

	<p><b>Executive</b> <b>11 March 2013</b></p> <p><b>Performance and Finance</b> <b>Review</b></p> <p><b>Report from Director of Strategy, Partnerships &amp; Improvement and Deputy Director of Finance</b></p>
<p>Wards Affected: ALL</p>	
<p><b>Performance and Finance Review, Quarter 3, 2012-13</b></p>	

## 1.0 Introduction

Brent's Borough Plan 'Brent our Future' is a four year strategy document which sets out the Administration's priorities over the coming years. These priorities form the core of our Corporate Planning Framework, which is broadly based around three overarching strategic objectives:

1. To create a sustainable built environment that drives economic regeneration and reduces poverty, inequality and exclusion.
2. To provide excellent public services which enable people to achieve their full potential, promote community cohesion and improve our quality of life.
3. To improve services for residents by working with our partners to deliver local priorities more effectively and achieve greater value for money from public resources.

The planned reduction in central government funding over the remaining three years of the Government's current Spending Review and beyond continues to intensify pressure on Council services, and difficult economic conditions have directly affected levels of employment across the borough. The scale and pace of national policy changes, particularly in relation to Housing Benefits and the implementation of the new Universal Credit, is expected to fuel

increased demand for services, which will have an enduring effect on the borough. However despite these challenges, the Council remains committed to preserving services and protecting the most vulnerable residents.

The purpose of this report is to provide Members with a corporate overview of Finance and Performance information to support informed decision-making and manage performance effectively.

## 2.0 Recommendations

The Executive is asked to:

- a. Note the Finance and Performance information contained in this report and agree remedial actions as necessary.
- b. Consider the current and future strategic risks associated with the information provided and agree remedial actions as appropriate.
- c. Challenge progress with responsible officers as necessary.
- d. Agree the budget virements contained within this report.

## 3.0 Executive Summary - Performance

There are currently 38% of indicators on target (green) or just below target (amber) and 21% are well below target (red). The rest are considered indicative only and have no targets set. Please note that indicators with no data returns against them are classed as high risk.

Overall Council Performance					
					Total
	Low	Med	High	IO	Total
<b>Adult social care</b>	1	0	4	7	12
<b>Children and families</b>	10	0	2	4	16
<b>Environment &amp; NS</b>	5	0	6	2	13
<b>Regeneration &amp; MP</b>	4	3	1	8	16
<b>Central services</b>	2	2	2	8	14
<b>Total</b>	<b>22</b>	<b>5</b>	<b>15</b>	<b>29</b>	<b>71</b>
<b>Percentage</b>	<b>31</b>	<b>7</b>	<b>21</b>	<b>41</b>	<b>100</b>

The performance section of the Performance and Finance Review report now includes a benchmarking column which will provide information from the London Council's benchmarking club. Benchmarking will only be available for those indicators that other councils also wish to benchmark against. To ensure that the information relevant and meaningful it is drawn from the same

quarter in the previous financial year. So for this quarter the information provided comes from Q3 2011/12.

### 3.1 **Adult Social Services**

Data quality issues are still being addressed by the service. As part of this work a more robust data collection method for reporting the percentage of clients receiving self directed support (direct payment and individual budget) has been introduced and now includes mental health data. This indicator is below target but has improved since quarter 2. Performance in relation to the timeliness of social care assessments for mental health clients is showing a slight decline and remains below target. However once an assessment has taken place the packages of care are delivered within timescales. The percentage of carers receiving need assessment or review and a carer's service has declined since quarter 2 largely due to an increase in the total number of clients and a smaller proportional rise in those receiving a service.

### 3.2 **Children and Families**

Quarter 3 shows a surplus of school places available in for all key stages and all three indicators are now showing as green. Whilst the percentage of care leavers in employment, education and training is still below target there has been an improvement since quarter 2 to from 42% to the current 54% against a target of 64%. The snapshot measure of the number of looked after children in Brent shows a slight increase in quarter 3, while the number of looked after children placed in in-house foster carers has gone down since quarter 2 and now has a high risk status. The sustained pressure in Children's Social Care looks likely to continue for the foreseeable future. A suite of four co-ordinated One Council projects that collectively deliver a 'Working with Families' initiative in Brent is currently at the delivery stage. The aim of the projects is to provide early help and ensure better coordination between departments and agencies reducing fragmentation and balancing demand with resources.

### 3.3 **Environment and Neighbourhood Services**

The time lag in producing figures for the volume of residual waste and percentage of household waste sent for recycling means that data is provided one quarter in arrears. New local indicators have been developed to measure the number of small and large flytips in the borough. The number of small flytips reported in quarter 3 is a high risk status while the number of large flytips reported is showing a low risk status. The number of enforcement inspections and investigations is below target and is red, however the number of enforcement actions taken is above target and green. A new local indicator which reflects the number of active library users as a percentage of the population has been included, this shows a year to date total of 19.9% against a target of 21%.

### 3.4 ***Regeneration and Major Projects***

Quarter 3 has seen little overall movement in the employment and housing related indicators though the employment rate shows a slight positive move from 63.1% in quarter 2 to 64.1% in quarter 3. The number of households in temporary accommodation has been increasing since quarter 1, though this is within the forecasted rise and is currently showing a low risk status. The current rent collection rate is slightly above target and is highlighted in the appendix as a low risk. The average number of days taken to re-let a property is below target and a low risk. The pressure on employment and housing indicators, largely driven by a range of external factors, such as the overall economic conditions, look set to continue and while the delay in the introduction of the benefits cap is welcome, efforts are underway to mitigate its impact as far as possible. Actions to mitigate the impact of welfare reform, to implement the council's new employment offer and to make effective use of the flexibility provided by the housing reform are central to the departments work programme. The percentage of major planning applications determined in 13 weeks is high risk and remains a cause of concern. While one or two difficult negotiations can have a huge impact on this indicator the department are proposing to undertake a fundamental review of the service during 2013/14.

### 3.5 ***Central Services***

New indicators for violence with injury offenses and the number of motor vehicle crime offences have now been included to better reflect local priorities. The number of personal robberies (cumulative) has moved from amber to green. The Council Tax collection rate is currently amber, though it is envisaged that this will end the year on target.

### 3.6 ***Complaints Summary***

Overall council-wide complaint numbers at the local resolution stage remained virtually the same as in quarter 2. Complaint response times improved from 54% within target in quarter 2 to 75% in quarter 3. Work undertaken with the Children & Families Departmental Management team has resulted in a marked improvement in response times from 25% within target to 71%. A project with Adult Social Care aimed at bringing long term improvement in response times has resulted in an improvement from 24% to 37%.

## 4.0 Executive Summary - FINANCE

4.1 The Council's revenue budget position for quarter 3 is as follows:

Item	Budget £000	Forecast Outturn £000	Variance £000
Adult Social Services	91,028	91,114	86
Children & Families	46,253	46,303	50
Environment & Neighbourhood Services	34,096	34,564	468
Regeneration & Major Projects	33,510	32,510	(1,000)
Central Services	37,565	37,296	(269)
Transfer to Reserves	0	1,000	1,000
<b>Service Area Total</b>	<b>242,452</b>	<b>242,787</b>	<b>335</b>
Central Items	17,940	16,880	(1,060)
<b>Total Council Budget</b>	<b>260,392</b>	<b>259,667</b>	<b>(725)</b>

- At the end of quarter three the forecast position is for a net underspend on service area budgets of £665k before taking account of a £1m transfer to earmarked reserves to help meet the additional cost pressures on the temporary accommodation budget in 2013/14. This together with an underspend of £1.060m on central items and Government Grants gives an overall underspend of £725k. This is an improvement of £658k on quarter 2 underspend of £67k. The main reasons for this are improvements in the outturn position for Adults Social Services, Regeneration and Major Projects and Central Items. The result is that, on the basis of forecasts at the end of quarter 3, general fund balances at 31<sup>st</sup> March 2013 will be £12.041m. This is £961k better than the originally budgeted balances of £11.080m.
- Children & Families is currently forecasting an overspend of £50k, a change of £38k on the £12k overspend reported in quarter 2. There continue to be pressures on the children's social care purchasing and placement budget although steps have been taken during the year to reduce these costs
- Adult Social Services' current forecasts are that the outturn overspend will reduce to £86k, some £452k less than the forecast of £538k at quarter 2. The department is working hard to identify new areas to bring this down further, so that at year end it hopes to have a balanced budget position. The financial pressure in 2012/13 relates to the shortfall in funding for transitions over the last two financial years, a pressure of £1m and the department has worked continuously to reduce this with compensating underspends in other areas of the budget.

- Environment and Neighbourhood Services is currently forecasting an overspend of £468k for 2012/13. The projected tonnages on waste and recycling have increased since quarter 2 and current forecasts are for a £796k overspend predominantly around higher than anticipated tonnages for residual waste to landfill. There continue to be issues over staffing costs following the wave 2 staffing and structure review and a shortfall in highways and licensing income. To meet the overspend £443k of balance sheet deposits and provisions no longer required will be written back. Negotiations are also taking place with Veolia to achieve lower gate fees, a reduction in vehicle costs and a review of rounds. Action is also being taken to review agency and freeze vacant posts and non essential spend. Overall the position is £316k worse than quarter 2.
- The main pressure within Regeneration and Major Projects was envisaged at the start of the year to be the housing benefit scheme changes resulting from the introduction of the Local Housing Allowance caps in April 2011. Temporary Accommodation budget includes growth of £1.134m in order to assist in managing the cost pressures and increased service demand. The pressures on the temporary accommodation and housing benefit budgets are not as high as projected and it is currently showing an underspend of £861k in total. The forecast outturn is now expected to be £1.0m an improvement of £500k on the quarter 2 position. It is proposed that expected surplus on Regeneration & Major Projects for 2012/13 will be set aside in a reserve to help meet the additional temporary accommodation pressures in 2013/14.
- Central Services' forecast outturn position remains unchanged from the quarter 2 position of a £269k underspend. This covers an underspend on vacant posts in the policy area of Strategy, Performance & Improvement.
- The position on central items has improved from the breakeven position in quarter 2 to an underspend of £1.060m. The main factors in this improvement are an increase of £568k on the underspending on capital financing to £1.177m. This reflects the successful debt restructuring exercises in previous years, new borrowing at lower than anticipated interest rates, higher than estimated interest receipts and improved cash flow. The current low level of interest rates continues to be beneficial to this budget. It is also expected that there will be £150k underspend on premature retirement compensation reflecting the on-going reduction in the number of pensioners to which this applies. It is also anticipated that there will be £237k underspend on the carbon tax budget. Carbon tax is paid in arrears and the outturn for 2011/12 has turned out to be lower than expected with a total payment of £279k of which £212k was applicable to schools. This pattern of spend is unlikely to change in 2012/13 leading to the underspend.
- The position on forecast balances after quarter 3 is detailed below:

Balances Brought Forward 1 <sup>st</sup> April 2012	£m 10.316
General Fund Contribution to Balances	1.000
2012/13 Underspend	0.725
Forecast Carried Forward 31 <sup>st</sup> March 2013	<b><u>12.041</u></b>

Overall Including the in year underspend of £725k and the budgeted contribution of £1m to balances in 2012/13 the forecast balances at 31<sup>st</sup> March are now forecast to be £12.041m which is an improvement of £961k on the budgeted figure of £11.080m and a £658k improvement since quarter 2.

4.2 The Council's capital budget position for Quarter 3 is as follows:

Item	QTR 2 Revised Budget £000	QTR 3 Proposed Budget £000	Forecast £000	Variance £000
Adult Social Services	1,552	1,532	1,532	0
Children & Families	0	883	883	0
Environment & Neighbourhood Services	17,489	15,636	15,636	0
Regeneration & Major Projects	213,052	154,571	154,571	0
Housing – General Fund	8,357	6,845	6,845	0
Housing - HRA	19,271	12,523	12,523	0
Central Services	3,938	3,938	3,938	0
<b>Total Capital Programme</b>	<b>263,659</b>	<b>195,928</b>	<b>195,928</b>	<b>(0)</b>

The proposed quarter 3 budget results in no forecast overspends in the capital programme. Full details of the movements between the quarter 2 budget and proposed quarter 3 budget are given in the attached Finance Appendix.

## 5.0 Financial implications

These are set out in the attached Performance and Finance Review quarter 3 appendix.

## 6.0 Legal implications

The capital programme is agreed by Full Council as part of the annual budget process. Changes to or departures from the budget during the year (other than those by Full Council) can only be agreed in accordance with the Scheme of Transfers and Virements contained in the Council's Constitution. Any decisions the Executive wishes to take and any changes in policy which are not in accordance with the budget and are not covered by the Scheme of Transfers and Virements will need to be referred to Full Council.

The Director of Finance and Corporate Services is satisfied that the criteria in the scheme are satisfied in respect of virements and spending proposals in this report.

## **7.0 Diversity implications**

This report has been subject to screening by officers and there are no direct diversity implications.

## **8.0 Contact officers**

Cathy Tyson (Assistant Director, Strategy, Partnerships and Improvement)  
Brent Town Hall, Forty Lane, Wembley Middlesex, HA9 9HD 020 8937 1030

Mick Bowden (Deputy Director, Finance and Corporate Services) Brent Town Hall, Forty Lane, Wembley Middlesex, HA9 9HD 020 8937 1460.

<b>PHIL NEWBY</b> Director of Strategy, Partnerships & Improvement	<b>MICK BOWDEN</b> Deputy Director of Finance & Corporate Services
---	---