

## CABINET ITEM COVERING SHEET PROFORMA

### AGENDA ITEM:

REPORT TO CABINET  
2 SEPTEMBER 2010

REPORT OF  
CORPORATE  
MANAGEMENT TEAM

### COUNCIL DECISION

#### Corporate Management and Finance: Lead Cabinet Member – Councillor Laing QUARTER 1 2010/11 – FINANCE AND PERFORMANCE 2010/11

1. Summary

This report outlines progress against the medium term financial plan and service performance for the first quarter of 2010/11. It highlights achievements, areas for improvement, consultation activity undertaken, summary of Freedom of Information requests, complaints, commendations and comments received and provides an update on progress with Efficiency Improvement and Transformation (EIT) reviews and the new staff suggestion scheme.

2. Recommendations

1. That the updated Medium Term Financial Plan (MTFP) and Capital Programme be approved.
2. Members approve the demolition of the former Norton and King Edwin schools, initially funding from revenue balances (£600,000), which will be replenished from the proceeds of the land sales.
3. That levels of performance and subsequent actions are noted.

3. 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.**

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**COUNCIL DECISION**

**Corporate Management and Finance: Lead Cabinet Member – Councillor Laing**

**QUARTER 1 2010/11 – FINANCE AND PERFORMANCE 2010/11**

**SUMMARY**

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**RECOMMENDATIONS**

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3. That the levels of performance be noted.

**QUARTER 1 MEDIUM TERM FINANCIAL PLAN UPDATE**

**FINANCIAL POSITION**

**Projected Outturn**

1. The position for 2010/11 is structured around three “ring-fenced” financial areas:
  - General Fund
  - Housing Revenue Account
  - Capital

2. Paragraphs 3 to 8 summarise the Council's position, with regard to these funds.

### **General Fund**

3. The following table details the current MTFP position of each service. Recent reports have identified the difficult financial position facing the Council and officers are considering carefully expenditure in all areas.

#### Children, Education and Social Care

4. The report to Cabinet on 8 July 2010 indicated that there were likely budget pressures in 2010/11 due to increases in Social Care clients, in particular Looked After Children, and the anticipated managed surplus was reduced to this effect. Indications from the first three months are that numbers have increased in line with the previous anticipations and there is therefore minimal change. These areas are volatile and will be monitored closely during the year, with the potential impact on future years considered as part of the wider medium term financial plan review.

#### Policy Performance and Communication

5. The main reason for the increase was that expenditure associated with grant funding was delayed and will be spent later this year.

#### Development & Neighbourhood Services

6. At the present time, the managed surplus is not expected to change. However, there are a number of emerging pressures which will be closely monitored. One particular area is the impact on the service workloads and income due to a reduction of capital schemes and actions are currently being considered to address the potential shortfall.

<b>Service Reserves ( MS) / MC</b>	<b>Previously reported position 31/3/2011 (MS)/MC £'000's</b>	<b>Projected outturn position 31/3/2011 (MS)/MC £'000's</b>	<b>Previously reported position 31/3/2012 (MS)/MC £'000's</b>	<b>Previously reported position 31/3/2013 (MS)/MC £'000's</b>
CECSC	(519)	(395)	0	0
D&NS	(285)	(285)	0	0
RESOURCES	(50)	(65)	(47)	0
TEES ACHIEVE	0	0	0	0
LAW & DEMOCRACY	(109)	(58)	0	0
POLICY & COMMUNICATIONS	(236)	(401)	(231)	(59)
<b>TOTAL</b>	<b>(1,199)</b>	<b>(1,244)</b>	<b>(380)</b>	<b>(59)</b>

## General Fund Balances and One-off Funds

7. Revenue balances are currently anticipated to remain unchanged from the last reported position, at £10.8m which is £2.9m over and above the required 3% level.

## Housing Revenue Account

8. The projected position is in line with the budgeted surplus at £1.39 million at 31 March 2011.

## Capital

9. The capital budget for 2010/11 is outlined in the following table:

	Revised Budget £000's	Outturn £000's	Variance £000's
Children, Education and Social Care	17,177	17,177	0
Development & Neighbourhood Services	41,325	41,118	(207)
Resources	3,966	3,935	(31)
<b>Total Programme</b>	<b>62,468</b>	<b>62,230</b>	<b>(238)</b>

10. The updated budget position incorporates the schemes which were re-profiled and identified in the 2009/10 Outturn report on 8 July. The budget has also been amended to reflect recent Government funding announcements in respect of reductions in capital grants as follows:-

**Extended Schools £95,000** – This funding is allocated following proposals received from schools. This will reduce the amount available for allocation.

**Youth Capital Fund £56,000** – The funding was earmarked to contribute to the development of a Youth Café in Ingleby Barwick. The Council is committed to implementing this project and the scheme and potential sources of funding are being reassessed.

**ICT Schools Grant £356,000** – Following agreement by the Schools Forum, the amount delegated to schools has been reduced to reflect this reduction.

**Housing Market Renewal Funding** – Confirmation of a reduction of £650,000 in funding was received and this has been incorporated into the revised programme for Parkfield Regeneration scheme. A separate report updating Members on this scheme is elsewhere on the agenda.

## Other Funding Announcements

11. A number of other funding announcements have been made which impact on the Council:-

**Contactpoint** – The Contactpoint programme has been stopped and associated funding of £60,000 will cease wef 31 August 2010. The employment of 3 staff is reliant upon this grant and officers are looking at the implications of this reduction alongside the requirement to introduce CAF (Common Assessment Framework).

**School Workforce Modernisation** – This grant will be reduced by £40,000 in the current financial year and will cease in 2011/12 with an impact of £117,000. Again officers are developing plans to reduce costs in this area.

**Training for School Staff** – This grant was to fund training for teaching assistants. Funding has ceased (£77,000) and schools have been notified that funding is no longer available to support the courses.

**Local Delivery Support Grant** – Reduction in the funding in respect of 14 – 19 diplomas, of £70,000. There are currently no commitments against grant.

**Migration Impact Fund** – Funding will reduce by half (£47,500) in this financial year and will cease thereafter. This is currently funding activity in relation to the impact of migration and this will therefore no longer continue for the second half of the year.

12. The Government have also indicated that the Playbuilder capital grants are currently under review and the Council has been asked to provide information on the programme. We are anticipating £440,000 in this financial year which is to be utilised to deliver the schemes outlined at **Appendix A** and has generated £288,000 in match funding. We have responded to the request outlining our current plans, the success of the scheme, and the impact on the community should funding levels change.

## School Sites

13. Members will be aware of the creation of the Northshore Academy, bringing together the former Norton and Blakeston schools. Recent announcements around BSF, and more recently Academy funding, indicate that we will not find out information on timescales on future funding until after the Comprehensive Spending Review. The preferred site for the Academy is the Tilery site, however, it is currently operating on the site of the former Blakeston school.

The Norton site is therefore now vacant and if this is not demolished it is likely to attract anti-social behaviour problems and will 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.

14. Members will also be aware that the site of the former King Edwin school is also vacant and officers have been reviewing options for this site. The site is 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 is 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.
15. The current estimated costs of the demolition are £600,000, though detailed asbestos surveys have not yet been undertaken, and although valuation of sites is difficult in the current climate, even a pessimistic valuation of the site exceeds this amount. There will however be issues of cashflow when demolition costs are incurred and it will be beneficial to delay marketing of the site until market conditions improve.
16. It is therefore recommended that Members approve the demolition of the two sites and the sale of the footprint of Norton School.

#### Future Funding

17. There continues to be significant uncertainty around future funding and detailed financial modelling for future years is extremely difficult. If however, reductions in funding are 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 will become clearer following the Comprehensive Spending Review in October and the subsequent Provisional Finance Settlement. Members will be aware that the Council has a managed and planned approach to delivering efficiency savings through our EIT programme and Partnering consideration, and this will continue. There may be however, a need to update and amend the programme as the future funding position becomes clearer. Members will be informed through further reports and Members Briefing Sessions.

#### **Treasury Management Annual Report**

18. As part of the CIPFA Code of Practice on Treasury Management activity, there is a requirement for the Treasury Management Annual Report to be presented to Council for approval. A copy of the report is detailed as **Appendix B and is available on E Genda.**

## Appendix A

### Playbuilder Programme 2010/11

	<b>Project Cost</b>	<b>Playbuilder Funding</b>	<b>Match Funding</b>
Bishopsgarth Park	90,000	40,000	50,000
Blue Hall Recreation Ground	95,000	25,000	70,000
Redbrook Playing Fields	65,000	22,000	43,000
Sixfields	35,000	35,000	
Land Adjacent Ingleby Mill School	120,000	70,000	50,000
Preston Park	150,000	120,000	30,000
Leven Park	75,000	50,000	25,000
Amberley Way	30,000	10,000	20,000
Wynyard Woodland Park	67,545	67,545	
<b>Total</b>	<b>727,545</b>	<b>439,545</b>	<b>288,000</b>



**ANNUAL REPORT  
ON**

**TREASURY  
MANAGEMENT &  
ACTUAL  
PRUDENTIAL  
INDICATORS**

**2009/10**

## **INTRODUCTION**

1. The annual treasury report is a requirement of the Council's reporting procedures. It covers the treasury activity during 2009/10, and the actual Prudential Indicators for 2009/10. The report meets the requirements of both the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local authorities. The Council is required to comply with both Codes through Regulations issued under the Local Government Act 2003.
2. The financial year 2009/10 continued the challenging environment of the previous year, although the second half of the year did see the UK economy recovering, albeit weakly. The main implications of the exceptional circumstances have been deteriorating investment returns and continuing counterparty risk.
3. This report summarises:-
  - The capital activity for the year and the impact on the Council's debt position;
  - The reporting of the required prudential indicators;
  - The overall treasury position of the Council;
  - A summary of interest rate movements in the year;
  - The detailed debt activity; and
  - The detailed investment activity.

## **THE COUNCIL'S CAPITAL EXPENDITURE AND FINANCING 2009/10**

4. Actual capital expenditure forms one of the required prudential indicators. The table below also shows how this was financed:

	2008/09	2009/10	
	Actual £000's	Estimate £000's	Actual £000's
Total capital expenditure	56,824	68,521	46,856
Resourced by:			
Capital Receipts	11,952	7,896	5,798
Capital grants	25,961	30,693	22,543
Capital reserves	6,553	12,653	1,923
Revenue	4,529	2,523	3,217
<b>Unfinanced capital expenditure (additional need to borrow)</b>	7,829	14,756	13,375

## **THE COUNCIL'S OVERALL BORROWING NEED**

5. The Council's underlying need to borrow is called the Capital Financing Requirement (CFR). This figure is a gauge for the Council's debt position and represents 2009/10 and prior year's net capital expenditure that has not been charged to revenue. The Non-Housing Revenue Account element of the CFR is reduced each year by a statutory revenue charge (called the Minimum Revenue Provision – MRP). There is no statutory requirement to reduce the HRA CFR. The total CFR can also be reduced by:-
  - The application of additional capital resources (such as unapplied capital receipts); or
  - Charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision.
6. The Council's 2009/10 MRP Policy (as required by the Department for Communities and Local Government Guidance) was included in the Treasury Management Strategy contained within the Review of the Medium Term Financial Plan and Budget 2009/2010 Report agreed by Council on 25<sup>th</sup> February 2009.

7. The Council's CFR for the year is shown below, and represents a key prudential indicator.

Capital Financing Requirement	31 <sup>st</sup> March 2009		31 <sup>st</sup> March 2010	
	Actual	Original Indicator	Actual	
	£000's	£000's	£000's	
Opening balance 1 <sup>st</sup> April	250,463	255,505	253,639	
Plus unfinanced capital expenditure	7,829	14,857	13,375	
Less MRP	4,653	8,043	7,969	
<b>Closing balance 31<sup>st</sup> March</b>	<b>253,639</b>	<b>262,319</b>	<b>259,045</b>	

#### **TREASURY POSITION at 31<sup>st</sup> MARCH 2010**

8. Whilst the Council's gauge of its underlying need to borrow is the Capital Financing Requirement, the Corporate Director of Resources can manage the Council's actual borrowing position by either:-
- Borrowing to the CFR; or
  - choosing to utilize some temporary cash flow funds instead of borrowing (under borrowing); or
  - borrowing for future increases in the CFR (borrowing in advance of need).
9. The figures in this report are based on the principal amounts borrowed and invested and so may differ from those in the final accounts by items such as accrued interest.
10. During 2009/10 as rates and the interest the Council generated on its investments fell it was financially advantageous for the Council to utilize some temporary cash flow rather than take out new loans to finance the Council's in year capital expenditure. Consequently the closing debt at 31<sup>st</sup> March 2010 varies only slightly from the start of the financial year. The difference is accounted for by some payments of principal on the Council's annuity loans. At the end of the financial year the Council's debt was £648,000 below the Capital Financing Requirement. The treasury position at the 31<sup>st</sup> March 2010 compared with the previous year is shown in the tables below.

	31 <sup>st</sup> March 2009		31 <sup>st</sup> March 2010	
	Principal	Average Rate	Principal	Average Rate
	£m	%	£m	%
<b>BORROWING</b>				
Fixed Interest Rate Debt	238.712	5.56	238.397	5.61
Variable Interest rate Debt	20.000	6.48	20.000	5.69
<b>Total Debt</b>	<b>258.712</b>	<b>5.62</b>	<b>258.397</b>	<b>5.62</b>

	31 <sup>st</sup> March 2009		31 <sup>st</sup> March 2010	
	Principal £m	Average Rate %	Principal £m	Average Rate %
<b>INVESTMENTS</b>				
Fixed Interest Investments	92.000	5.57	33.0	2.44
Variable Interest Investments	21.885	5.06	99.415	1.77
<b>Total Investments</b>	113.885	5.46	132.415	2.24
<b>Net Borrowing Position</b>	144.827		125.982	

### **PRUDENTIAL INDICATORS AND COMPLIANCE ISSUES**

11. Some of the required prudential indicators provide either an overview or specific limits on treasury management activity. These are shown below:-
12. Net borrowing and the Capital Financing Requirement – In order to ensure that borrowing levels are prudent, over the medium term the Council's external borrowing, net of investments, must only be for a capital purpose. Net borrowing should not therefore, except in the short term, exceed the Capital Financing Requirement for 2009/10 plus the expected changes to the Capital Financing Requirement in 2010/11 and 2011/12. The table below highlights that the Council has complied with this requirement.

	31 <sup>st</sup> March 2009	31 <sup>st</sup> March 2010	
	Actual £m	Original Indicator £m	Actual £m
Net borrowing position	144.827	148.397	125.982
Capital Financing Requirement	253.639	262.319	259.045

13. The Authorised Limit - is the "Affordable Borrowing Limit" required by section 3 of the Local Government Act 2003. The Council does not have the power to borrow above this level. The table below demonstrates that during 2009/10 the Council has maintained gross borrowing within its Authorised Limit.
14. The Operational Boundary - is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the Boundary is acceptable subject to the Authorised Limit not being breached.
15. Actual financing costs as a proportion of net revenue stream – this indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

	<b>2009/10 £m</b>
Authorised Limit	296.800
Maximum gross borrowing position during 2009/10	258.712
Operational Boundary	273,000
Average Gross Borrowing position during 2009/10	258.583
Minimum Gross Borrowing position during 2009/10	258.397
Financing costs as a proportion of net revenue stream:	
General Fund	2.6%
Housing Revenue Account	22.3%

### **ECONOMIC BACKGROUND FOR 2009/10**

16. Financial markets calmed down in the early stages of 2009/10 as the worst fears of a global depression and bank meltdown subsided. Nevertheless, while economies showed tentative signs of stabilizing, a return to positive growth was still considered to be a long way off. Indeed UK Gross Domestic Product data for the first half of 2009 registered its sharpest fall for over 20 years.
17. It was not until the summer months that economic performances began to stage a welcome improvement. Fear of a collapse of another leading financial institution lessened markedly and this was reflected in the more 'normal' behaviour of money market rates. That said, banking sectors in most countries were far from trouble free; asset write downs persisted, minor US banks continued to fail and the troubles of a number of building societies continued to make headlines.
18. The UK economy continued to post a mixed performance and it was far from clear how far down the road to recovery it had traveled. The low point of the business cycle was passed during the third quarter of the year but the return to positive growth proved stubborn; for the UK this would not materialize until the fourth quarter of 2009.
19. Industrial production was one of the buoyant areas of the economy, although it was far from consistent. The main area of uncertainty remained consumer spending. This key driver of economic activity was hampered by the household sector's striving to reduce its heavily indebted position. This, along with the continued deterioration in the employment situation and the weakness of earnings growth served as further deterrents to spending.
20. The bias of MPC decisions remained directed towards policy ease throughout the year. As official rates had been reduced to near zero (0.5% Bank Rate), monetary relaxation took the form of the extension of the Quantitative Easing programme. The £125bn sanctioned in March was followed by two further boosts, £50bn in August and £25bn in November.
21. This approach, coupled with dwindling fears of financial collapse, created an environment in which money market rates eased to yet lower levels. This was a sign that banks were more comfortable about transacting business between each other but the availability of credit to a wider cross-section of the economy remained problematic through to year-end.

22. Long-term interest rates did not suffer from the massive gilt funding requirement created by the surge in the public sector deficit. The Quantitative Easing programme was the principal source of market support. The large-scale purchasing of stock that this element of monetary policy required meant the Bank of England was to absorb virtually all of the year's supply.
23. Nevertheless, the programme was not sufficient to drive yields below the low point seen immediately after the inauguration of the QE programme in March 2009. Long-term rates remained generally erratic, (frequently registering large intra-day movements), but fluctuated within a comparatively narrow range.

#### **THE STRATEGY AGREED FOR 2009/10**

24. The borrowing strategy for 2009/10 was set against an expected rise in long-term fixed interest rates over the medium term, with the possibility of borrowing in advance of need being considered if borrowing rates deteriorated. The option of postponing borrowing and running down investment balances was also considered a possibility. This latter strategy would have the advantage of reducing counter-party risk and also mitigate against any expected fall in investment returns.
25. The Council's investment strategy was again based on the expectation on the bank base rate remaining low during 2009/10 with a small increase in rates during 2010/11. In more normal times investments would have been invested longer to secure better returns however uncertainty over counter-party creditworthiness would suggest that shorter dated investments would provide better security. In the end the strategy recommended a balanced portfolio that balanced returns with immediacy of access and security.
26. These strategies were set on the understanding that the Corporate Director of Resources would undertake the most appropriate form of borrowing and investments depending on the prevailing interest rates at the time.

#### **ACTUAL DEBT MANAGEMENT ACTIVITY DURING 2009/10**

27. Borrowing – no new loans were taken out during 2009/10.
28. Rescheduling – the loans portfolio is continuously monitored throughout the year to identify the possibility of budget savings from rescheduling loans. Interest rates were such that the cost of premium payments outweighed the savings that would accrue from any restructuring and as a consequence no restructuring was undertaken during the year.
29. Summary of Debt Transactions – there was very little debt activity during the year. High premium payments meant that debt rescheduling was not financially advantageous to the Council. Consequently the average rate of the Council's debt remained the same as in the previous year, at 5.62%.

#### **INVESTMENT POSITION**

30. The Council's investment policy is governed by ODPM (now CLG) Guidance, which is implemented in the annual investment strategy approved by Council on 25/02/2009. The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

31. The Council does not have the expertise or the resources to use a wide range of investment products and therefore opportunities to invest are limited to cash deposits. During the year the Council maintained an average balance of £147.584m and received an average return of 2.24% gross (2.18% once deductions for interest paid on school balances etc. have been made). The comparable performance indicator is the average 7-day LIBID rate, which was 0.368%. This compares with a budget assumption of average investment balances of £114m at 2.56% interest rate (after deductions for school balances etc).

### **PERFORMANCE INDICATORS SET FOR 2009/10**

32. The Treasury Management service has set the following performance indicators:-
- Debt – movement in the Council's consolidated rate of interest over the year (paragraph 29 refers);
  - Debt – rate of new borrowing taken out during the year compared to the rates that were available (paragraph 27 refers);
  - Investments-returns above the 7 day LIBID rate (paragraph 31 refers)

### **REGULATORY FRAMEWORK RISK AND PERFORMANCE**

33. The Council's treasury management activities are regulated by a variety of professional codes and statutes and guidance:

- The Local Government Act 2003 (the Act) which provides the powers to borrow and invest as well as providing controls and limits on this activity;
- The Act permits the Secretary of State to set limits either on the Council or nationally on all local authorities restricting the amount of borrowing which may be undertaken (although no restrictions were made in 2009/10);
- Statutory Instrument (SI) 3146 2003, as amended, develops the controls and powers within the Act;
- The SI requires the Council to undertake any borrowing activity with regard to the CIPFA Prudential Code for Capital Finance in Local Authorities;
- The SI also requires the Council to operate the overall treasury function with regard to the CIPFA Code of Practice for Treasury Management in the Public Services;
- Under the Act CLG has issued Investment Guidance to structure and regulate the Council's investment activities.
- Under section 238(2) of the Local Government and Public Involvement in Health Act 2007 the Secretary of State has taken powers to issue guidance on accounting practices. Guidance on Minimum Revenue Provision was issued under this section on 8<sup>th</sup> November 2007.

34. The Council has complied with all the above relevant statutory and regulatory requirements which limit the levels of risk associated with its treasury management activities. In particular its adoption and implementation of both the Prudential Code and the Code of Practice for Treasury Management means both that its capital expenditure is prudent, affordable and sustainable, and its treasury management practices demonstrate a low risk approach.

## PERFORMANCE UPDATE QUARTER 1

35. The second part of this report provides Members with progress against, the National Indicator set, details of resident feedback on consultation activity, a summary of Freedom of Information requests received, a position statement regarding the staff suggestion scheme and the regulation of investigatory powers. A series of appendices relating to these areas have been prepared to support the report and provide members with a full picture of performance, they are not attached to the report. These are detailed below and are available on E-genda and also at:-

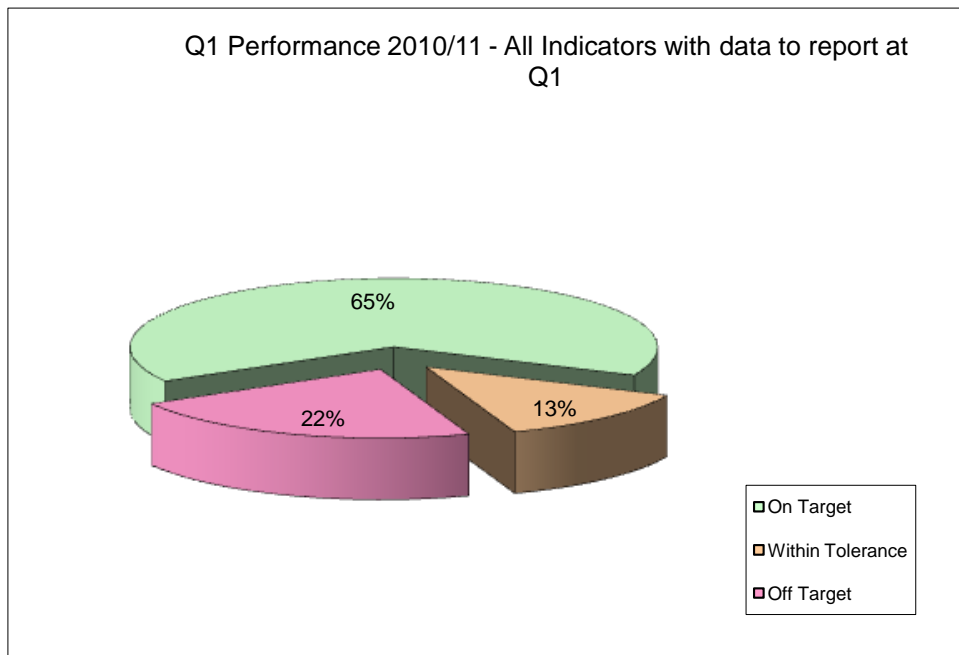
[www.stockton.gov.uk/yourcouncil/performance/qtrperfmonitor](http://www.stockton.gov.uk/yourcouncil/performance/qtrperfmonitor)

Appendix 1	Deleted National Indicators
Appendix 2	National Indicator Set - (LAA indicators are identified)
Appendix 3	Freedom of Information Summary and Comments
Appendix 4	Regulation of Investigatory Powers (RIPA)
Appendix 5	EIT Review Update

## OVERALL PERFORMANCE OF NATIONAL INDICATOR SET

36. The National Indicator set for 2010/11 has seen a reduction in the overall numbers of measures that are required to be reported, compared to 2009/10. The deletion of measures started in February of 2010 with 13 measures being deleted with immediate effect. Subsequently the abolition of the Place Survey, the Tell Us survey, Tenant Satisfaction Survey and many of the APAC's measures (Assessment of Policing and Community Safety), means that there is no longer a statutory requirement to report on a further 49 measures. A list of the measures where there is no longer a statutory requirement to report data for 2010/11 is attached at **Appendix 1**. The Department for Communities and Local Government and the Audit Commission have indicated that over the coming months there will be a further review of the remaining National Indicator set and additional revisions to the National Performance Framework. No details have been published to date but this is expected at any time and may well fit with the timeline of the comprehensive spending review in the autumn and publication of the Localism Bill.
37. In response to the current changes and in anticipation of any further amendments or deletions to the performance framework we are currently reviewing our monitoring and reporting arrangements within the Council and the Local Strategic Partnership. A report will be brought to members at Quarter 2 detailing proposed revisions.
38. At Quarter 1, of those national indicator measures where information is available, 78% (67 indicators) across all themes have achieved targets or are within the agreed tolerance this compares to 83% at quarter 1 last year. Details of achievements and areas for closer monitoring are included in the thematic sections of the report and full list of all measures, outturn and commentary is available at **Appendix 2**.





## LOCAL AREA AGREEMENT

39. The current Local Area Agreement (LAA) is now in its final year of the 3 year agreement with central government. As referenced above, some of the indicators negotiated within the agreement have now been deleted due to the abolition of the Place Survey and the deletion of the APACs measures. The implications of these deletions on the LAA are still to be clarified by DCLG and we are awaiting final guidance on this. Through existing and alternative collection methodologies we are continuing to collect as much data as possible against the measures included in our LAA and will continue to report progress against targets wherever possible. Guidance on the reward element of the LAA is also anticipated.

## COUNCIL PLAN

40. Full monitoring of progress against the Council Plan objectives will be available at Quarter 2 in line with normal annual reporting policies. The impact of current budget implications and policy changes on the priorities and actions identified within the Council Plan 2010 - 2013 is currently being assessed and details of these will be reported to members at Quarter 2.

## PROGRESS BY COUNCIL PLAN THEME

### ECONOMIC REGENERATION AND TRANSPORT

41. Monitoring of the impact of the economic climate continues across all areas of service provision with continued regular reporting on progress and initiatives to Cabinet. There is a time lag on nationally validated data for many of the measures within this theme in particular employment and business related data. However local knowledge and unvalidated data and intelligence allow us to continue to track performance in these areas. Areas of good performance are detailed below:

- **People killed or seriously injured in road traffic accidents (NI 47)** – There were 17 people either killed/ seriously injured in road traffic accidents in the borough during the period January – May 2010, six fewer than in the same period in 2009. There were no fatalities in these numbers. If performance is maintained at targeted levels for the remainder of 2010, this will equate to a rolling three year reduction of 6.4% which is an improvement on the 2010/11 target.
- **Children killed or seriously injured in road traffic accidents (NI 48)** – 3 children were killed or seriously injured in road traffic accidents in the borough during the period January – May 2010, 2 fewer than in the same period last year, again there were no fatalities in these numbers. If performance is maintained at targeted levels for the rest of 2010, this will equate to a rolling three year reduction of 1.1%, which is equal to the 2010/11 target.
- **Percentage of reported incidents of dangerous damage to roads and pavements, repaired or made safe within 24 hours (Local PI)** – during the quarter there were 126 reported incidents (176 for Q1 2009/10). Performance continues at 100%
- **Planning applications determined** - all categories of planning applications achieved their individual targets (**NI 157 (LAA)**), with 100% of major applications (75% target), 93.65% of minor applications (80% target) and 94.17% of other applications (88% target) determined within timescale.

42. Areas requiring closer monitoring:

- **Working age people on out of work benefits. (% points gap between Stockton and National Average) (NI 152)** - based on the latest data available from December 2008 to November 2009, 16% of working age people were on out of work benefits. This compares with 13.5% nationally, a gap of minus 2.5% points. The 2010/11 target is minus 2.2% points.
- **Working age people claiming out of work benefits in the worst performing neighbourhoods. (% points gap between Stockton and North East Average) (NI 153)** - Based on the latest available data from December 2008 to November 2009, 33.6% of working age people were claiming out of work benefits in the worst performing neighbourhoods, in comparison to a North East figure of 32.5%, a gap of minus 1.1% points. The 2010/11 target is minus 0.2% points.

## ENVIRONMENT AND HOUSING

43. Overall the Council is performing well in this area. Areas of good progress are detailed below:

- **Net additional homes provided (NI 154) (LAA)** - Performance at quarter 1 is 198 net additional homes provided (quarter 1 2009/10 104 net additional homes). This is on course to meet the 2010/11 target.
- **Number of affordable homes delivered (gross) (NI 155)** – 45 affordable homes were delivered during quarter 1 (22 affordable homes at quarter 1 2009/10) representing 8 social and rented and 37 intermediate tenures. This is on course to meet the 2010/11 target.
- **Number of kilograms of residual household waste collected per household (NI 191) (LAA)** – quarter 1 performance is 183kg (2009/10 quarter 1 186kgs) and the year end prediction is on track to achieve the annual target of 700 kgs.

- **Percentage of vulnerable people achieving independent living (NI 141)** – good performance at quarter 1 of 73.77%, which exceeds the annual target of 65%.
- Similarly, quarter 1 performance for the **Percentage of vulnerable people who are supported to maintain independent living (NI 142) (LAA)** was 99.54%, exceeding the annual target of 97.8%.

44. Areas of slippage against the targets in this theme are detailed below:

- **Supply of ready to develop housing sites (NI 159) (LAA)** - The 2010/11 year end prediction of 138.4% (below the in year target) is based on the draft 2010 Housing Trajectory, together with the 2009 Strategic Housing and Land Availability Assessment. The draft 2010 Housing Trajectory will be finalised ahead of the Annual Monitoring Report which is due to be published December 2010.
- **Percentage of municipal waste land filled (NI 193)** - Performance at quarter 1 is 21.74%, and the predicted reduction in landfill over the year means we are on track to achieve the annual target. Note that due to problems at the Energy from Waste plant, the annual target has been raised from 8% in 2009/10 to 20% in 2010/11.
- **Improved street and environmental cleanliness (NI 195c - graffiti)** - 2010/11 performance at quarter 1 is 5% (taken from the first of three surveys to be undertaken during 2010/11). The increase in graffiti levels compared with previous surveys is largely due to the type of transects being targeted as part of the surveys (e.g. industrial land, retail and commercial, and recreation areas).

## SAFER COMMUNITIES

45. The Council and its partners continue to perform well in this area. Most indicators are on track to achieve the year end targets. Areas of good progress are detailed below:

- **Serious acquisitive crimes per 1,000 population (NI 16)** – the number of crimes recorded during quarter 1 is 298, compared to 463 in the same period last year.
- **Numbers of deliberate primary and secondary fires (NI 33)** - 215 arson incidents have been reported during quarter 1, compared to 414 during the same period last year. The projection is 44.8 per 10,000 populations, which is set to exceed the annual target of 81.9 per 10,000 populations.
- **NI 43 – Young people receiving a conviction who are sentenced to custody.** The 5% outturn (25 young people) for 2009/10 was in line with the target, reflecting effective partnerships with local sentencers and the impact of policing policy. The 2.8% recorded at Q1 is in line with the same period last year and suggests that performance is on track to remain positive.
- **Young offenders engagement in suitable education, employment or training (NI 45)** - strong performance achieved during quarter 1 of 94.4% (2009/10 quarter 1 84.2%) which exceeds the annual target of 90%.

46. Annual targets may be difficult to achieve in the following areas:

- **Number of most serious violent crimes per 1,000 population (NI 15) (LAA)** – 35 serious violent crimes have been reported during quarter 1 compared to 24 in the same period last year. The annual projection is 0.73 per 1,000 population, which means that the annual target may not be achieved.
- **Rate of proven re-offending by young offenders aged 10-17 (NI 19)** - The baseline year of 2005 (which was determined nationally as the basis of the current target) was not representative of normal performance (i.e. it was a year when the re-offending rate was exceptionally low) so we are placed at an immediate disadvantage in terms of ever demonstrating improvement beyond the baseline. The 2009-10 outturn was 1.41 (the ratio of re-offences to the number young offenders in the cohort – i.e. 208 offenders, and 293 re-offences). The Q1 position is slightly better than that recorded at the same time last year, but suggests that this will remain a challenging issue to address. Ongoing analysis of interventions and close working with partners in Community Protection and the Police continue. It should be noted that the actual rate of young offenders has been fairly constant over recent years; the issue affecting performance is the increased rate of re-offences by the cohort of young offenders which is tracked each year through this indicator.
- **Repeat incidents of domestic violence (NI 32)** - There have been 12 repeat cases of domestic violence referred to MARAC out of a total caseload of 30 which equates to 40.0% during quarter one (target 34.4%).
- **Rate of hospital admissions per 100k for alcohol related harm (NI 39) - Performance** at 09-10 year-end was 2,260 per 100,000 population against a year-end target of 2,032. This equates to 4,364 admissions against a target of 3,924. The Q1 position (423 per 100,000 populations, i.e. 823 admissions) represents the first 2 months of 2010/11. Of those, 233 were wholly alcohol related. Improvement activity for 2010/11 includes:
  - Commissioning screening, brief interventions and advice, open access comprehensive assessment and structured counselling services for hazardous drinkers.
  - Developing a consistent local Tees message around harm caused to individuals and families from drinking.
  - Commissioning specialist treatment, home and community detox and prescribing for harmful and dependent drinkers.

## **STRONGER COMMUNITIES**

47. There is limited performance indicator information available against this theme, however there have been some activities undertaken within the last quarter that contribute to building stronger communities. Some key projects include:

- Re-launch of the Offensive Incidents Scheme – In particular the key point of focus for the re-launch was to encourage all types of hate crime to be reported whether racially motivated or homophobic harassment. Leaflets have been printed and circulated to partners and reception areas.

- Equality Scheme for Schools –support and guidance has been provided to the school advisory service in the development of the Equality Scheme for Schools. This is the first scheme to be completed nationally which incorporates equality and diversity (age, gender, race, faith/belief, sexual orientation and disability), community cohesion and elements of the preventing violent extremism agenda. In the North East, Stockton is the first local authority to embed a scheme of this sort. The Diversity Team has worked with partners such as school governors, head teachers of primary and secondary schools and school link advisors in the development of the scheme which is one of the components of the Inclusion Quality Mark
- Continue to work closely with VCS to support development of thriving and sustainable VCS sector.

## CHILDREN AND YOUNG PEOPLE

48. Performance indicators showing positive progress:

- **Stability of placements of looked after children – number of placements (NI 62)**  
Good performance is being sustained in NI 62 (which measures short-term stability based on 3+ moves within a year) continuing the very good level of performance achieved in 2009-10 (year-end position of 8.3%, i.e. 24 with 3+ moves, out of 289 children, despite the increasing volume of activity during Q4. At the end of Q1, 4 cases with 3+ moves suggests that the 8.5% target for 10-11 remains achievable.
- **NI 114: Rate of permanent exclusions from school.** A very good track record of performance in this area continues, with zero permanent exclusions recorded for the Autumn Term 2009 period, maintaining performance on track to meet the target.
- **First time entrants to the Youth Justice System (NI 111 – LAA measure).** The 2009-10 outturn reflected a continuation of the improvement in performance that was brought about at the end of the previous year, reflecting the close working arrangements between the Youth Offending Service and the Police. The Q1 position indicates a continuation of the positive trend, with a reported rate of 361 per 100,000 population – representing 72 young people from a total population of 19,935 10-17 year olds). This compares to 433 per 100,000 population at Q1 2009/10.
- **Children missing from home or care (NI 71).** Very good progress has been made in this area, from a low baseline at the beginning of the year. The indicator is measured through a quarterly local authority self-evaluation scored on a range from 0 to 3 (low–high) for each of five criteria, i.e. the extent to which:
  - a) local information about running away is gathered
  - b) local needs analysis, based on gathered information, is in place
  - c) local procedures to meet the needs of runaways agreed
  - d) protocols for responding to urgent/out of hours referrals from police or other agencies are in place
  - e) local procedures include effective needs assessment protocols, to support effective prevention /intervention work.

The total possible score from the self-evaluation is 15.

Our total score of 4 at the end of June 09 was one of the lowest, well below national and regional averages (8.0 and 7.8 respectively). However, our most recent self-evaluation return (end of June 2010) indicates improvement to a score of 13 reflecting improvements put in place for recording, monitoring and analysis of data across partners; and the approval of a Tees-wide protocol to ensure that effective safeguarding responses are in place when a child goes missing from home or care. Development of preventative services is an area for further attention in the future.

- **Children's Residential provision.** Inspection outcomes continue to demonstrate the very good quality of our provision, with three of our homes sustaining their 'excellent' rating and the other retaining 'good' in most recent inspections (since December 09). Also, Westlands Residential School achieved 'outstanding' status in its recent inspection.

49. Areas requiring closer monitoring include:

- **Percentage of children becoming the subject of a Child Protection Plan for a second or subsequent time (NI 65)** – quarter 1 performance of 14.5% exceeds target for the year. However, good performance is seen as being between 10% and 15% although performance is above our statistical neighbour average of 12.2% and the national average of 12.8%.
- **Secondary schools judged as having good or outstanding standards of behaviour (NI 86)** - National reporting of this indicator takes 31 December each year as its outturn reference point. In December 2009, 10 of 13 (77%) schools' latest judgements were good or outstanding (this compares with 80% nationally for schools inspected in the 08-09 school year). Following a more recent secondary school inspection, in which behaviour was judged as satisfactory, the most recent position at Q1 stands at 9 of 13 schools (69%). Taking account of forthcoming school closures and the new Academies (which will not have been inspected) a year end position of 90% (11 of 12 schools) is projected.
- **NI 87: Secondary school persistent absence rate.** Final validated data for the last school year (08-09) was published nationally in March 2010. For this indicator (i.e. secondary school pupils with 64 or more sessions of absence during the school year) there was a slight improvement from the previous year of 5.4% (i.e. the number of persistent absentees as a % of all pupils enrolled) to 5.3%; however, the overall rate of improvement was greater in other areas with the result that our performance is now slightly below that of the national and regional averages (4.9% and 5.1% respectively). Performance reflects the position in seven of our secondary schools which are above the 6.1% national threshold. As a result, each of these schools has been receiving additional support from the Attendance and Exclusion Team. A Good Practice forum has been established to share information and best practice between all secondary schools. A full range of intervention has been put into place in these schools, including proactive and punitive measures for children and families where attendance is less than good. All of the seven schools have been successful in reducing their persistent absence levels over the past year (details to be included in Q2 report).

- **Performance on NI 63 (LAA) (which measures longer term placement stability)** began to tail off during the last few months of 09-10 and this pattern has continued during Q1 (62.9% at the end of June means that, of 70 children looked after continuously for at least 2.5 years, 44 had been in a stable placement for at least 2 years), below the 68% target. This position reflects the knock-on effect of the gradual increase in numbers of children in care over the past three years and the challenges associated with securing stable long-term placements for those with more complex needs. Addressing placement stability is a key priority, with actions agreed through the EIT review of Children's Placements that will help to address improvement. This issue will figure as a key priority also in the new Corporate Parenting Strategy.
- **Performance on the timeliness of assessments (NIs 59 and 60)** dropped during the latter part of 09-10, reflecting the increasing volume of activity, workload pressures, and the revised recording procedures that were put in place following in-depth review during the Q3 period. Targets for these indicators have been revised for 2010-11 to reflect the current arrangements whilst maintaining a focus on improvement. Performance during Q1 continues to reflect the challenges experienced during the 09-10 Q4 period and significant improvement will be needed over the remaining quarters of 10-11 to catch up on the deficit and meet the target.

## HEALTH AND WELLBEING

50. Whilst there continue to be significant challenges to securing the long-term changes that will address underlying health inequalities within our communities, there are positive improvements and progress in some of those indicators that will underpin longer term health outcomes. These are detailed below:

- Good progress has continued in relation to **stopping smoking** (4 week quitters per 100,000) (**LAA – NI 123**). The 09-10 outturn showed performance exceeding the target - 1,748 4-week quitters against a year-end target of 1,703, equating to a quit rate of 1131.5 against a target quit rate of 1091.7. The Q1 position (end of June) shows a rate of 242.2 per 100,000 population (381 quitters), ahead of the projected rate of 216.1 for the Q1 period. Initiatives that have impacted on the positive performance include:
  - The introduction of the local tariff payment by results (outcomes) system which put greater onus on providers to develop ways of improving success rates.
  - A Tees-wide smoking in pregnancy radio campaign.
  - 21 Community Pharmacies in place within Stockton offering stop smoking services increasing client choice across the town and 10 Stop Smoking Sessions a week across the town run by the Stop Smoking Service.
- **Timeliness of social care assessments (NI 132)** - Changes to assessment processes made a positive impact on the overall speed of assessments during the full 09-10 period (82.5% completed within 28 days compared to 70% the previous year – excellent progress, particularly taking account of the increase in volume of referrals during the period). Preliminary indications from national data suggest that this performance will have gone some considerable way to closing the gap on the average of our comparator group of local authorities. The position at Q1 (82%) indicates that the improved level of performance is being sustained. However, it should be noted that the delay at the end of the year in finalising a significant number of assessments (pending resolution of the RAS issue) will have an adverse impact on performance during the next quarter.

- **Early access for women to maternity services (NI 126)** – the latest available data for quarter 3 2009/10 is 130.2%. The indicator measures 12 week assessments against maternities/ deliveries 6 months later i.e. quarter 1 assessments are reported against quarter 3 maternities. Target is to achieve 90% in each quarter. Actual performance above 100% is explained by more women being assessed at 12 weeks than go on to deliver 6 months later due to early deliveries falling into previous quarter, late deliveries falling into the following quarter, effect of miscarriages / terminations. Indicator profile assumes a certain number of maternities each quarter which may be less or more when the data is analysed.
- **People aged 18+ supported to live independently through social services (NI 136)** - the Q1 position (4,031 per 100,000 population) indicates that the good level of performance achieved during 09-10 is being sustained. Our local 2009/10 evaluation of service user experience and impact showed a very high level of support; of those surveyed, 79% felt they could now live independently.
- **Offenders under probation supervision in employment at the end of their order or licence (NI 144)** - quarter 1 data shows there were 29.4% of offenders under probation supervision in employment at the end of their licence. Based on this performance we are predicting to achieve the annual target.
- **Annual User Experience Survey – Equipment.** The annual survey, conducted in the spring 2010 (in line with the national DH guidelines), was on ‘Equipment Quality and Outcomes’ (last conducted in 07-08) and the following two questions in the survey are used to inform two national indicators:
  - How has the equipment/minor adaptation affected the quality of your life? (**NI 127: Self reported experience of social care users**) – 76.4% indicated that ‘it made it much better’.
  - How happy are you with the way those who discussed your needs treated you? (**NI 128: User reported measure of respect and dignity in their treatment**) – 89.8% indicated they were ‘very happy with the way they treated me’.

Preliminary national comparisons suggest that these are both very positive levels of response compared to other councils.

51. Areas where further improvement is still required are detailed below:

- **Social care clients receiving self-directed support (Direct Payments and Individual Budgets) (NI 130).** Self-directed support was implemented for all new service users from December 2009, although challenges arising from testing and development of an effective RAS (Resource Allocation Scheme) resulted in delay in the full roll-out of our new self-directed support (SDS) arrangements until May / June. As a result, the 15% year end target for 09-10 was missed. Arrangements are now in place for full implementation of the SDS process, and for confirmation of personal budget allocations; however, this has not yet impacted fully on the recorded performance during Q1 (8.1% represents 423 clients receiving self-directed support, although a significant number of clients will be added during Q2 as backlogs in the confirmation of personal budgets are cleared).



- **Carers receiving needs assessment or review and a specific carer's service, or advice and information (LAA – NI 135).** This continues to be a key priority for development. The 09-10 outturn of 19.7% showed little change from the 19.6% in the previous year, and was below the 24% target. The Q1 position of 4.7% (i.e. 239 carers receiving services from a total 5,060 clients in receipt of community based services) is below the level at the same time last year. However, analysis needs to take into account our context locally - i.e. we continue to deliver a significant proportion of equipment to clients in Stockton, reflecting the universal eligibility for this service in line with our commitment to prevention; however, people accessing equipment only services do not normally get offered a carers assessment, which has an adverse impact on NI 135 because of the way performance is calculated. So, for example, the 09-10 outturn would have been in excess of 25% if the calculation excluded those clients who were assessed for equipment only.
- **Breastfeeding prevalence (NI 53 - LAA measure).** The 09-10 target was not achieved (year end rate of 25.8% against a target of 30.5%). Q1 position of 26.9% is below the projection for the period of 34.37%. This equates to 26 partially breastfed and 130 totally breastfed babies from a cohort initiating of 579. The Community Breastfeeding Support Service continues to encourage breastfeeding maintenance for women following discharge from hospital.
- **Prevalence of Chlamydia in under 25 year olds (NI 113) (LAA) – quarter 1** performance of 4.65% against a target for the period of 7%. This equates to 1,208 screens against a target of 1,820. The PCT continues to monitor the number of screens and is not currently reporting prevalence whilst the number of screens remains low. Work is underway via Tees Integrated Chlamydia Screening Group to manage the implementation of a screening action plan to improve performance

## OLDER ADULTS

Overall there are few national performance measures specific to this theme; however, some local indicators monitor performance in relation to the balance of social care provision for older people (aged 65+) between home care and residential provision.

- For '**older people helped to live at home**' the indications are that this is remaining fairly static. The 09-10 outturn of 103.5 per 1,000 population aged 65+ (i.e. 2938 older people) was slightly below the previous year's rate of 104.8, and missed the target rate of 105.6 (i.e. 3,000 older people). The Q1 position of 100.2 (2889 people) remains similar to the past year's position.
- For '**permanent admissions to residential and nursing care**' 09-10 saw a further increase, to 115.8 per 10,000 popn aged 65+. This was an increase from 08-09 (271 admissions up to 329) missing the target of 255. The Q1 position (73 admissions in the quarter) is a higher rate than the same quarter last year, indicating that residential admissions are not yet reducing. A panel system to gatekeep proposals for residential care has been operational since December 2009; however, the panel has reported an increasing number of cases where residential provision has been considered essential for the safety and wellbeing of the client.

Whilst the above indicators point to the need for continued priority to reducing residential placements, there are some positive indicators of support to promote people's independence:

- NI 136: **People aged 18+ supported to live independently through social services:** the Q1 position (4031 per 100K) indicates that the good level of performance achieved during 09-10 is being sustained.
- Our local 2009/10 evaluation of service user experience and impact showed a very high level of support; of those surveyed, 79% felt they could now live independently.

52. Areas where further work is still required are detailed below:

- **For 'permanent admissions to residential and nursing care'** 09-10 saw a further increase, to 115.8 per 10,000 population aged 65+. This was an increase from 08-09 (271 admissions up to 329) missing the target of 255. The Q1 position (73 admissions in the quarter) is a higher rate than the same quarter last year, indicating that residential admissions are not yet reducing. A panel system to gatekeep proposals for residential care has been operational since December 2009; however, the panel has reported an increasing number of cases where residential provision has been considered essential for the safety and wellbeing of the client.

## LEISURE AND CULTURE

53. Responsibility for the Leisure and Culture service areas transferred from CESC to DNS from 1 April 2010 including libraries and museums. Areas of good progress are detailed below:

- **NI 8: the proportion of adults who participated in sport and active recreation** of moderate intensity for at least 30 minutes a day for 3 or more days. Interim data was released by the Department for Culture, Media and Sport (DCMS) on 17 June 2010; this showed Stockton to have achieved participation rates of 23.8% (base of 1,000 respondents). A further release is scheduled for December 2010, which will form the 2010/11 performance outturn for NI 8. The interim data represents an improvement of 0.7% points compared to the 2009/10 performance outturn of 23.1%.

54. Key points to note from monitoring of performance against local measures are:

- **Museum visits/ usage per 1,000 population** - A total of 37,259 visits / usages were recorded at Preston Hall in the period 1 April 2010 – 30 June 2010 inclusive, representing approximately 37% of the annual target, or 194 visits / usages per 1,000 population. Increased outreach activities are planned for the remainder of 2010/11 as part of planned activities during the closure of Preston Hall, scheduled for December 2010 to February 2011.

## ORGANISATIONAL AND OPERATIONAL EFFECTIVENESS

55. There are limited measures within the National Indicator set that contribute to this theme. Good progress has been made to deliver the objectives identified under this theme. Key points to note are:

- The target date of 31 August 2010 for achievement of the Corporate Customer Service Excellence standard has been achieved well in advance. The final one-day assessment took place on 8 June 2010 and a press release was issued on 9 July 2010 promoting the achievement for all Council services. Stockton is just one of 6 councils nationally to achieve such an accolade.

- Job evaluation reviews and appeals have now been completed. The MTFP has been amended in the light of the £5 m budget.
- The Agresso 5.5 upgrade went ahead as planned in April 2010 and, alongside this, the review of financial administration was successfully completed.
- Performance of payment of invoices has improved significantly from 65.25% in 2008/9 to 94.4% paid within 30 days in quarter 1 2010/11, exceeding the annual target of 93.5%.
- Sickness absence has again reduced; performance for quarter 1 was 2.05 days per FTE compared to 2.14 days per FTE for the same period last year.
- Preparation for the 2011 Census is progressing.
- An updated version of the Constitution has been produced for Members/Officers' consideration. A September publication date is proposed.
- Revised Regulation of Investigatory Powers (RIPA) policy and procedures have been agreed by Cabinet to reflect new legislative requirements.
- The Standards Committee and its work continues to be publicised. However, other aspects of standards are being reviewed/held back pending the Decentralisation and Localism Bill.
- The Parliamentary General Election was held on 6 May 2010. A year's worth of planning, working with partners and suppliers paid dividends with a successful election outcome. Clear roles and good communications contributed to this success.
- The Yorkshire Regiment paraded through the Town Centre before receiving the Freedom of the Borough from Stockton Council on 24 June during Armed Forces week. The project planning paid dividends and the parade was extremely well received.

56. Slippage has occurred in the following areas:

- The Print Consolidation Project has fallen behind target. The review was scheduled to be completed by July 2010; it is now not expected to be finalised by October 2010. This is because, although a review of the existing fleet estate of printers has been finished to timescale, it needs to adhere to the OGC Process for Procurement. The Draft Print Policy has been agreed by the ICT strategy group and a CMT report for approval of the Print Policy and authorisation to proceed with procurement was considered in early August 2010.
- Refresh of the Scrutiny Improvement Plan and finalisation of the Annual Report has slipped due to other work pressures. This work needs to be completed at the earliest opportunity.

### **Freedom of Information Requests.**

57. A record of Freedom of Information (FOI) and Data Protection (DP) requests received is maintained across Council departments. **Appendix 3** identifies numbers. There was a slight dip in the number of FOI and DP subject access requests received compared to quarter 4 of 2009/10. This will continue to be recorded and monitored.

## **Staff Suggestion Scheme.**

58. This scheme is designed to encourage a culture in which staff feel that they can “make a difference” by making positive suggestions that will lead to improvements and contribute to the success of the Authority. This is the first quarter that this scheme has been in operation and up to the end of July, 11 suggestions had been received. These will be evaluated as detailed in the report members received when approving the scheme. Future monitoring reports will highlight those ideas adopted and improvement or saving made as a result of implementing the suggestion. A “top tips” section has been included in the staff newsletter KYIT.

## **Regulation of Investigatory Powers**

59. As reported to Cabinet on 20 May 2010, new duties and responsibilities relating to the Regulation of Investigatory Powers (RIPA) legislation have been introduced. In particular, the new provisions included the requirement that Councillors in a local authority should review the authority’s use of RIPA and set the policy at least once a year; and that Councillors should consider reports on the use of RIPA on at least a quarterly basis, to ensure that it was being used consistently with the authority’s policy and that the policy remained fit for purpose. Attached at **Appendix 4** is a summary of all investigations undertaken during quarter 1 of 2010/11.

## **Consultation Performance Report – Quarter 1 2010/11**

60. Detailed below is a selection of consultation activities undertaken across the authority during the first quarter of 2010/11, demonstrating willingness for continuous improvement and the valuable contribution the residents of Stockton make to the improvement of services.

- To support the EIT review of Youth Services a questionnaire was conducted throughout June. In total 888 surveys were completed. Initial top line results have been reported to the EIT review committee and further analysis is on-going.
- Care for Your Area - Every month approximately 25 residents are consulted via a telephone satisfaction survey. Results of this on-going consultation are reported quarterly and are used to inform continued service delivery improvements. Q1 results show areas of greatest satisfaction are with domestic refuse (91.9%), bulky waste (91.4%) and recycling collection (90%). Areas with least satisfaction were street cleansing (78.3%) and highway maintenance (73.1%).
- A Member’s consultation exercise was completed to inform the winter maintenance review. This formed part of a wrap up report containing recommendations on improvements to services for this winter onwards. This has been through the Transport and Regeneration Committee and will be going through Cabinet in the next quarter.
- Consultation on Fair Access to Care Services – the Council is thinking about changing the way it decides who should receive adult social care services. Consultation with the public and service users is ongoing and closes on 27 August 2010.

- New executive arrangements - The Local Government and Public Involvement in Health Act 2007 requires Councils to adopt one of two new governance models, the Directly Elected Mayor and cabinet, or the Leader and cabinet. In July consultation documents were sent out to every local government elector for their views on the two options. The Council is required under the legislation to make the final decision regarding the model to be chosen and the responses received will play an important part in helping the council to decide how the Authority will be run in the future. In total, 26,069 consultation slips were returned, representing 18.47% of the Borough's electorate (141,164). The results of the consultation will be reported to Cabinet and to Council in September with a view to a decision being made by full Council on a chosen executive model.
- Local Transport Plan 3 – the Local Transport Plan sets out the Council's plans for maintaining and improving the local transport system over a five year period. Consultation for a third Local Transport Plan (LTP 3) is currently underway. The new plan will run from 2011 onwards.

## **EIT REVIEW UPDATE**

61. Action plans for all Year 1 reviews have been completed and progress reports will be submitted to Select Committees on a quarterly basis to track progress on delivering the £2.4 million savings of the VFM programme. An update will be brought to cabinet at Quarter 2 reporting.
62. Work is well underway on year 2 reviews with a strengthened focus on areas for efficiency savings building on learning points from year 1. All reviews have agreed scoping documents and project plans and base line evidence is being gathered and subject to robust challenge by project teams and the Select Committees. A position statement of each review is attached **at Appendix 5**.

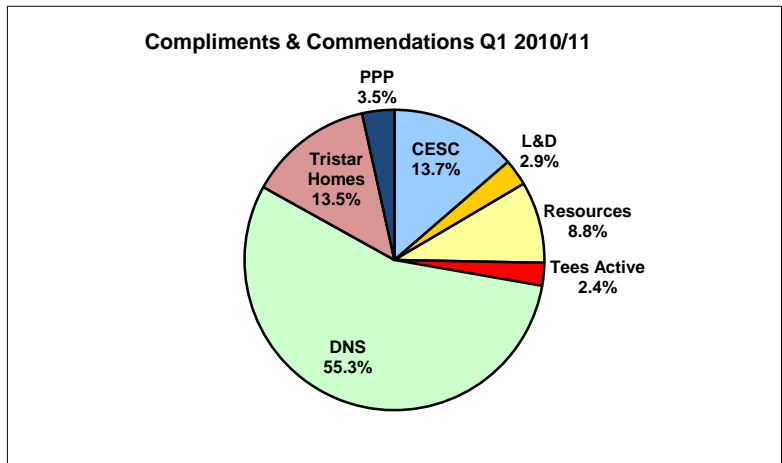
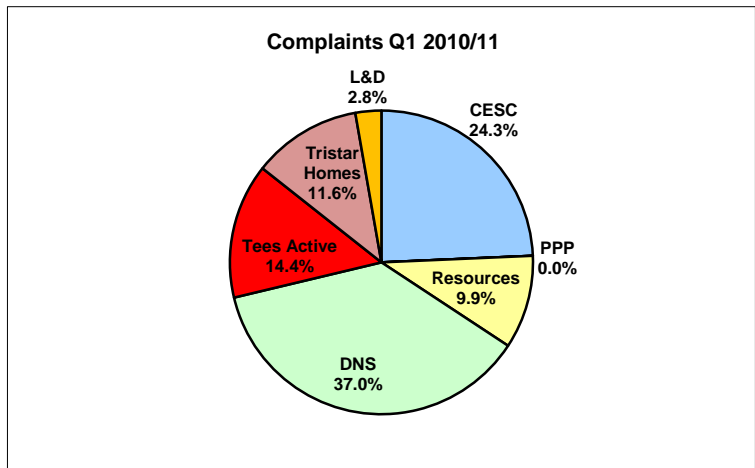
## **COMPLAINTS, COMPLIMENTS & COMMENDATIONS AND COMMENTS**

### **Complaints Quarter 1**

63. In total, the Council received 181 complaints for the three months ended 30 June 2010. This compares to 188 complaints received in the same three month period last year. Of the 181 complaints, 13 are at Stages 2 and 3 and of the Stage 1 complaints, 92.3% (156) overall were responded to within timescales. The corporate timescale for responding to Stage 1 complaints is 10 working days. However, the timescales within Health and Social Care differ from the corporate timescale. For Children's Services the response timescale is 10 working days plus a further 10 working days given the complexity of some of the complaints. For Adults' Services, new regulations introduced on 1 April 2009 place a requirement on Council's to agree a timescale for a response with each individual complainant.

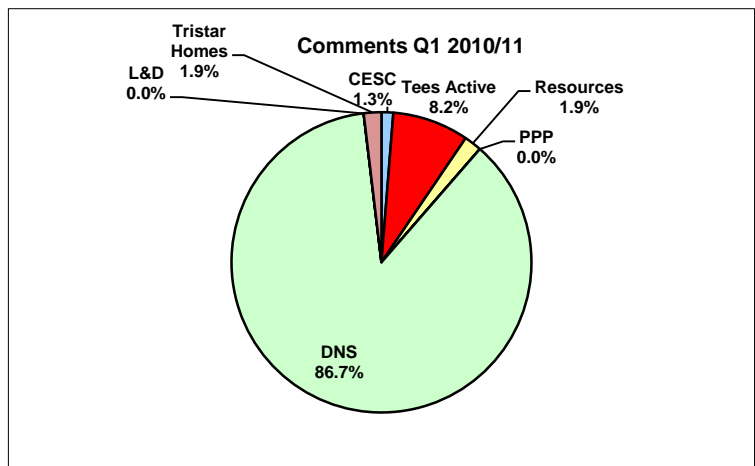
### **Compliments and Commendations Quarter 1**

64. A total of 490 compliments and commendations were received in the three month period to 30 June 2010, representing 407 compliments and 83 commendations. This compares to a total of 389 compliments and commendations in the same three month period last year.
65. The pie charts below show a breakdown of complaints and compliments and commendations by service group.



**Comments Quarter 1**

66. A total of 158 comments from customers were received in the three month period to 30 June 2010. This compares to 97 comments received in the same three month period last year.



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

- The main trend from the three month period identifies that 87% of complaints are in relation to the 4 service areas Children, Education and Social Care (CESC), Development and Neighbourhood Services (DNS), Tristar and Tees Active, with DNS receiving approximately 37% of total complaints, and CESC, Tees Active and Tristar receiving approximately 24%, 14% and 12% respectively of total complaints.
- Of the total compliments and commendations 83% were received for 3 service areas CESC, DNS and Tristar with 55% of these were compliments and commendations for DNS.
- Of the overall 8% of complaints which were not responded to on time the main areas are DNS and Tristar with an approximate failure to respond rate of approximately 9% and 19% respectively. Most of these within Tristar are within the Responsive Repairs Team.
- The main areas of complaint by category for the above service areas are shown in the table below:

<b>Complaints</b>		
<b>Service Group/ main area of complaint</b>	<b>Q1 2010/11 Number of complaints</b>	<b>Q4 2009/10 Number of complaints</b>
<b>CESC</b>		
• Service quality	33	33
• Staffing issue	13	14
• Disagree with decision	8	5
<b>DNS</b>		
• Service quality	17	19
• Staffing issue	22	15
• Disagree with decision	19	9
<b>Tees Active</b>		
• Service quality	16	2
• Policy/ procedure	4	0
• Disagree with decision	3	0
<b>Tristar</b>		
• Service quality	11	19
• Staffing issue	3	8
• Delay in service	2	6

- The main areas of compliments and commendations by category for CESC, DNS and Tristar are shown in the table below:

<b>Compliments and commendations</b>		
<b>Service Group/ main area of compliment and commendation</b>	<b>Q1 2010/11 Number of compliments and commendations</b>	<b>Q4 2009/10 Number of compliments and commendations</b>
<b>CESC</b>		
• Quality of service	33	28
• Specific help/ service offered	18	27
• High standard of care	8	8
<b>DNS</b>		
• Quality of service	191	255

• Specific help/ service offered	55	67
• Staff performance	14	12
<b>Tristar</b>		
• Quality of service	32	23
• Specific help/ service offered	18	5
• High standard of care	6	0

- The main areas of comments for DNS are shown in the table below:

<b>Comments</b>		
<b>Service Group/ main area of comment</b>	<b>Q1 2010/11 Number of comments</b>	<b>Q4 2009/10 Number of comments</b>
<b>DNS</b>		
• Policy/ procedure	60	52
• Service quality	25	19
• Facilities	18	4

- Within CESC, Children's Services generated the most complaints and the majority of compliments and commendations are within Adults' Services. Children's Services and the Learning Disabilities service generated the most comments.
- Within DNS, Direct Services (refuse collection, highways, street cleansing and recycling areas) and Community Protection received the most complaints. The majority of compliments and commendations were received by Direct Services who also received the most comments.
- For Tristar, the responsive repairs service received the majority of complaints, compliments and commendations and comments.

### **Complaints by the six diversity strands - respondents who gave details**

68. The table below shows the numbers of residents who provided details of their age, gender, disability, race, faith and belief and sexual orientation in Quarter 1 of 2010/11 and Quarter 4 of 2009/10.

<b>Diversity strand</b>	<b>Q1 2009/10 number</b>	<b>Q4 2009/10 number</b>
Age	50	42
Gender	63	51
Disability	37	32
Race	46	35
Faith and belief	37	34
Sexual orientation	16	14

#### **Age**

69. Most complaints during the first quarter of 2010/11 came from the age ranges 18 – 54 (a total of thirty nine), the majority of these went to Social Care.

#### **Gender**

70. Of those that gave details, 34 (Q4 2009/10 34) were female and 29 (Q4 2009/10 17) male. The majority of both male and female complaints (21) were made against Social Care.



### **Disability**

71. Of the 26 who declared they had a disability, the majority of complaints made came to CESC Health and Social Care. This amounted to a total of 19 complaints.

### **Race**

72. Of those who provided details of their race, the majority (a total of 44) stated that they were white. Of these complaints in particular, 45% were made to CESC Health and Social Care, 32% to Tristar and 18% to DNS.

### **Faith and belief**

73. The majority (19) of complainants were Christian and the majority of complaints made by those residents (a total of thirteen) were made to Social Care.

### **Sexual orientation**

74. All were declaring themselves heterosexual/ straight. The majority of these complainants (14) went equally to DNS and Tristar.

## **FINANCIAL AND LEGAL IMPLICATIONS**

### **RISK ASSESSMENT**

### **SUSTAINABLE COMMUNITY STRATEGY IMPLICATIONS**

The report supports the Sustainable Community Strategy.

### **EQUALITY IMPACT ASSESSMENT**

The report was not subject to an Equality Impact Assessment.

**CONSULTATION, INCLUDING WARD COUNCILLORS**

Not applicable.

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