

STOCKTON-ON-TEES BOROUGH COUNCIL

CABINET RECOMMENDATIONS

PROFORMA

Cabinet Meeting2nd September 2010

1. Title of Item/Report

Q1 Improvement Report - Finance/Performance

2. Record of the Decision

Cabinet considered a report that outlined progress against the medium term financial plan and service performance for the first quarter of 2010/11. It highlighted achievements against objectives in the Council Plan, the Local Area Agreement, the National Indicator Set, consultation activity undertaken, summary of Freedom of Information requests, complaints, commendations and comments received and provided an update on progress with Efficiency Improvement and Transformation (EIT) and the new staff suggestion scheme.

Members were provided with a table detailing the current MTFP position of each service. Members noted the difficult financial position facing the Council. Officers continued to consider all areas of expenditure carefully.

It was noted that the General Fund Balances stood at £10.8m, which was 2.9m above the required 3% level.

It was explained that the projected Housing Revenue Account was in line with the budgeted surplus at £1.34million at 31st March 2011.

Details of capital budget for 2010/11 was detailed for members. The budget had been amended to reflect recent Government funding announcements in respect of reductions in capital grants. Details of those reductions were provided together with other funding announcements that may have an impact on the Council.

It was explained the Government had indicated that the Playbuilder capital grants were currently under review and the Council had been asked to provide information on the programme. The Council was anticipating £440,000 in this financial year which was to be utilised to deliver the schemes outlined at Appendix A to the report considered and had generated £288,000 in match funding. The Council had responded to the request outlining its plans, the success of the scheme, and the

impact on the community should funding levels change.

Members were reminded of the creation of the Northshore Academy, bringing together the former Norton and Blakeston schools. Recent announcements around BSF, and more recently Academy funding, indicated that the Council would not find out information on timescales on future funding until after the Comprehensive Spending Review. The preferred site for the Academy was the Tilery site, however, it was operating on the site of the former Blakeston school.

The Norton site was therefore vacant and if this was not demolished it was likely to attract anti-social behaviour problems and would result in significant security costs. The previous BSF programme incorporated costs of demolition as well as an estimate of capital receipts relating to the sale of the footprint of the site.

Members were also reminded that the site of the former King Edwin school was also vacant and officers had been reviewing options for this site. The site was a particularly difficult site for development due to a range of issues, not least access, and therefore there would be little value in attempting to dispose of this site. There was however, opportunity to demolish the school and convert the land into public open space. This would allow opportunities to swap for other sites within the area.

The estimated costs of the demolition was £600,000, though detailed asbestos surveys had not yet been undertaken, and although valuation of sites was difficult in the current climate, even a pessimistic valuation of the site exceeded this amount. There would, however, be issues of cashflow when demolition costs were incurred and it would be beneficial to delay marketing of the site until market conditions improved.

It was therefore recommended that Members approve the demolition of the two sites and the sale of the footprint of Norton School.

Members considered future funding and it was explained that there continued to be significant uncertainty around future funding and detailed financial modelling for future years was extremely difficult. If, however, reductions in funding were in the region of 25% as has been indicated, the Council would need to identify savings in the region of £12m per year, over and above those currently planned as part of our medium term financial plan, by 2014/15. This information would become clearer following the Comprehensive Spending Review in October and the subsequent Provisional Finance Settlement. Members noted that the Council had a managed and planned approach to delivering efficiency savings through its EIT programme and Partnering consideration, and this would continue. There may be, however, a need to update and

amend the programme as the future funding position became clearer. Members would be informed through further reports and Members Briefing Sessions.

Members were provided with and considered the Treasury Management Annual Report which would be presented to Council for approval.

Members moved on and considered Council's performance against Council Plan objectives, the Local Area Agreement, the National Indicator set, details of resident feedback on consultation activity undertaken, a summary of Freedom of Information requests received and analysis of complaints and commendations. A series of appendices had been prepared to support the report and provided members with a full picture of performance.

Of the National Indicator measures where information was available , 78% (67 indicators) across all themes had achieved targets or were within the agreed tolerance set, this compared to 83% at quarter 1 last year.

The number of complaints was lower, and compliments and commendations higher, than the same period last year.

Performance against the achievement of the Council Plan objectives would be available at Quarter 2 in line with normal annual reporting policies. Progress by Council Plan Theme was detailed to Members.

RECOMMENDED to Council that:-

1. the updated Medium Term Financial Plan (MTFP) and Capital Programme be approved.
2. the demolition of the former Norton and King Edwin schools be approved, initially funding from revenue balances (£600,000), which will be replenished from the proceeds of the land sales.

RESOLVED that:-

3. levels of performance and subsequent actions be noted.

3. Reasons for the Decision

To provide updates to Members and agree a way forward with regard to the former Norton and King Edwin schools

4. Alternative Options Considered and Rejected

None

5. Declared (Cabinet Member) Conflicts of Interest

Not applicable

6. Details of any Dispensations

Not applicable

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

By no later than midnight on Friday 10 September 2010 with regard to decision 3 only.

Proper Officer
06 July 2010