



Executive
9 December 2013

**Report from
Assistant Chief Executive
and
Chief Finance Officer**

For Action

Wards Affected:
ALL

Performance and Finance Review, Quarter 2, 2013-14

1.0 Introduction

A revised Borough Plan for 2013 - 2014 was agreed by Full Council in June 2013. The Borough Plan – creating opportunities, improving lives, provides a vision for the borough and sets out the key priorities for achieving that vision. The priorities are:

- Building a Strong Community
- Promoting Jobs, Growth and Fair Play
- Making Brent Safer, Cleaner and Greener
- Improving Health & Wellbeing
- Better Lives for Children and Families
- Developing Better Ways of Working

The Borough Plan is an overarching plan interconnected with a range of other plans including the council's Corporate Plan, which adopts the same priorities as the Borough Plan.

The planned reduction in central government funding 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 to 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 as set out within the appendix to this report.
- e. Note the write off of bad debts contained within this report.

3.0 Executive Summary - Performance

There are currently 37% on target (green) or just below target (amber) and 27% are well below target (red). The rest are considered for contextual information only and do not have targets, the majority of these relate to complaints. Please note that indicators with no data returns against them are classed as high risk.

Overall Council Performance						
						Total
	Low	Med	High	CI	MD	Total
Adult Social Care	4	0	4	1	0	9
Children & Families	3	2	4	1	0	10
Environment & Neighbourhoods	8	2	7	0	0	17
Regeneration & Growth	4	1	3	4	0	12
Complaints	0	0	0	18	0	18
Total	19	5	18	24	0	66
Percentage	29	8	27	36	0	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 (LAPS). Benchmarking will only be available for those indicators that a number of other councils also wish monitor. To ensure that the information is relevant and meaningful it is drawn from the same quarter in the previous financial year. So for this quarter the information provided comes from Q2 2012/13.

3.1 Adult Social Services

The percentage of Menal Health contacts which reach assessment in 4 weeks is 37% and well below the 86% target. Data reported for mental health indicators has been inconsistent for some time. This is being addressed through phase 1 of a two-stage project to improve the service and achieve more robust performance data.

The Brent Safeguarding Adults Board annual review has just been completed and consulted on at the Brent Safeguarding Adults conference on 8th November 2013. As a result of that process, draft targets focused on timeliness of response to SGA alerts, timescale for the completion of the SGA process and reducing the number of inconclusive investigations will be agreed for the next 12 months at the Board meeting on 12 December 2013. This will be reported from Quarter 4 onwards.

3.2 Children and Families

New indicators were introduced in Q1 which are designed to reflect how schools in Brent have been judged by Ofsted. The indicators showing number of primary and secondary schools judged as being inadequate by Ofsted are both showing a red high risk alert. The percentage of care leavers in employment, education and training is, at 58%, lower than the 67% reported in Q1 and is below the target of 70%. However this represents an improvement on 42% recorded in Q2 2012/13. The number of looked after children placed with in-house foster carers shows an improvement on the number reported in Q1 though remains below target with an amber alert. The number placed in independent fostering agencies shows a slight improvement however this still shows a high risk red status.

3.3 Environment and Neighbourhoods

The number of active library users as a percentage of the population shows a year to date total of 20.3% against a target of 22%. This is a slight improvement on the 20% reported in Q1, though the indicator remains a medium risk. The number of online and automated phone interactions within the library service is on target and remains a low risk. The time lag in data collection means that figures for the volume of residual waste and percentage of household waste sent for recycling for Q2 are provisional and may be subject to amendment. Both of the alerts for these indicators are currently showing as red and are therefore high risk. The marked increase in the number of flytipping inspections and investigations in Q2 is as a result of targeted enforcement action taken in town centres focussed on trade waste.

The percentage of food premises that are broadly compliant with food hygiene law is showing an improvement at 82.36% compared with 81.4% reported in Q1, though this remains a medium risk. A new suite of Community Safety KPIs were agreed by the Safer Brent Partnership on 11th November 2013. The total number of incidents of burglary is highlighted in the appendix as above target and a high risk. All of the other Community Safety indicators are currently low risk. The rate of proven reoffending by young offenders is 19%, which compares favourably with the 28% recorded in Q2 2012/13.

3.3 Regeneration and Growth

The percentage of major planning applications processed within 13 weeks is 66.67%, which shows a marked improvement against the 23% reported in Q1 and has moved from a high risk to a medium risk indicator. However the two indicators that relate to the percentage of minor and the percentage of other planning application processed within 8 weeks both show a decline and have moved from medium risk to high risk. The number of households in temporary accommodation has dropped slightly over the last 3 months, however it is too early to identify a trend. 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. The department has increased the number of social housing lettings to households in temporary accommodation and the number of discharges of duty to the private sector. Performance against the national indicator N181, time taken to process all new benefits claims, dipped in the first quarter of 2013/14 due to the exceptionally high demand on the Benefits' Service. Performance has improved slightly in Q2 though the indicator remains a high risk.

3.6 Complaints Summary

The number of complaints received by the council has increased by 25% in comparison with Q1. The bulk of the increase was in relations to Safer Streets (Parking) and Regeneration & Growth (Housing/rehousing pressures). Brent Housing Partnership (BHP) and Environment & Neighbourhoods continue to account for two-thirds of the complaints received. Overall response rates improved from, 73%, to 84% being answered on time. BHP and Environment & Neighbourhoods performed the best each reaching 95%.

A series of projects are being progressed by the Complaints Service Team designed to bring about across the board improvements in response rates during 2014/15.

4.0 Executive Summary - FINANCE

4.1 The Council's revenue budget position for quarter 2 is as follows:

Item	Budget £m	Forecast £m	Variance £m
Adult Social Services	108.7	109.0	0.3
Children & Families	43.8	44.5	0.7
Environment & Neighbourhood Services	35.5	35.5	0
Regeneration & Major Projects	30.2	28.5	(1.7)
Central Services	42.8	42.8	0
Transfer to Reserves	0	1.5	1.5
Service Area Total	261.0	261.8	0.8
Central Items	23.3	22.4	(0.9)
Total Council Budget	284.3	284.2	(0.1)

- The Council is currently forecasting an in year underspend of £0.1m an improvement of £0.8m on the quarter 1 forecast of an over spend of £0.7m. There remain pressures on the Adult Social Services budget and further pressures have emerged over the last quarter within Children & Families. These pressures have been offset by the receipt of higher than anticipated specific grant monies. It is expected that action taken by service areas will help to improve the situation within the overspending areas by year end.
- For Adult Social Services there is a forecast overspend of £0.3m. The main factor contributing to the overspend relates to the Mental Health Service and its residential care and supported living budget. The overspend has reduced by £0.1m from its quarter 1 over spend of £0.4m, a number of one off savings has contributed to this reduction. In order to reduce the underlying overspend an efficiency programme has been set up to review progress. The service is confident, due to the efficiency programme, that the overspending position will reduce by year end.
- Children & Families is forecasting an overspend of £0.7m for quarter 2, an increase of £0.6m from quarter 1. This is predominantly due overspending of £0.8m on SEN transport as they have not made their targets set over the last few years due to problems with WLA Transport Hub. The service is now implementing the new eligibility policy where it is projected savings will start to fall out over the coming months. The effect of the savings will hit in 2014/15. The pressures on social care placements have stabilised since quarter 1.
- Environment and Neighbourhood Services is forecasting a small underspend an improvement of £0.1m on the overspend of £0.1m reported in quarter 1. Using revised forecasts from more up to date figures on waste tonnages and the factoring in of income from the recyclates contract, the £0.2m pressure on the recycling and waste budget reported in quarter 1 has now been brought into line. The introduction of the new parking contract in July has resulted in

transitory problems which have led to a temporary reduction in the number of PCNs issued and reduced income collection rates. Measures have been put in place to offset these shortfalls.

- Regeneration and Major Projects is forecasting for quarter 2 an underspend of £1.7m. A saving of £0.2m on a review of supporting people contracts has improved the forecast position from the underspend of £1.5m reported in quarter 1. The underspend on temporary accommodation of £1.5m remains unchanged in quarter 2 and it is still proposed that this underspend is transferred to an earmarked reserve at the end of the year to fund future pressures on the temporary accommodation budget. This underspending will continue to be reviewed as part of the budget monitoring process in 2013-14.
- The position on Central items has improved significantly from the breakeven position reported in quarter 1 and is now reporting a forecast underspend of £0.9m. This is predominantly due to higher than anticipated government grants receipts of £0.7m and £0.2m for New Homes Bonus and Local Reform and Community Voices respectively.

Following the completion of the 2012/13 audit at the end of September the Council's general fund balances carried forward from 2012/13 are £12.060m. This is unchanged from the balance figure reported in quarter 4 of 2012/13.

	£m
Balances Brought Forward 1 st April 2013	12.0
2013/14 Underspend	0.1
Forecast Balance Carried Forward 31 st March 2014	<u>12.1</u>

Overall including the in year underspend of £0.1m the forecast balances at 31st March are now expected to be £12.1m.

4.2 The Council's capital budget position for Quarter 2 is as follows:

Item	2013/14 Budget	Forecast	Variance
	£m	£m	£m
Adult Social Services	1.9	1.9	0
Children & Families	0.9	0.9	0
Environment & Neighbourhood Services	12.3	12.3	0
Regeneration & Major Projects	113.2	113.2	0
Housing – General Fund	10.2	10.2	0
Housing - HRA	21.0	21.0	0
Central Services	1.7	2.2	0.5
Total Capital Programme	161.2	161.7	0.5

The Council's quarter 2 position shows the current forecast to be line with revised budget. The budget for 2013/14 has increased by £57.1m from £104.1m in quarter 1 to £161.2m reflecting the rephasing of 2012/13 carry forwards and the application of virements included in the appendix to this report. An overspend of £0.5m has been identified within ICT schemes. Action will be taken to reduce the impact of this through limiting these costs and looking for alternative funding sources. Further details of the budgets are included in the same appendix.

- 4.3 Under the Council's constitution bad debt write offs of over £3,000 need to be reported to the Executive twice yearly. For the period April 2013 to September 2013 there are write offs of £932,124.33 including 63 write offs totalling £782,281.25 for Non Domestic Rates and 12 sundry debt write offs for £149,843.08.

5.0 Financial implications

These are set out in the attached Performance and Finance Review quarter 2 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 Chief Finance Officer 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

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