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**COMBINED SERVICE AND FINANCIAL PERFORMANCE REPORT**  
**QUARTER 2 2010/11**

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

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

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**SUMMARY REPORT**

**Purpose of Report**

1. To report the Council's service and financial performance at second quarter 2010/11.

**Summary**

2. Since the last report to Cabinet on 13 July 2010 covering year end 2009/10 the political environment has changed considerably and this has had significant impact on the national performance framework. Departments continue to manage their performance with regular reporting through management teams.
3. This report provides a combined quarterly overview of the position on service and financial performance and to show progress against the Sustainable Community Strategy (SCS) One Darlington : Perfectly Placed, and the Council's corporate plan.
4. Performance and delivery achievement headlines since the last report include:
  - (a) The inspection of Jobs and Skills in the Tees Valley undertaken by the Audit Commission was positive for Darlington.
5. Many of the indicators are outcome-based and only reported on an annual basis. The Place Survey has been discontinued and so this data will no longer be available. Some of this data is likely to be collected through the Council's own Community Survey although this is not being run in 2010. For some indicators there is a time lag which can be many months and in some cases more than a year. It should also be noted that there may be a mismatch between the quarter that the data is reported in and the quarter to which the performance refers.
6. The following table provides an overview of service performance progress against target for the SCS and corporate plan where data is available. The pie charts, using the latest data available for all indicators, show the number of indicators and then the percentage of the total. It should be noted that in some instances data relates to year end 2009/10 or earlier.

Plan	Status	Chart															
One Darlington : Perfectly Placed – Sustainable Community Strategy	●	<p><b>Number of indicators by alert symbol for the SCS</b></p> <table border="1"> <tr><th>Alert Symbol</th><th>Count</th><th>Percentage</th></tr> <tr><td>Below target</td><td>3</td><td>19%</td></tr> <tr><td>Above target</td><td>4</td><td>25%</td></tr> <tr><td>On target</td><td>9</td><td>56%</td></tr> </table>	Alert Symbol	Count	Percentage	Below target	3	19%	Above target	4	25%	On target	9	56%			
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Below target	3	19%															
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Corporate Plan (overall) <ul style="list-style-type: none"> <li>● Corporate Plan – Delivery of Community Priorities;</li> <li>● Corporate Plan – Delivery of Organisational Improvements</li> </ul>	● ● ●	<p><b>Number of indicators by alert symbol for the Corporate Plan</b></p> <table border="1"> <tr><th>Alert Symbol</th><th>Count</th><th>Percentage</th></tr> <tr><td>Data unavailable</td><td>1</td><td>3%</td></tr> <tr><td>Below target</td><td>5</td><td>13%</td></tr> <tr><td>Above target</td><td>10</td><td>25%</td></tr> <tr><td>On target</td><td>24</td><td>59%</td></tr> </table>	Alert Symbol	Count	Percentage	Data unavailable	1	3%	Below target	5	13%	Above target	10	25%	On target	24	59%
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Medium Term Financial Plan 2010-2014	★																

## Conclusions

7. The changes made by Government to the national performance framework have had a significant impact on reporting.
8. Overall performance is generally on target.
9. The financial performance shows a projected improvement of £2,020,000 compared with the 2010-14 Medium Term Financial Plan (MTFP) approved by Council in February 2010 and amended by Cabinet in July 2010 following the Government's 2010/11 grant reduction announcement as part of its emergency budget.

## Recommendations

10. It is recommended that Cabinet note:
  - (a) the areas where targets have not been met and ensure action planning is taken to address these key areas of under performance;
  - (b) the on target performance against the Sustainable Community Strategy and Corporate Plan;

- (c) the provisional financial outturn for 2010/11 compared with the approved 2010-14 MTFP.

**Reason**

11. The recommendations are supported to maintain appropriate management arrangements for the Council's finances to make effective use of the Council's resources and to continue to effectively manage services and improve value for money.

**Paul Wildsmith**  
**Director of Resources**

**Chris Sivers**  
**Assistant Director Development and**  
**Commissioning**

**Background Papers**

Financial reports

Performance management reports

David Hall – Financial performance sections, Ext: 2303

David Goodchild – Service performance sections, Ext: 2015

S17 Crime and Disorder	Indicators reported here include those concerned with reducing crime and disorder and are showing generally on-target performance
Health and Well Being	Indicators reported here include those concerned with improving health and wellbeing and are showing generally on target performance
Carbon Impact	There is no specific impact on carbon emissions
Diversity	There is no specific diversity impact other than that measured by the indicators.
Wards Affected	All wards are affected equally, although specific indicators measure the impact on 'One Darlington'.
Groups Affected	All groups are affected equally, although specific indicators measure the impact on 'One Darlington'.
Budget and Policy Framework	This report does not recommend a change to the Council's budget or policy framework.
Key Decision	This is not classed as a key decision.
Efficiency	The corporate plan and service plans are integral to delivering services efficiently (and effectively) although this report does not identify specific efficiency savings.
Urgent Decision	For the purpose of the 'call-in' procedure this does not represent an urgent matter.
One Darlington: Perfectly Placed	Data is reported here to assess progress against meeting the objectives in the SCS.

## MAIN REPORT


### Information and Analysis

12. The content of this report covers the following:
- (a) Background information;
  - (b) Performance information and analysis:
    - (i) One Darlington : Perfectly Placed, the Sustainable Community Strategy (SCS);
    - (ii) Corporate Plan – performance information.
  - (c) Update on the development of a revised outcome-based performance planning framework ;
  - (d) Financial information;
  - (e) Overview of services’ position on budgets and performance indicators;
  - (f) Overview of complaints.

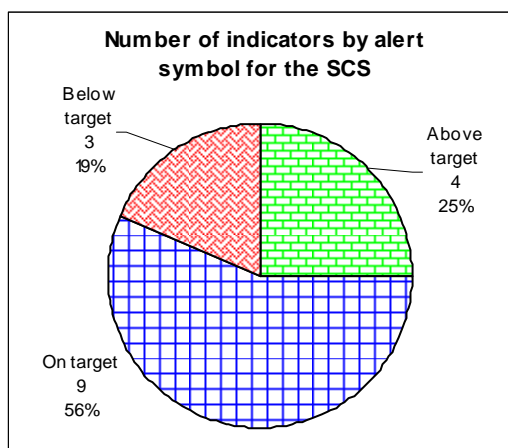
### Background Information

13. Since the last report to Cabinet on 13 July 2010 covering year end 2009/10 the national political environment has changed considerably and this has had significant impact on the national performance framework that the Council operated to. The Government has abolished Comprehensive Area Assessment, Local Area Agreements and councils are no longer required to report against the National Indicator Set (NIS). The national Data Interchange Hub and analysis tool that held, and facilitated analysis of, the NIS have been closed down. Although the government has said it will be introducing a single set of data that local authorities will be required to provide, currently many indicators which were in the NIS are still being collected and reported by Government departments. Local authorities are required to collect data for these NIs until informed otherwise. It is unlikely there will be a set of indicators specified by Government and collected/reported by all English local authorities. Departments continue to manage their performance with regular reporting to management teams.
14. This report covers the period April to September 2010. High-level summary financial information is included in this report. This report provides both a financial and service performance assessment against service plan areas.
15. This report aims to give a high level view of performance, and report by exception any areas of contra performance. All service performance information is available for viewing via *PerformancePlus*, with more detailed information available from the Council’s Corporate Policy Unit.

### Performance Information and Analysis

(i )	<b>One Darlington : Perfectly Placed – Sustainable Community Strategy</b>	
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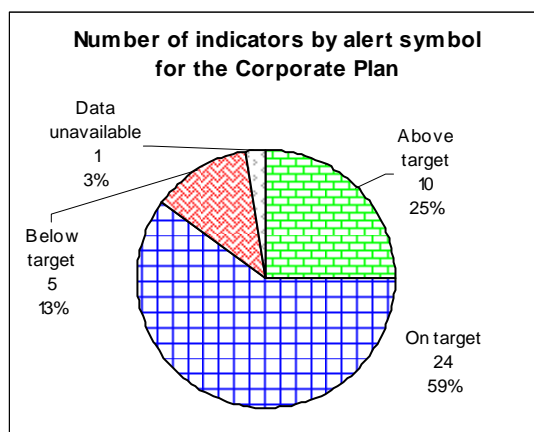
16. The SCS itself incorporates 15 performance indicators (three for each of the five delivery themes) and one of these indicators has two parts (hence 16 in the pie chart below). These indicators focus on long-term outcomes that are unlikely to shift significantly within the short-term but over the 13 year lifespan of the SCS they will provide a high level overview of progress in delivering the vision.



17. The overall status of the SCS is currently showing on target performance, although this is based on four indicators, including one which one has two parts. Within this NI102ii Achievement gap between pupils eligible for free school meals and their peers at Key Stage 2 performing below target.

<b>(ii)</b>	<b>Corporate Plan 2010-14</b>	<b>●</b>
	- Corporate Plan - Part A: Delivery of Community Priorities	<b>●</b>
	- Corporate Plan – Part B: Delivery of Organisational Improvements	<b>●</b>

18. The SCS does not cover everything that is important to the effective running of the council, and so additionally both actions and performance in the Council's Corporate Plan are also presented. The Corporate Plan contains a prioritised basket of indicators and actions which are reported against SCS themes and also corporate objectives.
19. The corporate plan was written with national indicators as a significant component partly reflecting Government priorities and reporting requirements, and as noted things have changed considerably. This has impacted on the measurement of the corporate plan and the number of indicators that can be used is reduced. The financial pressure on the Council has also resulted in a reduction in survey work.
20. The Corporate Plan is on target overall at the end of the second quarter. A total of 39 performance indicators are now attached to the improvement proposals set out in the plan to measure progress against delivery. Of these 39, including both national and local indicators, quarter 2 data is available for ten with three of these showing below target performance. As for previous charts that below shows the latest position for the indicators.



21. Improvement proposals are set out in the plan in two sections or parts – part A contains proposals for delivering outcomes that will contribute to the vision for Darlington; part B sets out proposals for the council’s organisational development. Of the indicators measuring progress against SCS themes, nine have quarter 2 data available and show performance to be on target overall. For 2010/11 three indicators now measure progress against the council’s corporate objectives, one has data available and performance for this is on target.
22. The ‘Part A: Delivery of Community Priorities’ basket includes three indicators that are currently performing below target. These are in the table below together with reasons.

Indicator	Target	Actual
<b>NI102i</b> – Achievement gap between pupils eligible for free school meals and their peers at Key Stage 2	20.5	25.2
<b>Reasons</b> – 14 (out of 28) schools did not sit KS2 SATS in summer 2010 and this has had an impact on the figure reported for this indicator.		
<b>NI 117</b> – 16 to 18 year olds who are Not in Education, Employment or Training (NEET)	5.7	7.7
<b>Reasons</b> – The September figure is above target because numbers peak between June and September. From September the figure will reduce. The target is based on the average figure for the three months November 2010 to January 2011 inclusive.		
<b>NI130</b> – Direct Payments/Individual Budgets	15.00	11.93
<b>Reasons</b> – There has been a decrease in the number of personal budgets being presented to the Validation Forum for approval in the last two months. This may be attributable to both individuals requiring social care support and staff taking holidays. The number of requests for personal budgets presented to the Validation Forum in October has increased from the September levels. Ongoing work with the staff teams to offer personal budgets to all people who use social care support continues. Further training of the mental health teams planned for December will be followed by the 'roll out' of personal budgets for those with mental health problems which will also help towards achieving the target.		

## Update on the development of a revised SCS outcome-based performance planning framework

23. The SCS ‘One Darlington: Perfectly Placed’ sets out Darlington Partnership’s vision for Darlington and the priorities for all partners measured by a high-level basket of 16 indicators. The Darlington Partnership Executive and Board supported by the theme groups have revised the objectives to make them more outcome-focussed and measured by outcome indicators. It is important to note that this does not change the priorities in the SCS rather it improves the capability to measure achievement against these priorities. The table below summarises this work that is provisional and subject to final approval by the Darlington Partnership Board.

<b>Outcome</b>	<b>Key Outcome Measures</b>
People in Darlington are healthy and empowered	<ul style="list-style-type: none"> <li>• NI123 Rate of adult 4-week smoking quitters</li> <li>• Rate of alcohol related hospital admissions</li> <li>• Years of life lost due to mortality by cause</li> <li>• NI127 Self reported experience of social care users</li> <li>• Rate of referrals of children in need</li> </ul>
People in Darlington are educated and skilled	<ul style="list-style-type: none"> <li>• NI075 Percentage of pupils achieving 5 or more GCSEs at Grade A*-C including English and maths</li> <li>• NI163 Proportion of working age population qualified to at least Level 2</li> <li>• NI165 Proportion of working age population qualified to at least Level 4</li> <li>• NI117 Percentage of 16-18 year olds not in employment, education or training</li> </ul>
People in Darlington are financially secure	<ul style="list-style-type: none"> <li>• NI151 Working age employment rate</li> <li>• NI116 Proportion of children in poverty</li> <li>• NI166 Median earning of employees (residents)</li> <li>• NI152 Proportion of working age population on out-of-work benefits</li> <li>• Percentage of pension recipients claiming pension credits</li> </ul>
People in Darlington live in cohesive and resilient communities	<ul style="list-style-type: none"> <li>• NI001 People from different backgrounds getting on well together</li> <li>• Level of reported hate crime</li> </ul>
People in Darlington live in sustainable neighbourhoods	<ul style="list-style-type: none"> <li>• NI057 Children and young people’s participation in high quality PE and sport</li> <li>• NI110 Young people’s participation in positive activities</li> <li>• NI011 Percentage adult population that have engaged in the arts at least three times in the past year</li> <li>• NI186 Per capita reductions in CO2 emissions</li> <li>• NI175 Access to services by public transport, walking and cycling</li> </ul>



Darlington communities are safe and free of crime	<ul style="list-style-type: none"> <li>• Total crime rate</li> <li>• NI030 Reoffending rate of prolific and priority offenders</li> <li>• Rate of anti-social incidents</li> <li>• Public perception of crime</li> </ul>
Darlington is an ambitious, entrepreneurial place in which businesses thrive and create wealth	<ul style="list-style-type: none"> <li>• NI171 New business registration rate</li> <li>• VAT deregistration rate</li> </ul>

### Financial information

24. This report compares the latest projected outturn with the original budget for the year, which was approved by Council in February 2010 and amended by Cabinet in July 2010 following the Government's grant reductions for 2010/11 announced in its emergency budget.

25. The projected financial outturn for 2010/11 compared with the approved 2010-14 MTFP is an improvement of £2,020,000, as detailed below:-

<b>Projected General Fund Reserves at 31 March 2011</b>	
	<b>£000</b>
<b>Planned closing balance 31/03/2011</b>	<b>11,239</b>
Increase in opening balance from 2009/10 results	655
<b>Projected corporate underspends / (overspends):</b>	
Joint Bodies & Levies	33
Financing Costs	563
Area Based Grants	74
Mid-year Savings	1,213
In-year grant reduction	(919)
LAA Reward Grant	100
Insurance Fund	1,000
Insurance Claim	109
Freedom Marches	(11)
DSG adjustment	51
Pay Award	275
<b>Departmental Year-End underspends / (overspends)</b>	
Children's Services	(1,764)
Community Services	664
Chief Executive's	190
Corporate Services	(213)
<b>Total</b>	<b>13,106</b>
<b>Overall improvement</b>	<b>2,020</b>

## Overview of service position on budgets and performance indicators

26. The table below shows the position regarding delivery of service plans of which there are 15 in 2010/11. For financial information the analysis is a projection as to whether the budget is likely to be achieved by the end of the year, within a tolerance dependent on the size of the budget. For services progress is assessed at the second quarter.

<u>Department/Service Plan</u>	(▲ below target , ● on target, ★ above target)	
	Finance	Service
<b>Chief Executive's</b>		
Planning, Performance & Partnerships	★	●
Regeneration	●	●
<b>Children's Services</b>		
Children and Families	▲	▲
Early Intervention & Prevention	●	●
Planning and Resources	●	●
School Improvement & Development	●	●
<b>Community Services</b>		
Adult Social Care	●	★
Cultural Services	●	★
Environmental Services	●	★
Highways & Engineering Services	●	★
Housing Benefits	★	★
Housing Services	●	★
Supporting People	●	●
<b>Corporate Services</b>		
Public Protection	●	●
Darlington & Stockton Partnership	●	●
Support Services	●	▲

Finance indicators: ▲ below target - forecast expenditure is greater than budget (or forecast income is less than budget)

★ above target – forecast expenditure is less than budget (or forecast income is greater than budget)

27. The Children and Families service plan is reporting under target service performance due to targets not being achieved for some indicators relating to looked after children and adoptions. The principal reason is the difficulty of securing suitable foster parents and a multi agency resources panel is attempting to improve the situation.
28. The Support Services service plan is reporting under target performance due to a number of complaints and procurement indicators not meeting targets. The number of days lost to accidents is also above target. Efforts are underway to address underperformance, although in some cases there are small numbers involved, which can make year-on-year performance rather volatile.

29. Significant variances between budget and projected outturn are:

Chief Executive's

- (a) Planning, Performance & Partnerships – an underspend of £160,000 from staff vacancy savings and savings on supplies and services budgets.

Children's Services

- (b) Children & Families – an overspend of £2,386,000 due to significant increased external child placement costs including secure accommodation, legal costs, payments to foster carers and agency costs for social workers. Details of the position together with actions to mitigate the position were presented to Cabinet on 2 November 2010.

Community Services

- (c) Housing Benefits – an underspend of £150,000 due to a pressure of £50,000 on the subsidy the Council pays following changes in exempt accommodation rules, receipt of a one-off additional grant of £120,000 to assist with increased benefit claims that has not needed to be used and staff vacancy savings.
- (d) In addition to these departmentally managed budgets, variances on corporately managed resources are shown in paragraph 25 and have previously been reported to Cabinet in more detail in November.

30. Redundancy payments as a result of the Council restructure are being met from corporate resources, with any consequent payroll savings being returned to corporate resources. At this stage it is too early to predict the overall cost to be met from Reserves. A forecast will be made as the restructure progresses and firmer details are known.

### Overview of complaints

31. The following table shows the number of complaints for April to September 2010 proceeding through the 2 stages of the corporate complaints system broken down by department.

Department	Compliments	Comments	Complaints	Stage 1	Stage 2
Chief Executive's	6	43	25	25	7
Children's Services	6	4	3	3	0
Community Services	99	42	136	135	11
Corporate Services	26	5	23	23	7
<b>Darlington BC</b>	<b>137</b>	<b>94</b>	<b>187</b>	<b>186</b>	<b>25</b>

32. Between 1 April and 30 September 2010 Darlington Borough Council received 187 complaints, 186 of which were initially dealt with at stage one of the procedure, and one which was initially dealt with at stage two. Twenty-four of the 186 stage one complaints were escalated to stage two following a stage one investigation. The Council also received 137 compliments and 94 comments.

33. The Council's complaints management system has now been configured to ensure that all complaints received can be recorded and monitored. This enables the production of accurate complaints information that allows the Council to demonstrate how it uses complaints information to learn as an organisation. Previously it was unable to do this effectively

resulting in critical comments from inspectors.

34. Some examples of organisational learning resulting from complaints are provided below:

***Assistant Chief Executive – Regeneration Division***

- (a) It was agreed the Democratic Services should provide more detailed minutes where information omitted from a planning officer's report is raised verbally at Planning Committee.
- (b) As a result of a complaint regarding lack of enforcement action on a developer, it was agreed between Development and Highways to review the process in relation to Section 38/278 and update the standard advice and conditions.

***Community Services***

- (c) Building Services reviewed the Legionella works inspection process as a result of a complaint received.
- (d) The School Transport Policy was reviewed to make it clear the Council measure routes using GIS. It was also recommended that the service develop an appeals process in accordance with the Council's School Transport Policy.
- (e) As a result of a complaint about the manner in which a Highways and Engineering consultation was carried out regarding the introduction of traffic calming measures the consultation process is being reviewed.
- (f) As a result of several complaints disputing the amount paid to Council tenants following the Internal Planned Maintenance (IPM) Works, Housing services revised the Decorating Policy.

***Corporate Services***

- (g) Customer Services have cross-skilled staff to enable them to work in both face-to-face and telephone environments and have introduced flexible working to ensure more staff are available at peak times so that they can respond effectively to fluctuations in call demand.
- (h) A recommendation was made around officers in Local Taxation fully engaging with the complaints unit in order to reduce the amount of officer time spent investigating complaints and to ensure the findings of any investigation are made in light of all the available information.

**Consultation**

35. Officers within the Council and partners have been consulted over the contents of this report and are supportive of the approach taken to reporting performance.