
**CORPORATE SERVICE AND MEDIUM TERM FINANCIAL PLAN PERFORMANCE
REPORT
QUARTER 2 SERVICE AND FINANCIAL MANAGEMENT 2007/08**

**Responsible Cabinet Member – Councillor Williams, Leader and all Cabinet
Responsible Directors – Ada Burns, Chief Executive and all Directors**

Purpose of Report

1. To report on progress against plan for half-year service and financial performance for April to September 2007, identifying areas of corrective action.

Summary

2. The authority continues to perform well against Community Strategy themes and the Corporate Plan. Where performance is below the level required, corrective action has been identified.
3. Members agreed the Corporate Plan setting out the Council’s high-level contribution to the Community Strategy in June 2007. This report not only reports on performance of the Corporate Plan but also gives an indication as to whether actions are being carried out as required. This joint report draws on information from both the Corporate Plan and the MTFP. This will be the final year that this is the case, as Members previously agreed that from 2008 there would be one combined Corporate Plan and MTFP.
4. Overall, performance against the Community Strategy is solidly on target. In terms of service performance, nearly 80% of targets for national and local indicators are being met. In financial terms, reserves are £0.836M below the Medium Term Financial Plan. 94% of actions in the Corporate Plan against Community Strategy themes are on target to be delivered.

Information and Analysis

5. The main issues addressed in this report are:
 - (a) background to the report;
 - (b) overview of performance by Community Strategy theme;
 - (i) service performance;
 - (ii) financial performance;
 - (iii) value for money
 - (c) overview of performance against Corporate Objectives;

- (i) service performance;
 - (ii) financial performance;
 - (iii) value for money;
- (d) Overview of performance by department
- (i) Combined financial and service performance;
 - (ii) Value for money;
 - (iii) Exception reporting and corrective action;
 - (iv) Progress against Corporate Plan update – actions
- (e) Complaints reporting.

Background to the report

6. The Community Strategy is Darlington’s high-level vision. The authority produces an annual Corporate Plan and MTFP linked to the Community Strategy so that we can monitor delivery against high-level objectives. Our planning hierarchy and use of *PerformancePlus* allows us to measure performance against crosscutting corporate objectives as well as by department. Analysis of both is presented in this report.
7. Service performance information is backward looking, using cumulative data relating to performance in the 2nd quarter. Financial information is forward looking, using budget holders’ projections of income and expenditure to March 2008.

Overview of performance by Community Strategy theme

Service performance

8. Table 1 shows a summary of achievement against Community Strategy theme that includes both Best Value Performance Indicators (BVPIs) and local indicators. Best performance to date is for the *Improving the local economy* theme, currently at 31.91% above target. The lowest performing theme is *Developing an effective transport system* at 0.18% below target. Overall the Council’s contribution to the top objective *Where quality comes to life* is favourable at 8.17% above target.

Community Strategy theme	Overall status	Comment
Improving the local economy	★	The number of people using Information Darlington and the number of jobs created and cost per job are above target.
Promoting inclusive communities	★	There is good performance against most benefit indicators including combating fraud and speed of processing applications. Targets are not being achieved for pedestrian crossings adapted for the disabled and welfare rights benefit take-up.
Raising educational achievement	●	Key educational attainment indicators are on target, as is the number of half days missed to all absence. Additionally there is above target performance for the number of sports development coaches and fewer school leavers with no GCSEs. Unauthorised absence remains below target.
Stimulating leisure activities	●	Participation at the Council's leisure facilities is generally above target. Participation at the Civic Theatre and Arts Centre is currently below target, as is the number of young people attending school festivals.
Promoting community safety	●	All indicators are as a minimum achieving target bar one. Key indicators for domestic burglaries, robberies and vehicle crime met target, although violent crime did not.
Improving health and well-being	●	Key indicators are on target including looked after children with three or more placements and adoptions of looked after children.
Enhancing the local environment	●	The amount of waste composted is above target. There is below target performance on street cleaning litter and detritus and the speed of processing planning applications.
Developing an effective transport system	●	Performance is on target for most indicators. There is above target performance for roads closed due to street works.
Corporate Health - all themes	▲	Despite the fact that overall corporate health is below target, this is mostly in one area and includes the number of employees with a disability and employees from ethnic backgrounds. There is above target performance for non-domestic rates collection, the number of employees leaving through early retirement and staff appraisals.
DBC 'Where quality comes to life'	●	Overall good performance, without significant change from quarter 1

Table 1: Summary of DBC achievement by Community Strategy theme (BVPIs and local performance indicators)

Financial performance

9. Projected net expenditure is generally in line with budget for most themes. Increased spending on health and well-being is related to Adult Social services and is explained in paragraph 16 (a) (i) (**Appendix 1**).

Value for money

10. Overall the council shows positive value for money during the second quarter (**Appendix 1**).

Overview of performance against Corporate Plan

Service performance

11. Table 2 shows a summary of achievement against Corporate Objectives. This set of objectives is designed to ensure that the Council balances, for example, excellent services now with improving our capacity to deliver in the future. Overall the Council's contribution to the top objective Leading Edge is favourable at 8.17% above target:

Corporate Objective	Overall status	Comment
Shaping a better Darlington	★	The objective 'Shaping a Better Darlington' is our contribution to delivering the Community Strategy. Overall we are showing good performance.
Providing excellent services	★	There are a number of indicators contributing to above target performance including the percentage of looked after children with three or more placements in the year, a number of benefits indicators and a selection of local indicators. Targets are not being achieved in only a small number of indicators.
Putting the customer first	▲	Whilst the majority of the Council's satisfaction indicators are performing well, below target achievement for this objective confirms the need to improve our approach to complaints handling, with the number of complaints moving from stage 1 to stage 2 not achieving target.
Ensuring access for all	▲	Performance for this objective currently shows below target performance for some indicators including the number of BME employees and those with a disability in the top 5% of earners, as well as pedestrian crossings adapted for people with disabilities.
Enhancing our capacity to improve	★	Performance is positive against target for a number of human resource targets
DBC 'Leading Edge'	●	Overall good performance, with no significant change from quarter 1.

Table 2 - Summary of achievement against Corporate Objectives

Financial performance

12. Projected net expenditure is generally in line with budget for corporate objectives **(Appendix 1)**.

Value for money

13. Overall the council shows positive value for money against corporate objectives for the second quarter **(Appendix 1)**.

Overview of performance by department

Combined financial and service performance

14. **Appendix 2** gives full details of performance against budget and service targets. This shows visually how individual services are performing against financial and service targets and highlights areas that potentially need attention. Red triangles denote areas where budget is projected to be exceeded by more than pre-determined tolerances and services where performance targets are not being achieved (within a 10% tolerance overall and 5% for national satisfaction indicators). **Appendix 3** shows the service performance detail for indicators within budget heading service areas that are above and below target.

15. Table 3 shows headline achievement against target for financial and service performance:

Departments	No.	Financial Performance				Service Performance					
		★	●	σ	Total	★	●	σ	?	N/A	Total
Chief Executive's Office	5	0	5	0	●	0	3	0	1	1	★
Corporate Services	5	0	5	0	●	1	3	0	0	1	★
Community Services	35*	0	34	1	σ	5	9	3	17	2	●
Development & Environment	16	1	14	1	●	5	3	1	5	2	★
Children's Services	10	0	10	0	●	0	5	1	1	2	●
Darlington BC	71	1	68	2	●	11	23	5	24	8	●

Table 3: Headline achievement against target for financial and service performance *Includes DLO

Financial Performance

16. Overall financial performance is a projected overspend of £0.836M.

- (a) Community Services is projecting a deficit balance at 31st March 2008 of £1.202M. The most significant variances are:

- (i) Adult Social Services is projected at this point in time to be £0.982M over spent, as reported previously the vast majority of this relates to the purchase of external

care for clients with learning disabilities. The pressure continues on this account with new clients identified and also transition clients from Children's Services.

- (ii) Arts and the Civic Theatre are showing a £100k overspend, £50k of which is sponsorship as the team are finding it hard to gain the large sponsorship deals that used to generate the majority of income on this account. The sponsorship team are still securing a large amount of sponsorship and there is a projected income of £100k, on top of this are projected benefits in kind of £120k.
- (b) Development & Environment is projected to be overspent by £0.258M at the year-end. Management action will continue to try to minimise or eliminate the projected overspend. The most significant variances are:
- (i) Highways, principally a reduction in fees charged to Local Transport Plan works. This is being reviewed, including comparison with other authorities' performance;
 - (ii) Parking income is higher than budgeted, reflecting increased car park usage.
17. **Appendices 4 to 6** contain detailed financial data in the format used previously in revenue budget management reports to Cabinet and Resources Scrutiny Committee.
18. Departmental and corporate budgets projected outturns are summarised in **Appendix 4**. Departmental budgets are projected to overspend by £1.515M compared with the MTFP review report to Council on 8th March 2007. Further detail is given in **Appendices 4(a) to 4(g)**. Corporate budgets are projected to underspend by £0.936M as a result of reduced financing costs and increased interest received on capital investments and temporary cash-flow investments. Officers will be taking a detailed report on financing costs to the December Cabinet meeting. The Council's projected General Fund Reserves are £11.277M – an improvement of £0.679M compared with the MTFP, as shown in **Appendix 5**. The net position of departmental and corporate reserves is £0.836M below MTFP.
19. Housing Revenue Account financial information is shown in **Appendix 6**. Overall the HRA is broadly on line with budget. Rents are higher than anticipated due to a slowing down of council house sales and a reduction in the void rate. This additional income is offsetting an increase in repairs due to a new requirement for electrical inspections. The capital financing costs are £0.368M lower than budget, as we did not need to take out as much prudential borrowing as anticipated in 2006/07. This reduction in expenditure is being used to make a revenue contribution to capital for planned works.
20. Efficiency gains are identified through corporate and financing planning and continuing service review. They are reported to Government in Annual Efficiency Statements (AES). The MTFP includes the planned achievement of £0.385M of Leading Edge efficiency gains in 2007/08. Procurement savings of £0.1M are included in the Chief Executive's Office budget and are on line to be achieved. It is now unlikely that the full £0.150M of savings from the Administration Review will be achieved this year; the revised projected saving in 2007-08 is £0.030M. Similarly, Decriminalised Parking will not achieve the planned £0.025M savings in 2007/08. The predicted savings assigned to the depot relocation project for 2007/08 will not be realised. The decision to retain the internal stores service has been extensively reviewed with the conclusion that the externalisation of the service would

increase ongoing costs. However, savings have been identified within the project with approximately £0.030M deliverable within the current year. These latest projections are included in the financial information and efficiency gains sections of this report, **Appendix 7** shows the latest position. It is important that in-year efficiencies continue to be identified. This reflects the fact that improving efficiency is a continuous process, not an annual event. An efficiency-monitoring group has been established and one of its tasks is to monitor the identification and collation of in-year efficiencies. A corporate template has been introduced to capture the efficiency data. Sitting alongside efficiency gains planned at the start of the year, this information will give a complete picture of the savings accrued by the authority throughout the financial year.

Value for money

21. A value for money analysis by department shows on target performance (**Appendix 1**).

Exception reporting

22. Nearly 80% of indicators that can be collected in the second quarter are on target or better within *PerformancePlus* tolerance. Exception reporting is used to provide commentary on service areas that are performing well above or below target levels, and any budgets that show significant projected overspends.
23. High-level objectives have been met as demonstrated by overall good performance against Community Strategy themes. However, it is important to drill down to departmental level to assess performance against statutory BVPIs. Table 4 demonstrates the number of BVPI targets met by departments:




Department				N/A	Total	Variance from target (includes local PIs)
Chief Executive's	2	6	1	2	11	-29.34%
Corporate Services	5	2	3	2	12	10.80%
Community Services	11	13	2	29	55	8.67%
Children's Services	4	13	4	9	30	1.97%
Development and Environment	8	15	5	28	55	2.80%
TOTAL for DBC	30	49	15	70	164	8.95%

Table 4: Number of BVPIs that are above, on or below target by department

24. The 15 BVPIs currently failing to achieve target in the second quarter are outlined in table 5. Of particular concern are those indicators in the lower or worst quartile, and missing target. It is important that management action plans are in place to address these areas of under performance.

Department	Indicator	Description	Actual	Target	2006/07 actual to 2006/07 all English Quartile information (TQFirst)
Chief Executive's	BV127a	Violent crime per 1,000 population	9.51	6.05	Lower
Children's Services	BV50	The percentage of young people leaving care aged 16 or over with at least 1 GCSE grades A*-G or GNVQ	60	40	Lower
	BV181a	Percentage of pupils achieving Level 5 or above in Key Stage 3 for English	73.8	79.0	Worst
	BV181d	Percentage of pupils achieving Level 5 or above in Key Stage 3 for ICT assessment	73.8	78.0	Upper
	BV194b	Percentage of pupils achieving Level 5 or above in Key Stage 2 Mathematics	33.8	36.0	Best
Corporate	BV9	Percentage of Council Tax collected	53.60	54.66	Lower
	BV11b	BME employees in top 5% earners	0.64	2.00	Lower
	BV11c	Disabled employees in top 5% of earners	1.25	2.99	Lower
Community	BV66d	Percentage of tenants evicted	0.30	0.20	Upper
	BV199a	Percentage of relevant land and highways that is assessed as having combined deposits of litter and detritus that fall below an acceptable level	18	10	Upper
D&E	BV109a	Major planning applications determined within 13 weeks	41.7	63.0	Worst
	BV109b	Minor planning applications determined within 8 weeks	61.7	70.0	Worst
	BV165	The percentage of pedestrian crossings with facilities for disabled people	7.80	48.00	Worst
	BV205	Planning quality of service checklist	89.00	100.00	Worst
	BV215a	Average number of days taken to repair a streetlight fault, which is under the control of the Council	7.11	3.00	Lower

Table 5: BVPIs currently failing to achieve target

Assessment of performance against delivery of actions

25. Performance against actions in the 2007-2010 Corporate Plan is now being reported on a regular basis. Table 6 provides a summary of actions by Community Strategy themes, showing that 95% of actions are on target to be achieved. Detailed information is appended in **Appendix 8**.

Community Strategy Theme	★	●	▲
<i>Improving the Local Economy</i> Work is ongoing to take forward the Darlington Gateway projects. Active participation in Tees Valley unlimited is leading to the development of a Multi-Area Agreement. The Town Centre Marketing Strategy has been adopted.	0	28	0
<i>Promoting Inclusive Communities</i> An Older Person's Strategy for Darlington is currently being developed, as is Youth Offer work planning. Adult protection policy and procedures have been revised, although further work is required once the safeguarding Adults Board has been established.	2	14	1
<i>Raising Educational Achievement</i> 5 out of 7 schools improved their GCSE results. Eastbourne Academy has secured capital funding with the new build due to open September 2009.	0	28	1
<i>Stimulating Leisure Activities</i> Menus have been redefined to reflect the healthy schools agenda. Actions are being implemented from the Sport and Physical Activity Strategy.	4	8	0
<i>Promoting Community Safety</i> Neighbourhood policing teams are in place, with intelligence led approach adopted across all CDRP groups. The project to develop new technology to better target resources at crime and ASB is currently behind target. Recovery action planning is being carried out.	3	7	2
<i>Improving Health and Well-Being</i> Project planning is underway to use smart technology to foster independence and support carers. The PCT and Council have appointed a new Director of Public Health.	1	8	2
<i>Enhancing the Local Environment</i> Improved satisfaction with the environment, and community engagement for street scene issues as part of the 'Talking Together' events.	0	16	0
<i>Developing an Effective Transport System</i> Let's Get Cracking has successfully completed. Local Motion action planning with stakeholders is taking forward the sustainable travel agenda to maintain successes of the programme.	2	19	2
Totals	11 (7%)	128 (87%)	9 (6%)

Table 6: Summary of actions by Community Strategy theme

26. Table 7 provides a summary of actions by Corporate Objective, with 69% of actions on target to be achieved at quarter 2.




Corporate Objectives			
<i>Shaping a Better Darlington</i> Work is ongoing to develop a new vision for Darlington. Work on a new Local Area Agreement will commence once the draft vision is in place and is approved	0	9	0
<i>Providing Excellent Services</i> Improved reporting of performance to Scrutiny committees is being carried out. Work is ongoing on the Capital Projects Review to develop a new process to improve quality assurance and risk management	0	7	0
<i>Putting the Customer First</i> Two high profile community engagement campaigns have been carried out. The Connecting with Communities Unit has been established. Residents have been able to give their views on how to shape a better Darlington through engagement on the new vision for Darlington.	0	6	1
<i>Ensuring Access for All</i> A review of direct payments has been carried out to ensure that self-directed support for service users is developed. Work is required to ensure that a Gender Equality Scheme is in place.	0	7	1
<i>Enhancing our Capacity to Improve</i> All strands of the new ODS have now been adopted by Cabinet. Stockton/Darlington Partnership Manager has been appointed.	0	8	1
Totals	0 (0%)	37 (93%)	3 (7%)

Table 7: Summary of actions by Corporate Objective

27. **Appendix 8** identifies those actions that have not as yet been achieved or are unlikely to be achieved by the time specified.

Complaints

28. Table 8 shows the number of comments, compliments and complaints by department and for the latter the number that progress through each of the three stages of the Council's complaints procedure. It can be seen that in quarter two, 8 complaints were escalated to stage 2, or 0.6% and 7 escalated to stage 3 (0.5%). The relatively large number of complaints for Community Services relates mainly to Street Scene, including missed

collections. However, many of the 1,214 listed are probably requests for service, as listed on the Lagan system. It is currently not easily possible to separate out those instances that should be classified as complaints. It should also be borne in mind that the numbers of complaints represent only a small fraction of the total number of service interactions.

29. A review of how the Council handles complaints has been undertaken and is nearing completion. The goals of the review were to examine ways to improve our performance in the handling of complaints in terms of being more timely and efficient and to examine options to secure earlier resolution. In addition options are being examined to bring together in one department the management of complaints once they have passed the informal stage one. This could have the benefit of greater consistency of approach, tighter monitoring of timescales for reply, and better assurance for the public around the independence of the investigation. This would give greater assurance around responses to the Ombudsman.
30. The conclusions of the review will be reported to Cabinet in a subsequent report.

Department	Comments/ Compliments	Complaints and requests for service	Stage 1	Stage 2	Stage 3
Chief Executive's	0	0	0	0	1
Corporate Services	334	11	1	1	0
Community Services	182	1,214	34	3	2
Children's Services	4	35	35	0	0
Development & Environment	6	118	116	4	4
Darlington BC	526	1,378	296	8	7

Table 8: Complaints by department

Outcome of Consultation

31. The issues contained within this report do not require formal consultation.

Legal Implications

32. This report has been considered by the Borough Solicitor for legal implications in accordance with the Council's approved procedures. There are no issues which the Borough Solicitor considers need to be brought to the specific attention of Members, other than those highlighted in the report.

Section 17 of the Crime and Disorder Act 1998

33. The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. It is not considered that the contents of this report have any such effect.

Council Policy Framework

34. The issues contained within this report do not represent a change to Council policy or the Council's policy framework

Decision deadline

35. For the purpose of the 'call-in' procedure this does not represent an urgent matter.

Conclusions

36. Overall the Council is on target with regard to service performance. Efficiency gains are projecting a shortfall of £0.225M. Council's revenue reserves are projected to be £0.836M below the planned level in the MTFP. Appropriate action is being taken to manage the Council's service and financial performance, including the areas of increased spending.
37. The combined financial and service performance report to Members provides a sound basis for joined-up consideration of the Council's financial and service performance.

Recommendations

38. It is recommended that Cabinet:
- (a) note the solid service performance against target;
 - (b) note the projected overspend of £0.836M compared with MTFP;
 - (c) note the positive value for money assessment;
 - (d) ensure that action plans are taken to address areas of underperformance.

Reasons

39. The recommendations are supported to continue effective management of service and financial performance and improvement of value for money.

Paul Wildsmith **Lorraine O'Donnell**
Director of Corporate Services **Assistant Chief Executive**

Background papers

Financial records

Performance management records and *PerformancePlus* computer system

David Hall – Financial performance sections

Extension 2303

David Goodchild – Service performance sections

Extension 2015