 <b>Brent</b>	<p style="text-align: center;"><b>Executive</b> 15 July 2013</p> <p style="text-align: center;"><b>Report from Assistant Director of Policy and Deputy Director of Finance</b></p>
<p style="text-align: right;">Wards Affected: ALL</p>	
<p style="text-align: center;"><b>Performance and Finance Review, Quarter 4, 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 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. Approve the use of Children & Families reserves as set out in 4.1.
- e. Note the write off of bad debts contained within the appendix to this report.

## 3.0 Executive Summary - Performance

There are currently 42% of indicators on target (green) or just below target (amber) and 19% are well below target (red). The rest are considered indicative only and therefore do not have a target 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
Adult social care	2	0	4	6	12
Children and families	10	1	1	4	16
Environment & NS	4	1	6	2	13
Regeneration & MP	5	1	2	8	16
Central services	4	2	0	8	14
Total	25	5	13	28	71
Percentage	35	7	19	39	100

The performance section of the Performance and Finance Review report 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 Q4 2011/12.

### 3.1 Adult Social Services

The percentage of social care client receiving self-directed support is, at 50%, below the year to date target of 65% and below the 53.48% achieved in

2011/12 though Q4 did see a 10% improvement on Q3. Performance in relation to the timeliness of social care assessments for mental health clients is below target. The department has undertaken a review of Brent Mental Health services and the findings have been discussed by the Executive. The percentage of carers receiving a needs assessment or review and a carer's service has improved slightly since Q3 from 12% to 14% though this is still well below the 30% target. The department has recently participated in the Department of Health's Carers Survey and is using the feedback to make service improvements and improve the Carer's Hub. The number of delayed hospital discharges (social services) has shown a slight decline since Q3 from 13 to 15 though this is a big improvement on 2011/12 end of year figure of 33.

### **3.2 *Children and Families***

Quarter 4 shows a surplus of school places available in all key stages with all three indicators showing green. While the percentage of care leavers in employment, education and training is, at 63%, just below the target of 64% this represents an improvement on 54% recorded in Q3. The snapshot measure of the number of looked after children in Brent is unchanged since Q3 and is lower than the end of year number for 2011/12. The number of looked after children placed with in-house foster carers has improved since Q3, though still remains below target.

### **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. The number of small flytips reported in Q4 remains above target and is a high risk while the number of large flytips reported remains below target and low risk. The number of inspections and investigation is below target and is red, however the number of enforcement actions taken remains above target. 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 20.3% against a target of 21% and is medium risk.

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

The borough employment rate continues to show an upward trend, moving from 64.1% in Q3 to 65.9% in Q4, however this is offset by a persistently high JSA claimant count. The number of households in temporary accommodation has been increasing since Q1, 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, largely

unchanged since Q3 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. While the delay in the introduction of the benefits cap was welcome it is due to start on 15<sup>th</sup> July in Brent. Actions to mitigate the impact of welfare reform include ensuring that those that are most impacted are supported into work and to make effective use of the flexibility provided by the housing reform.

### 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 indicators that measure Council Tax collection rate and the time taken to process all Benefits claims are both currently amber.

### 3.6 **Complaints Summary**

The overall number of complaints increased slightly in comparison with Q3, however the number of first stage complaints received over the year has reduced by over 10% in comparison with 2011/12. The improvements in response rates achieved in Q3 were maintained in Q4 with an overall response rate of 74%. The improvement in response times within Adult Social Care continued with 52% of complaints answered on time. This represents an improvement of 15% on the previous quarter on Q3

## 4.0 **Executive Summary - FINANCE**

4.1 The Council's revenue budget position for quarter 4 is as follows:

Item	Budget £000	Outturn £000	Variance £000
Adult Social Services	91,028	90,921	(107)
Children & Families	46,253	46,232	(21)

Environment & Neighbourhood Services	34,096	34,507	411
Regeneration & Major Projects	33,510	33,315	(195)
Central Services	37,565	37,236	(329)
<b>Service Area Total</b>	<b>242,452</b>	<b>242,211</b>	<b>(241)</b>
Central Items	17,940	17,437	(503)
<b>Total Council Budget</b>	<b>260,392</b>	<b>259,668</b>	<b>(744)</b>

- The Council submitted a set of accounts for 2012/13 to our external auditors by the statutory deadline of 30 June 2013. The accounts show an improvement in outturn of £19k on the position reported in quarter 3 and included in the forecast outturn as part of the budget setting report to Council in February. The figures in the accounts are in draft form and subject to audit and the final accounts will be approved by the Audit Committee on 25 September 2013.
- Service area budgets underspent by £241k this is a net improvement of £906k from the quarter three forecast. The quarter three forecast position included a £1m transfer to earmarked reserves to help meet the additional cost pressures on the temporary accommodation budget in 2013/14 it has now been possible to increase this contribution to £1.7m due an improvement in Regeneration & Major Projects outturn position. This together with an under spend of £503k on central items and Government Grants gives an overall underspend of £744k which means the position on general fund balances at 31<sup>st</sup> March 2013 have improved from £12.041m reported in quarter 3 to £12.060m.
- Children & Families quarter 4 outturn shows an underspend of £21k an improvement of £71k on the quarter 3 overspend of £50k. During the final quarter of the financial year it was identified that significant costs relating to the previous year would need to be charged to 2012/13, causing a one-off spike in expenditure in the children's social care purchasing and placement budget above that already forecast. This increased the overspend in this area by £1.3m of which £0.8m is offset by additional income from traded services to schools and underspends on early years and the budget for cases where clients have no recourse to public funds. It is proposed that the residual balance be funded by the release of the Avenue School reserve (£108k – no longer required) and 2 year old funding (£397k – now funded from Dedicated Schools Grant). It should be noted that this has no ongoing impact on the budget for future years.
- Adult Social Services' outturn position for 2012/13 was an under spend of £107k. The department had two main financial pressures throughout the year to manage. The first related 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. The second related to the mental health service run by CNWL. The improvement in the financial position was achieved through transport savings within day centres and savings on homecare as well one off

measures including keeping posts vacant across various services and additional one off income from the PCT achieving a further improvement of £193k from the quarter 3 position.

- The outturn position for Environment and Neighbourhood Services is an overspend of £411k which is £57k better than quarter 3 forecast overspend of £468k. The tonnages on waste and recycling have increased to £1.229m since quarter 3 from the figure of 796k reported then and is mainly due to the higher than anticipated tonnages for residual waste to landfill. To meet the overspend £443k of balance sheet deposits and provisions no longer required have been written back and further savings across a number of services have also been achieved.
- 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 included 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 have not been as high as projected and the outturn position is a underspend of £1.195m in addition there have been under spending on Housing Needs of £625k. This has allowed the amount set aside in a reserve from the Regeneration & Major Projects outturn to increase from the £1m reported in quarter 3 to £1.7m, the reserve will help meet the additional temporary accommodation pressures in 2013/14 and future years. This leaves a reported outturn surplus of £195k.
- Central Services' outturn for quarter 4 has increased by £60k to a £329k underspend from the quarter 3 position of £269k underspend. This covers betterment in both in Strategy, Performance & Improvement and Finance & Corporate Services.
- The outturn position on central items is for an underspend of £503k. This includes an improvement of £2.2m in capital financing costs reflecting the lower than anticipated levels of borrowing and available interest rates. Consequently the Authority has been able to provide £1.9m for the impact of redundancy and restructuring costs on the the pension fund in future years. It has also allowed an additional provision for insurance of £1.2m to be made to meet the costs of historic cases handled by MMI.
- The position on forecast balances after quarter 4 is detailed below:

	£m
Balances Brought Forward 1 <sup>st</sup> April 2012	10.316
General Fund Contribution to Balances	1.000
2012/13 Underspend	0.744
Forecast Carried Forward 31 <sup>st</sup> March 2013	<b><u>12.060</u></b>

Overall including the in year underspend of £744k 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 £12.060m which is an improvement of £19k since quarter 3.

4.2 The Council's capital budget position for Quarter 4 is as follows:

Item	QTR 3 Revised Budget £000	Outturn £000	Variance £000
Adult Social Services	1,532	360	(1,172)
Children & Families	883	0	(883)
Environment & Neighbourhood Services	15,636	13,891	(1,744)
Regeneration & Major Projects	154,571	104,136	(50,435)
Housing – General Fund	6,845	5,245	(1,600)
Housing - HRA	12,523	10,875	(1,648)
Central Services	3,938	4,104	166
<b>Total Capital Programme</b>	<b>195,928</b>	<b>138,611</b>	<b>(57,317)</b>

The Council's quarter 4 outturn shows a decrease in 2012/13 capital expenditure of £57.317m from the Quarter 4 revised budget. Full details of the variances are shown in the attached Finance Appendix.

4.3 Under standing orders bad debt write offs of over £3,000 need to be reported to the Executive twice yearly. Details of National Non Domestic Rate, council tax and general write offs for the period October 2012 to March 2013 are included in a separate appendix to this report.

## 5.0 Financial implications

These are set out in the attached Performance and Finance Review quarter 4 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 Deputy Director of Finance 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 of Policy) Brent Town Hall, Forty Lane, Wembley Middlesex, HA9 9HD 020 8937 1030

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

**CATHY TYSON**  
**Assistant Director of Policy**

**MICK BOWDEN**  
**Deputy Director of Finance**