

**COMBINED FINANCIAL AND SERVICE PERFORMANCE REPORT**  
**QUARTER 3 2007/08**

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**Responsible Cabinet Member – Councillor Williams, Leader and all Cabinet**

**Responsible Directors – Ada Burns, Chief Executive and all Directors**

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**Purpose of Report**

1. To report on progress against plan for third quarter service and financial performance for April to December 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, in particular around those areas where performance is below target and in the lower quartiles, for example some areas of Planning, BME/Disabled employees as top 5% earners, household waste collected and some road casualty indicators.
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, 85% of targets for national indicators are being met. In financial terms, reserves at 31st March 2008 are projected to be £1.451M below the level planned when Council approved the current MTFP in March 2007. This latest projection is £0.077M below the draft MTFP presented to Cabinet on 16<sup>th</sup> January 2008. 97% 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 to enable the monitoring of delivery against high-level objectives. The planning hierarchy and use of *PerformancePlus* allows performance to be measured 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 3rd 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 (BVPs) and local indicators. Highest performance to date is for the *Promoting community safety* theme. The lowest performing theme is *Developing an effective transport system*. This theme includes some indicators around road safety which have very small numbers, whereby a small increase in numbers can have a significant impact on overall performance against target. Performance reported in this quarter is for the year 2006. Current trends show significant improvement in road safety, with the government 2010 targets on course to be achieved.
- 9. Overall the Council’s contribution to the top objective *Where quality comes to life* is favourable at 6.0% above target.

<b>Community Strategy theme</b>	<b>Overall status</b>	<b>Comment</b>
Improving the local economy	★	The number of people using Information Darlington is above target, as is satisfaction levels with how well the authority is improving the economy and cost per job created.
Promoting inclusive communities	★	There is good performance for a wide range of benefits indicators. The target for pedestrian crossings adapted for the disabled has not been met and there is a need to reassess the target in light of a local

		agreement between the authority and Darlington Association on Disability.
Raising educational achievement	●	Key educational attainment indicators are on target, as is the number of half days missed to all absence. Those care leavers in employment; education or training is above target.
Stimulating leisure activities	★	Participation at the Council's leisure facilities is generally above target. Satisfaction with Leisure and Arts overall is currently below target along with satisfaction of the Arts Centre, however satisfaction with the Dolphin Centre and Civic Theatre are on target. The satisfaction surveys were carried out during a period of intensive refurbishment to some facilities, which has now been successfully completed, impacting on the levels of satisfaction in the short term.
Promoting community safety	★	Domestic burglaries, robberies and vehicle crime have all exceeded target, although violent crime is below target. A 'tackling violent crime' programme was introduced in November 2007, concentrating on reducing alcohol related crime in the night time economy, with positive effects expected in the final quarter of this year.
Improving health and well-being	●	Key indicators are on target including looked after children with three or more placements, adoptions of looked after children and adult social care indicators around equipment delivered in 7 days and older people helped to live at home.
Enhancing the local environment	●	The amount of waste composted and recycled is above target, although the percentage change of waste per head did not meet target. Improvement to our performance indicators for waste is built into the new waste disposal contract. Planning applications for major and other applications failed to reach target. Action to raise performance on major planning applications is focusing on improving the value and productivity of pre-application discussions. An in depth review of the development control service has now been undertaken, the recommendations of which are intended to restore performance levels to top quartile. This will include streamlining business processes, improving ICT (including e-planning), more flexible working and multi-skilling for planning support staff and improved process management and performance management systems.
Developing an effective transport system	▲	The number of road casualties that were killed or seriously injured has risen from the previous year. It is acknowledged that a low increase in accidents can have a major effect on these indicators due to the very small numbers involved. The percentage of abandoned cars removed exceeded target.
Corporate Health - all themes	▲	There is above target performance for the number of employees leaving through early retirement, the percentage of employees with a disability and the percentage of employees from ethnic backgrounds. The numbers of employees with a disability and those from BME backgrounds in the top 5% of earners have not met target. These issues will be incorporated within the corporate approach to workforce planning.

<b>DBC</b> <b>‘Where quality comes to life’</b>		<b>Overall on target performance</b>
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**Table 1: Summary of DBC achievement by Community Strategy theme (BVPIs and local performance indicators)**

*Financial performance*

10. 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. (**Appendix 1**).






*Value for money*


11. Overall the Council shows positive value for money during the third quarter as detailed in **Appendix 1**. The council has recently received its annual external assessment of value for money from Pricewaterhouse Coopers, which improved to the maximum score of 4. The Audit Commission has recently stated in its Direction of Travel statement that the council “provides excellent value for money”.

**Overview of performance against Corporate Plan**

*Service performance*

12. 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 6.0% above target:

<b>Corporate Objective</b>	<b>Overall status</b>	<b>Comment</b>
Shaping a better Darlington		Overall performance is above target. New homes built on brownfield sites has exceeded target, as has the number of heat efficient homes and the numbers of first time entrants into the Youth Justice System.
Providing excellent services		This theme shows on target performance. There is solid performance for services for young people, with good achievement against target for some key areas of community safety and benefits.
Putting the customer first		This theme shows performance within target tolerance for many areas, although the percentage of complaints elevated from stage 1 to stage 2 has not met challenging targets set, which needs re-assessing for 2008/09 reporting.
Ensuring access for all		The number of disabled employees and those from minority ethnic backgrounds is above target, although women as top 5% earners is below. Whilst it is acknowledged that very small numbers of employees can affect this indicator, these issues require addressing as part of the council’s corporate approach to workforce planning. In adult social care, clients reviewed and the percentage of people with a statement of needs both achieved target.
Enhancing our capacity to improve		There is positive performance against target for the percentage of non-domestic rates collected. The target for sickness absence was achieved, as was the target for procurement savings. The number of tenants

		evicted was 50% above target, which has affected the overall status of this objective, however this involves extremely low numbers.
<b>DBC 'Leading Edge'</b>		<b>Overall good performance.</b>

**Table 2 - Summary of achievement against Corporate Objectives**

*Financial performance*

13. Projected net expenditure against corporate objectives is generally in line with budget for corporate objectives, as detailed in **Appendix 1**.

*Value for money*

















14. Overall the council shows positive value for money against corporate objectives for the third quarter, and this is detailed in **Appendix 1**.

**Overview of performance by department**

*Combined financial and service performance*

15. **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.

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

Departments	No.	Financial Performance				Service Performance					
					Total				?	N/A	Total
Chief Executive's	15	0	15	0		2	3	1	2	7	
Corporate Services	6	0	6	0		0	5	0	0	1	
Community Services	27*	0	26	1		4	8	3	2	10	
Children's Services	13	0	13	0		2	5	1	1	4	
<b>Darlington BC</b>	<b>61</b>	<b>0</b>	<b>60</b>	<b>1</b>		<b>8</b>	<b>21</b>	<b>5</b>	<b>5</b>	<b>22</b>	

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

Key	
?	There is no available data for this quarter
N/A	There are no available indicators against budget heads

## *Financial Performance*

17. The MTFP approved by Council in March 2007 included planned balances of £10.598M at 31st March 2008. The latest projected balances are £9.147M, a reduction of £1.451M. The draft Revenue MTFP report to Cabinet on 16<sup>th</sup> January 2008 highlighted changes to the approved plan, including improved opening balances, increased costs of adult social care and single status and savings in financing costs. The overall effect of these changes reduces planned balances at 31<sup>st</sup> March 2008 to £9.226M, which is the starting point for the draft 2008-12 MTFP.
18. **Appendices 4 to 6** contain detailed financial data in the format used previously in revenue budget management reports to Cabinet and Resources Scrutiny Committee.
19. Departmental and corporate budgets projected outturns are summarised in **Appendix 4**. Projected outturn is compared with the MTFP approved by Council in March 2007. . Further detail is given in **Appendices 4(a) to 4(g)**. Projected departmental balances are £0.150M below the draft MTFP 2008-12 and projected corporate balances are £0.073M higher than the draft MTFP. The projected net reduction in balances of £0.077M does not materially change the draft plan. The Council's projected General Fund Reserves are shown in **Appendix 5**.
20. 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 £0.367M 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.
21. Efficiency gains are identified through corporate and financing planning and continuing service review. They are reported to Government in Annual Efficiency Statements (AES). 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*

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

## Exception reporting

23. 85% of national indicators that can be collected in the third 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.
24. 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
Chief Executive's	5	5	3	11	24	-16.26%
Corporate Services	5	6	2	6	19	6.96%
Community Services	19	33	14	29	95	6.70%
Children's Services	6	14	4	5	29	-4.48%
<b>TOTAL for DBC</b>	<b>35</b>	<b>58</b>	<b>23</b>	<b>51</b>	<b>167</b>	<b>6.0%</b>

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

25. The 23 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.

Indicator	Actual	Target	2006/07 quartile
<b>Chief Executives</b>			
BV109a - Percentage of major planning applications determined within 13 weeks	50.0	63.0	Worst
BV127a - Violent crime per 1,000 population	14.39	9.08	Lower
BV205 - Planning quality of service checklist	89.00	100.00	Worst
<p><b>Corrective action being taken:</b> An in depth review of the development control service has now been undertaken, with a view to streamlining business processes, improving ICT, increasing flexible working and multi-skilling for planning support staff and improving process management and performance management systems. A concerted effort to tackle violent crime by targeting reducing alcohol related crime in the night time economy is underway.</p>			
<b>Children's Services</b>			
BV50 - The percentage of young people leaving care aged 16 or over with at least 1 GCSE grades A*-G or GNVQ	33	60	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	33.9	36.0	Best
<p><b>Corrective action being taken:</b> Continued investment in school improvement is being made, including intensive support for targeted schools, specialist support from the e-learning team for key stage 3 in ICT and network meetings of primary/secondary colleagues to boost performance through transition and provide intervention in Key Stage 3. Very low numbers of young people leaving care means one young person could move this indicator from on target performance to below target performance.</p>			
<b>Corporate Services</b>			
BV11b - BME employees in top 5% earners	0.92	2.00	Lower
BV11c - Disabled employees in top 5% of earners	1.79	2.99	Lower
<p><b>Corrective action being taken:</b> Whilst these indicators include low numbers, meaning one or two employees leaving the authority can greatly influence the outturn, actions to improve these indicators will form part of the authority's approach to workforce planning.</p>			
<b>Community Services</b>			
BV66d - Percentage of tenants evicted	0.30	0.20	Upper
BV75a - Satisfaction of tenants with opportunities to participate in management and decision making for council housing	64.4	75.0	Best
BV84a - Number of kilograms of household waste collected per head	429.62	394.50	Worst
BV84b - Percentage change from the previous year of the amount of household waste collected per head	8.37	1.70	Lower
BV99ai - Number of road casualties – killed/seriously injured (KSI)	66	41	Best
BV99aaii - Road casualties – percentage change over the previous year	90.98	-4.75	Lower
BV99aaiii - Road casualties – % change over the 1994/98 average	15.8	-28.1	Lower
BV99bi - Number of road casualties – children killed/seriously injured	7	6	Best



BV99bii - % change over the previous year for children	0	-14.3	Worst
BV99cii - % change over previous year for slight injury	1.69	0	Upper
BV165 - Percentage of pedestrian crossings with facilities for disabled people	7.8	48	Worst
BV199a - percentage of relevant land and highways that is assessed as having combined deposits of litter and detritus that fall below an acceptable level	15	10	Upper
BV199b - Percentage of land and highways from which unacceptable levels of graffiti are visible	6	4	Lower
BV215a - Average number of days taken to repair a streetlight fault, which is under the control of the Council	3.81	3.00	Lower

**Corrective action being taken:** Through improvements in street scene, litter is now becoming less of an issue, and the reporting of graffiti is increasing. This is being tackled through the Crime and Disorder Reduction Partnership and Street Scene teams are increasing the time spent on this issue. The litter and detritus indicator is based on three surveys per year. Improvements in service delivery and performance against target will be apparent at end of year. The numbers of road casualties killed and seriously injured are very susceptible to variance due to very small numbers involved. Reducing road casualties remains a key focus of work through the Local Transport Plan.

**Table 5: BVPIs currently failing to achieve target**

26. Reasons for underperformance in these areas have been sought from departments and is input onto the council's performance management system. There are in some cases very small numbers for indicators, which make target setting problematic. This is especially the case with the percentage of people leaving care with 1 GCSE A\*-G, BME employees as top 5% earners, disabled employees as top 5% earners, tenants evicted and road casualties. Nevertheless, effective corrective action is still required in these areas to ensure that we strive to achieve challenging targets set.
27. Corrective action is being taken in key areas including Planning and Waste, as there is a need to address these key areas of low performance.




#### **Assessment of performance against delivery of actions**

28. Performance against actions in the 2007-2010 Corporate Plan is reported on a quarterly basis. Table 6 provides a summary of actions by Community Strategy themes, showing that 97% of actions are on target to be achieved. Detailed information is appended in **Appendix 8**.

<b>Community Strategy Theme</b>			
<b>Improving the Local Economy</b> Work is ongoing to take forward the Darlington Gateway projects, with active participation in Tees Valley unlimited leading to the development of a Multi-Area Agreement (MAA) with appropriate Board structures.	0	28	0
<b>Promoting Inclusive Communities</b> An Older Person's Strategy for Darlington has been developed. Adult protection policies and procedures have been revised and Mental Capacity Act policies and procedures have been developed and publicised. Affordable housing plan has been implemented.	0	16	1
<b>Raising Educational Achievement</b> Work is continuing with schools around persistent absence and attendance network continuing to inform best practice. Consultants engaged to write the NEET (not in education, employment or training) Strategy by March 2008.	0	29	0
<b>Stimulating Leisure Activities</b> Live Darlington card introduced. Sport and physical activity strategy introduced. Menus re-defined to reflect revised guidelines for healthy schools agenda.	1	11	0
<b>Promoting Community Safety</b> Neighbourhood policing teams are in place, with intelligence led approach adopted across all CDRP groups utilising new technology including GIS and effective partnership working.	1	10	1
<b>Improving Health and Well-Being</b> Leading Edge project plan revised with 2 work streams for Health and the authority to deliver improved joined up working. Breastfeeding, smoking and immunisation programmes showing sustainable improvement. 5 schools achieved Healthy Schools status and 21 partially achieved as at end December 2007. Improving Health Strategy developed.	0	10	1
<b>Enhancing the Local Environment</b> Improved satisfaction with the environment, and community engagement for street scene issues as part of the 'Talking Together' events. High level of compliance with smoke free environment. New waste strategy to follow on from waste contract. Increased recycling to be an outcome of the new waste contract/strategy.	0	16	0
<b>Developing an Effective Transport System</b> Local Motion action planning with stakeholders is taking forward the sustainable travel agenda to maintain successes of the programme. Some cycling schemes delayed due to issues raised during design and consultation.	2	19	2
<b>Totals</b>	<b>4</b> <b>(3%)</b>	<b>139</b> <b>(94%)</b>	<b>5</b> <b>(3%)</b>

**Table 6: Summary of actions by Community Strategy theme**

29. Table 7 provides a summary of actions by Corporate Objective, with 93% of actions on target to be achieved at quarter 3.

<b>Corporate Objectives</b>			
<b>Shaping a Better Darlington</b> Sustainable Community Strategy and draft Local Area Agreement on track to be completed by 31 March 2008.	0	9	0
<b>Providing Excellent Services</b> Improved reporting of performance to Scrutiny committees now in place. Stockton and Darlington Partnership approved by Council and will deliver capacity for service improvement. Continued work on procurement to manage agency staff and savings from advertising.	0	7	0
<b>Putting the Customer First</b> Area consultation events in place and well attended. Community engagement strategy implementation underway. Comprehensive engagement continuing on Sustainable Community Strategy.	0	6	1
<b>Ensuring Access for All</b> Gender Equality Scheme adopted by Cabinet and implementation underway. Carers compact launched on 7 December 2007. Modernisation of adult social care being taken forward with establishment of Project Board and events to take place.	0	8	1
<b>Enhancing our Capacity to Improve</b> Progress remains on target to deliver Gershon targets, however planned efficiencies against a number of major re-engineering projects have been delayed to allow full employee engagement prior to implementation. Procurement project savings remain ahead of target. Additional Leading Edge projects have been identified.	0	8	1
Totals	0 (0%)	38 (93%)	3 (7%)

**Table 7: Summary of actions by Corporate Objective**

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

### **Complaints**

31. 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 three, 6 complaints were escalated to stage 2, or 0.8% and 3 escalated to stage 3 (0.4%). There is a need to review target setting for complaints administration in 2008/09 to ensure targets are achievable and realistic. The relatively large number of complaints for Community Services relates mainly to Street Scene, including missed collections. However, many of the 710 listed for the department of Community Services are requests for service, as listed on the Lagan system.
32. A review of how the Council handles complaints has been undertaken, with a view to improving performance reporting, effective learning and training, whilst also streamlining the corporate process to offer an improved customer experience. Cabinet approved the recommendations to improve the complaints system, which was subsequently called in. The results of the Call-in are due to be presented to Cabinet on 12th February 2008.

<b>Department</b>	<b>Comments/ Compliments</b>	<b>Complaints and requests for service</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>
Chief Executive's	0	0	0	0	0
Corporate Services	155	0	0	0	0
Community Services	82	710	5	5	1
Children's Services	1	24	24	0	0
Development & Environment	1	27	25	1	2
<b>Darlington BC</b>	<b>239</b>	<b>761</b>	<b>54</b>	<b>6</b>	<b>3</b>

**Table 8: Complaints by department**

### **Outcome of Consultation**

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

### **Legal Implications**

34. 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**

35. 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**

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

### **Decision deadline**

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

### **Conclusions**

38. Overall the Council is on target with regard to service performance. Efficiency gains are projecting a shortfall of £0.020M. Council's revenue reserves are projected to be £0.077M below the planned level in the draft MTFP reported to Cabinet on 16th January 2008.

39. 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**

40. It is recommended that Cabinet:

- (a) note the areas where targets have not been met in areas including Planning and Waste, and ensure action planning is taken to address these key areas of under performance;
- (b) note the overall strong performance against Community Strategy themes and corporate objectives;
- (c) note the projected overspend of £0.077M compared with the draft MTFP;
- (d) note the positive value for money assessment and improvement in the external score for value for money which contributes to the overall CPA star rating for the authority;

## **Reasons**

41. 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, Ext: 2303

David Goodchild – Service performance sections, Ext: 2015