
COMBINED SERVICE AND FINANCIAL PERFORMANCE REPORT
QUARTER 4 2010/11

Responsible Cabinet Member – Councillor Bill Dixon, Leader and all Cabinet

Responsible Directors – Ada Burns, Chief Executive and all Directors

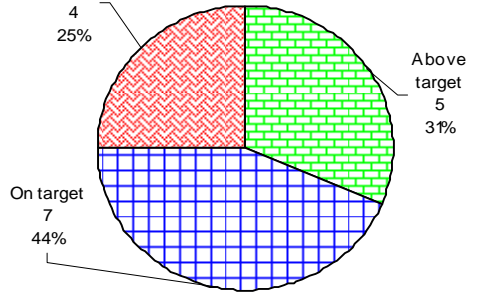
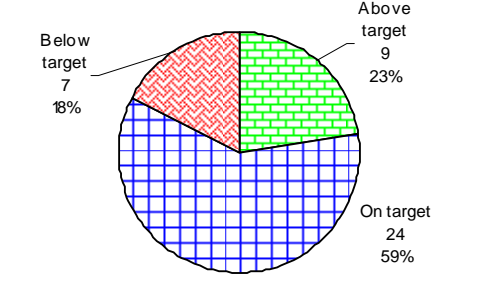
SUMMARY REPORT

Purpose of Report

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

Summary

2. 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.
3. Given the abolition of the national performance framework of Comprehensive Area Assessment, Local Area Agreements and the National Indicator Set in mid-2010 the Council had to decide what to do for 2010 as regards the monitoring and management of its performance. After due consideration it was decided to maintain the then current service plans for reporting but to no longer report for the LAA and NIS, although many of these indicators are included in service plans. This report therefore covers the period from April 2010 to March 2011. Inevitably there will be some indicators in these plans that were not collected in 2010/11 including indicators that were due to be collected in the abolished Place Survey and the cancelled Community Survey, as well as a number collected nationally that were deleted or amended.
4. 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 data-bbox="878 184 1373 239">Number of NIs by alert symbol for the SCS</p>  <table border="1" data-bbox="878 275 1373 569"> <thead> <tr> <th>Alert Symbol</th> <th>Count</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Below target</td> <td>4</td> <td>25%</td> </tr> <tr> <td>On target</td> <td>7</td> <td>44%</td> </tr> <tr> <td>Above target</td> <td>5</td> <td>31%</td> </tr> </tbody> </table>	Alert Symbol	Count	Percentage	Below target	4	25%	On target	7	44%	Above target	5	31%
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<p data-bbox="245 604 542 636">Corporate Plan (overall)</p> <ul data-bbox="293 674 656 846" style="list-style-type: none"> • Corporate Plan – Delivery of Community Priorities; • Corporate Plan – Delivery of Organisational Improvements 	● ● ●	<p data-bbox="878 617 1373 672">Number of indicators by alert symbol for the Corporate Plan</p>  <table border="1" data-bbox="878 707 1373 1001"> <thead> <tr> <th>Alert Symbol</th> <th>Count</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Below target</td> <td>7</td> <td>18%</td> </tr> <tr> <td>On target</td> <td>24</td> <td>59%</td> </tr> <tr> <td>Above target</td> <td>9</td> <td>23%</td> </tr> </tbody> </table>	Alert Symbol	Count	Percentage	Below target	7	18%	On target	24	59%	Above target	9	23%
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Medium Term Financial Plan 2010-2014	★													

Conclusions

- Overall service performance is on target, although performance against the SCS using year-end indicators available is below target as is performance against three service plans that have been especially adversely impacted by the downturn in the economy. Above target performance is being shown for six service plans including housing services, housing benefits, highways & engineering and environmental services. Performance in achieving a number of crime indicator targets demonstrates especially good performance.
- Subject to audit, the draft financial outturn for the Council's 2010/11 revenue budget is a decrease in available balances of £449,000 compared with the Medium Term Financial Plan (MTFP) for 2010 to 2014, approved by Council in February 2010 and amended by Cabinet in July 2010. This decline is primarily as a result of the creation of a Redundancy and Decommissioning Reserve of £4.240M, from General Fund balances, into 2010/11. Without this, there would have been an increase in available balances of £3.791M.

Recommendations

- It is recommended that Cabinet note:

- (a) the areas where targets have not been met and note that action planning is taken to address these key areas of under-performance;
- (b) the below target performance against the Sustainable Community Strategy and on target performance for the Corporate Plan;
- (c) the provisional financial outturn for 2010/11 compared with the approved 2010-14 MTFP.

Reason

- 8. 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

Elizabeth Davison – Financial performance sections, Ext: 2601
 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

9. 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) Financial information;
 - (d) Overview of services' position on budgets and performance indicators;
 - (e) Overview of complaints.

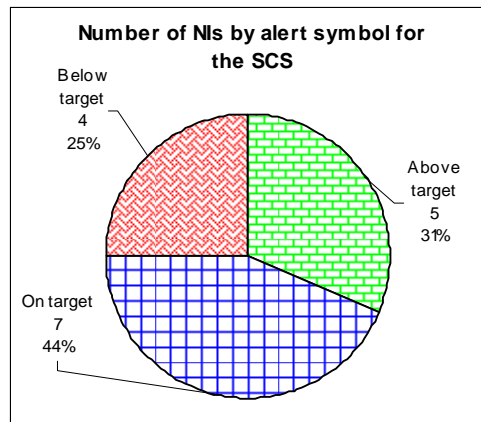
Background Information

10. Following the abolition of the national performance framework of Comprehensive Area Assessment, Local Area Agreements and the National Indicator Set in mid-2010 the Council decided to maintain the monitoring and management framework for the remainder of 2010/11. This report therefore covers the period from April 2010 to March 2011. Inevitably there will be some indicators in these plans that were not collected in 2010/11 including indicators that were due to be collected in the abolished Place Survey and the cancelled Community Survey, as well as number collected nationally that were deleted or amended.
11. This report covers the period April 2010 to March 2011. High-level summary financial information is included in this report. Detailed financial information is shown in the 2010/11 Revenue Outturn report, included on today's agenda. This report provides both a financial and service performance assessment against service plan areas.
12. 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*.

Performance Information and Analysis

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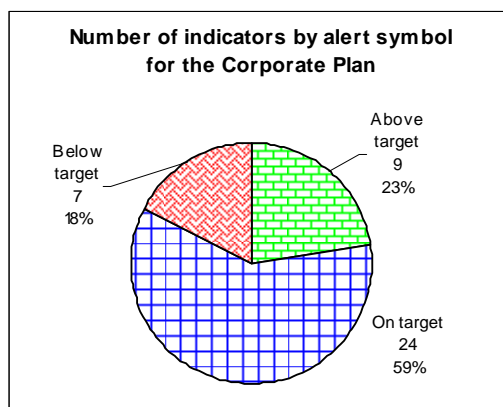
13. The SCS itself incorporates 15 performance indicators (three for each of the five delivery themes) and one of these indicators has two parts (hence 16 in the pie chart below). These indicators focus on long-term outcomes that are unlikely to shift significantly within the short-term but over the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



14. The overall status of the SCS is currently showing below target performance, although this is based on nine (one has two parts) indicators. Of these four are performing below target: the inequality gap in the achievement of a level 2 qualification by age 19, the achievement gap between pupils eligible for free school meals and their peers at key stage 2, the under 18 conception rate and planning to adapt to climate change.

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

15. 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.
16. The corporate plan was written with national indicators as a significant component partly, reflecting Government priorities and reporting requirements. 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.
17. The Corporate Plan is on target overall at the end of the third quarter. A total of 40 (one has two parts) performance indicators are now attached to the improvement proposals set out in the plan to measure progress against delivery. Of these 40, including both national and local indicators, year-end data is currently available for 16 with five of these showing below target performance. As for previous charts that below shows the latest position for the indicators.



18. 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, 14 have year-end data available at this and show performance to be on target overall. For 2010/11 three indicators now measure’s progress against the council’s corporate objectives and none have year-end data available at this time.
19. The ‘Part A: Delivery of Community Priorities’ basket includes five indicators that are currently performing below target. These are in the table below together with reasons.

Indicator	Target	Actual
NI102i – Achievement gap between pupils eligible for free school meals and their peers at Key Stage 2	20.5	26.3
Reasons – 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.		
NI112 – Percentage change in under 18 conception rate compared to baseline	-55	-25
Reasons – Target is a national one, which only two local authorities meet. Darlington's under 18 conceptions rate has decreased by 11% since 2007; the national rate only decreased by 3.6% in this period, with the North East region reducing by 6%. Darlington's reduction in their rate is over 7% better than national and regional performances.		
NI 117 – 16 to 18 year olds who are Not in Education, Employment or Training (NEET)	5.7	6.7
Reasons – Given the current economic climate the 2010/11 target was particularly challenging. The 1% difference equates to approx 52 young people. It should also be noted that the NEET figure has reduced by 0.4% this year. One of the reasons for the variance is the lack of provision post-16 in Work Based Learning and Foundation Learning, especially for 17 year olds coming out of one year courses, due to closure of Skill Training. ACTION: Range of actions in place including earlier identification of potentially NEET young people in Year 11 in collaboration with schools, detailed September Guarantee plan in place and operational, case specific discussion at NEET Reduction Partnership, NEET improvement plan (which details roles and responsibilities of all key agencies), input to developing Integrated Economic Strategy, and range of Government		

initiatives including resources to local Authorities to increase flexible learning through Entry to Employment (E2E).		
NI130 – Direct Payments/Individual Budgets	30.0	25.3
Reasons – The number of requests for personal budgets presented to the Validation Forum has been increasing steadily in the last quarter of the year and this has significantly improved the outturn figure. Although the target of 30% has not been achieved it should be noted that the actions put in place to improve performance have been effective and demonstrates that the self directed model has become embedded within the teams.		
NI185ii – CO2 reduction from local authority operations	10.00	5.93
Reasons – The authority has a target of 25% reduction against the baseline figure by 2014 so we are using 5% as a benchmark to see how the authority is doing. The authority is taking part in the Carbon Trust's Local Authority Carbon Management Programme and a Carbon Management Plan is to be submitted to Cabinet in May 2010.		

20. A number of indicators measuring crime showed especially good performance against target. Targets for the indicators measuring total recorded crime, serious acquisitive crime and repeat incidents of domestic violence were achieved by more than 10%.

Financial information

21. This report is predominantly ‘backward looking’. It reports performance compared with plans made at the start of 2010/11 and compares the financial results primarily with the original budget for the year, which was approved by Cabinet in February 2010 and amended by Cabinet in July 2010 following the Government’s emergency budget. The only amendments made to the budget are for inter-departmental resource movements (reflecting movements in responsibilities between departments).
22. The provisional financial outturn for 2010/11, subject to audit, compared with the approved 2010-14 MTFP is a decline of £481,000, as detailed below:-

Projected General Fund Reserves at 31 March 2011	
	£000
Planned closing balance 31/03/2011	11,239
Increase in opening balance from 2009/10 results	655
Projected corporate underspends / (overspends):	
Joint Bodies & Levies	33
Financing Costs	905
Area Based Grants	102
Mid-year Savings	1,213
In-year grant reduction	(919)
LAA Reward Grant	142
Insurance Fund	1,000
Insurance Claim	109
Freedom Marches	(11)
DSG adjustment	51
Pay Award	275
Equal Pay Legal Costs	(380)
Redundancy/Decommissioning Reserve	

(4,240)

Departmental Year-End underspends / (overspends)

Children's Services	(1,957)
Community Services	2,797
Chief Executive's	608
Corporate Services	370
Carry Forward Request	(1,202)
Total	10,790
Overall decline	449

23. The separate 2010/11 outturn report on today's agenda, considering the financial results for the year and decisions relating to the allocation of resources, takes the MTFP for 2011-15 approved by Council in March 2011 as its starting point. The prime purpose of that report is 'forward-looking', being mainly concerned with the implications for 2011-15. The purpose of the two reports is different but complementary hence the different financial comparisons used. The MTFP for 2011-15 approved by Council in March 2011 includes planned balances of £9.279M at 31 March 2011 (excluding the Redundancy & Decommissioning Reserve movement brought forward into 2010/11). The outturn is £1.510M better than the revised MTFP.

Overview of service position on budgets and performance indicators

24. 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 year-end.

Service Plan

(▲ below target , ● on target, ★ above target)

	Finance	Service
<i>Chief Executive's</i>		
Planning, Performance & Partnerships	★	▲
Regeneration	★	▲
<i>Children's Services</i>		
Children and Families	▲	●
Early Intervention & Prevention	●	●
Planning and Resources	●	★
School Improvement & Development	●	●
<i>Community Services</i>		
Adult Social Care	★	●
Cultural Services	★	●

Environmental Services	●	★
Highways & Engineering Services	★	★
Housing Benefits	★	★
Housing Services	●	★
Supporting People	●	★
Corporate Services		
Public Protection	★	●
Xentrall	●	●
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)

25. The Planning, Performance & Partnerships service plan is reporting under-target performance due to welfare rights benefit take-up being below target; remand episodes and gun and knife crime indicators are also not meeting targets although the number of occurrences for the last two is small.
26. The Regeneration service plan is performing below target due to the target for the number of new homes not being achieved, the target for reducing CO2 emissions for local authority operations not being met and also performance for planning to adapt to climate change being below target.
27. 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 and targets are not being achieved for some of the call/contact centre indicators. Efforts are underway to address underperformance, although in some cases there are small numbers involved, which can make year-on-year performance rather volatile.
28. The Highway & Engineering service plan is showing above target performance due to road safety indicators, time to repair a street light fault and the condition of unclassified roads performing well.
29. The Housing Benefits service plan is above target due to performance in the speed of processing new claims, making changes and the percentage of debts recovered.
30. The Housing Services service plan shows better than target performance in the average time for non-urgent repairs and the number of heat efficient homes in the private sector.
31. Significant variances between budget and projected outturn are:

Chief Executive's

- (a) Planning, Performance & Partnerships – an under spend of £284,000 due to staff vacancies, savings on supplies and services budgets, additional income and partner contributions and a reduction in safer communities projects.

- (b) Regeneration – an under spend of £322,000 from staff vacancy savings and additional income.

Children's Services

- (c) Children & Families – an overspend of £2,036,000 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 have already been presented to Cabinet on 2 November 2010.

Community Services

- (d) Adult Social Care – an under spend of £1,742,000. The demand for the waking nights assistance and spot purchase beds has reduced during the financial year, which along with a better reuse of Occupational Therapy equipment and reduction in prices has produced a £210,000 saving. The move towards prevention and reablement has also been assisted by £340,000 of partner funding from the PCT which has complemented the Council's work towards preventative interventions. Fully funded residential care placements have reduced in comparison with budget and additional income has been received following the introduction of the new Fairer Contributions Policy in 2010/11. There have also been a number of posts where recruitment has been delayed.
- (e) Cultural Services – an under spend of £400,000. During the year budgets for repairs and maintenance and other supplies and services have been tightly controlled by managers which have contributed to the reported under spend. In addition to this a number of planned maintenance and improvement works have either slipped or been delayed to ensure minimum disruption is made to the customer and these funds have been requested for carry forward.
- (f) Highways and Engineering Services – an under spend of £221,000. During the year there have been significant savings on the cost of electricity which has resulted in an under spend of £65,000, in addition to this there have been a number of essential bridge and structural works that emerged in late 2010/11 that could not be completed due to the time constraints and delays arising from design, legal and resourcing. These works are planned to be completed in 2011/12 and funds have been requested for carry forward.
- (g) Housing Benefits – an under spend of £182,000 due to receipt of additional administration grant, of which £138,000 was offered up as a saving, and staff vacancy savings of £44,000.

Corporate Services

- (h) Public Protection Services – an under spend of £176,000 due to receipt of additional flood grant and car parking income and savings on staffing and supplies and services.
- (i) In addition to these departmentally managed budgets, variances on corporately managed resources are shown in paragraph 21. These have previously been reported to Cabinet in more detail in February 2011. Subsequent variances include further reductions in financing costs due to the early repayment of debt, a transfer of £380,000 from general fund balances in respect of Equal Pay Legal Costs as approved by Cabinet in July 2010 and the transfer of £4.24M from general fund balances to create the Redundancy and Decommissioning Reserve, as agreed by Council in March 2011.

Overview of representations received under the Corporate, Complaints, Compliments and Comments Procedure

32. The following table shows the number of complaints for April 2010 to March 2011 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	12	60	38	38	12
Children's Services	14	7	9	9	2
Community Services	221	121	229	229	18
Corporate Services	59	14	54	54	11
Darlington BC	306	202	330	254	30

33. Between the 1 April 2010 and 31 March 2011 Darlington Borough Council received 330 complaints a reduction from 532 complaints in 2009/10. 329 complaints were initially dealt with at Stage 1 of the procedure while one was initially dealt with at Stage 2. 42 Stage 1 complaints were escalated to Stage 2 following a Stage 1 investigation. The Council also received 306 compliments a reduction from 484 in 2009/10 and 202 comments and increase from 148 in 2009/10. A large proportion of the additional comments received related to the Council's budget proposals.
34. 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.
35. With regard to the underperformance reported in relation to LI 0410 - Percentage of those making a complaint satisfied with the handling of the complaint - Despite the questionnaire being designed in a way that clearly asks the complainant to separate the outcome of their complaint from the manner in which it was handled a key problem in measuring this PI is that complainants often do not do this.
36. With regard to the underperformance reported in relation to LI 0426 - Percentage of stage 1 complaints escalated to Stage 2 - The Complaints and Information Governance Team recognise that more work needs to be done in order to reduce the number of complaints escalated from Stage 1 to Stage 2 of the complaints procedure. In order to address the matter the Complaints and Information Governance Manager has taken a report to CMT (COE) after which an instruction was issued to officers to ensure they contact complainants to discuss their complaints in order to resolve the matters at the earliest possible opportunity. The Complaints Manager has continued to stress the importance of this dialogue with Assistant Directors, Heads of Service and Service Managers.
37. With regard to LI 0427 - Percentage of all complaints received referred to the Ombudsman - People have a right to refer their complaint to the Ombudsman and have exercised that right. Although they have done so the Council has not received any maladministration reports in this period.
38. Some examples of organisational learning resulting from complaints are provided below:

Assistant Chief Executive – Regeneration Division

- (a) Following a complaint about the manner in which a planning application was publicised, planning officers were asked to ensure planning applications for major developments are publicised in line with both the regulations and the requirements set out in Darlington Borough Council's Statement of Community Involvement.

Community Services

- (b) One complaint about Housing Benefits led to the procedures for notifying Local Taxation when a customer dies being reviewed.

Corporate Services

- (c) As a result of a complaint to Licensing the Hackney Carriage license application form and public information were updated.

Children's Services

- (d) Following a complaint about Kids and Co. Nurseries staff awareness training was undertaken to ensure all staff understand what constitutes as an "incident or accident" and that all incident/accident recording forms are recorded on the day of the incident.

Consultation

- 39. 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.