



**Executive
24 March 2014**

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

Wards Affected:
ALL

Performance and Finance Review, Quarter 3, 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 Pay
- 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. Though JSA claimant counts have been falling in Brent since early 2013, in line with the national trend, entrenched worklessness continues to exist in some of our most deprived neighbourhoods. 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 protecting services and its 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.

3.0 Executive Summary - Performance

There are currently 45% on target (green) or just below target (amber) and 19% are well below target (red). The rest are considered indicative 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	IO	MD	Total
Adult Social Care	5	1	2	0	0	8
Children & Families	4	3	2	1	0	10
Environment & Neighbourhoods	9	3	5	0	0	17
Regeneration & Growth	4	0	3	4	0	11
Complaints	0	0	0	18	0	18
Total	22	7	12	23	0	64
Percentage	34	11	19	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 to 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 Q3 2012/13.

3.1 Adult Social Services

The percentage of Mental Health contacts which reach assessment in 4 weeks has improved from 37% in Q2 to 46% in Q3 but remains well below the 86% target. A Phase 2 mental health improvement project is planned, and as part of that work it is likely that there will be a review of social care staff roles and responsibilities in order to meet service demand and improve social care outcomes.

The percentage of social care clients offered self directed support in the community is 100%. The proportion of clients receiving a homecare and direct payments service is currently reporting 87%. It is just behind the target of 88% so remains a medium risk.

The number of customers in residential care who suffer from dementia has fallen significantly from 298 in Q2 to 245 in Q3. As a snapshot, the number of social care clients in nursing and residential care has fallen from 995 in Q2 to 974 in Q3.

The department is about to 'draw up' a S75 formal partnership agreement for 2014/15 which will include clear expectations around delivery against social care performance indicators and will be monitored via a S75 governance board.

3.2 Children and Families

The indicators introduced this year to reflect how schools in Brent have been judged by Ofsted remain at high risk with 2 primary and 3 secondary schools being judged as inadequate, though the number of primary schools judged inadequate has reduced by 1 compared to Q2.

The percentage of care leavers in employment, education and training is 66% which compares with 58% in Q2. Though under target, the department anticipate meeting the target and informal benchmarking indicates that Brent is out-performing neighbouring boroughs.

The Council's approach to looked after children is to increase the number placed in house with Brent foster carers and reduce the number placed with independent fostering agencies. The number of looked after children placed with in house (Brent) foster carers has improved from 125 (Q2) to 128 (Q3) but remains a medium risk. The number placed with independent fostering agencies has reduced from 97 (Q2) to 87 (Q3) and the indicator has moved from high risk to low risk.

The number of successful claims achieved with troubled families is 88. These refer to achieving positive outcomes against the main criteria of: employment (adults) and progress to work and reductions in offending, anti-social behaviour and school exclusion (young people). Claims are made where all family members are showing positive change.

3.3 Environment and Neighbourhoods

The number of active library users as a percentage of the population shows a year to date total of 20.2% against a target of 22%. This indicator along with library visits per 1000 of the population are shown as medium risk. In terms of library visits both Willesden Green and Wembley Library are ahead of target, however Kilburn Library is under target. The number of online and automated phone interactions within the library service remains on target.

Brent's recycling rate is 42% and benchmarking for 2012/13 shows that it is in the top 25% of London councils. YTD performance for the tonnes of waste sent to landfill shows that 1250 less tonnes have been sent to landfill compared to the same period last year. The number of streets below standard for litter for Q3 is 7.5% which reflects a significant improvement on Q2 reported at 14%. The number of flytipping inspections and investigations remains well over target and reflects the continuation of the town centre trade waste programme.

Community Safety indicators are reflected as low risk, with the exception of the number of incidents of violence with injury, which is a medium risk. The number of incidents of burglary remains within target however November and December did see a leap in the number of incidents reported.

The total number of sports visits to council sports centres continues to out perform against target, with Vale Farm and Willesden both performing strongly. The percentage of food premises that are broadly compliant with food hygiene law has shown a slight drop compared to Q2 and is reporting at 81.6%. It remains a medium risk.

3.3 Regeneration and Growth

The percentage of major planning applications processed within 13 weeks has shown a marked improvement against the 23% reported in Q1 and has moved from high risk to medium risk. 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. There are a number of reasons for the decline. The impact of the extended permitted development rights which came into effect on 30 May

2013 has seen the number of applications received rise sharply in each quarter this year and resulted in significant officer time taken to deal with these applications. Also work relating to extended permitted development started at the time when the service moved into the Civic Centre and the validation and aspects registering planning applications moved to BIBs – requiring extensive training for new staff within BIBs. The government is looking to extend the permitted development rights even further and with a three year window available to use these rights it is likely the volumes will continue to rise in the future. We are looking at improvements across the service and hope to have a new structure and improved processes in place by the end of the year to address the rising volumes in workload.

The number of households in temporary accommodation, recorded as a snapshot at the end of each quarter, has dropped slightly for the second quarter in a row. This primarily reflects increased use of private rented sector discharge of the Council's homelessness duty. Future movements are uncertain as the impact of the Overall Benefit Cap in the private rented sector works through, and to minimise any consequential homelessness a large number of such households are being supported by discretionary housing payments.

Performance against 'time taken to process all new benefits claims' has been affected by the exceptionally high demand on the Benefits' Service in Q1, following the changes in welfare entitlement. This has created a backlog of demand to be processed which is still affecting indicator performance. Q3 performance was 9.8 days which compares with 9.5 days in Q2 so the indicator remains a high risk .

The percentage of repairs completed on first visit is performing above target, as is the Council tax collection rate indicator which reported a collection rate of 82.77% at the end of Q3.

3.6 Complaints Summary

The number of local resolution complaints received by the council for Q3 was 486; this volume is consistent with that reported in Q2. Year to date 1329 local resolution complaints have been received, half of which arise from 2 services – Safer Streets (which includes Parking) in Environment and Neighbourhoods and Brent Housing Partnership in Regeneration in Growth.

Q3 saw 38 complaints escalated to final resolution; a slight increase on Q2 bringing the year to date total to 88. Environment and Neighbourhoods and Regeneration in Growth account for the majority of these (69 representing 78% of them).

Response rates at local resolution stage have dipped this quarter but the year to date figure is just below 80%. Final review response rates were 69% which represents an improvement on the previous quarter.

By the end of Q4 managers will have been trained to use the reporting side of icasework to monitor and improve performance.

4.0 Executive Summary - FINANCE

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

Item	Budget £m	Forecast £m	Variance £m
Adult Social Services	107.9	108.0	0.1
Children & Young People	44.6	45.6	1.0
Environment & Neighbourhoods	36.6	36.5	(0.1)
Regeneration & Growth	37.9	33.7	(4.2)
Corporate Services	34.3	34.3	0.0
Transfer to Reserves	0.0	3.5	3.5
Service Area Total	261.3	261.6	0.3
Central Items	23.0	21.6	(1.4)
Total Council Budget	284.3	283.2	(1.1)

- The Council is currently forecasting an in year underspend of £1.1m an improvement of £1.0m on the quarter 2 position. The improvement was mainly due an increase of £0.5m in Regeneration & Growth's forecast net underspend and a similar increase in central items underspend.
- The Adult Services department is forecasting an overspend of £0.1m. The main factor contributing to the overspend relates to the Mental Health Service and its residential care and supported living budget. An efficiency programme is underway to mitigate against this pressure and to date £0.4m of efficiency savings have been identified. It is possible that this overspend will be eliminated by year end.
- The Children & Young People department is forecasting an overspend of £1.0m for quarter 3. This is predominantly driven by a cost pressure of £0.8m on SEN transport, caused by a combination of rising fleet costs and overly optimistic expectations of savings to be delivered through the WLA Transport Hub. The service is now implementing a new eligibility and efficiency policy to drive out over the coming months, but the principal effect of this will be felt in 2014/15.

- The Environment and Neighbourhoods department is now forecasting an underspend of £0.1m. There remains a pressure in the parking service where the new parking contractor has under performed against the on-street enforcement objectives since July. Officers are working hard to ensure that the contract is delivered, and to mitigate the current overspend of £0.3m through various efficiency and income generation strategies. However underspends in other areas of Environment and Neighbourhoods are off-setting this pressure, enabling the department to forecast a slight underspend.
- The Regeneration and Growth department is forecasting an underspend of £4.2m. The position has been steadily, and substantially improving since the reported underspend of £1.7m for quarter two. The main area of improvement is temporary accommodation where the forecast underspend has increased from £1.5m to £3.5m. While growth of £2.45m was included in the budget for 2013-14, the impact of the welfare reforms on temporary accommodation numbers has not been as high as originally anticipated when the budget was set and in quarter three the expected spike in demand did not materialise. Furthermore, while the Council has been financially supporting all the 460 capped households in temporary accommodation at over £120 per week on average, most of these costs have been met from Discretionary Housing Payments (a £4.8m Government Grant) and therefore has not be borne by the temporary accommodation budget. Despite the strong management plans in place to keep temporary accommodation numbers low this remains an area of great uncertainty as the full effect of some welfare reforms has yet to impact directly to residents' lives and living standards. Consideration will need to be given, at the year-end, to transferring some or all of this underspend of £3.5m to an earmarked reserve to fund future pressures on the temporary accommodation budget. In addition the underspend on supporting people has over the period increased from £0.2m to £0.6m reflecting the additional contract savings achieved. Customer Services are also reporting an underspend of £0.1m.
- The position on Central items has improved by £0.5m from the underspend of £0.9m reported in quarter two and is now reporting a forecast underspend of £1.4m. This is predominantly due to higher than anticipated government grant for the Education Services Grant and reflects less schools converting to academies than expected during 2013/14.

Overall including the in year underspend of £1.1m the forecast balances at 31st March are now expected to be £13.1m.

	£m
Balances Brought Forward 1 st April 2013	12.0

2013/14 Underspend

1.1

Forecast Balance Carried Forward 31st March 2014 13.1

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

Item	2013/14 Budget Quarter 2 £m	2013/14 Proposed Budget Quarter 3 £m	Forecast £m	Variance £m
Adult Social Services	1.9	0.1	0.1	0
Children & Young People	0.9	0.9	0.9	0
Environment & Neighbourhoods	12.3	13.6	13.5	(0.1)
Regeneration & Growth Non Housing	113.2	119.2	119.2	0
Housing – General Fund	10.2	9.8	7.8	(2.0)
Housing - HRA	21.0	22.3	22.3	0
Corporate Services	1.7	1.7	1.4	(0.3)
Total Capital Programme	161.2	167.6	165.2	(2.4)

The Council's quarter three position shows the current forecast to be line with the revised budget. The budget for 2013/14 has increased by £6.4m from £161.2m in quarter two to £167.6m reflecting the application of virements and adjustments included in the appendix to this report, the increase principally results from additional grant and HRA capital receipts. An overspend of £0.5m has been identified within ICT schemes. Action is being taken to reduce the impact of this through limiting these costs. Further details of the budgets are included in the same 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 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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