



Financial and Performance Monitoring Annual Outturn 2009/10

SUMMARY

- 1.1 Financial and performance monitoring underpins the Council's planning framework in terms of reviewing progress regularly in achieving our priorities and delivering value for money.
- 1.2 This report includes highlights from the revenue budget, as well as key performance measures included in our Corporate Plan 2008-2011 and Local Area Agreement (LAA) 2008-2011. A separate report has been prepared on capital outturn spend.
- 1.3 Summary financial results for the year up to 31 March 2010 are as follows...
 - The overall year end General Fund revenue outturn position is an underspend of £1.168m, a 0.59% variance compared to our total budget, excluding the Dedicated Schools Budget and Housing Revenue Account. Therefore the overall year end variance target performance measure, within the corporate plan has been achieved.
 - £488k of the overall net General Fund underspend should be transferred to the budget risk reserve, after providing for £680k one-off exit costs of the 2nd and 3rd tier restructure and specific transfers to reserves as explained in paragraphs 4.7 and 4.8.
 - In addition, all of the £1.310 million 1% salary savings targets agreed by Full Council in March 2009 have been met. £8.887m, which is 97% of other budgeted savings were achieved in 2009/10.
 - The Dedicated Schools Budget has a year end underspend of £30k.
 - The Housing Revenue Account – HRA – shows an outturn surplus of £725k which is £3.318m more than the budget plan for the year.
- 1.4 In terms of performance results to 31 March 2010, 61% of performance measures achieved their year end target, with 32% missing year-end target by more than 5%.
- 1.5 Performance highlights from this year's Corporate Plan include...
 - Opening three new libraries in Allenton, Chellaston and Mackworth.
 - Supporting major regeneration across the city, such as The Roundhouse.
 - Improving cycling networks to increase the number of cycle journeys in the city by over 9,000.
 - Reducing the number of 16-18 year olds Not in Education, Employment and Training by 600.
 - Spending £9.3 million to reduce congestion and improve road access through the Connecting Derby project.

- Reducing crime rates in the city by 5% – that's a fall of 1,321 crimes.
- Improving choice for older and vulnerable people - over 1,000 people now receive personal budgets or direct payments for their care.
- Recycling and composting 44% of household waste, which is top quartile performance.

1.6 This report also identifies areas for improvement and proposes that a number of indicators are taken forward for performance review.

1.7 The supporting Corporate Plan Appendix can be found on CMIS at <http://cmis.derby.gov.uk/CMISWebPublic/Binary.ashx?Document=15863> .

RECOMMENDATIONS

- 2.1 To note the overall General Fund revenue budget outturn position for 2009/10 and budget variances at 31 March 2010 as set out in Appendices 2 and 3.
- 2.2 To approve the year-end transfer to specific reserves as detailed in paragraphs 4.8 and 4.9.
- 2.3 To approve the treatment of the overall net underspend of £488k as detailed in paragraph 4.10.
- 2.4 To note the Dedicated Schools Budget overall net underspend of £30k as set out in paragraph 4.11 and Appendix 3.
- 2.5 To note the savings achieved in 2009/10 as summarised in Appendix 4.
- 2.6 To note the Housing Revenue Account outturn 2009/10 surplus of £0.725m as set out in paragraph 4.13 and Appendix 5.
- 2.7 To note the performance of the Corporate Plan measures and milestones, Local Area Agreement and National indicators against the 2009/10 quarter four and annual targets as set out in Appendix 6.
- 2.8 To approve the Corporate Plan Appendix, which contains 2009/10 annual outturn performance results and targets for all 2010/11 measures.
- 2.9 To note the key variances and performance highlights for each Portfolio as set out in Section 7 of the report.
- 2.10 To ask Strategic Directors to ensure that remedial action is taken by 31 July 2010 to address the ongoing implications of significant financial and performance variances, and report progress through the financial and performance monitoring updates.
- 2.11 To note that, where appropriate, indicators will be referred to the Performance Support Group or Performance Surgeries as set out in Section 8 to explore reasons for apparent poor performance and to agree action planning for improvements.

3. Introduction

3.1 The report is structured into five sections...

- Section 4 – Revenue budget monitoring, including the overall summary position up to 31 March 2010.
- Section 5 – Overall summary of 2009/10 quarter four and annual performance against target.
- Section 6 – Presentation of targets set for 2010/11.
- Section 7 – Key issues from financial and performance monitoring for each Cabinet Portfolio.
- Section 8 – A list of indicator areas referred for performance review.

4. General Fund Revenue budget monitoring 2009/10

4.1 The overall forecast general fund revenue position at the end of the year is an underspend of £1.168m, a 0.59% variance from total budget, excluding the year end underspend on the Dedicated Schools Budget. This is summarised in Appendix 2 with supporting explanations for the main variances against the approved budget at Appendix 3. The variance is within the 2009/10 target of less than 1% budget variance included in the key performance measures within the Corporate Plan.

4.2 Significant year end variances against the approved revenue budget within portfolios have been identified in Section 7 of this report.

4.3 Appendix 3 also highlights any ongoing implications of variances not anticipated in the 2010/11 budget.

4.4 As reported at quarter three, all of the 1% salary savings targets have been met. We have achieved £8.887m other savings compared to our target of £9.126m built into the approved budget, which is 97%. The shortfall has been covered from within the overall outturn for 2009/10 and those savings targets not removed in the 2010/11 budget will need to be achieved or alternative savings found early in 2010/11. A summary by old department is shown in Appendix 4.

4.5 Strategic Directors should ensure that remedial action is taken by 31 July 2010 to address the ongoing implications of significant variances and savings not achieved, and progress will be reported through the financial and performance monitoring cycle. An update on progress and risk budgets will be included in the 2010/11 quarter 1 report to Council Cabinet in September 2010.

4.6 The forecast year end underspend reported to Council Cabinet in February 2010 was £988k. This has all been removed from the outturn variance and transferred to reserves in line with Council Cabinet approval. £800k has been transferred to a reserve to support the Extracare capital programme 2010/11 and the balance of £188k has been transferred to the budget risk reserve.

4.7 In addition, the following transfers of specific underspends to reserves as carryforward to 2010/11 were previously approved by Council Cabinet on 16 February 2010, and have been excluded from the outturn...

- Highways maintenance £455k.
- Derby City Partnership – Be Inspired Project £273k.
- Use of the car parks reserve to fund car parks income shortfall £601k.
- Climate Change Unit – to the Climate Change Reserve for allocation by the Climate Change Board to support the Climate Change Strategy £223k.

4.8 In line with the policy on corporate contingency budgets approved as part of the 2009/10 budget, underspends from unused contingency budgets for job evaluation, waste strategy, inflation and local government superannuation have been transferred to earmarked reserves. The outturn also excludes a number of transfers to earmarked reserves to set-aside ringfenced underspends as follows:

- £22k for Houses in Multiple Occupation – HIMO -Licensing not spent in 2009/10 and requiring carryforward to 2010/11. In the 2009/10 budget round Housing were given £75k over a two year period (£38k 2009/10 and £37k 2010/11) to fund two temporary posts for HIMO licensing. However, due to the timing of appointing to the posts £22K of the 2009/10 allocation has not been spent. This money needs to be carried forward in service reserves to enable continuing funding of these time limited posts.
- £550k Partnership budgets underspends consisting of £143k Derby City Partnership underspend, £147k Area Neighbourhood Boards Area Panel budget underspend, £8k commitments slipped to 2010/11 and £252k Community Safety Partnership underspends to support future budget pressures in 2010/11. The 2010/11 budget had a budget deficit to be addressed of £226k which will now be funded from this carryforward leaving £26k further funding to support the future CSP budget pressures, including the impact of Area Based Grant reductions, to be considered as part of the budget strategy. £100k of this carryforward was previously approved by Council Cabinet on 16 February 2010 to support the 2010/11 budget plans. Further details on the underspends are provided at Appendix 3.

4.9 In addition £680k has been set-aside from the overall outturn as a provision for the agreed exit costs from the 1st, 2nd and 3rd tier restructure to be paid out in 2010/11, in line with the provision that has been required in the 2009/10 Statement of Accounts.

4.10 This leaves a net underspend of £488k. It is proposed to net off the remaining departmental and corporate variances without allowing any carryforward. The balance will be transferred to the corporate budget risk reserve to help manage future budget pressures, particularly in light of the Central Government funding reductions.

4.11 The Schools Budget has a net underspend of £30k, as explained in Appendix 3. This balance has been excluded from the above figures as it is a ringfenced budget and is carried forward to be allocated in 2010/11 as determined through the Schools Forum.

4.12 In line with the Local Management of Schools the net outturn variance on Individual School Budgets have been transferred to School balances which stood

at £5.3m at the 31 March 2010. A separate report on retained school balances will be reported to Council Cabinet in September 2010.

- 4.13 The Housing Revenue Account – HRA – shows an outturn surplus of £0.725m which is £3.318m more than the budget plan for the year. A summary and supporting explanation of the key variances are provided at Appendix 5.
- 4.14 An update on the balances of individual earmarked reserves held at 31 March 2010, together with the purpose for holding the reserves and planned use will be reported to Council Cabinet as part of the Budget Strategy report on this agenda.

5. Summary performance results 2009/10

- 5.1 Summary performance results for all indicators and milestones included in our Local Area Agreement (LAA), wider National Indicators and Corporate Plan are as follows...

Traffic light Status	Annual Performance against target		Direction of Travel	Performance compared to 2008/09
Green - on track or met target	61%		↑ Improved	53%
Amber -missed target by up to 5%	7%		→ Same	7%
Red - missed target by more than 5%	32%		↓ Deteriorated	40%

- 5.2 More detailed summary information can be found in Appendix 6. The supporting performance tables can be found on CMIS at <http://cmis.derby.gov.uk/CMISWebPublic/Binary.ashx?Document=15864> .
- 5.3 Performance highlights from 2009/10 have been published in the July edition of the 'Your Derby' magazine, together with summary financial outturn results.
- 5.4 The table below shows the annual quartile results for 2008/09 and quartile rankings for 2009/10 using the all England comparison data from 2008/09. It also includes projected 2010/11 quartiles based on the latest LAA forecast information and 2010/11 targets.

	Bottom Quartile (4)	Lower Quartile (3)	Upper Quartile (2)	Top Quartile (1)
2008/09	37 (24%)	53 (34%)	39 (25%)	27 (17%)
2009/10	37 (26%)	36 (25%)	38 (26%)	34 (23%)
2010/11	15 (13%)	24 (20%)	37 (31%)	43 (36%)

- 5.5 We are currently analysing more up-to-date comparative data through the PwC benchmarking club. Current top performers identified through the All England and PwC data include...
- NI 045 - Young offenders engagement in suitable education, employment or training.
 - NI 051 – Effectiveness of child and adult mental health (CAMHS) services.

- NI 060 - Core assessments for children's social care that were carried out within 35 working days of their commencement.
- NI 062 - Stability of placements of looked after children (number of moves).
- NI 067 - Child protection cases which were reviewed within required timescales.
- NI 088 - Percentage of schools providing access to extended services.
- NI 100 - Children in care reaching level 4 in Maths at Key Stage 2.
- NI 112 - Under 18 conception rate.
- NI 125 - Achieving independence for older people through rehabilitation / intermediate care.
- NI 147 - Care leavers in suitable accommodation.
- NI 166 - Median earnings of employees in the area.
- NI 187a - Tackling fuel poverty - people receiving income based benefits living in homes with a low energy efficiency rating.

6. Target setting

- 6.1 In light of outturn performance and the latest comparative information, services have reviewed targets for 2010/11. Emphasis has been placed on indicators where performance currently falls into the bottom and third quartiles. The updated Corporate Plan Appendix contains all outturn performance results and targets for 2010/11 for National Indicators and Corporate Plan measures. This can be found on CMIS at <http://cmis.derby.gov.uk/CMISWebPublic/Binary.ashx?Document=15863> .

7. Cabinet Portfolios - Key issues to note

- 7.1 Cabinet Members have been issued with individual portfolio summaries containing detailed financial and performance results. Key issues, including significant changes to the capital programme, are summarised overleaf.

Leader of the Council

- 7.2 There is a net year end overspend of £188k on Markets and Estates which have been affected by the economic downturn. These pressures are expected to worsen and a £262,000 pressure has been included in the 2010-2013 budget process.
- 7.3 Cleaning and Caretaking has overspent by £222k due to staffing levels at public building sites being at levels greater than the income charged to those sites.
- 7.4 The cost to the Council, after subsidy, of Housing Benefit Payments was £102k more than budgeted for, a slight improvement on the forecast year-end position.
- 7.5 143k Derby City Partnership and £260k Community Safety Partnership underspends are included for specific carryforward to support the delivery of a balanced budget for 2010/11 as explained in paragraph 4.9 and Appendix 3.
- 7.6 In terms of performance, overall levels of crime have fallen by 5% over the last year, which reflects 1,321 fewer crimes than 2008/09. In particular, rates of serious violent crime have fallen with robbery prevention work targeted through police operations, school awareness programmes and the dedicated work of the Robbery Squad. Gun crime has also fallen in 2009/10 as well as a significant decline in repeat incidences of domestic violence (top quartile performance).

There has also been real success in reducing the number of first time entrants in the youth justice system – by 285 since 2008/09.

- 7.7 However, there remain some areas of concern. One of our LAA targets, assaults with injury, has increased during the year and missed annual target by 6%, although performance is projected to improve during 2010/11. This is due to a disproportionately high level of alcohol related violent crime in the city centre area. A recent GOEM audit of the Night Time Economy (NTE) highlighted a number of issues, mainly involving enforcement of the licensing conditions and through effective policing. The 'capable guardians' required to deliver a safer NTE are in place, including Taxi Marshals, and Street Pastors will continue for 2010.
- 7.8 Adult re-offending rates are also higher than expected due to a variety of factors including reduced resource levels within the Probation service and lower employment rates, which has a significant impact on how likely offenders are to re-offend. Actions being taken to address performance were reviewed by the Performance Support Group in June 2010 and will continue to be closely monitored over the next six months to ensure final 2011 targets are achieved.

Adult Social Care and Health

- 7.9 The final under-spend on Adult Social Care Services was £2.1m after a transfer of £0.8m to an earmarked reserve to support the capital development of Extra Care housing (as approved by Council cabinet on 16 February 2010). This was in line with the forecast out-turn position in February and the majority of the under-spend has accrued as a consequence of successfully supporting people to remain living in their own homes for longer rather than move into residential care. Other factors attributing to the under-spend was the number of people whose care is now eligible for NHS continuing care funding and efficiencies achieved through smarter procurement. Investment plans have been drawn up in consultation with service users and carers to ensure full spend will be achieved next year through the development of more community-based services.
- 7.10 The two adult social care priorities in the LAA have both met their targets (NI 135 and NI 125). The proportion of carers receiving advice / information (NI 135) has seen dramatic improvement during 2009/10, with an increase to 26% due to the improved offering of guidance as well as Carers specific services. Carers' services remain a strategically important service area for Adult Social Care; as reflected through our carer's demonstrator site project in 2010/11.
- 7.11 Provisional data for NI 125 - Achieving independence for older people through rehabilitation / intermediate care shows an average of 95%, for the current year to end of December 2009, which represents top quartile performance. This means nearly all older people aged 65+ leaving hospital and benefiting from intermediate care/rehabilitation in quarter 3 were independent for three months following discharge.
- 7.12 During 2009/10 Social care clients receiving Self Directed Support (Direct Payments and Individual budgets – NI 130) had lagged behind target however additional groups of existing clients who were suitable to go through the personal budget process were identified. By the end of the 2009/10, 1,052 people had chosen to receive Personal Budgets or Direct Payments, that's 14% of people who qualify for adult social care, exceeding target by 39%.

Children and Young People

- 7.13 There is an overall budget overspend of £416,000 on the Non Schools budget which is an improvement of £252k on the forecast outturn that was reported in February 2010. This excludes any variances on individual schools budgets and the Dedicated Schools Grant. The main areas of overspend were demand-led budgets relating to the numbers of children in care and efforts were made where possible to contain spending in other budget areas through vacancy control and use of grant funding to support core budgets. The significant variances to note were...
- Maximising grant income in year for Sure Starts and Early Years £417k underspend. This was due to staff vacancies as the centres became fully operational which is expected by September 2010.
 - Home to School Transport £220k underspend through the use of external grants for extended rights to free transport offsetting costs.
 - Specialist services – the reported overspend has increased from £1.248m to £1.408m primarily due to increased numbers of children in care, especially in high cost agency placements and high level of adoptions. There is pressure nationally on these budgets following the Baby Peter case and subsequent Laming report. Actions are being taken to reduce the pressure, as with the specialist foster carer scheme, but it will take time for these to have an effect.
- 7.14 The Dedicated Schools Budget outturn was a net £30k underspend, a significant improvement on the £333k overspend forecast. The overspend relating to an increase in numbers of pupils placed at the Pupil Referral Unit and independent special school fees, was offset by maximising external grant income and unspent balances of school budget contingencies.
- 7.15 In terms of performance, there was good overall improvement in 2009 Early Years' Foundation Stage results but more work is required to narrow the gap. Children in the lowest achieving 20% improved results by 1% but made insufficient progress against the rest to narrow the achievement gap. Programmes are in place, such as 'ECAT', 0-7 Partnership and the work in Children Centres, which over time will impact on this group. However meeting the ambitious 2010 LAA target is unlikely. Several of the educational attainment measures missed their 2009/10 targets and were classified in the lower or bottom performance quartiles compared to other unitary authorities, these include Key Stage 1 and 2 levels and children in care achieving 5 or more A*-C grades at GCSE or equivalent including English and Maths.
- 7.16 The proportion of 16-18 year olds not in education, employment or training (NEET) (NI 117) has improved during the year, with 600 more young people engaged in EET activities. This is regarded as a good performance in the midst of a recession and within the context of rising unemployment amongst 16 to 24 year olds. Achievement of Level 2 and Level 3 qualifications (NI 79 and 80) by the age of 19 is also high, with 42% of students achieving a Level 3 outcome. This area of work is being further developed through the Achieve Economic Well Being delivery plan 2010-11.
- 7.17 Performance for care leavers in employment, education and training (NI 148) is significantly below target and below last year's national figure of 63%, partly due to the economic climate. The figure is 62% however the target for 2009/10 is 84%.

- 7.18 Absences in secondary schools have fallen due to improved awareness of the persistent absence (PA) agenda. All PA schools have an action plan to reduce the numbers of persistent absence students. This indicator is now in line with the national average of 4.9% and performing better than the comparator authorities who averaged 5.7%. Previously Derby was at 6.2%, 0.6% higher than the national average. The rate of permanent exclusions is low, although did miss target.
- 7.19 The number of schools in special measures stands at three. Ravensdale Junior School has been removed from special measures. However, three more schools have been placed into special measures (Moorhead Primary, Allenton Primary and Alvaston Community Junior Schools). The average time a school spends in special measures is now 16 months (compared to 22 months in 2008/09).
- 7.20 The final phase of the children's centre programme has been completed on time. The last 4 centres at Babbington, Oakwood, Chaddesden South and Chellaston have all been designated and are offering services in their localities. There are now 18 children's centres operational across the city, meeting the Government target. We also exceeded our Corporate Plan target delivering 37 parental programme courses, including incredible years, teenage behaviour and strengthening families, strengthening communities. In addition 24 Parents have received 1:1 Triple P Support through the Community Safety Partnership Respect Parenting Practitioner and 6 Parents have received 1:1 New forest support specific to children/young people with Attention Deficit Hyperactivity Disorder (ADHD).
- 7.21 Services for disabled children (NI 54) and mental health (NI 51) are improving. The percentage of parental experiences of services provided to disabled children increased from 2008/09 (61%) to 63% in 2009/10. This exceeds the national score of 61%, although marginally missed target at 66%. Over 2,340 short term breaks for disabled children were provided over the last year, including family overnight stay, residential night overstay and after school clubs. Derby is well positioned to provide an effective CAMHS service with a rating that places us in the top quartile. Developments include a programme of workforce development based around early intervention and a school-based counselling service for secondary schools and children at point of transition was launched in April 2010.
- 7.22 Social care assessment performance continues to be mixed. Performance in initial social care assessments (NI 59) has not met the target for 2009/10 with a figure of 43% of assessments carried out within 7 days. This compares with 60% in 2008/09. Core assessments (NI 60) carried out within 35 days has improved with a final 2009/10 figure of 86.0%.
- 7.23 Performance of looked after children cases being reviewed within timescale (NI 66) has fallen slightly in the year. This is due largely to staffing problems in the Reviewing Service. The numbers of children in care has increased and this also impacts on the workloads of Independent Reviewing Officers with a knock on effect on timescales. It is hoped that the current difficulty will be resolved in the near future but caseloads remain high at an average of 120 against a recommended 70. Performance in child protection cases reviewed within timescale continues to be excellent (100%).
- 7.24 The number of children in Derby who have been subject to a Child Protection Plan for more than 2 years (NI 64) is the lowest ever, although this may continue

to represent worst quartile performance. The actual figure for 2009/10 is 7.1% compared to 12.8% in 2008/09. This is evidence that planning for children who are suffering or at risk of suffering significant harm has improved and that they are receiving the right services. Child protection cases which were reviewed within timescales (NI 67) remains at 100% for this year.

- 7.25 Timeliness in processing statements of Special Educational Need (NI 103) has fallen in 2009/10 due in part to a significant increase in statements, which places Derby in the lowest quartile.
- 7.26 Derby's under 18 conception rate (NI 112) has fallen based on provisional figures. This represents top quartile performance, although it is unlikely we will achieve our very challenging 2010 targets agreed with Government.

Housing and Advice

- 7.27 The HRA outturn was a surplus of £725k which is £3.318m more than the budget plan for the year, taking the cumulative surplus on the HRA to £20.599m, as explained in Appendix 5.
- 7.28 Funding difficulties has forced the Council to cut short the main Private Sector Decent Homes Programme and this shortened project has now been fully completed. This has led to the annual target of 700 private sector homes made decent not being achieved. It is estimated that 368 properties were made decent during 2009/10.
- 7.29 859 households were taken out of fuel poverty in 2009/10, which is slightly below target of 1,000 due to there being fewer Warm Front jobs carried out in Derby. The number of people aged 60 years+ who accessed the Warm and Well Scheme has significantly exceeded target. There have been 280 more people accessing the service than planned due to project working closely with a wide variety of frontline staff from a range of organisations and consultation with older people's groups.
- 7.30 Considerable work has been undertaken during the year to support vulnerable people to achieve independent living (NI 141), one of our LAA priorities. The target of 66% has been exceeded with actual performance of 70% however this still represents bottom quartile performance.

Leisure and Culture

- 7.31 Derby Live returned an underspend of £92k against a forecast overspend of £50k, due to higher than anticipated ticket sales, particularly in relation to the pantomime and staffing savings. A total of 745 Derby LIVE productions were staged during the year, including 93 events in community settings. This increase has been achieved through a specific allocation of resources (much of this is externally funded) and a still-developing staffing team reaping the benefits of building networks and establishing their credibility in the community. A major emphasis is being placed on how this work can be developed to embed community ownership in all other aspects of Museums work. We also successfully supported the amateur theatre community with 19 amateur productions being successfully staged at the Guildhall. In addition a further three amateur productions were staged at the newly re-opened Derby Theatre bringing the total of amateur productions staged to 22.

- 7.32 New libraries in Allenton, Mackworth and Chellaston were opened in 2009/10. Plans for Chaddesden Library are still under consideration as no suitable site for the library has yet been identified. Staffing savings in libraries together with early savings from 2010/11 planned efficiencies resulted in an underspend of £92k.
- 7.33 Sport and Leisure also improved by the year-end with a net underspend of £148k as casual staff costs were not as high as expected and income achieved at Springwood Leisure was higher than anticipated. The b-active programme is continuing to support greater levels of physical activity across the city, in particular amongst children and young people. In 2007, 81% of children and young people were participating in sport (NI 57). This has since risen to 85%. Another survey has found that in 2009, 10% more children were doing 7 hours of physical activity compared to 2006. The number of primary schools with cycle clubs (CP 5.2civ) has also increased to 12 and where schools have held cycling clubs previously they have seen an increase in the numbers of pupils attending.

Neighbourhoods

- 7.34 The final underspend in Waste Services was £560k due to falling tonnages going to landfill and savings in Rethink Rubbish financing costs. Recycling and composting rates continue to show good progress at 44% (top quartile performance).
- 7.35 The Building section overspend was £1.032m which was significantly higher than the forecast outturn position, due to turnover volume and margins deteriorating on housing contracts and public buildings works.
- 7.36 The in house school meals service year end overspend was £148k against a forecast position of £200k. Food prices were higher than budgeted for and the take-up was lower than required to cover all costs.
- 7.37 A net shortfall of £604k from on and off street parking mainly as a result of lower than budgeted income levels, £311k of which relates to the impact of Connecting Derby, was offset by a transfer of £601k from the Car Parks reserve.
- 7.38 The underspend on Highways reactive maintenance programme work of £455k has been transferred to reserves, as approved by the 16 February 2010 Council Cabinet, to fund works that will now be undertaken in 2010/11. This is primarily a consequence of working at maximum practical capacity and the weather conditions over the winter months also affected the ability to carry out work. The number of roads where maintenance should be considered (NI 168 and NI 169) has seen downturns in performance compared with 2008/09.
- 7.39 The final year-end overspend on Concessionary Fares was £1.003m. Concessionary passenger journeys, including train and season tickets data received at the year, were at a higher than budgeted level and B-Line costs also exceeded budget.
- 7.40 The report includes a recommendation to carryforward Community Safety Partnership underspends of £147k Area Panel budgets, £8k commitments slipped to 2010/11 and £252k Community Safety Partnership core budget underspends, to support the delivery of a balanced budget for 2010/11. A £100k year-end underspend was forecast in February and Council Cabinet approval was given to carry this forward.

- 7.41 Good progress is being made in reducing levels of detritus and graffiti (NI 195b and c). Fly tipping (NI 196) remains a problem and whilst our capacity to collect has increased as an additional team was introduced in 2009/10, the measure of this indicator shows us as being ineffective. The introduction of Street Pride will provide a needed opportunity to review our tactics of operation and enforcement practices.
- 7.42 Plans for a new waste incinerator have been delayed. The contract was signed in December 2009 but all clauses relating to the new treatment plant were made conditional on Financial Close which has not yet occurred but is anticipated in 2010. An appeal was submitted in March 2010 following initial rejection of the application by Planning Control Committee in December.

Planning and Environment

- 7.43 In 2009/10 there was a £129k shortfall of income in Development Control mainly due to lower levels of income than assumed in the budget, £106k of which has been funded from Housing and Planning Delivery Grant held in reserves. The processing of planning applications within national timescales was achieved overall but performance remains in the bottom quartile. Targets have been reviewed for 2010/11.
- 7.44 Environmental Health and Trading Standards delivered a net nil outturn budget variance.
- 7.45 Progress has been made in adapting to climate change (NI 188). Based on data submitted to DEFRA later in May, the service is expecting the Council to achieve Level 2 of the indicator standards, which meets target (Levels are from 0-4, level 4 highest). Performance for the LAA indicator which measures flood risk (NI 189) has also exceeded its target for the year and is forecasting that the final year target in the LAA will be met.
- 7.46 A £223k underspend on the climate change budget was excluded from the outturn as it had been transferred to the Climate Change Reserve to fund allocations by the Climate Change Board to projects in 2010/11 to support the Climate Change Strategy, as approved by Council Cabinet. The variance in 2009/10 comprised of an underspend on the staffing budget due to the timing of recruiting to the new structure, slippage on the automatic meter reading procurement and commitments against the small projects budget.
- 7.47 Connecting Derby remains on track with the King Street Link (Quaker Way) likely to open in the spring of 2010 and the rest of the inner ring road works (Mercian Way and Lara Croft Way etc) fully operational around October 2010. Over £9.3 million has been spent on Connecting Derby in 2009/10.
- 7.48 Work on Connecting Derby does not appear to have impacted on the proportion of buses running on time (NI 178), which exceeded its target for 2009/10 and current levels of performance indicate top quartile performance.
- 7.49 The number of cycling journeys exceeded the annual target and is on track to increase by 28% from the 2003/04 baseline. In 2009/10 this represents an additional 9,000 cycle trips during the year.

- 7.50 The number of children killed and seriously injured in 2009/10 (15.30) was lower than any other year since records began. Despite this, the target has narrowly been missed.

Resources

- 7.51 The final outturn variance on land charges was a £48k overspend, a slight improvement on the £99k previously forecast. The overspend was as a result of reduced income in Land Charges due to the slowdown in the housing market and competition from personal search companies, and the 2010/11 budget was reduced accordingly to reflect this.
- 7.52 The final overspend within the Customer Services Division was £124k. The pressures on the division were mainly as a result of the economic downturn through the following....
- Increased demands on front line services in Derby Direct and significantly higher Housing benefit applications. The overspend was due to the use of agency staff to cover the increased volumes, in excess of the additional Department for Works and Pensions grant, and the ongoing impact has been addressed in the 2010/11 budget to reduce the use of agency staff.
 - An increase in court fees charged to the Council which so far has not been passed on to non payers and a shortfall in court cost income against budgeted levels. The ongoing implication has been addressed in the 2010/11 through a reduction to the court fees income budget.
 - Higher than budgeted levels of business rate reliefs, an element of which has to be funded by the Council. This will need further monitoring during 2010/11.
- 7.53 In addition, there was an unbudgeted cost of £77k for an increase to the provision required in the accounts for the repayment of subsidy following the finalisation of the audited 2007/08 housing benefit subsidy claim with the Department for Work and Pensions. There may be further costs in 2010/11 on finalisation of the 2008/09 subsidy claim.
- 7.54 The final underspend on the Treasury Management budget was £807k after the transfer of £188k of the forecast position to the budget risk reserve as approved by Council Cabinet on 16 February 2010. This is mainly due to a one-off saving made from bringing the Council's MRP policy on corporate prudential borrowing into line with MRP on borrowing supported by government grant, together with the impact of the slippage in the capital programme resulting in higher cash balances and investment income, which resulted in a higher underspend than the £436k previously forecast.
- 7.55 The cost of the Derbyshire Coroner is recharged to member authorities by the lead authority Derbyshire County Council. The final recharge for 2009/10 resulted in an overspend of £108,000 against the Coroners budget. This ongoing pressure has been included in the 2010/11 budget.
- 7.56 Performance in processing benefit applications has improved compared with performance in 2008/09 however 24 days is still significantly higher than the target of 15 days set by the Department for Work and Pensions. Going forward the benefits service has put in place service redesign actions which are hoped will further reduce the time taken to process benefit claims in 2010/11. The target of 15 days is set by the Department for Work and Pensions.

- 7.57 Considerable work has been undertaken to support the Council's bid for 'excellence' in the new Equality Framework, with 90% of equality impact assessment actions undertaken.
- 7.58 We have extended the number of network points in place across the city to four.

8. Performance Review

- 8.1 The following indicators will be referred for further investigation, either at the next Performance Support Group (PSG) or upcoming Performance Surgeries. The indicators are as follows...

Performance Support Group

- NI 53 – Breastfeeding.
- NI 54 – Services for disabled children.
- NI 93 and 94 – Key Stage 1-2 achievement.
- NI 123 – Smoking prevalence.

Performance Surgeries

- NI 59 – Initial assessments for children's social care that were carried out within seven working days of referral.
- NI 89b – The average time a school spends in failure.
- NI 103 – Processing of Special Educational Need Statements.
- NI 168 and 169 – Road maintenance.
- NI 181 – Benefit applications processing – update.

For more information contact:	Carolyn Wright 01332 255349 carolyn.wright@derby.gov.uk Heather Greenan Tel: 01332 256259 heather.greenan@derby.gov.uk
Background papers:	2009/10 Q4 Performance Tables on CMIS http://cmis.derby.gov.uk/CMISWebPublic/Binary.ashx?Document=15864
List of appendices:	Corporate Plan Appendix 2009/10 on CMIS http://cmis.derby.gov.uk/CMISWebPublic/Binary.ashx?Document=15863 Appendix 1 – Implications Appendix 2 – Summary General Fund Revenue Outturn Position 2009/10 Appendix 3 – Final Revenue Outturn 2009/10 Variance Analysis Appendix 4 – Achievement of 2009/10 Savings – Outturn position Appendix 5 – Housing Revenue Account Outturn 2009/10 Appendix 6 – Annual / Quarter Four 2009/10 Performance

IMPLICATIONS

Financial

1. As detailed in the report and appendices. We have been informed by CLG that the Local Area Agreement Reward Grant has now been abolished.

Legal

2. None directly arising.

Personnel

3. None directly arising.

Equalities impact

4. None directly arising.

Corporate priorities

5. The report demonstrates progress made towards achieving the Council's corporate priorities. The Council's corporate priorities and related actions also support the Local Area Agreement outcomes and performance measures.

Summary General Fund Revenue Outturn Position 2009/10 (By Old Department)

Old Department	Projected Year End Variance reported to February 2010 Council Cabinet (under)/overspend	Final year-end Outturn Variance (under)/overspend
	£000	£000
Children and Young People (excluding the Dedicated Schools Budget)		
Non Schools Budgets	668	416
Corporate and Adult Services		
Adult Social Services	(2,950)	(2,900)
Less approved transfer to reserves	0	800
Housing	0	(4)
Corporate Services – Departmental Controllable	256	195
	<u>(2,694)</u>	<u>(2,709)</u>
Environmental Services		
Non –Trading	(438)	(786)
Trading	644	1,196
	<u>206</u>	<u>410</u>
Regeneration and Community		
Regeneration and Community	108	(256)
Resources		
Departmental Controllable	0	50
Corporate Budgets		
Treasury Management	(436)	(995)
Less approved transfer to reserves	0	188
Benefit Payments	200	102
Concessionary Fares	915	1,003
Supporting People	0	(104)
Other	45	(73)
Total Net Overspend	<u>(988)</u>	<u>(1,168)</u>

Notes

1. The final year-end positions reported here include the shortfall in savings achieved overleaf.

Final Revenue Outturn 2009/10 Variance Analysis

Children and Young People's Department

Budget Area	Final Outturn variance June 2010 (under)/over spend £000	Percentage of approved budget 2009/10 %	Explanation	Ongoing implications not budgeted for in the 2010/11 budget pressure/(saving) £000
Non Schools Budget				
Agency placements	704	14.3%	Overspends on placements of looked after children with external providers due to the numbers of children in care exceeding budgetary provision	1,300
Fostering and adoption	704	13.2%	Overspend of adoption allowances due to high levels of adoptions	200
Integrated disabled children's service	39	2.4%	Loss of grant income	
Home to school transport	(220)	-3.9%	External grants provided for the extended rights to free transport have offset costs	
ICT	149	35.1%	Higher than budgeted BT connectivity charges for the schools network; in year notification of price increases resulted in un-budgeted expenditure being incurred	
Residential and leaving care	(80)	-1.9%	Underspends on children's homes and related activities in leaving care budgets	
Workforce learning	(48)	-13.7%	Misc income offsetting costs. This is for one year only	
Adult learning	(142)	-28.0%	Increased contribution to core budget from fee income	
Locality Services - Use of underspends on grants to offset overspends	(417)	n/a	Maximising grant income in year for Sure Starts and Early Years contributing towards core council functions Grant funded nil net budget	-500
Children's Quality Assurance	(35)	-2.9%	Development worker post not filled in year	
Partnership, Performance and Participation	(123)	-9.4%	Turnover savings due to vacancies in year	

Budget Area	Final Outturn variance June 2010 (under)/over spend £000	Percentage of approved budget 2009/10 %	Explanation	Ongoing implications not budgeted for in the 2010/11 budget pressure/(saving) £000
Other Specialist Services	(50)	-3.3%	Underspends on ICS (£10k);YOS (£5k) & other Specialist Services grants (£35k)	
Other	(65)	-0.30%	Aggregate small variances in other non schools budgets	
Total Non Schools Budget Variance	416			
Schools Budget				
Pupil Referral Unit (PRU)	333	8.7%	Increased intake of pupils in year	
Contingency	-268	-100%	Contingency not allocated	
Recoupment/independent special school fees	172	7.9%	Increase in numbers over forecast plus decrease in recoupment income	
Other	-267	-0.1%	Aggregate underspends on other budgets- maximising external grant income: unspent balance of schools in financial difficulties budget -£72k	
Total Schools Budget Variance	-30			
Total Children and Young People's department	386			

Corporate and Adult Services Department

Budget Area	Final Outturn variance June 2010 (under)/over spend £000	Percentage of approved budget 2009/10 %	Explanation	Ongoing implications not budgeted for 2010/11 pressure/(saving) £000
Adult Social Services				
Service Strategy and Regulation	77	7%	Underspend on Dementia Strategy budget offsetting small amount of overspend on Strategic Management Budgets from one-off recruitment and trade union costs	
Older People	(1,725)	7%	Delivery of efficiencies through keeping services users in their own homes as long as is practical rather than placing them in Residential Care. Further efficiencies delivered through increase of independent sector for providing Home Care packages.	
Physically / Sensory Disabilities	78	1%	Small amount of overspend primarily from higher than expected numbers of service users in Home Care and Residential care	
Learning Disabilities	(634)	5%	Significant underspending against Residential Care due to higher income than had been forecast (from PCT) also an underspend against development / efficiency budget. This underspend somewhat offset by a significant overspend on Supported Living due to increased packages.	
Mental Health Needs	407	9%	Overspend due to a higher number of Residential Care Packages than had been expected, this overspend is added to by an increased number of Home Care packages	
Resources and Performance Management	(420)	10%	Underspending across all areas due largely to staffing efficiencies but also due to time lag in commissioning Carers services against budget and new growth monies	
Community Care Grants	(710)	31%	A strategy to review the existing grant payments has resulted in some unused grant budget during this process plus an element of Carers Growth budget is allocated to this category against which there has been a time lag in commissioning voluntary sector grants.	

Budget Area	Final Outturn variance June 2010 (under)/over spend £000	Percentage of approved budget 2009/10 %	Explanation	Ongoing implications not budgeted for 2010/11 pressure/(saving) £000
Other variances	26	12%	Overspend against "Other Adult Groups" experiencing higher service user numbers than expected	
Sub-total Adult Social Services	(2,900)	5%		
Less transfer to reserves	800		Approved by Council Cabinet 16 February 2010, to support the Extracare Capital Scheme 2010/11 and 2011/12	
Total Adult Social Services	(2,100)			
Housing and Other Corporate Services				
Housing General Fund	(4)	(0.17)%	Minor variances across the department	
Democratic Services	32	1.5%	Underachieved land charges income due to the downturn in the Housing market and increased competition from personal search companies, offset by net underspends on other areas of the service.	
Legal Services	55	4.7%	External legal fees and barrister representation	
Markets	142	11.7%	Underachieved rent and service charge income due to increased level of voids	
Accommodation	(80)	-4%	Lower utility costs than budgeted for in the Council House, Celtic House and Bio House	-£50k - to be considered as part of the Accommodation strategy budget
Estates	46	220%	Underachieved income from estates commercial properties due to level of voids	
Total Housing and Other Corporate Services	191			
Total Corporate and Adult Services	(1909)			

Environmental Services Department

Budget Area	Final Outturn variance June 2010 (under)/over spend £000	Percentage of approved budget 2009/10 %	Explanation	Ongoing implications not budgeted for 2010/11 pressure/(saving) £000
<u>Trading Accounts</u>				
Building	1,032	6.4	Major losses on Housing contracts due to under achievement of target turnover plus reduced overhead contributions agreed with client on many existing contracts	
Catering	148	2.6	Food price costs and inflation higher than budgeted, plus paid meal numbers insufficient to cover running costs of the service. Anticipated savings from reduced direct labour hours not realised.	
Cleaning & Caretaking	222	8.1	Current specification requires staffing resources in excess of prices charged for the service.	
Refuse Collection	(120)	-1.7	Labour costs lower than forecasted	
Street Cleansing & Gullies	(59)	-1.8	Additional works undertaken and transport costs lower than budgeted	
Markets & Cons	(69)	-8.6	Lower staff costs incurred than forecasted	
Grounds Maintenance	8	0.2	Higher margins attained on minor works contracts, offset by prudential borrowing costs	
Golf	34	7.1	Reduced pay and play income due to poor weather	
Sub-total Trading Accounts	1,196			
<u>Revenue Accounts</u>				
Parks	(22)	-0.6	Additional rental income received	
Bereavement Services	(69)	-11.0	Savings on gas and repairs minimised	
Waste	(560)	-3.8	Waste disposal tonnages lower than forecasted, minor salary savings from vacant post, plus capital financing savings	

Budget Area	Final Outturn variance June 2010 (under)/over spend £000	Percentage of approved budget 2009/10 %	Explanation	Ongoing implications not budgeted for 2010/11 pressure/(saving) £000
Sport & Leisure	(148)	-4.9	Additional costs anticipated from change in casual attendants contracts not incurred, improved income taken at Springwood Leisure Centre	
Other areas	13	1.6	Environmental Health and Trading Standards nil outturn variance. Net £13k on management and administration HR costs.	
Sub-total Non Trading Accounts	(786)			
Total Environmental Services	410			

Regeneration and Community Department

Budget Area	Final Outturn variance June 2010 (under)/over spend £000	Percentage of approved budget 2009/10 %	Explanation	Ongoing implications not budgeted for 2010/11 pressure/(saving) £000
REGENERATION				
Friargate Studios	(39)	-167.6	There is a £9k shortfall in income for Friargate Studios that has been offset by savings on pay costs of £8k, supplies and services £21k, and premises costs £19k.	
Development Control and Building Control	25	16.4	Development Control net outturn £23k overspend and Building Control £2k. Within development control there was a £129,000 shortfall of income mainly due to lower levels of income than assumed in the budget, £106k of which has been funded from Housing and Planning Delivery Grant held in reserves.	130
World Cup Bid	55	n/a	Costs associated with the World Cup bid	
Other Regeneration	45	2.6	This is mainly due to turnover targets not being achieved, £20k and other unbudgeted costs of £25k around completed projects	
Sub Total	86			
HIGHWAYS & TRANSPORT				
Highways Maintenance Principal	67	6.3	The overspend position is primarily a consequence of £63k bad debt provision and public liability costs exceeding the budgeted level by £45k. These pressures have been offset by savings on employee costs due to in year vacancies, the recharging of employee time to specific projects and various non pay costs/savings, totalling £40k.	
Highways Maintenance Derby Roads/Winter Maintenance	58	2.0	Winter maintenance overspend of £60k due to severe winter weather conditions, £10k for additional salt/grit purchase and £50k for additional treatments of roads.	

Budget Area	Final Outturn variance June 2010 (under)/over spend £000	Percentage of approved budget 2009/10 %	Explanation	Ongoing implications not budgeted for 2010/11 pressure/(saving) £000
Traffic Control Rd Safety/Traffic Management/Transportation/City Centre Scheme	(114)	-9.1	Underspend is mainly due to increase in the capital fee charges to capital of £91k and underspend on LTP3 developments expenditure £31k.	
Public Transport Unit	(59)	-8.9	The underspend is primarily a consequence of savings of £28k on Community Transport, income exceeding budget by £14k, and a further in year saving of £8k on pay and non pay costs. £136k of Modernisation Funding has been used to support this budget.	
CCTV	(45)	-12.6	The underspend is as a result of vacancies and an underspend on electricity.	
Planning and Transport Unit Strategy	77	17.3	£50k unanticipated invoices for contracted bus services and £27k overspend on PTU publicity.	35
Parking	604	-33.4	A net shortfall in On and Off street parking income £708k, £311k of which relates to reduced occupancy and parking spaces due to the impact of Connecting Derby construction. In addition £56k Revenue contribution incurred to fund Pride Park and Ride on the capital programme. These were partly offset by a large unanticipated in year underspend on energy costs resulting from in year energy efficiency measures £90k, increase in fine issues and extra income of £50k as well as Park and Ride season ticket income of £116k.	274
Less transfer from Car Parks reserve	(601)	n/a	Income shortfall met from the earmarked car parks reserve	
Other Highways and Transport	(57)	-5.0	This underspend in the HATS area is mainly made up of £18k income from Highways property rental, £12k underspend on Network Management as result of vacancies, and £26k underspend on school crossing patrol.	
Sub Total	(70)			

Budget Area	Final Outturn variance June 2010 (under)/over spend £000	Percentage of approved budget 2009/10 %	Explanation	Ongoing implications not budgeted for 2010/11 pressure/(saving) £000
CULTURE				
DerbyLive	(92)	-10.8	Ticket sales improved throughout the year, in particular in relation to the pantomime. There are also savings made against staffing because the full staffing structure was recruited towards the end of the financial year.	
Libraries	(92)	2.5	This reflects high levels of vacancies across the service, late opening of neighbourhood libraries and in some cases is in preparation for 2010/11 planned efficiencies.	
Other Culture	11	0.5	This minor overspend in the culture area is mainly due to minor overspends across museums service.	
Sub Total	(173)			
Other service areas	(99)		£194k Energy underspend - Street Lighting PFI, adjusted in the 2010/11 budget £37k overcommitted transition costs against the £1.032m 2009/10 Neighbourhood Renewal Fund transition budget. £58k net overspend on variances in other areas	
Total Regeneration and Community excluding partnership budgets	256			

Resources Department

Budget Area	Final Outturn variance June 2010 (under)/over spend £000	Percentage of approved budget 2009/10 %	Explanation	Ongoing implications not budgeted for 2010/11 pressure/(saving) £000
Corporate Finance	(68)	-3.29	Under spends in all accountancy teams due to turnover and savings due to temporary arrangements for CYP Head of Finance cover	
ICT	(129)	-2.77	Increased capitalisation to create under spend	-100
Customer Services	124	6.53	£62k of departmental reserves used to balance Resources outturn	
Other areas	46	1.19	Other net variances across the department. Includes £62k Finance Department Management & Administration efficiencies not achieved. HR review costs funded from Transformation Reserve	
Housing Benefit Administration – additional subsidy repayment provision	77	3.21	An increase to the provision required for the repayment of subsidy following confirmation from DWP against the audited claim	Potential one-off cost in 2010/11 on finalisation of the 2008/09 claim
Total Resources Department	50			115

Corporate Budgets

Budget Area	Final Outturn variance June 2010 (under)/over spend £000	Percentage of approved budget 2009/10 %	Explanation	Ongoing implications not budgeted for 2010/11 pressure/(saving) £000
Total Treasury Management	(995)	-6.35	One-off saving from bringing forward the Council's Minimum Revenue Provision - MRP - policy on corporate prudential borrowing into line with MRP on borrowing supported by central government. In addition, the impact of the slippage in the capital programme on cash balances has increased investment income.	Base budget review to take place for the 2011/12 budget process
Less transfer to reserves	188	1.2	As approved by Council Cabinet 16 February 2010 – balance of the forecast outturn to the budget risk reserve	
Supporting People	(108)	0.98	Net variance on programme against total allocation from Area Based Grant	
Benefits payments	102	0.11% of benefit payments	Increased volume of nil and reduced rate subsidy claims	
Concessionary Fares	1,003	20.0	Costs associated with older people concessionary travel have exceeded budget by £973k, £111k greater than latest forecasts indicated. The increase in costs from the forecast outturn is a result of recharges at year end for the full year cost of train travel, £62k, and season tickets, £55k, which were not specifically built into the forecast position. These cost increases have been partly offset by £6k reduction in other forecast costs. Younger people concessionary travel scheme costs (BLine) have also exceeded budget by £30k.	353

Budget Area	Final Outturn variance June 2010 (under)/over spend £000	Percentage of approved budget 2009/10 %	Explanation	Ongoing implications not budgeted for 2010/11 pressure/(saving) £000
Derby Coroner	108	44.26	Higher costs incurred on the Derby Coroner through the agency agreement with Derbyshire County Council	
Elections	(60)	-63.16	No Council election in 2009/10	
LABGI grant	137	41.27	Grant received in 2009/10 has been transferred to support Festive lights improvements and the Regeneration Fund as per Council Cabinet approval.	
External Audit fees	(45)	-14.42	Reduced charges for corporate external audit grant and inspection against assumed budgeted level	Base budget review to take place for the 2011/12 budget process
Other net variances	(209)	-106.1	Small variances across other corporate budgets together with £267k income not budgeted for in relation to LG Superannuation employers contributions charged to the Housing Revenue Account and £84k transfer from old Balance Sheet control account balances	Base budget review to take place for the 2011/12 budget process
Total Corporate Budgets	121			

Partnerships

Budget Area	Final Outturn variance June 2010 (under)/over spend £000	Explanation to support carryforward proposal
Derby City Partnership - DCP	(143)	£72k core budget underspend requested for ringfenced carryforward to support the revised structure in 2010/11 approved by the DCP Board in April 2010. This will give additional capacity to progress European funding opportunities and provide short-term funding to replace nerve transitional funding that has ceased.
		£69K NRF committed funding for CVS Ltd
		£2k Raising aspirations small change project
Community Safety Partnership – CSP- Area Panels Budgets	(147)	Committed Area Panel budgets spend
Community Safety Partnership – CSP- Other	(260)	£226k underspend across core budgets arising from staffing savings including vacancies and other core running costs underspends – to carryforward to support the budget deficit within the 2010/11 budget plans.
		£26k further savings on the core budget to carryforward to 2010/11 to support the future budget pressures including the impact of reductions in Area Based Grant funding
		£8k Area and Neighbourhood working committed funding for the BMX track at Sinfin
Total Partnerships	(550)	

Achievement of 2009/10 Savings – Outturn position

ACHIEVEMENT OF 2009/10 SAVINGS – FINAL POSITION AT PERIOD 12						
	1% SALARY TARGET				OTHER SAVINGS	
	Savings target	Savings achieved	Variance		Savings target	Savings achieved
	£000	£000	£000		£000	£000
Children and Young People						
Non Schools Budgets	357	357	0		1506	1506
Corporate and Adult Services						
Adult	266	266	0		2420	2420
Other	76	76	0		256	181
HGF	35	35	0		294	294
Environmental Services	275	275	0		1555	1555
Regeneration and Community	167	167	0		2097	1995
Resources	118	118	0		998	936
Partnership	16	16	0			
Total	1,310	1,310	0		9,126	8,887

Children and Young People

All savings have been achieved.

Corporate and Adult Services

Adult Social Services – all savings achieved

Other Corporate Services – in the current climate the budgeted savings for markets and estates were not achievable and contribute to the year-end overspend

Housing – all savings targets achieved

Environmental Services

All savings made bar £57k on recycling brink site closures, as main sites were kept open. This saving has been replaced by new savings from the Rethink Rubbish revenue budget available for capital investment into Rethink Rubbish scheme.

Regeneration & Community

1% salary savings targets have all been achieved by the year-end

Other savings not achieved:

£70k removal of HTST bus services – as a result of the decision to continue with selected services for a further year and therefore delay some savings until 2010/11

£32k – *awaiting confirmation of final reasons*

Resources

Management levels have been reduced but the changes have not delivered the full budgeted saving.

The resulting pressure has been contained within the departmental outturn and has been included on an ongoing basis in the 2010/11 budget.

Housing Revenue Account Outturn 2009/10

The outturn position for 2009/2010 is a cumulative surplus of £20,599 million, an increase of £725k, this exceeds the budget by £3.318m. The table below shows the variations at outturn.

	£'000
Estimated Deficit in 2009/2010 - February 2009 HRABP	2,593
Variations at outturn:	
Decreased rent/service charges	742
Increased Housing Subsidy	(1,248)
Increased Repairs and Maintenance	548
Increased Derby Homes Management Fee – general	96
Derby Homes Furniture & Equipment – paid from reserves	134
Supervision and Management	219
Reduced Provision for Bad Debts	(744)
Reduced Call on Revenue Contributions to Capital Outlay - Estates Pride and General capital	(2,950)
Decreased HRA investment income	459
Reduced capital financing costs	(937)
Early termination of lease payments	352
Other Minor Variances	11
NET SURPLUS 2009/2010	(725)
Total reserves B/fwd from 2008/2009	(19,874)
Total Reserves 31 March 2010	(20,599)
Of which:	
Derby Homes Management Fee Reserve	(485)
Derby Homes Depreciation Reserve	(612)
White Goods Reserve	(134)
HRA Street lighting PFI reserve	(4)
Estates Pride Funding reserve	(2,380)
Metropolitan Housing repairs reserve	(104)
General reserves including contingency	(16,880)
Total Reserves 31 March 2010	(20,599)

The Housing Revenue Account – HRA – shows an outturn surplus of £0.725 million which is £3.318m more than the budget plan for the year.

Balances – £16.880m

The general balance on the HRA at 31 March 2010 is £16.880m compared with a forecast of £13.942m. In addition to this there are £2.6m of earmarked reserves and some timing differences between the Council and Derby Homes relating to accounting treatments. The

total balance of the HRA is £20.599m. The unexpected increase in balances is almost entirely due to slippage in the expected timing of payments under the Estates Pride programme of almost £3m.

Funding for Round 1 Arms Length Management Organisations – ALMO – borrowing is paid – until 2010/11 - by the Government at a fixed rate of 8%, compared with an actual cost of financing the borrowing this year of around 4% a year. The surplus caused by this is in excess of £3m a year, but will cease after 2010/11. At that point, under the current subsidy system, funding from the Government would be paid at actual cost. This surplus has effectively funded the Estates Pride programme and, together with any other favourable variances, adds to overall reserves and helps to sustain the HRA Business Plan in future years.

Latest forecasts show that reserves will start to diminish from 2010/11.

The main variations in this year's revenue position are as follows:

Rents and Service Charges £742k

Rents and Service charges are lower than anticipated in the HRA business plan due to the rent decrease implemented in July 2009. This decrease is off-set by an increase in Housing subsidy as compensation.

Housing Subsidy (£1,248k)

Housing subsidy is higher than anticipated due to two factors: additional subsidy offered as a way of compensating for the above-mentioned rent decrease, and the government allowing the Council to bring forward Major Repairs Allocation, MRA, of £800,000 to try to stimulate the local economy.

Housing Repairs £548k

An increase in Housing repairs expenditure of £548k due, primarily, to increased payments to ESD.

Derby Homes Management Fee – General £96k

Increase fee paid to Derby Homes to cover agreed costs such as Midlands Community Finance and Early termination of lease payments off-set by a £100,000 reductions as a contribution to the overspend on the repairs account and £125,000 towards the capital costs of the transfer of Learning Disabled clients from the health service.

Derby Homes Management Fee – Furniture Scheme £134k

This represents spend during 2009/2010 on furniture packs which is funded from an earmarked reserve.

Supervision and Management £219k

Full reconciliations between Derby Homes and the Council have revealed a number of invoices outstanding at the year end.

Reduction in provision for bad and doubtful debts (£744k)

A revision of the basis on which the bad debt provision is calculated has resulted in a lower than anticipated provision for bad and doubtful debts.

Estate Pride and General Capital Funding (£2,950k)

Delays in the commencement of Estates Pride environmental improvement projects together with delays to the other capital schemes has resulted in a reduced call on the revenue funding in 2009/2010. These will effectively slip into the New Year.

HRA Investment income £459k

The HRA earns interest on its balances held throughout the year. Although balances are higher than anticipated, the return on these balances is significantly lower than in previous years, in line with reduced interest rates available on investments generally. The average interest rate that these balances attracted in 2009/10 was 0.42% this compares with 3.75% during 2008/2009.

Capital Financing costs (£937k)

A lower than anticipated interest rate together with a slightly lower level of debt has resulted in a saving in capital financing costs to the HRA.

Early Termination of Lease Payments £352k

Early redemption of Milesshield lease payments has resulted in a one off payment to terminate these leases.

Quarter 4 2009/10 Summary of Performance

1. General Performance Issues

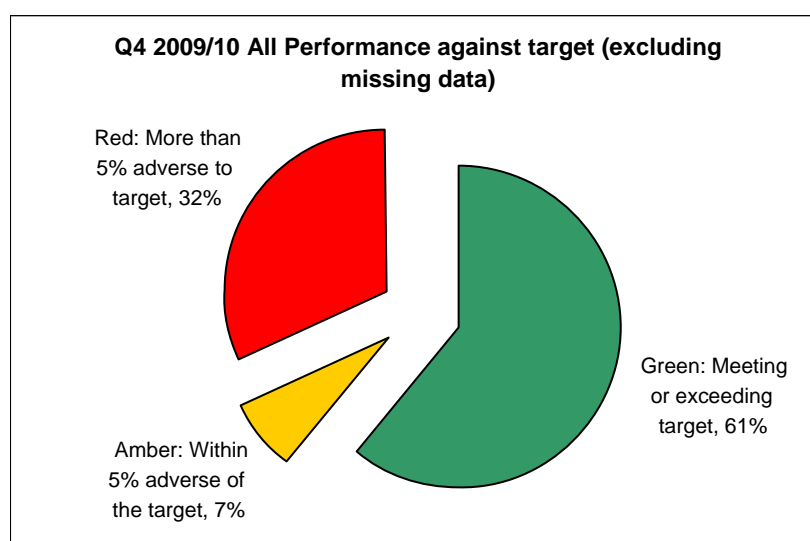
1.1 This appendix is structured by the type of performance indicator and contains information on both areas of strength and improvement for:

Indicator Type	Report Section
• Local Area Agreement – LAA	Section 2
• National Indicators – NIs	Section 3
• Corporate Plan	Section 4
○ measures	
○ milestones	

1.2 **Missing Data** – 1% of data is still missing.

1.3 Overall Performance

Figure 1 – quarterly performance across the Corporate Plan indicators and milestones, LAA and NIs.






1.4 **Year end performance** - 61% of measures have achieved their year end target, with 32% missing the year-end target by more than 5% (excluding missing data). 53% of measures saw improved results from 2008/09.

1.5 The supporting performance tables included show the indicators that have missed the year end target set and Corporate Plan milestones that are showing major slippage.

2. Corporate Plan Indicators and Milestones

2.1 Achievement against target at Q4 2009/10




2009/10 Q4 Performance against target - Corporate Plan

		Q4 Performance	
		Number	Percentage
Green		100	66%
Amber		11	7%
Red		30	20%
No Data		2	1%
No Data Expected		5	3%
No Target Set		4	3%
Total		152	100%

3. Local Area Agreement

3.1 Achievement against target at Q4 2009/10




2009/10 Q4 Performance against target - LAA indicators

		Q4 Performance	
		Number	Percentage
Green		22	44%
Amber		3	6%
Red		16	32%
No Data		0	0%
No Data Expected		6	12%
No Target Set		3	6%
Total		50	100%

4. National Indicator Set

4.1 Achievement against target at Q4 2009/10

2009/10 Q4 Performance against target - Remaining NIS

		Q4 Performance	
		Number	Percentage
Green		56	31%
Amber		7	4%
Red		43	24%
No Data		0	0%
No Data Expected		2	1%
No Target Set		74	41%
Total		182	100%