

STOCKTON-ON-TEES BOROUGH COUNCIL

CABINET RECOMMENDATIONS

PROFORMA

Cabinet Meeting21st July 2008

1. Title of Item/Report

Performance and Finance Report Year End 31 March 2008

2. Record of the Decision

Cabinet considered a report that outlined the Council's performance and financial position for the period Quarter 4, January to March 2008 and year end outturn, providing details of performance against targets and improvement trends. The report included the linkages between finance and performance, general fund balances, medium term financial and capital plan position. Also included was 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. Part 1 of the report focused on the Council's financial position and part 2 detailed performance outturn.

Members were provided with a table detailing the current MTFP position of each service. This was compared to the projected position, based on financial information to the end of December, as reported to Cabinet on 21st February, 2008. The main reasons for any changes were provided to members.

Cabinet was reminded that the Council's current policy was to hold 3% of General Fund expenditure as balances (this equated to £7.6 million at 1st April 2008). In the report to Cabinet in February the forecast level of working balances was reported as £13.37 million with £5.8 million utilised as part of the 2008/09 budget setting process. The working capital position had now improved to £15.0 million by the year-end and the position on working capital as at 1st April, 2008, was £9.181 million equivalent to 3.6% of our 2008/09 Net Budget Requirement. It was explained that at this time, the Council was still facing a number of pressures, including those within Waste and Housing Options, there was still uncertainty around the funding of BSF and the Council was not expecting significant changes in the level of resources given by the government. As a result, it was suggested that, at this time, the Council should not utilise balances and this position be reviewed on a quarterly basis, as part of the updates on the Medium Term Financial Plan.

It was explained that the Council had created 3 new earmarked reserves at the year end to fund specific pressures arising within Council service areas. The reserves had been created to develop the SAFFRON system (£229,000) with Development and Neighbourhood Services, to support the ICT Infrastructure Review (£180,000) within Resources and a Standards Fund reserve generated from grant received under the Government Standards Fund Programme to fund services on behalf of children and young people (£622,000).

Members were provided with a table outlining the Capital budget for 2007/08.

The capital budget had been amended to reflect a reduction to the Parkfield re-development programme (£967,000), Heritage Lottery Grant (£112,000) associated with final design of the Holy Trinity Church Scheme, which had previously been approved, and a Department for Environment, Food and Rural Affairs grant (£100,000) received to fund the creation of Clarences Kick About Area.

The movement from the approved budget includes a reduced programme and additional financed expenditure of £(1,865,000), re-profiling of approved expenditure of £(5,010,000) and re-profiling of ring-fenced resources of £(1,394,000). The major reasons for the movements were detailed for Members.

It was explained that as part of the CIPFA Code of Practice on Treasury Management activity, there was a requirement for the Treasury Management Annual Report to be presented to Council for approval. A copy of the report was attached at for Members attention.

Members continued consideration of the report and were reminded that the Council Plan set out the overall ambitions and priorities of the Council and detailed the way ahead through a series of specific objectives and targets the Council aimed to achieve. Information provided showed good progress had been made towards the achievement and delivery of objectives within the council plan with 77% of objectives either achieved or on track to be achieved. Full details of progress against each objective was provided with an analysis of progress against each Community Strategy theme..

The Corporate Basket for 2007/08 held 95 of the council's key measures including Best Value Performance Indicators, Performance Assessment Framework measures (PAF) and local indicators. Outturn results showed good levels of achievement against targets. Of the 95 measures, 80% of targets were achieved with 78% showing an improvement trend from the

same period last year.

Key priorities for the community were detailed within the 5 themes of the Community Strategy 2005 – 2008. The Council Plan had an additional theme for organisational development, named Corporate Health. Members were provided with details of 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

RECOMMENDED to Council that:-

1. the overall report be noted.
2. the revised MTFP be noted.
3. the level of working balances be noted and retained at £9.2 million
4. the creation of specific reserves as detailed be approved.
5. the re-profiled approved capital expenditure of (£5,010,000), a reduced programme and additional financed expenditure of (£1,865,000) and a re-profiling of ring-fenced resources of (£1,394,000) be approved.
6. Members approve the actual 2007/08 Prudential Indicators.
7. the Treasury Management Annual Report for 2007/08 be noted.

3. Reasons for the Decision

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

4. Alternative Options Considered and Rejected

None

5. Declared (Cabinet Member) Conflicts of Interest

Councillor Nelson declared a personal/non-prejudicial interest as he was a member on the Tristar Board.

6. Details of any Dispensations

Not Applicable

7. Date and Time by which Call In must be executed

Not Applicable

Proper Officer
23 July 2008