

## **CITY COUNCIL - 25 JUNE 2007**

### **REPORT OF THE DEPUTY LEADER**

#### **BEST VALUE PERFORMANCE PLAN 2007/08, STATEMENT OF ACCOUNTS 2006/07 AND STATEMENT ON INTERNAL CONTROL 2006/07**

##### **1 SUMMARY**

This report highlights the progress that has been made by the Council through strong leadership and management and highlights the priorities for forthcoming years. Key aspects of the Council's progress are contained within the Best Value Performance Plan 2007/08, the Statement of Accounts 2006/07 and the Statement on Internal Control 2006/07, all of which Members are asked to adopt. All three items are being circulated separately to Members.

##### **2 RECOMMENDATIONS**

It is **RECOMMENDED** that:-

###### 2.1 The Council recognises:-

- a) that there has been significant progress in delivering the actions underpinning the Council's priorities that were set out in the Corporate Plan 2006-11 and published in June 2006. Of all performance indicators, 62% demonstrated better performance than in 2005/06 and 63% met or exceeded their target. This builds on the general performance improvements that have been made, with over half of the Best Value Performance Indicators (55%) projected to be in the top or second quartile in 2006/07 compared to only 49% in 2005/06.
- b) that further work is underway and planned to tackle remaining areas of under-performance and to progress priority areas for improvement. We will achieve this by producing more focused and timely reports and continued development of the performance management framework. The drive for improvement will be supported by our Serving Nottingham Better programme which will be re-focused following our recent Corporate Assessment.

Scrutiny will continue to support improvement through activity framed by the Strategy for Supporting Improvement;

c) the successful management of resources – enabling the allocation of over £12 million of extra revenue to our priorities in 2006/07 and £115 million spend on capital works; delivering £8 million efficiency savings and exceeding the targets, with further demanding targets for 2007/08; and all this being achieved whilst delivering a balanced budget for Social Services, despite significant pressures and a national backdrop of overspending in Social Services Departments. Improvements in Adult Social Care over the previous year have been recognised by the Audit Commission with an increase in the Corporate Performance Assessment (CPA) service block score from 2 to 3.

2.2 the Best Value Performance Plan 2007/08 be approved, subject to the Chief Executive being authorised to make changes in response to observations from the Performance and Resources Standing Panel, and any other minor amendments or corrections as may be necessary;

2.3 the Statement of Accounts for 2006/07, including the Statement on Internal Control, be approved in accordance with the Accounts and Audit Regulations 2003, subject to the Chief Finance Officer being authorised to make any changes in response to observations from Performance and Resources Panel and any other minor amendments or corrections as may be necessary.

### **3 BACKGROUND**

3.1 The Best Value Performance Plan sets out the authority's progress in delivering local and national priorities, as set out in the Corporate Plan 2006-11. It is structured around the five Corporate Plan themes and includes details of actual performance in 2006/07 against the national Best Value Performance Indicators (BVPs), those performance indicators published in the Corporate Plan 2006-11 and other key local performance indicators. For BVPs, targets are set out for this and the subsequent 2 financial years. The Best Value Performance Plan must be published by the 30<sup>th</sup> June and its approval is a decision reserved for Full Council.

- 3.2 The City Council is required to publish, for each year, a Statement of Accounts containing prescribed information, and a Statement on Internal Control. Both of these Statements, once approved, will be audited by the Audit Commission.
- 3.3 By grouping these items under a single agenda item, the Council has the opportunity to consider the position of the City Council across a range of inter-related financial and performance information.

#### **4 DELIVERING IMPROVEMENTS**

- 4.1 The Council can note real achievements in performance. We have improved performance for almost three quarters of our Corporate Plan performance indicators on the previous year and almost two thirds of the Corporate Plan performance indicators met or exceeded their target (based on those PIs which have two years data). We have also delivered many key actions which underpin the Council's priorities. Of the 34 milestones in the Corporate Plan, 16 have been achieved and a further 14 are expected to be achieved on time. Of all the performance indicators monitored, 62% demonstrated better performance than in 2005/06 and 63% met or exceeded their target. A strengthened performance culture and the ongoing implementation of our performance management framework have supported the delivery of these improvements.

Drivers such as the CPA, Direction of Travel Statement, the Corporate Assessment, the outcomes of inspections and a greater need to show improvements against other Councils will contribute to this development. We will continue to deliver improvements by having a greater focus on those indicators critical to the Corporate Assessment and our star rating and key Local Area Agreement performance indicators which underpin the delivery of local priorities. Greater emphasis will be placed on comparisons with other Councils with improved management of those performance indicators that fall into the bottom quartile to ensure we drive continuous improvement towards our goal of becoming an 'excellent four star' council.

Improvements are also being recognised by the public. Over half of Nottingham residents (53%) are satisfied with how the Council runs things. This has improved significantly since 2003/04 (where satisfaction was 48%) in contrast with a national trend of declining satisfaction for single tier Local Authorities.

Resources were successfully managed – enabling the allocation of over £12 million of extra revenue to our priorities in 2006/07 and £115 million spend on capital works. To date, £8 million efficiency savings have been delivered, exceeding targets and with further demanding targets for 2007/08, improvements in the Council's Financial Management and Financial Standing were acknowledged by the Audit Commission. In addition, improvements in Financial Reporting and Internal Control meant that the Council's Use of Resources score show the Council to be "performing well."

## 4.2 Providing better services

A great deal of progress has been made in providing better services.

- a) **Educational attainment:** The performance of our school children continues to improve, and the City was the most improved authority overall for educational attainment in 2006. Results at Key Stage Levels 1 and 2 are up on the previous year, with progress at Key Stage 2 amongst the best nationally. Older pupils are achieving better results too, with an improvement in 2006 of 3% since 2005 in pupils getting 5 or more GCSEs at grades A\* to C to 45% - meeting the authority's target.
- b) **Adult Social Care:** We have re-gained the 2 star rating in acknowledging an improvement in our services and efforts are now being directed towards achieving 3 star status.
- c) **A cleaner city:** During the past four years our overall performance in street cleansing has improved to the top quartile and in 2006 we achieved our ambition of became the cleanest Core City. The triennial Best Value General Satisfaction Survey (2006) showed satisfaction with the cleanliness of our streets to 58%, and overall, 68% of residents are happy with Nottingham as a place to live.

- d) **Culture:** In June 2006, Nottingham's Cultural Services were officially rated 'good' by the Audit Commission with 'promising prospects for improvement'. Nottingham achieved a top score of 4 for Culture in the 2006 Comprehensive Performance Assessment, one of only 7 single tier councils in the country to do so. The culture block score has increased from 2 in 2004 to 3 in 2005 and now 4 in 2006.
- e) **Waste:** We are making progress towards our ambitious targets to recycle 50% of the city's waste by 2018. Of the eight core cities we have the third best recycling rate, improving from being the worst in 2003. The amount of household waste recycled has increased from 4% in 2002 to more than 22% today.
- f) **Housing Benefits:** There continues to be significant improvements in the Housing Benefits service, and we have maintained our position with the highest possible rating from the Benefit Fraud Inspectorate of 4 out of 4.
- g) **Issues arising from the Statement on Internal Control:** In the Statement on Internal Control, there is one significant issue to report, relating to the failure of Nottingham City Homes to achieve 2-star status and the subsequent effects for the Council in achieving the Decent Homes Standard. This, together with three other areas of note and the measures put in place to address them, have been set out in the full Statement on Internal Control.

#### 4.3 The Council as an agent for change

- a) **Choose Nottingham:** In partnership with the three cities and counties of Nottingham, Leicester and Derby, we secured £1.8m from the Government's Transport Innovation Fund to test and assess future transport development options in the region. Nottingham's Old Market Square was given a major transformation providing a more flexible open space for future events and attractions was opened by HRH Princess Anne on 3 April. We completed Phase 1 of the restoration of Wollaton Hall, with improvement works costing £8m, from Heritage, Lottery and European Regional Development funding. Nottingham was chosen to host the Football Association Women's Cup Final 2007. Nottingham's approach to managing its evening economy

won a top award. Our City Centre Management Team and partners won the Association of Town Centre Management's regional award and have now been put forward for the national award. The Council received £1.7m in government funding as a reward for encouraging business growth in the city through the Local Authority Business Growth Incentive Scheme.

- b) **Respect for Nottingham:** The Respect for Nottingham initiative has continued to reduce drug dealing, kerb crawling, anti-social behaviour, enviro-crime and vandalism. We achieved an 8.4% reduction in the total British Crime Survey (BCS) comparator, a group of indicators covering a range of crimes against people, property and the environment, during 2006/07 compared to the previous year. Our performance on street cleaning has improved such that we are now the cleanest Core City and winners of the annual water efficiency award from the Environment Agency. Work on 5 designated sites to provide safer routes to school was completed during 2006/07.
- c) **Transforming Nottingham's Neighbourhoods:** We have invested £7.8m in maintaining and improving footways, carriageways and street lighting in 2006/07, £5.7m of this was allocated by Area Committees for neighbourhood improvements in 2006/07. £250,000 Living Landmark lottery funding was secured for the Meadows Ozone regeneration project. Nottingham is to receive £6.5 million to rebuild primary schools that are in need of repair. The £18 million Leisure Centre Transformation programme is well underway, with customers benefiting in 2006 from improvement works to Portland Leisure Centre and John Carroll Leisure Centre and new pitches and a pavilion at Southglade Leisure Centre. Work also started in January 2007 to improve Ken Martin Leisure Centre.
- d) **Supporting Nottingham People:** We have established fifteen clubs and sessions for older people 50+ in Leisure Centres across the city helping to improve the health of older people and contributing to our aim of reducing health inequalities. The latest statistics for teenage pregnancy rates (2005) in Nottingham show a 7.2% reduction since the strategy was introduced. Almost 45% of Nottingham's pupils achieved five GCSE A\* to C grades in last summer's GCSE exams. This represents a 3.3 percentage point improvement on the previous year's results, compared to a

national increase of just 2 percentage points. This places us amongst the top five most improved authorities in the country. Key Stage 3 results have shown Nottingham's secondary schools with above average improvements in English, maths and science. Nottingham's primary schools have jumped 72 places in the Key Stage 1 to key Stage 2 'value added' rankings published by the Department for Education and Skills, revealing our new position as 38th out of 148 local authorities for the level of progress made. Nottingham City Council's Greyhound Street toilets have won another national award – the Community Care's Carers Award.

- e) **Serving Nottingham Better:** Over half of Nottingham residents (53%) are satisfied with how the council runs things. This has increased significantly since 2003/4 where satisfaction was 48% (MORI Best Value General User Survey 2006/07). In February, the Audit Commission published the Council's annual CPA scorecard which showed improvements on the previous year in Use of Resources which increased from 2 to 3, Culture which increased from 3 to 4 and Social Care (Adults) which increased from 2 to 3. We have maintained our position of a top score of 4 for our Benefits Services.
- f) **Partnership working:** We have continued to build on our relationship with the Local Strategic Partnership, One Nottingham, and have strengthened the partnership which has achieved an amber/amber status from the Government Officer for the East Midlands. The Local Area Agreement is now established having just completed the first year.

## 5 Future priorities

- 5.1 The Audit Commission's 2005/06 Annual Audit and Inspection Letter noted that the Council's progress was mixed, but recognised the improvements made in priority areas such as educational attainment, adult social care services, recycling and street cleaning. It recognised that crime had fallen in some areas, but that public satisfaction has remained above the national average. It also noted we have strengthened our management focus on our priorities for improvement, including housing and care services for adults and children, financial management, governance and performance

management. We recognise that challenges still remain, key priorities that will be tackled over the next four years include:-

- a) **Transforming Neighbourhoods** – we are committed to providing better services to Council Tenants with fewer empty properties, better and more responsive repairs and a fairer housing allocations system. We will work with tenants to deliver more than the decent homes standard in every neighbourhood.
- b) **Respect for Nottingham** – we remain committed to reducing levels of crime and anti-social behaviour in the city. We will develop Youth Inclusion Projects across the city and boost funding to the youth service to help tackle the problem of gangs of young people on our streets. We will also introduce a number of initiatives to address drink related crime. We are targeting to become the cleanest Big City (over 200,000 population) and will further improve our recycling rate.
- c) **Choose Nottingham** – we will improve Nottingham’s position sub-regionally and nationally building on successes in scientific and technology developments by building links with local jobs and schools. We will continue to increase the number of City residents employed by the City Council, as a proportion of the total workforce, as a way of ensuring that our workforce better reflects the communities it serves. But also expand the scheme we have which helps get local people into local jobs. We will concentrate particularly on the building sector in which up to £2bn will be invested in the next 5 years. We are planning to give all residents a free City card from the Council that will include free travel offers, discounts in shops and leisure centres, and incorporate a library and bus pass all in one card.
- d) **Supporting Nottingham People** – we will direct resources and energy towards the early years of a child’s upbringing to ensure improved education, health and parenting in an attempt to give children in the city a better start in life. We will roll out Telecare equipment for all our elderly service users and actively look at extending the provision of Telecare to all other elderly citizens in our city.



- e) **Serving Nottingham Better** – We will organise regular consultation meetings across the City so that the Council can listen and act on the comments of local people through a range of issues important to their neighbourhoods. We are committed to delivering over £1million of efficiency savings over the next four years in addition to the Council’s planned ‘Gershon savings’ and investing the money saved into front line services to tackle anti-social behaviour, improve street cleaning and recycling and invest in our schools. Our drive to improve Council services will also continue.

**6 LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION**

Accounts - detailed working papers

**7 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT**

- Accounts and Audit Regulations 2003
- Audit Commission CPA 2006 Scorecard
- ‘Strategy for Supporting Improvement’ report to Overview and Scrutiny Committee May 11<sup>th</sup> 2006
- The Statement of Accounts 2005/06
- Financial Outturn 2006/07 – Executive Board 19th June 2007
- Medium Term Financial Plan - General Fund Budget Report 2006/07 - Executive Board 21st February 2006.
- Medium Term Financial Plan – Capital Programme 2006/09 – Executive Board 21st February 2006.
- Code of Practice on Local Government Accounting in the United Kingdom (A statement of Recommended Practice) 2006
- Best Value Accounting Code of Practice 2006
- CIPFA – The Statement on Internal Control - meeting the requirements of the Accounts and Audit Regulations 2003

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