

STOCKTON-ON-TEES BOROUGH COUNCIL

CABINET RECOMMENDATIONS

PROFORMA

Cabinet Meeting4th December 2008

1. Title of Item/Report

Quarter 2 - Performance and Budget Report

2. Record of the Decision

Members considered a report that outlined the Council's service and financial performance to 30 September 2008 highlighting achievements, areas for improvement, impact of the global economy and pressures against revenue and capital budgets.

Cabinet was provided with a table detailing the current MTFP position of each service compared to the projected position reported to Cabinet in September 2008.

Members were reminded of the inflationary pressures around energy and fuel and also the demand-led pressures, particularly in Children, Education & Social Care. The MS/MC position showed a reduction in MS from that projected at the beginning of the year as services used MS to accommodate the increases. Since the June budgetary control report services had been proactively managing the financial position across the Council. As a consequence of this action savings and efficiencies had been made which had resulted in the MS/MC reverting back to the projections at the beginning of the year i.e. £2 million MS. Significant elements of this were however committed and details were provided to members.

It was noted that the economic downturn both nationally and globally appeared to be here to stay. It was expected that the financial position would therefore continue to be extremely challenging. Officers were currently analysing trends and challenging cost drivers with a view to informing the medium term financial plan and the budget/Council tax setting in February. Areas being considered include:

- | Demand pressures - | Benefits |
|--------------------|--------------------------|
| - | Homelessness |
| - | Foster placements |
| - | Agency placements (CESC) |
| - | Direct payments (CESC) |

Income pressures - Planning
- Car parking

Cost pressures - Energy
- Fuel

There were a number of other initiatives and pressures that would also need to be considered including:

- Cabinet recommendations agreed in principle as a result of the Scrutiny Work Programme.
- Potential implications of the Housing Futures Programme.

In addition the Council's treasury management (loans and investments) position was being monitored on a daily basis. Officers have taken a cautious approach and have recently, via urgency powers, revised the Treasury Management Strategy. (Council dates were such that delays would potentially have a serious impact upon the position). Details of the approach and the revision was provided to Members. Interest rates were dropping and as the Council's medium term financial plan relied upon some investment income, this was being evaluated and would be considered via the budget setting process.

With regard to the General Fund Balances, the projected level of working balances at 1 April 2009 was reported as £9.1million (3.6% of 2008/09 Net Budget Requirement).

In terms of the Housing Revenue account issues had been identified surrounding a reduction in capital receipts and Right to Buy sales. Officers had identified savings, additional income and reprogramming that would ensure a balanced capital position and also retain the Balance on the Housing Revenue Account to a projected £1.1million. It was noted that this area would be monitored closely throughout the year.

Members noted the Capital budget and were supplied with details of movements within the budget.

Members then considered performance issues and were initially provided with details of changes to the way government would assess and monitor performance of councils and their partners, brought about by the Local Government and Public Involvement in Health Act 2007. These changes had a number of implications for the way that Stockton on Tees Borough Council collected performance data, monitored its performance and drove performance improvement. Details of ongoing work to deliver was

provided to Members

Cabinet then considered comprehensive performance information in the following areas:-

- Local Area Agreement performance to September 2008
- Non LAA measures for which data is available
- Progress against the Council Plan (including by theme) to September 2008
- Complaints and Commendations

Details of measures where data was not yet available but systems were under development to collect/obtain data was also provided

RESOLVED that the performance at quarter 2 and progress in implementing the new Performance Framework be noted.

RECOMMENDED to Council that

1. The revised MTFP be noted
2. The level of working balances be noted and retained at £9.1million
(
3. That the revised capital programme be approved.

3. Reasons for the Decision

This report highlights the projected outturn position for 2008/09, approves revisions to the capital programme and provides members with information on the revised MTFP.

4. Alternative Options Considered and Rejected

None

5. Declared (Cabinet Member) Conflicts of Interest

None

6. Details of any Dispensations

Not Applicable

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

In respect of the Cabinet Resolution only - not later than Midnight on
Friday, 12th December 2008

Proper Officer
08 September 2008