

CABINET ITEM COVERING SHEET PROFORMA

AGENDA ITEM:

**REPORT TO CABINET
29 NOVEMBER 2012**

**REPORT OF CORPORATE
MANAGEMENT TEAM**

COUNCIL DECISION

QUARTER TWO 2012/13 PERFORMANCE AND FINANCIAL OUTTURN

Corporate Management and Finance: Lead Cabinet Member – Councillor Harrington

QUARTER TWO - 2012/13 PERFORMANCE AND FINANCIAL OUTTURN REPORT

SUMMARY

This report outlines progress against performance for the year to date April to end of September 2012/13. It highlights achievements against Council Plan objectives, areas for improvement, summary of Freedom of Information requests, complaints, commendations and comments, RIPA update and provides details of suggestions received through the staff suggestion scheme. It also provides the Council's financial position as at the end of the second quarter of 2012/13.

RECOMMENDATIONS

1. That the levels of performance and proposed actions be noted.
2. That the Medium Term Financial Plan (MTFP) and the current level of general fund balances be approved.

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.

AGENDA ITEM:

**REPORT TO CABINET
29 NOVEMBER 2012**

**REPORT OF CORPORATE
MANAGEMENT TEAM**

CABINET DECISION

Corporate Management and Finance: Lead Cabinet Member – Councillor Harrington

QUARTER 2 - 2012/13 PERFORMANCE REPORT

SUMMARY

This report outlines progress against annual performance targets for the period April to end of September 2012/13. It highlights progress against Council Plan objectives, areas for improvement, provides a summary of Freedom of Information requests responded to, Complaints, Commendations and Comments, a RIPA update and provides details of suggestions received through the Staff Suggestion scheme. It also provides the Council's financial position as at the end of the second quarter of 2012/13.

Good progress has been made during the first six months, with 74% of performance targets achieved or on track to be achieved. This compares to 81% achievement at the same point last year. Trends show that actual achievement at year end tends to be lower than anticipated, but this is good progress at this stage. We are still receiving a significant number of Freedom of Information and Data Protection enquires with an increase on the same period last year, 405 compared to 392. The staff suggestions scheme has received nine suggestions during the first six months of 2012/13; progress is detailed below. Progress with the EIT Review programme is attached at Appendix 5. Details of Complaints, Comments and Commendations received during the first half of the year are provided below.

RECOMMENDATION

1. That the levels of performance and proposed actions be noted.
2. That the Medium Term Financial Plan (MTFP) and the current level of general fund balances be approved.

PERFORMANCE

1. Performance against the Council's current Corporate Basket for April to September 2012/13 is provided in appendices to this report. These include:
 - **Appendix 1** - A summary of performance against Council Plan performance targets so far in 2012/13. Performance is good with 74% of performance targets achieved or on track to be achieved. The Council Plan contains actions that support the Sustainable Community Strategy in addition to actions and success measures on organisational effectiveness. Details of progress and slippage are included in the thematic sections of the report.
 - **Appendix 2** - Thematic summaries – a summary of performance for each of the themes within the Sustainable Community Strategy. The summary document lists all indicators within the corporate basket that are relevant to the theme. Areas showing

good progress and areas where further improvements are required are detailed in this summary report.

All appendices are available for Members to view at www.stockton.gov.uk/yourcouncil/performance/qtrperfmonitor

OVERALL PERFORMANCE

2. All themes are making good progress, with 74% of performance targets achieved or on track to be achieved, this compares to 815 in the same period last year. We are still receiving a significant number of Freedom of Information and Data Protection enquires with an increase on the same period last year from 392 to 405. The staff suggestions scheme has received nine suggestions during the first six months of 2012/13; progress is detailed below. Progress with the EIT Review programme is attached at Appendix 5. Details of Complaints, Comments and Commendations received during the first half of the year are provided below.

THEMATIC SUMMARIES

Economic Regeneration and Transport

3. At quarter two 2012/13, we are able to report progress against the annual target for six out of the eight key Economic Regeneration and Transport indicators. For three of these indicators we are predicting that the annual target will be achieved. A summary of key achievements and actions required to improve performance are detailed below.
4. Positive outcomes have been seen in relation to several Regional Growth Fund applications, with the Tees Valley benefiting from over £10m of additional funding. In addition, £6.1m of additional Highways Agency funding has been secured through the Pinch Point Programme, which will relieve congestion at the key A19/A689 Wolviston Interchange.
5. Around 25 more businesses including shops, wine bars, pubs and cafes have recently settled in Stockton including the award-winning web development company Visualsoft.
6. To support the regeneration of Stockton and reduce the number of void properties a dedicated shop 'Rediscover Stockton' has opened on the High Street. The town's Visitor Information Centre has moved into the shop and will help people find out more about what the town has to offer.
7. Further improvement works to Billingham Town Centre are now underway as part of the £25 million invested in recent years. The latest phase of the Town Centre regeneration will see more than £2.3 million of works taking place to improve public facilities and appearance of the buildings.
8. A number of employment initiatives are underway to support people back into work particularly the young unemployed.
9. Targets within the Corporate Travel Plan have been refreshed providing a package of practical measures with the aim of improving access by all modes of travel and improving choices for all staff and reduce our carbon footprint. Updates to the plan are currently out for consultation, with staff including:
 - A suggested target to continue to reduce the proportion of single occupancy car journeys to work made by staff from 72% in 2011 to 63% by the end of 2015/16.

- As a result of successful electric vehicle trials, these vehicles should be adopted for pool vehicle purposes across the Authority where practicable.
- Revised targets for the management of business mileage.

Environment and Housing

10. Progress updates are available against the annual target for nine out of the eleven Environment and Housing indicators. For all nine of these indicators, the annual target is projected to be achieved.
11. Some key achievements include good progress towards the year-end target of net additional homes built, 279 of the 530 have already been built. The number of affordable homes delivered has already exceeded the year-end target. Good performance has been recorded on household waste landfilled, reused, recycled and composted.
12. Only 1% of areas surveyed were at an unacceptable level for litter and business miles have reduced with a total of 828,711 against a target of 1,800,000.
13. An innovative recycling scheme using reed beds to treat waste arising from gully cleaning has been recognised nationally and won two awards.
14. More than £40,000 has been secured from SITA Trust (funding through the Landfill Communities Fund) for a Multi-Use Games Area (MUGA) in Billingham's John Whitehead Park.
15. The first phase of the Tees Heritage Park was launched at a fun event at Preston Hall. Thanks to funding from the Big Lottery Community Spaces programme, managed by Groundwork UK, combined with funding from Stockton Council already earmarked for new cycle ways and a contribution from Natural England, more than £600,000 has been invested into Phase 1 of the park, which is now essentially complete. Successes were recorded by Stockton Council and local groups and businesses in the Northumbria in Bloom awards.
16. The number of empty homes brought back into use stands at 32 against a target of 60. Further progress needs to be made if we are going to achieve the year end target.

Community Safety

17. At quarter two 2012/13, we are able to report progress against the annual target for six out of the nine key Community Safety indicators. For four of these indicators it is predicted that the annual target will be achieved. A summary of key achievements and actions required to improve performance are detailed below
18. A 7.3% reduction in the overall crime rate and criminal damage has reduced by 20.4% compared with the same period last year.
19. Local YOS data indicates there were 120 First Time Entrants (FTEs) in Q1 & 2, compared to 130 for the same period in the previous year (an 8% reduction year to date). Whilst this continues the improvement trend of recent years, the FTE rate continues to be higher than regional and national averages.
20. PNC (Police National Computer) data also indicates that the number of FTEs has remained higher than regional, family group and England averages. However, the direction of travel is less positive using this measurement, with a slight increase in the rate per 100,000 from 1282 in 2010/11 to 1299 in 11/12. The key limiting factor in achieving the target will be influenced by policing policy within the area. When looking at

the North East region, the rate for Tees is significantly higher than for other areas. This is partly a result of the lack of pre-reprimand disposals within the Cleveland Policing area driving up the numbers of First Time Entrants and significantly impacting upon our local performance. At this stage, it is unknown how this indicator will be impacted by the introduction of a new range of out of court disposals, once new legislation through LASPO is enacted.

21. Re-offending rates: the final 2011~12 position, based on re-offences committed during the period by the cohort of 127 young people who first offended during Jan-March 2011 and who are tracked over a 12 month period was as follows.
 - More young people re-offended and they committed more offences, than in the previous year, with 53 young people (42% of the cohort) committing 163 offences (a rate of 1.28 re-offences, compared to 1.23 for 2010~11).
 - Analysis shows that the increase is accounted for mainly by re-offending of young people at pre-court stage and following release from custody. Significantly, the numbers of offences committed by young people on community orders supervised by the YOS was the lowest since 2005.
22. The YOS continues to review the impact policing practice has on FTE numbers and looks to alternative approaches to custody such as restorative programmes aimed at providing more permanent outcomes for young offenders.
23. Custodial sentences are reviewed within the service and analysis indicates that these have been appropriate and proportionate outcomes from court given offence seriousness, persistence and / or refusal by the young person to engage in community options.
24. The service has been reviewing the way in which it delivers a range of services to young people with the express aim of improving engagement and compliance and it is hoped that this may have an impact upon the custodial rate.

Arts, Leisure and Culture

25. At quarter two 2012/13, we are able to report progress against the annual target for three out of the five key Arts, Leisure and Culture indicators, with all three projected to achieve annual targets. A summary of key achievements and actions required to improve performance are detailed below.
26. Preston Hall re-opened in July 2012 and has proved to be exceptionally popular, with over 61,000 paying visitors through the doors in the last three months; this is equivalent to a full year's attendance prior to its redevelopment.
27. Library visits – 615,689 visits during Q2 2012/12 against target of 1,050,400. This represents 59% of the annual target.
28. For the two measures where we are unable to report data, the economic impact of events – A suite of significant events will be used to report success within this measure e.g. SIRF, Stockton Weekender, Stockton Calling, River Rat Race, Cycling Festival etc. Systems are being put in place to monitor participation at these events and add to other intelligence to evidence economic impact on the area.
29. Proportion of adults achieving at least 150 minutes of physical activity per week - First results expected to be published by Department of Health January 2013.

Children and Young People

30. Of the 17 measures used to monitor performance under this theme, 6 relate to educational attainment. These results have been reported separately following the end of the academic year in the summer of 2012. Of the remaining 11, five are due to report at the end of the financial year with the other 6 all on track to achieve the targets set.
31. Despite the pressures on social care support and provision, the key indicators for child protection and looked after children are within or close to target. The quality of inspected provision remains good overall, although there are challenges in narrowing the gap in educational attainment for some vulnerable groups. The economic climate is impacting on access to employment and training for young people, but there continues to be high levels of young people participating in post 16 learning programmes. Childcare and Childminder quality is a priority area for further improvement, and inspection outcomes continue to indicate an improving position

Health and Wellbeing

32. Progress against the annual target can be reported for four of the eight Health and Wellbeing performance indicators. For all four of these indicators it is predicted that the annual target will be achieved. A summary of key achievements and actions required to improve performance are detailed below
33. Progress has been maintained in reducing smoking and in alcohol related hospital admissions, with current performance on track to meet targets. However breastfeeding remains a challenging area for improvement and there are indications that teenage pregnancy is increasing again, after a considerable period of improvement. The Breastfeeding Support Service continues to target improvement activity, including trained peer support and supervision; specialist antenatal workshops; social marketing; UNICEF Baby Friendly Initiative accreditation
34. For Chlamydia screening, latest available data at the end of August 2012 shows performance of 7.7% against a target for the period of 14.5%. This equates to 1978 screens compared to a target of 3719. Current performance suggests that the 35% target for 2012/13 will not be met. Action to improve Chlamydia screening rates continues through marketing activity, promotion of testing at events, outreach services, and increasing access to screening services through GPs and Pharmacies

Adults

35. The underlying quality of service for people accessing adult social care services, as measured via national and local surveys, continues to be good overall. Although data for some performance indicators is not yet all available, case file audits and other management checks have not identified any significant concerns in relation to care management processes, with all eligible people being offered a personal budget and take up of direct payments increasing.

Stronger Communities

36. There are limited measures to report at this stage, although the North East Residents' Survey is complete. Analysis of cohesion measures is still underway and results will be subject to a separate report to members. The updating of the Electoral Register has taken place during quarter two, along with preparation for the Police and Crime Commissioner elections. Democratic and Community Engagement continues with further work to support the Youth Parliament undertaken.

Organisational and Operational Effectiveness

37. For the first six months of 2012/13, we are able to report progress against the annual targets for four out of the eleven indicators within this theme. All of these are predicting to achieve the annual target. The results and analysis of the North East Residents survey is still underway but they will be available to report at Quarter Three. These results will also be subject to a more detailed report to members.
38. Key milestones have been achieved in quarter two, which contribute to the overall effectiveness and efficiency of the organisation. These include: effective marketing for the Stockton International Riverside Festival, development of the Winter Events Programme, continuation of the works to the Municipal Building reception area presenting a more business like image, further upgrade of the CRM system and continued implementation of the Access to Services Strategy, with two further services due to come on line shortly. Preparation is well underway for the Police and Crime Commissioner Elections in November. We have provided an early response / analysis to the recent budget announcements, understanding the impact on the MTFP and delivering significant support to the Voluntary and Community Sector through training and involvement in support and analysis of funding bids. The apprenticeship scheme continues to grow with further apprenticeships underway. An event in support of the Armed Forces Community Covenant implementation and development has been organised at a Tees Valley level which includes participation from partner organisations. This will support our understanding of the needs of former and current service personnel and provide an opportunity to review and utilise current intelligence gathered by all participating organisations.

FREEDOM OF INFORMATION REQUESTS

39. A record of Freedom of Information (FOI) and Data Protection (DP) requests received is maintained across Council departments. The Rapid Improvement Event that reviewed the Council's approach to managing FOI requests resulted in a number of recommendations, implementation of which commenced in September 2012. A dedicated account now exists for receipt of all FOI requests into the authority. Monitoring of these new arrangements and gathering of intelligence around requests received is underway. It is too early to note any real trends from the intelligence gathered so far, however the pilot has highlighted that different procedures still exist across the Service Groupings. These issues are currently being addressed. Monitoring will continue with a separate report and recommendations to the Corporate Management Team in January 2013.
- a. A total of 415 FOI requests were responded to in the first 6 months of this financial year. This is an increase on the number of requests responded to during the same period last year (392 in 2011/12). There have also been 36 responses to requests made under the Environmental Information Regulations and 66 responses to Data Subject Access Requests or requests under the Section 29(3) of the Data Protection Act.
- b. The overall percentage of FOI requests responded to within the statutory timescale (20 working days) in the first 6 months of 2012/13 remains consistent with the previous 6 month period at (89%). The percentage of FOIs responded to within these timescales decreased in Quarter 2 (85%) compared to Quarter 1 (93%).
- c. Of the FOI requests responded to in Quarters 1 and 2, 35% were from businesses, 20% from media, 6% from political organisations and 40% from other sources (this includes which includes students, residents and those people who don't state their background).

The breakdown by Service Grouping was as follows:

	No. of requests completed	% of requests completed within 20 days
DANS	132	93%
CESC	121	88%
L&D	15	100%
Resources	147	85%

- d. Key themes included: alleged assaults, lists of empty and commercial properties, business rates, numbers of children in care, troubled families, costs of various services, number of public health funerals, historic council tax credits on commercial properties, land charges, costs of school supply cover, various queries on current and historic planning applications and permissions and spend on IT/ tablet computers.

Appendix 3 provides details of those received in the first half of 2012/13 and reasons for slippage with responses.

STAFF SUGGESTION SCHEME

40. The aim of the scheme is to encourage a culture in which staff feel they can 'make a difference' by making suggestions that will lead to improvements and contribute to the culture and success of the authority. This is supported by 1:1 staff support, regular team meetings, staff involvement in EIT Reviews, the Setting the Standard programme for managers and the Staff Suggestion Scheme which is now in it's second year.
41. In the first half of 2012-13, through the scheme and other routes a number of suggestions were received, including improvements to the travel policy, appraisals, postage arrangements, the introduction of office recycling and suggestions around the presentation of libraries information.
42. The scheme and other means of contributing to service improvements and efficiencies continue to be promoted through KYIT. A review of the Bright Ideas scheme was undertaken earlier this year and a full re-launch is planned in the near future. This was informed by feedback from staff. Further details about the scheme can be found at the 'Hot Topics' section on the front page of the Council's intranet site.

REGULATION OF INVESTIGATORY POWERS

43. It was reported to Cabinet on 20 May 2010 that new duties and responsibilities relating to the Regulation of Investigatory Powers (RIPA) legislation had 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. Cabinet, therefore, agreed that members should receive information on the use of RIPA in the regular Finance and Performance reports to Cabinet. There is one case being dealt with in the first 6 months of this year. Details attached at **Appendix 4**.

EIT REVIEW UPDATE

44. Monitoring the implementation of the EIT Review programme continues. Year 3 reviews are well underway and on track for completion by the end of the financial Year. Details of the 2012-13 review programme and current progress is attached at **Appendix 5**.

CONSULTATION

45. The 'Stockton-on-Tees Borough Council Consultation Database' identifies planned, current and completed consultation work undertaken internally (with staff) and externally (with residents, partners, business people, etc.) for use by the Council. The Database captures information about consultations with a strategic and/or statutory purpose.
46. The Consultation Database identifies that 58 consultation projects have been planned, started or completed during Quarter 2 of 2012/13. In total, 25 of these have been planned or started since the first Quarter of this year.
47. Environment and Housing consultation projects currently account for just over 40% of all consultation activity recorded during Quarter 2. This was also the case during the first Quarter of this year. These include work to explore residents' perceptions about changes to Council Tax charges for empty and second homes, which is due to complete in January 2013.
48. Economic Regeneration and Transport related consultation accounts for a further fifth of all consultation projects recorded during this period. Importantly, the 'National Highways and Transport Public Satisfaction Survey', involving 4,500 households in the Borough, has now been completed and officers are considering the findings.
49. Also notable within the Database at this time are consultation projects being undertaken in relation to the 'Your Council' and 'Stronger Communities' Council Plan Themes. With regard to 'Your Council' the consultation on the proposals for a 'Local Council Tax Support Scheme' closed on 19th October 2012 after receiving over 1,400 responses from Council Tax bill payers across the Borough. In terms of 'Stronger Communities', the 'Residents Survey 2012' has now been completed with over 1,000 households across the Borough. Results have been received from IPSOS MORI and a reporting programme is being planned.

COMPLAINTS, COMMENTS, COMPLIMENTS & COMMENDATIONS ¹

Complaints

50. In total, the Council received 186 complaints for the six months ended 31 September 2012. This compares to 253 complaints received in the same six month period last year. 85% (158) 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, regulations place a requirement on Council's to agree a timescale for a response with each individual complainant. Only 33% of complaints dealt with by Children, Education and Social Care were responded to within timescales.
51. In this half of the year, nine Stage 2 (review stage) and no Stage 3 complaints (appeal stage) were required. Of the 186 complaints received only 70 (38%) were upheld. Adults Social Care complaints do not fit into these Stages but are categorised under different levels, green/low, amber/medium and red/high. However for the purpose of reporting complaints in this report these have all been included as Stage 1 Complaints.

Comments, Compliments and Commendations

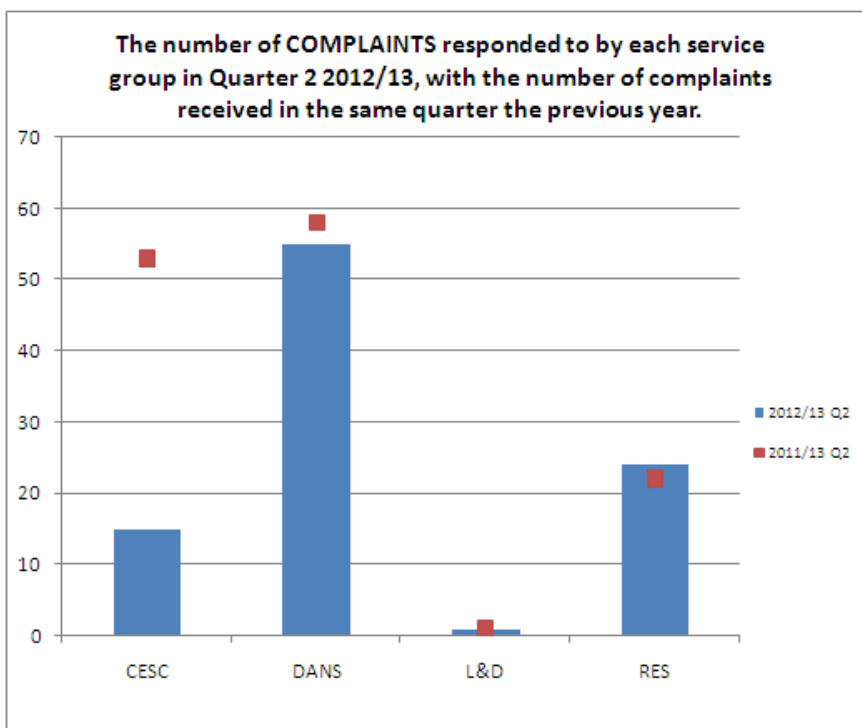
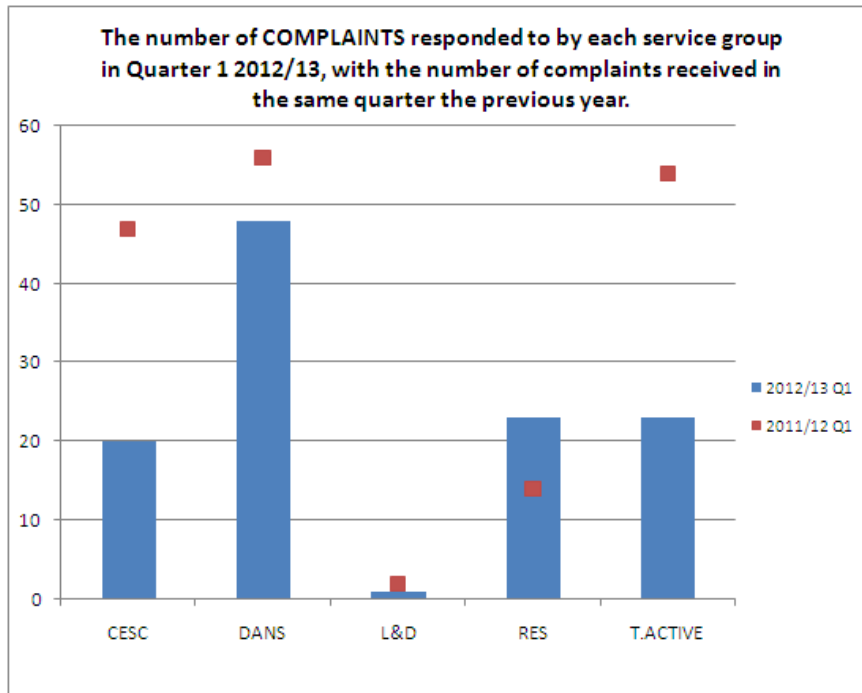
¹ Tees Active are not included in the CCCC's narrative as usual, due to the figures for Quarter 2 not being received.

52. A total of 825 comments, compliments and commendations were received in the six month period to 31 September 2012, representing 670 compliments and commendations and 155 comments. This compares to a total of 952 in the same six month period last year. There has been a large reduction in the number of comments received (decrease of 26%) and a reduction in the number of compliments and commendations received (decrease of 18%).
53. Analysis and learning from complaints, comments, compliments and commendations is discussed at Service Group Management Team Meetings, where trends in numbers and the nature of the complaint, comments or commendation is further investigated, leading to appropriate actions for improvement and sharing of learning.
54. There is insufficient diversity information declared to provide any insight into particular groups or trends emerging from complaints.
55. CESC have undertaken a review of how complaints are initially assessed and recorded. It was felt that a number of "complaints" which had been submitted were more "comments" and that only explanations/clarifications were required to resolve the issues. This has led to figures that show a reduction in the numbers received this quarter.
56. It should also be noted that the reporting has been changed from those that have been received in the quarter to those that have been responded to, this enables the outcome of the complaint to be recorded but does mean the numbers are not directly comparable with last year's.

Key themes

57. Detailed below are key messages from the analysis:

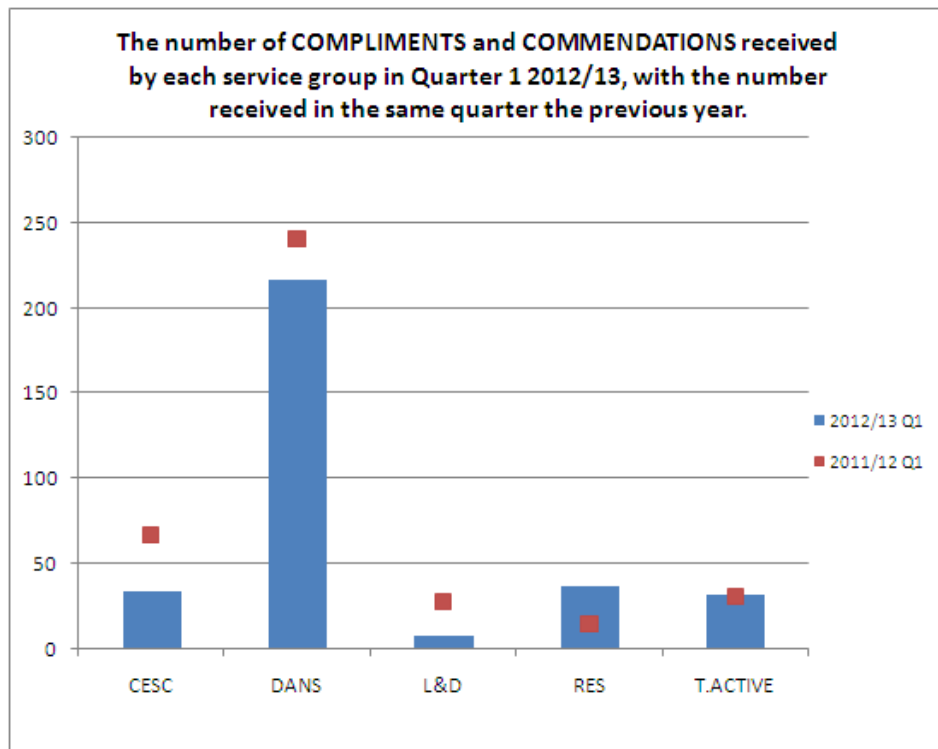
- The main trend from the six month period identifies that over half (55%) of complaints were in relation to Development and Neighbourhood Services mainly in respect of Direct Services or Community Protection Issues, as a result further staff training has been delivered. Procedures around the recovery of money, billing and taxation matters are often the subject of complaints received however none of the complaints received regarding these matters were upheld.

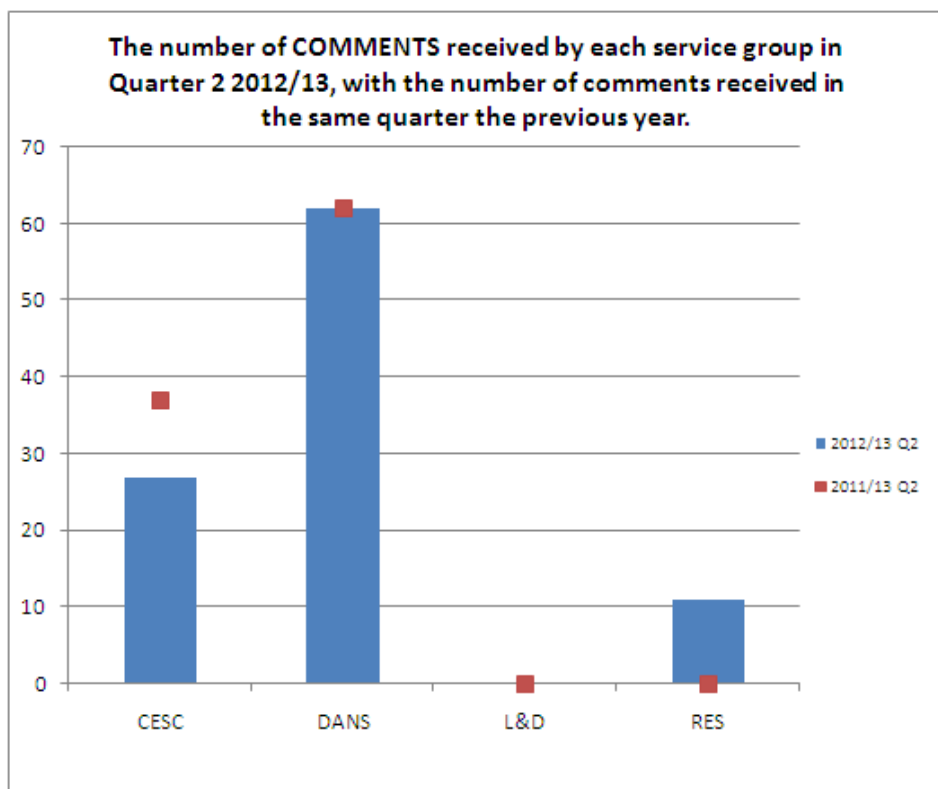


- Of the total compliments and commendations, 71% were received for Development and Neighbourhood Services. The majority of these compliments and commendations were to praise staff for the service they have given to customers. For example, the events team have been commended by other sections for providing an excellent support service and learners have complimented tutors for their enthusiastic approach to teaching adults. There was excellent feedback received for the organisation of the Royal Visit for the opening of the White Water Course. Many compliments were also received about the newly refurbished Preston Hall Museum.

58. Other compliments and commendations:

- Within Children, Education and Social Care, a number of compliments were received for Welfare Rights, Intermediate Care, Oasis & Ware Street Resource Centre, in respect of the staff that gave help and support and provided an excellent service to clients. Also Oasis Summer Play Scheme received many compliments regarding this holiday programme.
- Legal Services compliments and commendations concern appreciation of a professional service and the successful outcomes gained, e.g. lease of Thornaby Town Hall. Democratic services compliments related to civic work, website information and scrutiny work on EIG Review.
- The majority of compliments and commendations received within Resources were for the service the staff provided to customers, especially in the Taxation and Customer Services teams.





FINANCIAL POSITION AS AT 30 SEPTEMBER 2012

General Fund

59. The following table details the current MTFP position of each service. Officers are continuing to monitor closely expenditure in all areas with particular focus on areas where services which are in the process of an EIT review.

Service Reserves (MS)/MC	Previously reported position at 31/3/13 (MS)/MC's £'000's	Projected Outturn position at 31/3/13 (MS)/MC's £'000's	Projected Outturn position at 31/3/14 (MS)/MC's £'000's	Projected Outturn position at 31/3/15 (MS)/MC's £'000's
CESC	(418)	(324)	0	0
D&NS	(68)	(250)	0	0
RESOURCES	(300)	(532)	(109)	(70)
LAW & DEMOCRACY	(125)	(140)	(115)	(91)
TOTAL	(911)	(1,246)	(224)	(161)

Children, Education and Social Care

60. The report to Members in October 2012 detailed the pressures that were being faced by the service and set out the use of £1.3m managed surplus to fund pressures in 2012/13. A further £94,000 of managed surplus is now expected to be required in 2012/13 reducing the overall balance to £324,000.

61. The main areas of pressure within children's services continue to be related to looked after children:

- The pressure on residential placements is continuing to increase which means that spend is now expected to exceed budget by £1.9m, which is an increase of £770,000 since June.
- The cost of legal cases for children's social care has increased by a further £110,000 to £340,000.
- Pressure within fostering has reduced by £135,000 to £630,000.

62. However, one-off savings from EIG grant (£150k) and grant funding brought forward from previous financial years (£310k) is available to reduce the impact of the above pressures in 2012/13.

63. Within adult social care there are some continuing pressures and some areas of savings.

- Direct payment budgets across the service show increased demand costing an additional £200,000 greater than previously expected.
- Homecare services have seen an increase in demand and with increased contract costs this expected to cost a further £140,000.
- The Mental Health and Learning Disability EIT reviews are both generating significant savings which are expected to be in excess of £520,000 this year. This is already incorporated into the Medium Term Financial Plan in future years; however the saving is available in this financial year to offset pressures.

64. Members will be aware that both adult and children's social care areas are being examined closely as part of the Council's "Big Ticket" approach to efficiencies. The change above will also be considered as part of the review of the MTFP during the 2013/14 budget process.

Development & Neighbourhood Services

65. There overall managed surplus is expected to increase by £182,000. This reflects savings made from staff vacancies within Direct Services pending an EIT review. However the Directorate includes budgets that are extremely volatile and will continue to be monitored closely throughout the year.

Resources

66. The managed surplus for Resources is expected to increase by £232,000. Of this, £134,000 is due to in-year costs of projects in HR, Policy and Communications being lower than anticipated and £74,000 resulting from savings on ICT systems.

General Fund Balances

67. General fund balances are expected to be £10.7m which is £2.2m above the 3% recommended target and given the current financial climate it is recommended that these resources are retained. The increase of £400,000 is largely due to:

- Savings from reduced insurance and external audit costs amounting to £209,000.
- In Local Taxation, £89,000 from reduced discretionary relief costs and unallocated grant.
- Corporate democratic services will have savings of £98,000 where individual electoral

registration is still in the early stages and coroners' fees are expected to be lower than budgeted.

Financial Climate

68. Members will be aware from the briefing note on 19th October 2012 of the recent announcements which will affect the Council's financial position. The current approved position is outlined below:

	2013/14	2014/15	2015/16	2016/17
ESTIMATED BUDGET GAP	0	897	7,861	11,614

69. The current Comprehensive Review period ends in 2014/15 and the position for 2015/16 onwards is highly uncertain. The current plan includes the following funding assumptions:

- Government funding reductions of £2m in each of 2015/16 and 2016/17
- The 2011/12 freeze grant will not continue beyond 2014/15 (£1.8m)
- PCT funding in respect of reablement will cease from 2015/16 (£1.7m)

70. The plan also includes a pay provision of 1% for 2013/14 and 2014/15 and 2% for 2015/16 and 2016/17.

71. Although there is uncertainty around Local Government Funding and the impact and mechanisms of the Localisation of Business Rates, there are 3 key issues emerging which will have a significant impact on the Council's funding.

- Early Intervention Grant. There are indications that National Control Totals have been reduced which will reduce funding for Stockton by an estimated £3m per year.
- Impact of Localisation of Council Tax Benefit Scheme.
- Limit on Council Tax increases to 2% per year.

72. Although further details will not be known until the Autumn Statement and Provisional Finance Settlement in December, the Council are likely to now have a budget gap of £3m in 2013/14, rising to £15m over the next 3 years.

73. Members will be aware that reviews of "Big Ticket" and cross-cutting items are ongoing and further savings are expected as a result. Further details will be provided as part of a report to cabinet in January.

Capital

74. The Capital budget for 2012/17 is shown at Appendix A and summarised in the table below:

Category	Current Programme £000	Revisions in Period £000	Revised Programme £000
School Capital	42,186	0	42,186
Housing Regeneration	12,868	0	12,868
Town Centre Regeneration	27,227	0	27,227
Transport	8,589	0	8,589
Other	8,615	461	9,076
TOTAL	99,485	461	99,946

Additional Capital Schemes

75. The main changes to the programme are as follows:

- Additional funding secured on various parks schemes (£43,000).
- Installation of Photovoltaic (PV) panels on various Admin Buildings (£296,000). This is an “invest to save” scheme and will result in a reduction in energy use and generate savings of £33,000 per year.
- Installation of wireless camera networks (£121,000), funded from their revenue budget.

76. All schemes in the programme are currently in progress.

FINANCIAL AND LEGAL IMPLICATIONS

77. To update the MTFP. There are no financial implications to the performance elements of this report; EIT review savings are linked and managed through the MTFP.

RISK ASSESSMENT

78. This performance report is categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

SUSTAINABLE COMMUNITY STRATEGY IMPLICATIONS

79. The report supports the Sustainable Community Strategy.

EQUALITY IMPACT ASSESSMENT

80. The report was not subject to an Equality Impact Assessment. The report does not seek approval for a new policy and an assessment was taken on the MTFP report submitted as part of the 2009/10 budget cycle.

CONSULTATION, INCLUDING WARD COUNCILLORS

81. Not applicable.

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