

STOCKTON-ON-TEES BOROUGH COUNCIL

CABINET RECOMMENDATIONS

PROFORMA

Cabinet Meeting3rd September 2009

1. Title of Item/Report

Q1 Improvement Report - Finance/Performance

2. Record of the Decision

Members considered a report that outlined the Council's service performance for the first quarter of the 2009/10 year from 1 April 2009 to 30 June 2009 highlighting achievements, areas for improvement, consultation activity undertaken, complaints, commendations and comments received and outturn against revenue and capital budgets.

Cabinet was provided with the current MTFP position of each service. Recent reports had identified the difficult financial position facing the Council and officers were considering carefully expenditure in all areas. Although there were a number of emerging issues, this proactive approach meant that it was currently anticipated that expenditure would be in line with original plans. It was however very early into the year and these matters would be monitored closely. As such there were no significant changes to the MTFP.

Members noted net working balances.

As reported previously the position for the medium term was uncertain in its scope but what was certain was that it would be difficult and challenging. Since the MTFP for 2009/10 was agreed in February the Budget Speech had exposed the scale of public sector borrowing and announced reductions in overall public sector expenditure. There were no details on the actual impact for Local Government services. There was however general agreement that from 2011/12 it would be facing negative grant settlements, the only question being how large these cuts will be. The Council had started planning a course of action to ensure it was able to respond positively to the current climate. The Efficiency, Improvement and Transformation Programme that has already been initiated would undoubtedly contribute to the solution. In addition service challenges, as indicated above, had commenced. One such challenge had resulted in £150,000 per annum being saved from changing to online recruitment practice. Despite this, it would appear the size of the challenge was such that additional action needed to be taken. Options

were currently being modelled prior to consideration at Cabinet/Council in the autumn. Given these concerns it was recommended that, at this time balances were not utilised. This position would be kept under review on a quarterly basis as part of the updates on the Medium Term Financial Plan.

Members noted the Housing Revenue Account position and the Capital budget and were provided with, and considered, a copy of the Treasury Management Annual Report.

In addition to the financial information members also considered information that provided a picture of the Council's performance against the National Indicator set as well as details of resident feedback and consultation activity. A series of appendices had been prepared to the report to provide a full picture of performance and these were made available to members:-

- National Indicator Set - Data available at Qtr1. (LAA indicators are identified)
- National Indicator Set – Measures where information is not available at Qtr 1 with an update on progress and explanation/ expected date for availability
- Complaints, Compliments and Commendations and Comments

Of the National Indicator measures where information is available at the end of quarter 1, 83 % (72 indicators) across all themes are predicted to achieve targets or are within the agreed tolerance set. For the remaining measures remedial action is being taken to address areas of slippage. Details of achievements and areas of slippage were included in the thematic sections of the report.

The Local Area Agreement (LAA) was in year two of the three-year agreement with Central Government. Good progress had been made against some stretching targets in year one and this continued into year two with some of the measures within the LAA being reported at quarter one. The full Local Area Agreement measures would be monitored and reported at quarter 2. All indicators within the LAA were being closely tracked particularly those impacted by the current economic conditions. This was to ensure that we were best placed to understand our current position leading into the annual review and refresh of the LAA, which would commence in October of this year. This would provide the Council and its partners with an opportunity to review current performance and renegotiate where appropriate, measures and targets leading into the final year the LAA, upon which the performance reward elements are calculated.

It was explained that Service Groups were progressing well against the priorities and objects set out within the Council Plan with current monitoring of indicators and projects showing good progress. The quarter two report would provide a detailed update of all measures and objectives within the 2009 – 2012 Plan.

RECOMMENDED to Council that:

1. the overall report be noted.
2. the revised MTFP be approved (paragraph 4 of report)
3. the level of working balances be approved and retained at £8.4 million.
4. the re-profiled Capital Programme is approved (paragraph 12 of the report).
5. the annual Treasury Management report be approved.

3. Reasons for the Decision

To provide an update to Council.

4. Alternative Options Considered and Rejected

None

5. Declared (Cabinet Member) Conflicts of Interest

None

6. Details of any Dispensations

N/A

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

Not applicable

Proper Officer
07 August 2009