



**Executive
14 March 2011**

**Report from
Director of Finance and Corporate
Services and
Director of Strategy, Partnerships and
Improvement**

Wards Affected:
ALL

Performance and Finance Review, Quarter 3, 2010/11

1. Summary

- 1.1 This report summarises Brent Council's budget position, expenditure, activity data and performance trends for the quarter and recommends action where appropriate. The purpose of the report is to provide a corporate overview of financial and performance information in order to aid the decision-making process and effectively manage risk. Additional more in-depth analysis is available upon request.

2.0 Recommendations

The Executive is asked to:

- 2.1 Note the council's budget position, expenditure, activity trends and performance information for the quarter.
- 2.2 Collaborate with relevant Lead Members to hold all service area directors to account by ensuring they operate within the confines of their allocated budgets, that under-performance is adequately redressed, and that effective measures are taken to mitigate areas of risk.
- 2.3 Agree the 2010/11 budget virements detailed in paragraph 5.5.

2.4 Note the re-allocation of the Capital Programme to the new departmental structure, the details of which are included within Section 8 below.

3.0 Background

3.1 'Brent Our Future 2010-14' is a four year strategy document, which sets out the Council's priorities over the coming years. These priorities form the core of our corporate Performance Management Framework, which builds a 'golden thread' between corporate, departmental, team and individual objectives to ensure coherence and strategic focus. The Framework is supported by a diverse range of financial information, activity output measures and key performance indicators, which combine to provide robust monitoring and reporting processes. This report is designed to help Members and Chief Officers challenge performance and take informed decisions.

3.2 Supplementary documentation provided in the report Appendices are:

Appendix	Document Title
A	Performance section
B	Vital Signs, including activity data
C	Finance section

4.0 Corporate context

4.1 Given the current economic outlook and the radical changes proposed by central government, difficult decisions will need to be taken over the coming years and corporate priorities will need to be continually re-evaluated. The challenge to balance reduced funding with the anticipated sustained increase in demand for services (particularly by the most vulnerable) remains constant. Therefore prudent financial planning and continuous improved performance are essential to preserve service quality and provision for the medium term.

4.2 One Council is Brent's four year project delivery programme, which comprises a broad and diverse portfolio of strategic service improvement projects. The programme is designed to improve efficiency and provide more effective services. To date the programme has delivered substantial savings and is on track to deliver more in the future as we seek to mitigate the negative impacts of a prolonged period of reduced funding.

4.3 However there are still some areas of concern which are beyond our immediate sphere of control:

- The impact of an ageing population will continue to put sustained pressure on Adult Social Care services.
- Rising placement costs coupled with a number of recent high profile child protection cases continue to place the Children’s Social Care budget under considerable pressure.
- Rising benefit claimant numbers, which is fuelling increased demand for services.
- Inflationary pressures continue to put pressure on resources.

4.4 Further, we anticipate that as new central government policies emerge these will place additional pressure on our already stretched resources – for example, the proposed cap on Housing Benefit will place direct pressure on our Temporary Accommodation budget. The Council will therefore continue to monitor developments closely and work with partners to develop creative solutions.

5.0 Summary of General Fund Revenue Budget

The table below sets out the latest forecast.

Split	Latest Budget	Forecast	Variance
	£'000	£'000	£'000
Children and Families	56,169	56,506	337
Environment and Neighbourhoods	45,334	45,434	100
Housing & Community Care:			
o Housing	25,371	24,662	(709)
o Adult social care	88,118	89,582	1,464
Finance & Corporate Services / Central Units /Regeneration & Major Projects	26,869	27,369	500
Service Area Total	241,861	243,553	1,692
Central items	51,371	50,076	(1,295)
Area Based Grants	(26,355)	(26,458)	(103)
Total council budget	266,877	267,171	294
Application of balances	(1,408)	(1,702)	(294)
Total after application of balances	265,469	265,469	0

5.1 Financial Summary

At the end of quarter 3 the current forecast is that there will be an overspend of £294k in 2010/11. This is an improvement of £3.814m since quarter 2. The main improvement has been in the service budgets where the overspend has been reduced from £5.531m to £1.692m mainly as a result of improvements in Children and Families and Adult Social Care. More detailed financial monitoring information is included in Appendix C

- 5.2 The reduction in overspend within Children and Families has been achieved through a number of initiatives including preventative work as part of the One Council Programme. Children and Families have also been able to offset pressures with their budget through a number of measures including targeted use of their Surestart grant and increasing charges to the schools budget for early year costs. For Housing and Community Care the reduction has mainly been within the Adults area from the use of £700k of reserves jointly held by Brent and the local PCT, an additional £900k of monies received from Brent PCT and further savings from the Starrs Project and valuing people.
- 5.3 Further details of the service area and central items budget position was included in Chapter 3 of the 2011/12 Budget and Council Tax Report which went to the Executive on 15th February and Full Council on 28th February.
- 5.4 Although the budget position for 2010/11 has improved significantly a number of savings have been achieved through the use of one-off monies and these underlying pressures still remain. Therefore the Council has identified as part of the 2011/12 budget additional monies to meet these pressures. This includes £1.8m for Children Placements, £3.5m for demand pressures across Adult Social Care and £2.0m for a range of potential costs in children's social care, the transfer of learning disability cases from Children & Families to Adults and temporary accommodation costs. However, the 2011/12 budget includes very significant levels of savings and it is essential that the transformation programmes in Children's and Adults and the various One Council Projects deliver their targets if this level of savings is to be met.
- 5.5 Members agreed at the Executive on 15th February 2011 and Full Council on 28th February a number of virements and these have now been incorporated into 2010/11 budgets and forecasts. In addition members are asked to agree an additional transfer of £20k from Finance & Corporate Resources to Environment & Neighbourhoods Services in respect of the savings from the finance modernisation programme.

6.0 Housing Revenue Account

- 6.1 The Housing Revenue Account (HRA) is a ring-fenced account containing the income and expenditure relating to the Council's Landlord duties for more than 9,000 dwellings.
- 6.2 The net HRA expenditure for 2010/11 is forecast to exceed the budget by £208k which is matched by an addition surplus brought forward. Taking these variances into account it is therefore forecast that the estimated balance on the HRA account at 31st March 2011 will be £466k unchanged from the original planned surplus.

7.0 Schools Budget

- 7.1 The ring-fenced Schools Budget is split into two parts. The first part delivers delegated funding to schools - school budget shares. The second part is termed central items expenditure and covers local authority retained elements to support activities such as pupil referral units and payments to non maintained nurseries.
- 7.2 The central items budget for 2010/11 is £20.8m and the latest forecasts indicate there will continue to be pressures on this budget due to the increased numbers of children being given Special Education Needs (SEN) statements in schools and the increased costs and numbers of pupils placed in out of borough special schools. The forecast outturn for the schools budget is for break-even on an in year basis for 2010/11. The deficit brought forward from 2009/10 amounts to £3m and any variation in the 2010/11 outturn will be offset/added to the amount. The schools budget for 2011/12 agreed by the School's Forum will enable the cumulative deficit to be reduced by £1.5m.

8.0 Capital programme

- 8.1 Financial monitoring information for the capital programme is included in Appendix C.
- 8.2 There have been a number of changes to the forecast outturn position for 2010/11 since the Quarter 2 Performance and Finance Review report to the Executive in September 2010. The Capital Programme has been re-allocated to reflect the new council departmental structure including Regeneration and Major Projects and excluding Business Transformation. This position was also included in Chapter 9 of the 2011/12 Budget and Council Tax Report which went to the Executive on 15th February and Full Council on 28th February 2011 including the detailed programme allocations. The following paragraphs detail those changes to the forecast outturn position not previously reported at quarter 2.

Children & Families Capital

- 8.3 The following capital allocations have been transferred to the new Regeneration and Major Projects programme:
- School Schemes - £59.971m
 - Children's Centre Surestart Grant - £3.722m
 - External Grant - £5.328m
- 8.4 The programme has been decreased by £3k to reflect reduction in Ring Fenced Grant notifications.

Housing and Community Care capital

- 8.5 The following capital allocations have been transferred to the new Regeneration and Major Projects programme:
- New Units - £100k
 - Individual Housing Schemes - £1.091m
 - S106 Works - £139k
 - Individual Adults Schemes - £172k
- 8.6 Other movements on the Housing and Community Care capital programme have been identified as follows:
- Additional Disabled Facilities Grant allocation of £118k
 - Forecast underspend of £55k on Housing IT systems reducing call on Unsupported Borrowing.
 - Forecast underspend of £4k on Barnhill Cottage scheme funded from contributions.
- 8.7 Movement on the Housing HRA Capital Programme has been identified as follows:
- Additional forecast expenditure of £198k on the Installation of Digital TV to Housing Blocks to be funded from additional Self Funded Unsupported Borrowing.
 - New scheme for the Installation of Rooftop Aerials to Housing Blocks at a forecast cost of £1.315m to be met from earmarked reserve.

Environment and Neighbourhoods capital

- 8.7 The following capital allocations have been transferred to the new Regeneration and Major Projects programme:
- Libraries - £428k
 - S106 Works - £6.949m

- 8.8 Reduced requirement of £57k unsupported borrowing for Stadium Access Corridor. This has been taken as a contribution towards total £3m saving in unsupported borrowing requirement for the year laid down at Star Chamber meeting.

Corporate capital

- 8.9 The following capital allocations have been transferred to the new Regeneration and Major Projects programme:
- Property Schemes - £3.220m
 - PRU Schemes - £9.501m
 - S106 Works - £720k
- 8.10 Other movements on the Corporate capital programme have been identified as follows:
- Combined Property and ICT initiatives allocation of £500k transferred to ICT from Property to be used on Sharepoint Initiative.
 - Central Items £600k provision for capitalisation has been removed reducing call on Unsupported Borrowing.
 - Additional £100k capitalisation for Oracle implementation to be met from West London Alliance grant.

Regeneration and Major Projects capital

- 8.11 Post transfer of capital schemes from other departments the following movements have been identified on the Regeneration and Major Projects capital programme:
- The Crest Academies budget allocation has been reduced by £2m in line with the agreement at Star Chamber as a contribution towards total required in year saving of £3m in Unsupported Borrowing requirement.
 - Reduction in Schools Contingency budget of £410k as a contribution towards total £3m saving in unsupported borrowing requirement for the year.
 - Council contribution of £528k to South Kilburn Regeneration removed as a contribution towards total £3m saving in unsupported borrowing requirement for the year.
 - Additional costs of £1.3m have been identified on the Sudbury Primary School scheme. This will be funded either from reallocation of existing Primary Capital Programme grant or from currently unallocated provision for future years expansion schemes. Officers are currently investigating further to apply value engineering treatments to the





forecast additional costs and identify the most appropriate funding source from existing budgets.

- Slippage of £1.620m Growth Area Fund works to 2011/12.
- Housing New Units budget allocation of £100k slipped to 2011/12.
- Housing S106 budget allocation of £139k slipped to 2011/12.
- SEN schemes budget allocation of £35k slipped to 2011/12.
- Slippage of £1.4m on Park Lane Basic Needs Safety Valve works to 2011/12.
- Slippage of £7.713m on The Village School Targeted Capital Fund works to 2011/12.

9.0 Overall performance position





Corporate and Community Strategies

9.1 The council has adopted a transitional set of Vital Signs indicators to accurately reflect its current priorities and keep in line with the changing needs of residents. This set will be further revised in line with the new Corporate Strategy. Of the Vital Signs, 59% are currently on target (green star) or just below target (blue circle), a three percent increase from last quarter. 24% are well below target (red triangle) compared to 23% last quarter.

Overall Council Performance				
				
	Low risk	Medium risk	High risk	No data
Percentage Quarter 3 PIs	44%	15%	24%	17*%

*Almost 75% of the indicators reporting incomplete data were missing a target

Local Area Agreement Update

Overall LAA Performance				
				
	Low risk	Medium risk	High risk	No data
Quarter 3 PIs	20%	0%	30%	53%*

*The percentage of no data indicators has increased from 33% last quarter. The majority of these have no actual data returned. Two are annual indicators.

9.2 The Local Area Agreement is currently made up of 29 targets, seven of which are local indicators. Although the LAA is no longer monitored by central government, the council will continue to monitor its indicators until March 2011 as they are considered vitally important to its overall performance.

LAA Priorities:

- 9.21 **NI 16 Serious Acquisitive Crimes**
This indicator is high risk again due to an increase in gold jewellery theft and residential burglaries south of the borough. Ongoing actions include educating the community about not displaying jewellery, increasing Safer Neighbourhood Team patrol and Saturday drop in sessions for Drug and Alcohol mis-users.
- 9.22 **NI 24 Satisfaction with the way the Police and Council deal with ASB**
Only 58% of victims using the service rated it between 'good and excellent' this quarter, 29% below target. Overall, the actual year to date performance is only 7% below the annual target. Because the last quarter tends to be quieter compared to the summer months, it is unlikely that the 87% annual target will be achieved by 31st March 2011.
- 9.23 **NI 15 Serious Violent Crimes**
Although the target for this quarter has been met, a number of changes have taken place in the classification of offences making it harder to monitor and demonstrate progress. To minimise risk, community safety will work with partners to track progress and implement actions to keep offences down. A Violent Reduction Group was recently formed to deal with gang affected, older offenders and those at risk of offending.
- 9.24 **Local – Number of Accidental and Deliberate Fires in Residential Properties**
There were 45 fires this quarter against a target of 63. This overachievement seems to be due to positive community safety engagement strategies, and this success is expected to continue until the end of the year to achieve the overall target.
- 9.25 **NI 192 Percentage of Household Waste sent for Reuse, Recycling and Composting**
This quarter's performance high risk, and it is unlikely that the overall target will be met. There is a seasonal drop in organic waste (which has already been factored into projections) and an inadequate collection infrastructure in place. Members have now agreed a new Waste Strategy, which should increase the recycling rate, and this will be implemented during 2011.
- 9.26 **NI 188 Planning to adapt to Climate Change**
This is on track to achieve Level 3 by 31st March 2011. Adaptive responses need to be more readily considered and implemented so they become more common place. Unfortunately, there are difficulties stemming from the delivery of other priorities, leaving insufficient time and resources to concentrate on this indicator which may jeopardise overall performance. Therefore, priorities have been assessed, the project plan updated and Heads of Service agree to be proactive with respect to this issue.
- 9.27 **NI 185 CO₂ Reductions from Local Authorities**

The overall trend is encouraging but priorities have changed and data has to be independently verified due to the new Carbon Reduction Energy Efficiency Scheme (CRC). The Council has adopted a revised target in the new Borough Plan, 'Brent – Our Future 2010-2014'. The main risks are the Council and schools not participating and/or reducing their emissions significantly. However, there are controls in place such as Property and Asset Management's work programmes, the Carbon Management Programme Tranche 3 and the Behaviour Change Programme - 10:10 campaign road show.

9.28 NI 152 Working Age People on Out of Work Benefits

Changes to the population calculation have contributed significantly to the increased gap of 3% between Brent and the rest of London. Brent's overall claimant count rates have dropped in quarter 3. The performance of this indicator will ultimately be affected by factors such as the down turn in economy, which has reduced the amount of money available to deal with the issues of worklessness; Brent In2 Work having to end a year early due to Council budgetary pressures; as well as a possible 25% cuts in Job Centre Plus.

9.29 NI 150 Adults in Contact with Secondary Mental Health Services in Employment

No data/monitoring form provided.

9.30 Local – Income Maximisation

Targets for this quarter have been met and it is expected that the overall LAA target should be met by March. The highest risks to good performance are proposed changes in housing and welfare benefits and the ceased LAA funding. The Money Max Team are working closely with partners to identify changes as soon as possible to ensure the most vulnerable are supported, as well as to support organisations to identify funding opportunities and promote partnership working.

9.31 NI 40 Number of Drug Users Recorded as being in Effective Treatment

Whilst all the milestones for this quarter have not been met, it is expected that the annual target will be. The key issues to under performance in 2009/10 have now been addressed with the relocation of a care manager's post into a single point of contact service. A new social work post has been recruited and is fully operational, which will increase the flow of new PDU's into structured treatment programmes.

9.32 Local – Tuberculosis Treatment Completion Rate

No data/monitoring form provided.

9.33 NI 121 Mortality Rate from all Circulatory Diseases at Ages under 75

Performance monitoring is complicated as it is difficult to obtain accurate data from different sources with different estimates and limitations. To minimise the risk of obesity in adults under 75, the PCT have been promoting the health benefits of an active lifestyle, increasing the awareness of sports opportunities, ensuring sports facilities are fit for purpose, reducing

inequalities and ensuring equity in sports and promoting Change4Life. The Obesity Clinic at Central Middlesex Hospital refers patients for Bariatric surgery and provides a package of care for obese patients. However, there are high risks, such as funding and the NHS restructure that could prevent the overall target being met.

- 9.34 **NI 112 Under 18 Conception Rate**
No data/monitoring form provided.
- 9.35 **NI 156 Number of Households Living in Temporary Accommodation (TA)**
This quarter's target has been exceeded by 5%. Whilst it is expected for this indicator to achieve its overall LAA target, changes to the Housing Benefit scheme and to the TA Housing Benefit subsidy regime are expected to have a significant impact on numbers. Key actions include negotiations with landlords of affected families to reduce their rental rates. Rents subsidisation to affected Temporary Accommodation schemes and families requiring larger sized accommodation may be placed outside of London.
- 9.36 **NI 155 Number of Affordable Homes Delivered (gross)**
Since 2008, 1,841 new homes have already been completed which has already exceeded the mayor's revised target for the 2008/11 period.
- 9.37 **NI 154 Net Additional Homes Provided**
No data/monitoring form provided.
- 9.38 **NI 108 Key Stage 4 Black Caribbean Boys and Somali Boys**
There is not much change from quarter 2. Three multi agency groups have been established to improve outcomes for Black Caribbean and Somali boys. Other key actions include: identifying schools that need support and identify ways in which good practice can be shared, setting up a website to share good practice and ways of narrowing the attainment gap, continue with the robust evaluation methodology in place which includes analysis of many key educational and socio-economic indicators.
- 9.39 **NI 111 First Time Entrants to the Youth Justice System aged 10-17**
This indicator is on track to achieve its overall target due to the success of the Triage programme and The Youth Inclusion programme (YIP). However, in both cases funding is due to end on 31st March 2011. A bid has been put through for funding through the Early Intervention Fund but if the bids are not successful both programmes will be abandoned, which would negatively affect performance.
- 9.40 **NI 56 Child Obesity in Primary School (year 6)**
Performance for this indicator shows significant improvement and the LAA target set for 2010/11 has been achieved. Comparatively national and London performance has worsened. However, the current joint funding arrangement for the childhood obesity programme is due to end in March 2011 which may increase the risk in reducing obesity levels in the borough.
- 9.41 **NI 63 Stability of Placements of Looked After Children**

This indicator is currently underachieving and it is very unlikely that the annual target of 78% will be met. The greatest risk to this priority is that as some young people are successfully diverted from going into care, those then in care tend to have the most complex needs, putting greater strain on their placements. In order to mitigate this risk, all long term fostering plans and matches need to have robust support plans and reviews.

9.42 Local – Children’s Sports Participation

Presently this priority is on target to meet the overall LAA objective. However, the elimination of free swimming lessons since September 2010 has shown a significant drop in the percentage of overall visits to the council owned sports centres. The highest risk of this objective not meeting its target is the effect of the recession impacting parents who can no longer afford to pay for their children’s participation in sport.

9.43 NI 51 Effectiveness of Child and Adolescent Mental Health Services (CAMHS)

Performance is on track to achieving the required outcomes by the end of March. The main risk to the CAMHS project not achieving the overall target is if there is a cut in the CAMHS area based grant. In order to mitigate this CAMHS must remain a high profile and priority for funding through the CAMHS Needs Assessment, CAMHS review and championing CAMHS at a senior level.

9.44 NI 54 Disabled Children’s Services

No data/monitoring form provided again this period.

9.45 NI 130 Social Care Clients receiving Self Directed Support

Target has not been achieved this quarter. Efforts are being made to ensure the SDS process is fit for purpose and it is also expected that, once the Customer Journey project is rolled out, numbers will significantly increase again. It is therefore expected that the overall LAA target will be met.

9.46 NI 135 Carers receiving Needs Assessment or Review

This priority is not currently meeting its quarterly target due to recording inconsistencies. This poses a high risk to the overall targets not being achieved. Therefore in order to mitigate these risks, training is being planned as part of the Customer Journey project and in the case of carers’ assessments not being undertaken, individual and team performance targets are being set. These will be reviewed as part of supervision and will be reported up to central management.

9.47 NI 141 Vulnerable People achieving Independent Living

The performance data relates to actual data for Quarter 2. The main risk is the number of unplanned moves reported by vulnerable groups due to evictions and abandonments. To try and minimise unplanned departures and address issues there is constant dialogue between the Council and providers. Providers are also encouraged to work with partner agencies to assist the client overcome any identified issues.

9.48 NI 131 Reducing Delayed Transfers of Care

No data/monitoring form provided.

9.49 Local – Volunteering

No data/monitoring form provided.

10.0 Financial implications

10.1 These are set out in the body of the report.

11.0 Legal implications

11.1 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 by Full Council itself can only be agreed in accordance with the scheme of Transfers and Virements contained in the Constitution. Any decisions the Executive wishes to take and any changes in policy which are not in accordance with the budget set out in March 2009 and are not covered by the Scheme of Transfers and Virements will therefore need to be referred to Full Council.

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

12.0 Diversity implications

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

13.0 Contact officers

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