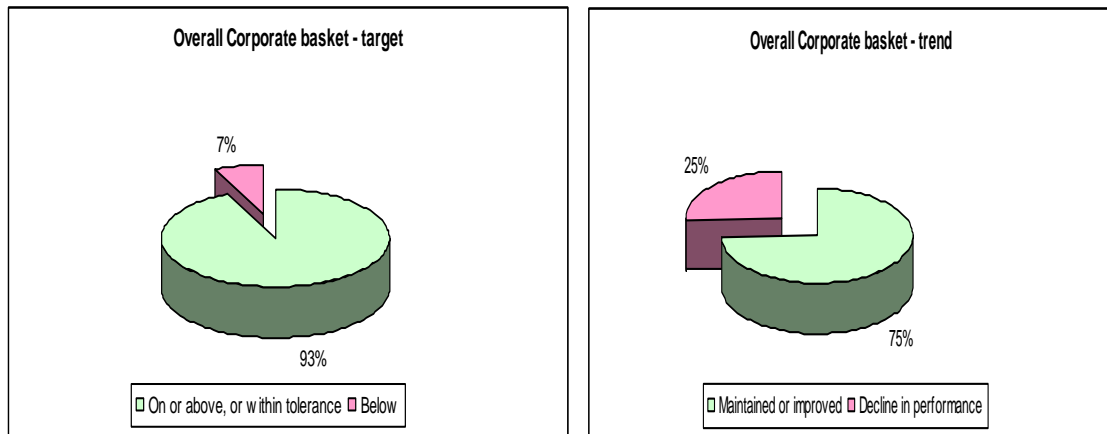
20. The Council plan sets out the overall ambitions and priorities of the Council and details the way ahead through a series of specific objectives and targets we aim to achieve. The chart below shows good progress has been made towards the achievement and delivery of objectives within the council plan with 91% of objectives either achieved or on track to be achieved. Full details of progress against each objective are detailed at Appendix 2 with an analysis of progress against each Community Strategy theme.



OVERALL CORPORATE BASKET POSITION

21. The Corporate Basket for 2007/08 holds 95 of the council's key measures including Best Value Performance indicators, Performance Assessment Framework measures (PAF) and local indicators. Performance against 72 of these indicators is due to be reported at Quarter 2. The results show continued good progress towards achievement of targets. Of the 72 measures reported at Quarter 2, 93% of targets are predicted to be achieved with 75% showing an improvement trend from the same period last year.

22. The charts below show the Council's performance against the targets set for 2007/08 and the improvement trend from Quarter 2 2006/07 to Quarter 2, 2007/08.



Full details of each performance measure in the basket are available at www.stockton.gov.uk/yourcouncil/performance/qtrperfmonitor.

PROGRESS BY THEME

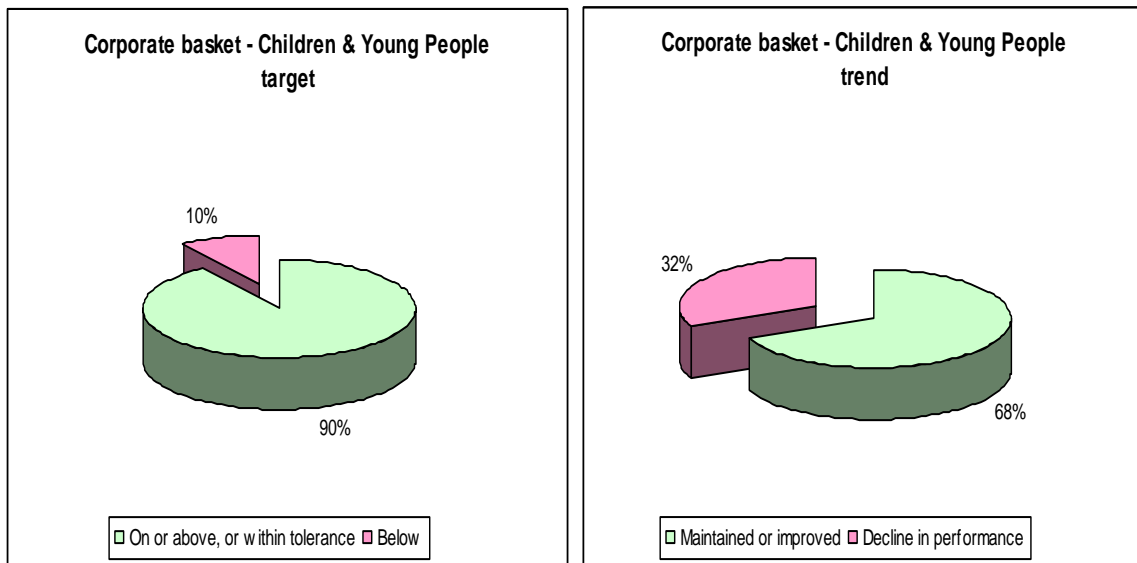
23. Key priorities for our community are detailed within the 5 themes of the Community Strategy. The Council Plan has an additional theme for organisational development, named Corporate Health. This report identifies performance, financial and risk related issues against each of the Community Strategy themes of:

- Children and Young People
- Healthier Communities and Adults
- Safer Communities
- Liveability
- Economic Regeneration and Transport
- Corporate Health

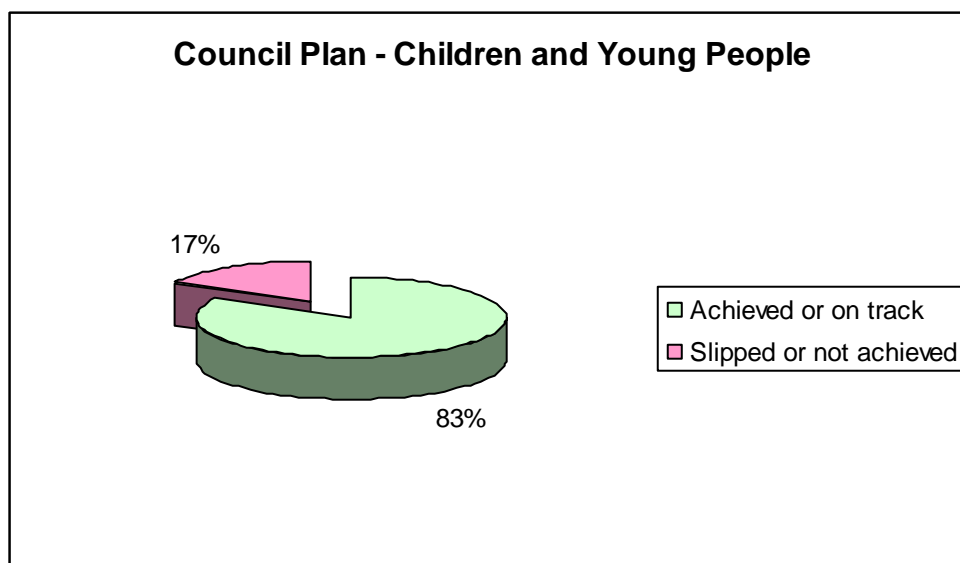
PROGRESS AGAINST COUNCIL PLAN AND CORPORATE BASKET BY THEME.

Children and Young People

24. Good progress has been made towards meeting the targets of the Corporate Basket within the Children and Young People's theme. There are 28 indicators which relate to Children and Young People, 21 of which are reported at Quarter 2. Of the 21 reported 19 (90%) are predicted to achieve the target set and 13 (68%) show a maintained or improved trend from the same Quarter last year.



25. Within the Council Plan 83% of objectives show they are either achieved or on track with 17% showing slippage.



Achievements

26. Of particular note in terms of achievement are:

- The Integrated Services (Children's) consultation document has been agreed for the next phase of development, including proposed structures down to front line manager level.
- Building Schools for the Future: the Secondary Education Consultation document has been produced and distributed to all households and a series of consultation meetings are in hand.

- There has been a significant rate of improvement in the 2007 GCSE results with further narrowing of the gap between local and national performance.

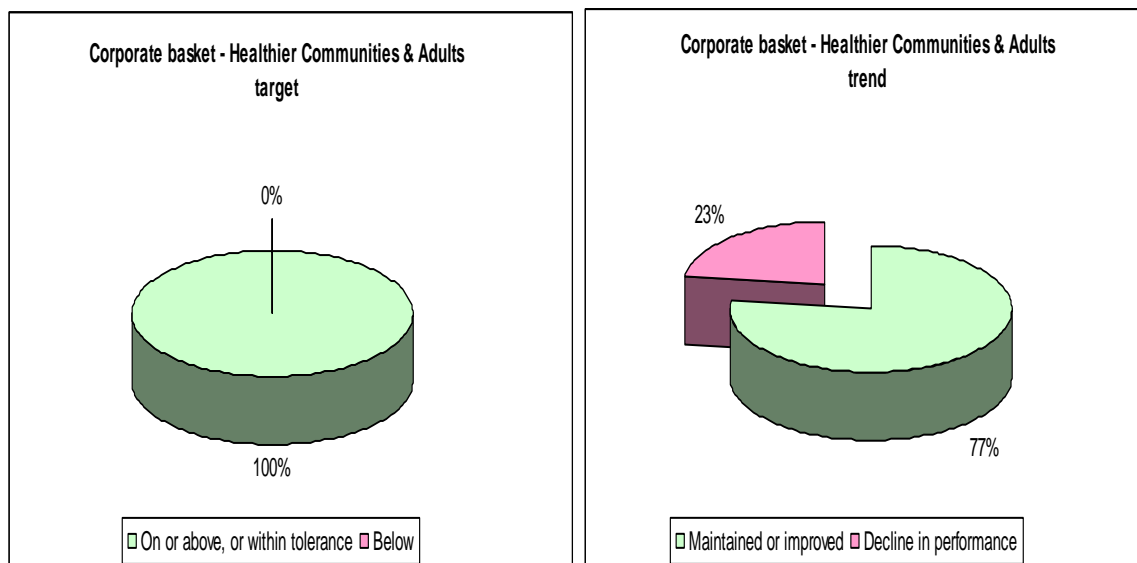
Emerging Issues

27. Emerging issues to note are:

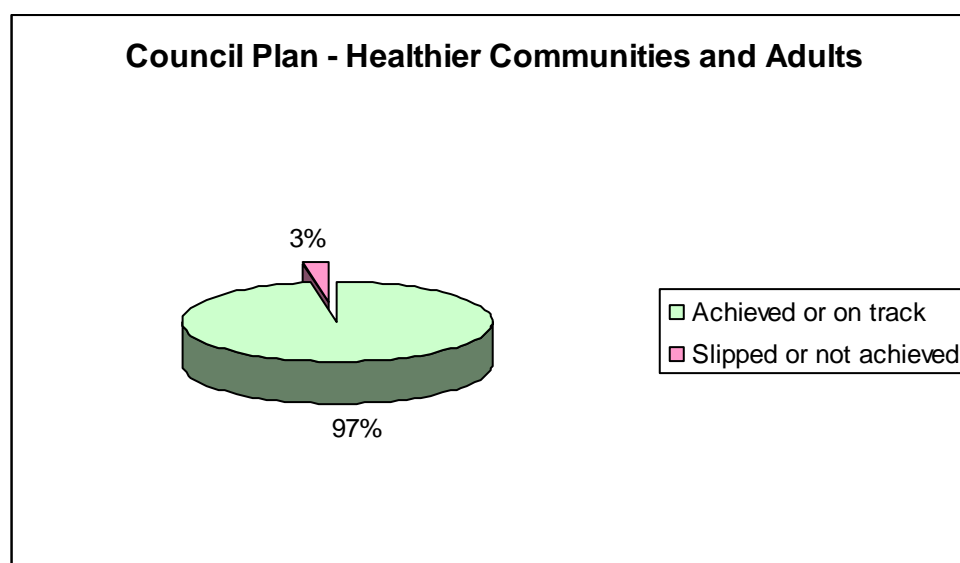
- The LPSA target relating to participation of 12-16 year olds in PE and sport was not achieved by July 2007. However, timetabling changes now being introduced by two schools to secure sufficient rates of participation should enable the 90% target to be achieved during the current term.
- During Quarter 2, the Annual Performance Assessment (APA) meeting has taken place for Children's services. The APA report and gradings will be published on 26th November. An emerging issue arising from the APA process concerns the extent to which the Council's performance is increasingly dependent on effective monitoring and reporting of performance across a wide range of partner organisations, for example: work-based learning for young people with learning difficulties and/or disabilities; Child and Adolescence Mental Health Services (CAMHS) provision; emergency hospital admissions for 0-19 year olds.
- Performance regarding longer term placement stability for children in care (indicator ref CYP026) has been affected by placement changes arising from the children's home closure in 2006. As a result, the ambitious target of 70% will not be achieved this year. However, 70% remains a target for 2008-09 in line with the national PSA target for 2009. The current year projection of 65% still represents good improvement over the previous year outturn of 57.4%.

Healthier Communities and Adults

28. There has been good progress against the corporate basket for the Healthier Communities and Adults Theme. There are 18 indicators which relate to the Healthier Communities and Adults Theme, 14 of which are reported at Quarter 2. Of the 14 reported, 100% predict to achieve the target set and 77% also show a maintained or improved trend from the same Quarter last year.



29. Within the Council Plan 97% of objectives show they are either achieved or on track with 3% showing slippage.



Achievements

30. Of particular note in terms of achievement are:

- A full programme of events for residents of all ages, at nil or low cost to participants, has been developed and is currently being implemented. Forthcoming events include the new Halloween event, Fireworks and Stockton Sparkles Christmas Event.
- The Stage 1 Heritage Lottery Fund bid for Preston Park and Hall Redevelopment has been submitted on schedule.
- Achievement of Adult literacy and numeracy LPSA targets.
- Continued high rate of museum visits / usage.

- Good rate of improvement in the timeliness of items of equipment delivered / adaptations made for adults and older people with social care needs.

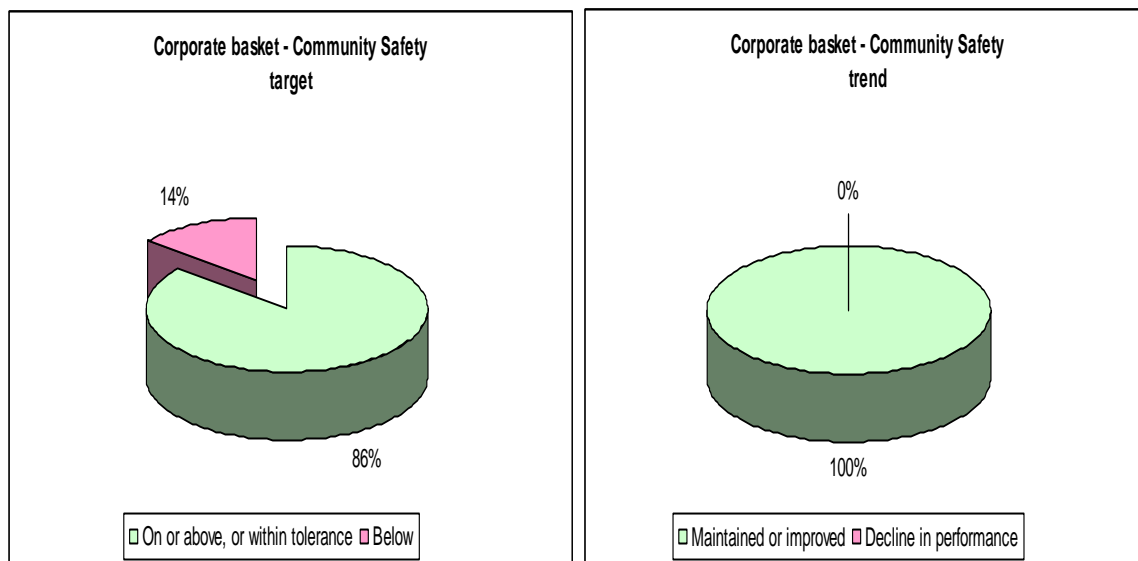
Emerging issues

31. Emerging issues for Healthier Communities and Adults include:

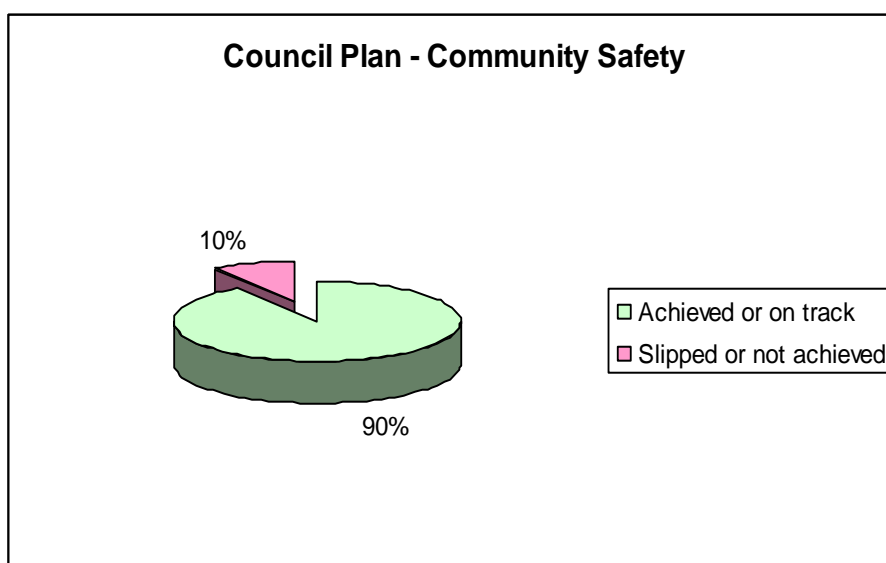
- In Adult social care, the increasing focus on supporting independent living for older people (as reflected in performance data showing reducing residential placements, and increasing proportion of adults and older people helped to live at home) has resource implications. Increasing costs arising from more direct payments and more complex home care packages are off-set to some extent by projected underspend on residential care. New Continuing Health Care arrangements and criteria, introduced from October 2007, are expected to result in some savings to the Council as some costs are transferred to the PCT. However, revenue pressure from high cost specialist placements, out of the area, for complex needs learning disability cases continue to present an overall budget risk. Plans to commission some local provision in the Tees Valley for this user group remain a service development priority.
- Monitoring of performance has illustrated the scope for further improvement in aspects of care management processes. As a result, a team of SBC and PCT staff are working in conjunction with CSED (Care Services Efficiency Delivery, a Department of Health funded project established to help care services review their efficiency and effectiveness). The work will lead to an action plan to secure improvements which will impact on performance in a number of indicators, including the timeliness of assessments and provision of care packages.

Safer Communities

32. Good progress has been made against the corporate basket for the Safer Communities Theme. There are 10 indicators, 7 of which are reported at Quarter 2. Of the 7 reported, 86% predict to achieve the target set and 100% show a maintained or improved trend from the same Quarter last year.



33. Within the Council Plan 90% of objectives show they are either achieved or on track with 10% showing slippage



Achievements

34. Of particular note in terms of achievement are:

- The Trading Standards service has performed extremely well in the recently released National Performance Framework results for 2006-07. The service has improved or maintained performance in all the indicators and is above the national average for all the service areas measured including visits to high, medium and low risk premises, scores against a checklist of enforcement best practice and customer satisfaction rates with Trading Standards.
- A cumulative 6 month total of 231 assisted arrests arising from CCTV cameras have been achieved to date, already exceeding the annual target of 181.
- There have been some remarkable results on certain crime categories such as robberies and dwelling burglaries. The total number of dwelling burglaries

in Stockton last year was the lowest number for at least 15 years, and that downward trend has continued with a further 13% reduction in the first six months of 2007-08 compared to the same period last year (402 burglaries compared to 463 in 2006/07).

- Following the recent changes in legislation a smoke free enforcement strategy has been developed. The strategy includes guidance and information to help educate the business and public communities to maintain a smoke free environment in public places.

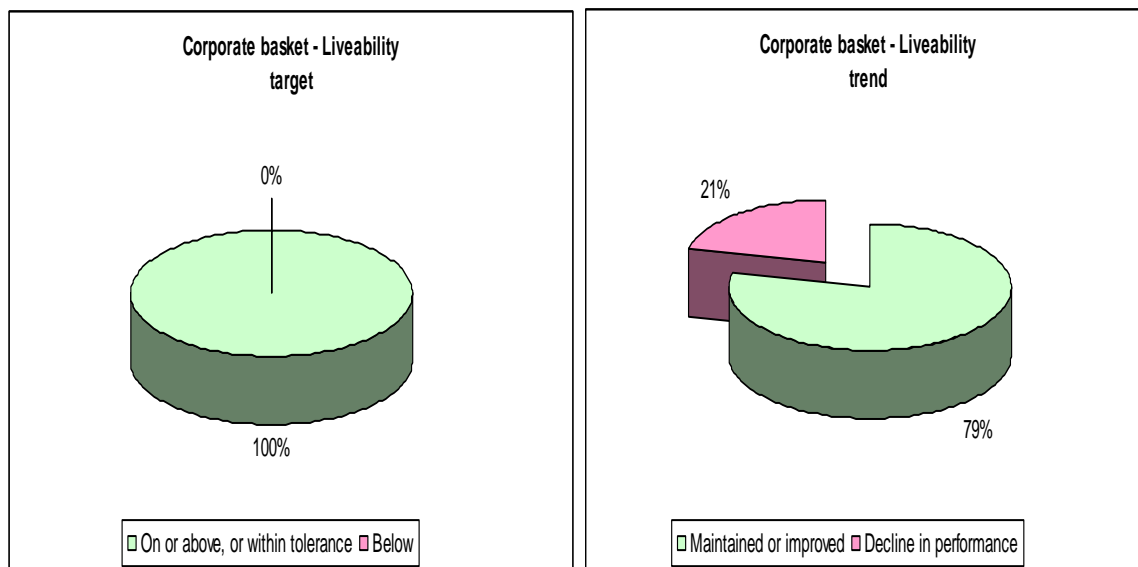
Emerging issues

35. The main emerging issues for the Safer Communities theme are:

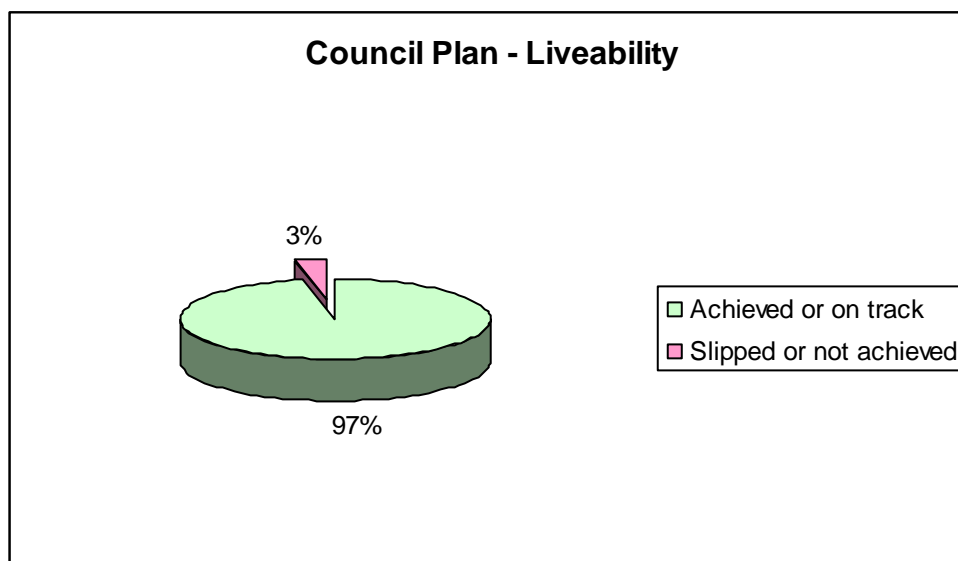
- Total crime levels have continued to increase at a higher level than target mainly as a result of the increase in violent crimes. Current performance on violent crime is 1,965 or 10.3 violent crimes per 1,000 population. This is above the level required to achieve the annual target of 18.9 violent crimes per 1,000 population.
- Some very clear patterns of crime can be seen, with the same geographical wards featuring at the top of the charts for all types of crime. The Safer Stockton Partnership are undertaking further analysis on crime levels and are currently consulting on the new three-year Community Safety Plan (2008-11). The need to effectively tackle violent and other crimes will feature strongly in this plan, with challenging targets to be set with the objective of reducing crime levels significantly.
- There are potential risks to service delivery and performance linked to future funding for a number of services. As previously reported, concerns remain around the uncertainty of Neighbourhood Renewal Funding grant beyond March 2008 and also the long term financial pressure build up, due to 1% uplift. These issues will need to be considered as part of the MTFP review.

Liveability

36. Continued excellent progress has been made against the measures in the Corporate Basket for the Liveability Theme. There are 22 indicators within the Corporate Basket, 17 of which are reported at Quarter 2. Of the 17 reported, 100% of measures predict to achieve the target set and 79% also show a maintained or improved trend from the same Quarter last year.



37. Within the Council Plan 97% of objectives show they are either achieved or on track with only 3% showing slippage.



Achievements

38. Of particular note in terms of achievement are:

- The average time taken to process a new claim for Housing and Council Tax Benefit is 24.1 calendar days, the best quarterly result ever reported in Stockton and approaching the top quartile of local authorities from returns to the Department of Work and Pensions (24 days in 2006/07).
- The Benefits Service has been awarded a maximum score of 4 for their annual self assessment, which forms a part of the Council's overall Comprehensive Performance Assessment.
- All environmental related indicators remain on schedule to achieve their annual targets, with strong performances noted for the recycling and

composting of household waste (30.66%), the removal of fly-tipping incidents (less than 1 day average) and the number of missed bin collections (2.5 per 100,000 collections).

- Stockton won the Best City in the 2007 Britain in Bloom competition, organised by the Royal Horticultural Society (RHS). This is in addition to winning the Best City category in this year's Northumbria in Bloom awards.
- There is a healthy surplus in waste management due to unexpected windfalls including the late payment of a grant, disposal of equipment under the WEEE legislation (disposal of electrical equipment by the manufacturers) and income on trading and commercial activities. Savings are being used to implement service improvements. The service is also undertaking invest to save schemes e.g. £50k contribution towards allotment fencing.
- It is projected that there will be an increase in HRA balances which will allow service improvements to take place in line with priorities and the THL business plan.

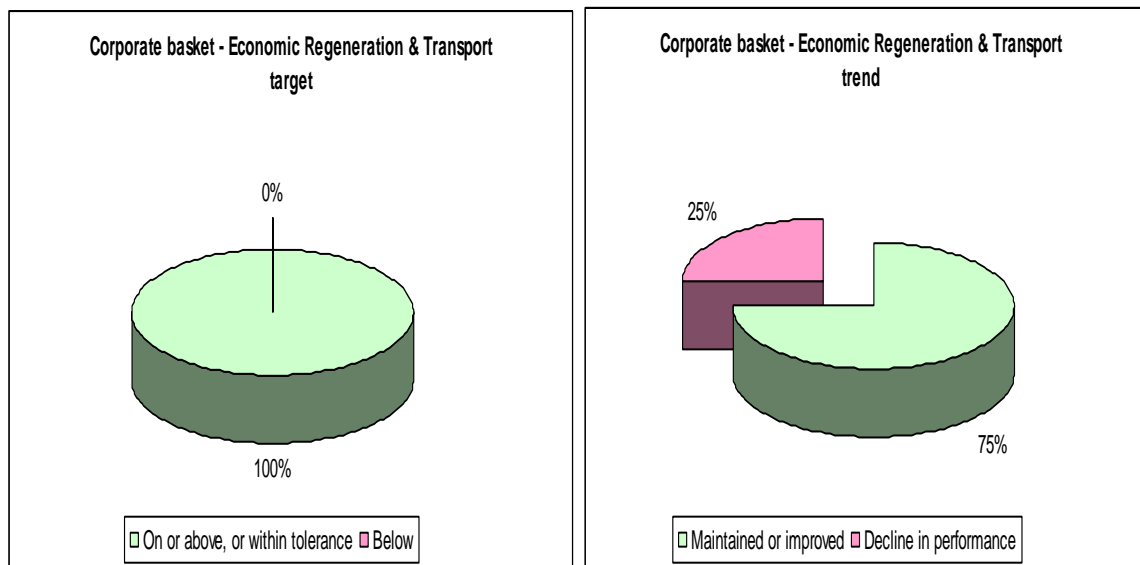
Emerging issues

39. Emerging issues within the Liveability Theme are:

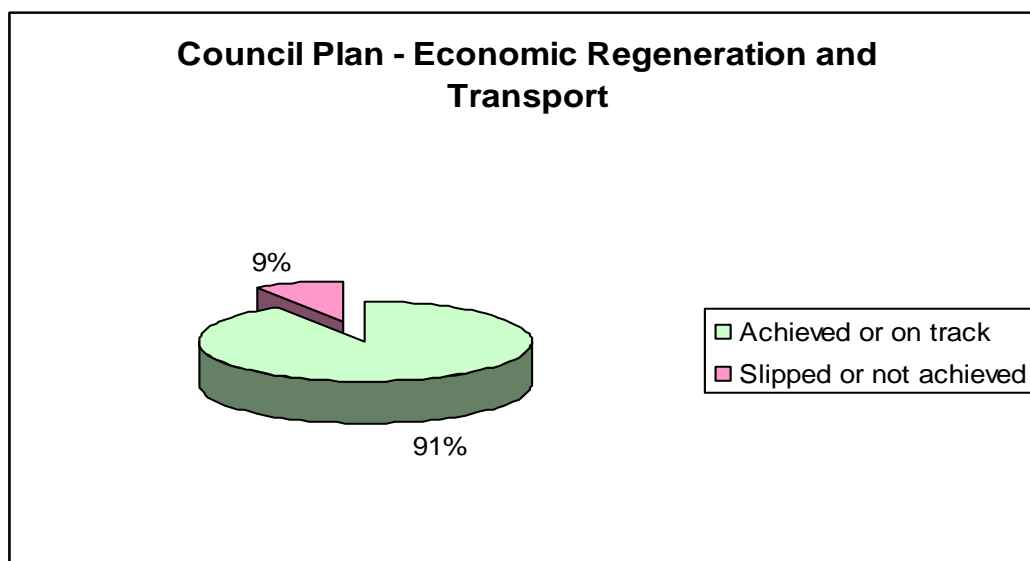
- Whilst improvements have been made in reducing the length of stay of families in hostel accommodation, (now at 8.84 weeks compared to 13 weeks at Quarter 1), given the comparatively small numbers of families that are currently being housed in hostel accommodation (nine in 2007-08 to date), this remains a volatile indicator, with only one or two long term stays leading to the 8 week target not being achieved.
- A financial pressure of £100k is anticipated on the General Housing Fund relating to non Housing Revenue Account costs of the Options appraisal. There is also an estimated deficit of £73K within the benefits due to a net increase in claimants.
- The implementation of the master plan for the Parkfield Housing Market Renewal area has been identified as a high risk project (score of 20). Due to the risks the inability to obtain sufficient funding and failure to obtain Compulsory Purchase Orders for phase 2.

Economic Regeneration and Transport

40. Excellent progress has been made against the measures contributing to the Economic Regeneration and Transport theme. Within the Corporate Basket there are 8 indicators all of which are reported at Quarter 2. All (100%) indicators predict to achieve the target set and 75% also show a maintained or improved trend from the same Quarter last year.



41. Within the Council Plan 91% of objectives show they are either achieved or on track with 9% showing slippage.



Achievements

42. Of particular note in terms of achievements are:

- All key regeneration projects, e.g. Town Centre Regeneration Northshore footbridge, etc, continue to progress well inline with project plans and timetables.
- Street Lighting - the average time taken to repair a street lighting fault by the non-Distribution Network Operator has reduced further to 2.15 days at the end of Q2, well on schedule to achieve the 2.5 days annual target. This is less than half of the average repair time of 4.5 days reported in 2005-06.

- The anticipated shortfall in Car Parking income reported at Quarter 1 has been turned around and is now predicted to break-even in the year.
- Planning - all categories of planning applications are ahead of their national targets at the half-year stage - 90.48% of major applications against 60% national target, 83.42% of minor applications against 65% national target and 80.17% of other applications against 80% national target. As a result of improved performance, Planning Delivery Grant (PDG) has been awarded in the year which will allow further service improvements to be made. (PDG beyond 2008 is still uncertain).
- On-line planning applications have increased further to 17.6% during the first half of 2007/8, which is well ahead of schedule to achieve the 20% target by 2010. The number of applications received overall by the service, particularly major schemes, has increased therefore generating additional income estimated at £200k + in 2007/08.
- Planning is a real success story from a position 2 years ago, the increased focus and performance management has completely turned around the service, subsequently the risk is reduced and from Quarter 2 is no longer on the corporate risk register.

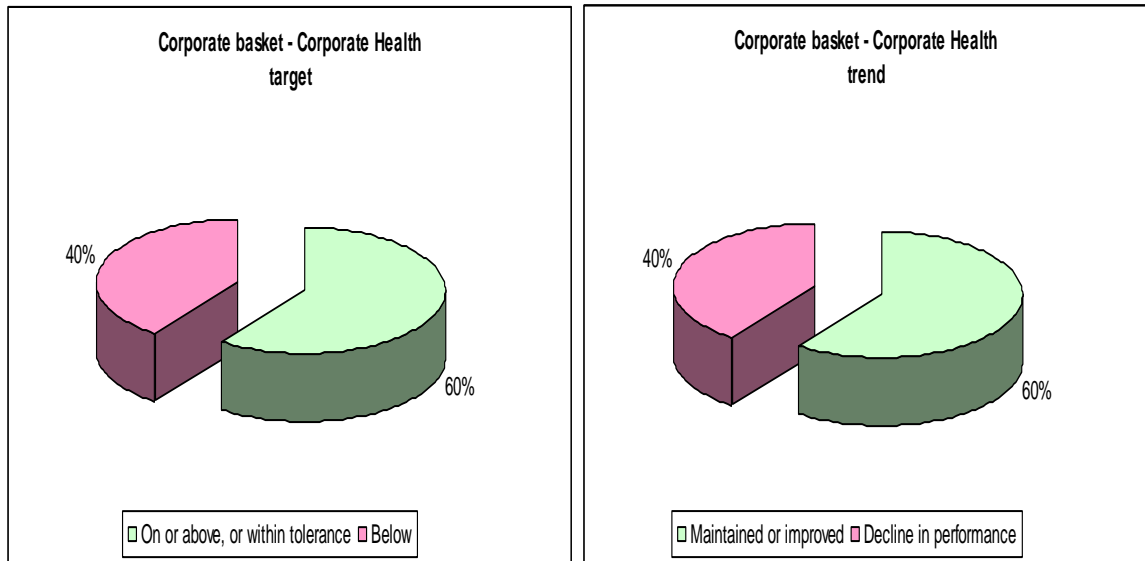
Emerging Issues

43. The potential emerging issues within this theme are:

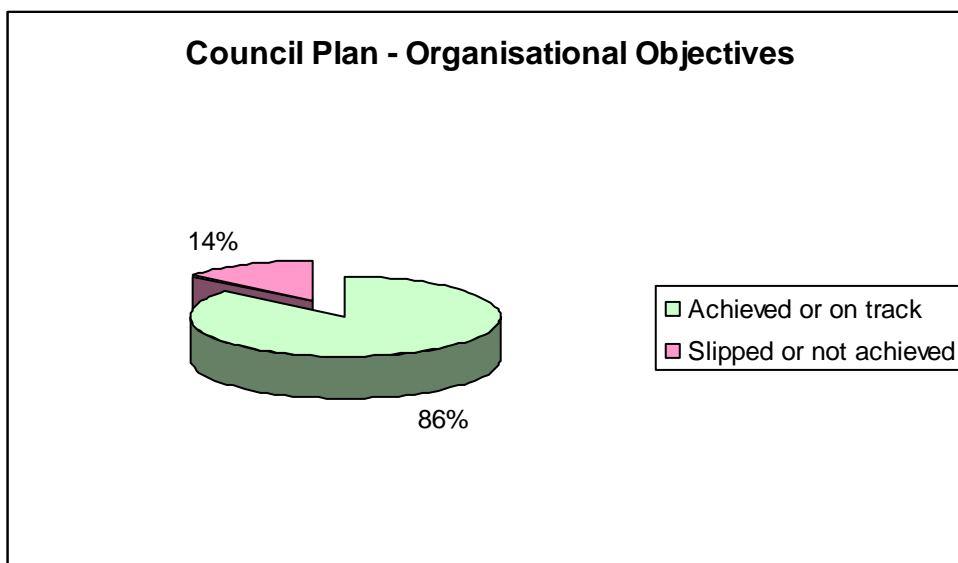
- The uncertainty around the grant funding (Neighbourhood Renewal Funding and Planning Development Grant) beyond March 2008 and the impact on service delivery and performance.
- The percentage of planning appeal decisions allowed against the Authority's decisions to refuse planning applications is currently at 37.9%, higher than its comparator at Quarter 2 last year. The 11 appeals that this represents equates to just over 1.1% of the 957 planning determinations made in Stockton in the first half of 2007-08. The prediction for the year end is to meet the 30% target.

Corporate Health

44. Progress is being made against the measures within the Corporate Basket. There are 9 indicators, 5 of which are reported at Quarter 2. Of the 5 reported only 60% predict to achieve the target set and 60% show a maintained or improved trend from the same Quarter last year.



45. Within the Council Plan 86% of objectives show they are either achieved or on track with 14% showing slippage.



Achievements

46. Of particular note in terms of achievements are:

- Good progress continues to be made with the Access to Services project with a focus on recruiting further staff to the Customer Services Division. An action plan has been completed in response to feedback following consultation with the public in July 2007, regarding such issues as preferred method of contact with the council, opening hours and waiting times for responses.
- The Stockton Darlington Partnership project is moving forward with proposed organisational structures currently out for consultation with staff and unions.

- Good progress continues to be made on Job Evaluation and Single Status and the project is on target for implementation on 1 April 2008, as planned.
- The ICT Strategy and the combined Capital Strategy and Asset Management Plan have both been approved by Cabinet in September. The revised People Strategy has progressed through CMT and EMT and is to be submitted to Cabinet in October.
- A review of the Performance and Development Appraisal Scheme has indicated that 97% of employees have undergone a new competency based appraisal, against a corporate target of 90%.
- Good progress in implementing the recommendations from the ethical governance audit and health check.
- A comprehensive Induction Programme and completion of 50 Personal Support Plans for members training has been delivered and an analysis undertaken of any unmet demand.
- Green Traffic light rating has been received for progress against the delivery of the Local Area Agreement / Community Strategy 2006/07.
- The Electoral Commission has developed performance standards framework for electoral registration which focuses on 8 indicators with 47 sub-indicators. We are successfully piloting the performance indicators due to be rolled out nationally for Electoral Registration next year, we have introduced systems to collect, collate and monitor our progress.

Emerging Issues

47. Emerging Issues within the Corporate Health Theme are:

- Payment of Invoices within 30 days has reduced further from quarter one to only 69.69 %, this compares with a target of 85%. Reduction in performance is due to 4 key issues of staffing, school summer holidays, delays in the implementation of the use of purchase cards by food supplies and the movement from one IT system to another. All areas have been addressed with staff secondments, new procedures and the use of the purchase card by suppliers being introduced. This should have an effect on performance levels in Quarter 3.
- Sickness Absence current performance indicates that projected performance levels at year end will be 13.09 days per Full Time Employee (FTE) against a target of 10.94 days per FTE employee. The sickness absence team has been working with areas where reporting problems have caused delays (and had a knock on effect with the data provided) and also with schools to implement the new reporting procedure. Accurate recording will further improve the quality and timeliness of the information allowing for better management of absences.
- Disabled Access to Council Buildings – a review of current performance on enabling disabled access to the Council’s public buildings has revealed a need to develop a more structured, cross-authority approach to this issue. To facilitate that approach, the issue is to be designated as a Level 2 project, with a Project Initiation Document and Project Brief to be developed by the end of November 2007.
- Corporate and Ethical Governance. Where there have been significant improvements to the quantity and quality of standards and probity information on the intranet and internet the process has not yet been fully completed.

- Revisions to the Constitution have been undertaken and a new, updated version is about to be published.
- The development of Comprehensive Area Assessment (CAA), the introduction of a new national indicator set and a new style LAA will necessitate changes to our performance management framework.
- The Electoral Commission are developing performance indicators for elections and referendums. The four performance areas are integrity, user focus, professionalism and value for money and the outcome will comprise of a set of nationally agreed units that will provide the basis for management systems. The consultation paper lists 13 performance indicators and 50 sub-indicators for elections and referendums, the closing date for response is 21 December 2007 and the draft indicators will be published in early 2008.

GERSHON EFFICIENCY SAVINGS

48. The authority is expected to make efficiency savings of 2.5% annually. There are two elements within the Gershon Efficiency Savings, financial efficiency gains and performance measures that are required to maintain or improve performance levels.

49. For 2007/08 the authority put forward an overall efficiency saving of £8,288,000. The current position after Quarter 2 is a projected efficiency saving of £8,422,000 which is £134,000 greater than planned. However, these efficiency savings can only be claimed if performance measures show improved or maintained rolling direction of performance travel since the 2004/05 baseline position.

Financial Variances

50. Of the 13 categories detailed within the annual efficiency statement, 3 areas predict a cumulative £191,000 excess and 3 areas predict a £57,000 shortfall in savings. The main areas of excess are £131,000 from Adult Social Services resulting from a range of activities and £58,000 from increases in transactions, for example Council Tax Direct Debit payments.

51. £43,000 of the £57,000 shortfall is arising in Corporate Services. Staff savings anticipated to have been generated from the Council's proposed moved towards using purchasing cards has been lower than anticipated.

Performance Variances

52. Only one of the performance measures highlights an area for concern which is the number of council buildings suitable for and accessible to disabled people. Quarter 2 performance continues to show a decline from the 2004/05 baseline figure. This measure is being monitored closely and a programme of building improvement work is underway throughout 2007/8.

53. Appendix 3 shows the detail.

CURRENT ISSUES LEADING UP TO THE 2008/09 FINANCE SETTLEMENT

54. A number of issues were covered in the financial report to Cabinet in September, namely:-

- Comprehensive Spending Review (CSR 2007)
- Grant Settlement for 2008/09 and indicative settlements for 2009/10 and 2010/11
- Local Authority Business Growth Incentive Scheme (LABGIS)
- The Lyon's Report

55. Since that report the position on each of these issues has progressed as follows.

Grant Settlement for 2008/09 and Indicative Settlements for 2009/10 and 2010/11

56. At the previous Cabinet, it was reported that officers were assessing a consultation paper on the potential options for changing the method of distributing grant. Following member briefings, the Council has now submitted its response to the consultation in accordance with the timetable.

57. It is expected that the Government will announce details of the Council's next three grant settlements sometime between mid November and early December. The next available Cabinet meeting could be after the consultation period has ended and therefore it is recommended that the Corporate Director of Resources in consultation with the Leader be delegated approval to respond to the settlement.

Comprehensive Spending Review (CSR 2007)

58. The Government published details of CSR 2007 on 9th October. The Local Government Association has described the announcement as "the worst settlement for councils in a decade." A briefing paper has been circulated to all members but the main points are shown below:-

- Headline grant increases of 4.2% in 2008/09, 3.5% in 2009/10 & 3.4% in 2010/11. After inflation these translate into real terms increases of 1.5%, 0.8% and 0.7% respectively.
- The Government expects Council Tax increases to be well below 5% for the next three years.
- The amount of money distributed by ring-fenced specific grants is to be reduced by £5 billion by 2010/11. The intention is either to mainstream these into either Formula Grant or into a new Area Based Grant so that authorities can direct more resources into local priorities. At least £4.1 billion will be paid in the form of the new Area Based Grant. There are numerous grant streams included in this new grant the most notable being the former Neighbourhood Renewal Fund which is being renamed Working Neighbourhoods Fund. Further details are awaited regarding the operation and distribution of Area Based Grants in general and the new Working Neighbourhoods Fund in particular.

- Gershon. Councils will be required to make 3% cashable efficiency savings from 2008/09.
- Adult Care. The Government announced plans to release a Green Paper to discuss options for reforming the adult care support system.

Lyons Report

59. The Government has published a White Paper, which will give Council's the power to raise and retain local business rate supplements. It is expected that this power will be available from April 2010.

Local Authority Business Growth Incentive Scheme (LABGIS)

60. The Government has announced that the scheme will continue but in a revised form. They have announced that funding of £50 million will be available for 2009/10 and £100 million in 2010/11. There will be no funding in 2008/09. This funding compares with £1 billion that was available over the previous three years. Consultation by the Government is currently being undertaken, the deadline for responses being 12th December.

LEARNING

Consultation Activity

61. A range of consultation has taken place across the authority. Some of the most significant are:
- Children in care were consulted by the Leaving Care Team in order to produce two guides for 15 and a half year olds who are leaving the Children and Family Team to join the Leaving Care Team to help them towards independence. The two guidelines are now in use allowing for in depth planning of young people's needs and will be available on the internet by the end of the year.
 - The Care for your Area team sent a questionnaire to the 14,000 participants of the plastic and cardboard recycling scheme. 1,499 replies were received and the results were very positive. 98.5% of respondents had used the collection service and of these 97.9% rated the service as excellent or good. The results are being taken to Cabinet in November.
 - The Viewpoint and Youth Viewpoint panels were used to hold a number of focus groups on topics including the Neighbourhood Enforcement Service, Polling Stations and Planning the Future of the Borough. The sessions were all well attended and the use of incentives e.g HMV music vouchers, for young people increased participation rates.
 - The Neighbourhood Enforcement sessions using Viewpoint and Youth Viewpoint took place in August. The sessions considered the Neighbourhood Enforcement Teams effectiveness following its first year in operation. Attendance was good and the findings were very positive. The project is part of an ongoing Scrutiny Review and the findings were presented to Cabinet on the 25th October.
 - In September a 'Tell Us What You Think Event' was held in order to consult people from BME communities at the Arc, the event was a huge success and

attracted over 170 people. There were representatives from all Council Services as well as representatives from the Police, Fire Brigade, PCT and local voluntary organisations. People were asked what the Council does well, what not so well and what can we do to improve. The feedback has been given to all council services and also will be used to develop a draft Race Action Plan which will be circulated for consultation early November.

Complaints and Commendations

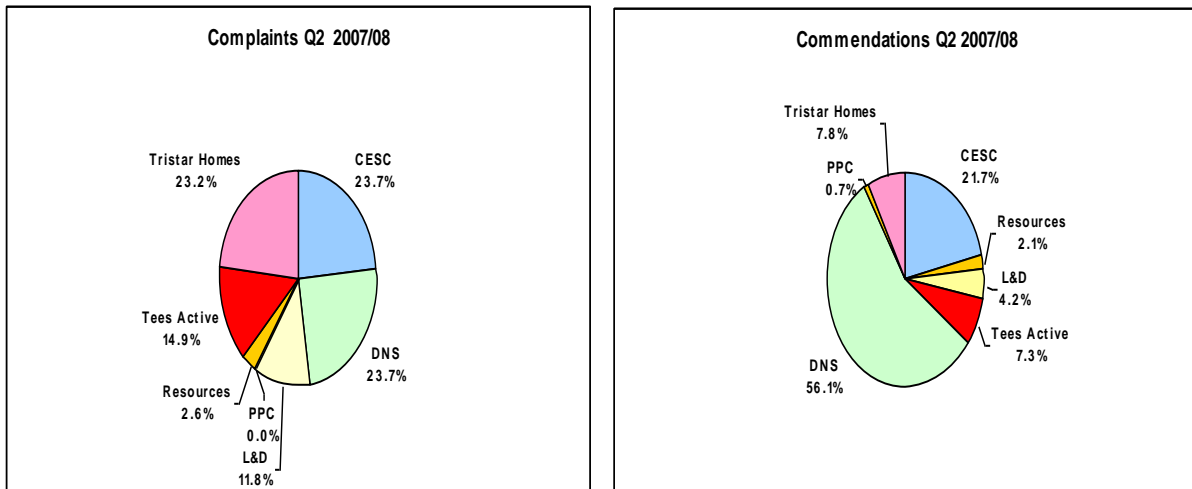
Complaints

62. In total the Council received 228 complaints in Quarter 2, this compares to 203 complaints received in the same quarter last year. The number of complaints received for the first six months of 2007/8 is at a similar level to the previous financial year. Of the 228 complaints, 1 is at Stage 3 and of the Stage 1 and 2 complaints 80% (181) were responded to within timescales.

Commendations

63. A total of 424 commendations were received in Quarter 2, this compares to 419 commendations in the same quarter last year.

64. The pie charts below show a breakdown of complaints and commendations by service group.



65. New procedures have been introduced recently through Customer Services to collect information about the age, gender, disability, ethnicity and faith of those who make complaints or commendations. At Quarter 3 (October to December 2007) we will be able to undertake more detailed analysis. This will provide better information on diversity issues in relation to complaints and commendations and enable us to highlight any possible trends.

66. For complaints and commendations Appendix 4 provides a detailed analysis of the numbers received in each service area and the response times they were dealt with. The appendix also shows the main service areas that these relate to and the type of complaints and commendation.

67. This report highlights some of the main messages from the analysis.

- The main trend from both Quarter 1 and Quarter 2 identifies that almost 75% of the complaints are in relation to the 3 service areas Children, Education, and Social Care (CESC), Development and Neighbourhood Services (DANS) and Tristar (Housing). Each receiving approximately a quarter of the total complaints
- Of the total commendations almost 75% are received for 2 service areas CESC and DANS, two thirds of these are compliments for DANS.
- Of the 20% of complaints which are not responded to on time the main areas are DANS and CESC with an approximate failure to respond rate of 10% and 30% respectively. Most of those within CESC are in Culture and Education.
- Within CESC the majority of the complaints are within the children and young people service and the majority of the compliments are within adults services
- Within DANS the complaints are evenly spread and the commendations are within the Direct Services area (e.g. street cleansing, refuse, highways)
- For Tristar the main areas of complaints are neighbour disputes, modernisation works not delivered on time and some in relation to staff approach. Commendations are thanks to teams and to individuals.
- It should be noted that a Customer Relations Officer has been appointed within CESC to undertake stage 2 investigations.

Examples of Good Practice

49. Areas of good practice are shared amongst service groups to encourage improved procedures and practices. Detailed below are some areas of good practices identified during Quarter 2.

- The Housing and Council Tax Benefits Service has developed systems to improve its performance on the accuracy of benefits payments, which has been at bottom quartile levels for the past two years. The half-year result of 98.8% of claims being accurately paid is a significant improvement on last year (95.8%) and ahead of schedule to achieve the annual target of 96%.
- In 2007 Democratic Services used new powers to obtain a list of 16 and 17 year olds due to become 18 before 1 December 2008 with a view to increasing the electoral role. Letters were sent before the beginning of the electoral canvass highlighting the need to be added to the household form.
- Development and use of the R.E.A.L. Award (Rewarding Education, Activities and Learning) – Stockton Youth Service's Youth Activities team has developed an accreditation scheme, set to national accreditation standards, that provides recognition for the activities that young people get involved in through the youth service. The scheme recognises the achievements of young people with reference to the Every Child Matters outcomes.

FINANCIAL IMPLICATIONS

50. To update the MTFP and outline the outturn position as at 31 March 2008 on General Fund, Capital and the HRA and complies with the requirements of the Accounts and Audit Regulations 2003.

LEGAL

N/A

RISK ASSESSMENT

51. This review of the MTFP and projected outturn report is categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

52. The Quarterly monitoring of the Corporate Basket is categorised as low risk. Existing management systems and routine performance management arrangements are in place to control and reduce risk on performance.

COMMUNITY STRATEGY IMPLICATIONS

53. The performance data detailed within this report is set out under each of the five priority improvement themes details In the Community Strategy and the Council Plan, demonstrating how progress is being made towards the achievement of each theme.

- Safer Communities
- Healthier Communities and Adults
- Economic Regeneration and Transport
- Children and Young People
- Liveability

CONSULTATION INCLUDING WARD/COUNCILLORS

54. Consultation is not necessary.

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Major Variations within the Capital Programme

Slippage	£000's
Children, Education and Social Care	
Education	
Abbeyhill and Westland School – Due to delays in the tendering process, construction is now expected to commence during February with the building expected to be available for occupation from January 2009. The expenditure will be funded from DCSF(Department for Children, Schools and Families) grant and borrowing.	(500)
Development and Neighbourhood Services	
Northshore Footbridge – the scheme has been re-profiled at the request of our consultants. The expenditure incurred this year, in advance of the original profile, will be funded from European and government grants.	1,127
Splash – The extension of Splash has yet to go out to tender and work is due to commence in 2008/09. The expenditure will be funded from prudential borrowing and corporate receipts.	(2,000)
Thornaby Town Centre Sale – A delay on the sale of the town centre has led to a re-profiling of expenditure into 2008/09, funded from contributions and capital receipts.	(130)
Holy Trinity Church – The current phase has been delayed and has yet to go to tender. Discussions, around the conservation of the building with English Heritage are essentially complete, and the scheme will go to tender this month facilitating a start on site in early 2008. The scheme will be funded by grant and contributions.	(343)
Romano Park – Additional funding is being sought to enhance the original masterplan of this Ingleby Barwick park scheme. The detail of the proposed scheme was reported to Cabinet on the 27 th September.	(140)
Repurchase of ex-council houses in Hardwick and Mandale – a number of homes will need to be repurchased ahead of the original development schedule. The expenditure will be funded from capital receipts.	488
Hardwick School – The construction of the new school has been delayed as the Council awaits works to be undertaken on cabling by the Electricity Board. This work is due to take place in December and work on the School will begin once this has been completed. This scheme is being funded from capital receipts.	(1,138)