

	<p style="text-align: center;">Executive July 2012</p> <p style="text-align: center;">Report from Director of Strategy, Partnerships & Improvement and Director of Finance & Corporate Services</p>
<p style="text-align: right;">Wards Affected: ALL</p>	
<p style="text-align: center;">Performance and Finance Review, Quarter 4, 2011-12</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 unprecedented 28% reduction in central government funding over the next four years 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.

3.0 Executive Summary - Performance

Adult Social Services

The Council's drive to give service users more choice and control continues and the numbers receiving self-directed support is increasing at a steady pace. However the timeliness of Social Care packages and assessments is still below target and needs to be improved. Carers needing needs assessments and clients needing reviews are also significantly under target. The end of year results for some of the national indicators are currently being calculated for the annual return to the Department of Health and will be available for quarter 1 2012/13.

Children and Families

The shortage of school places continues to be a cause for concern but we have finally secured funding to help address this issue. The sustained pressure in Children's Social Care looks set to continue for the foreseeable future and we are currently developing a co-ordinated set of projects through the One Council programme to develop more preventative strategies in order to improve outcomes in this area.

Environment and Neighbourhood Services

Recent changes to the Waste Collection contract have increased recycling rates across the borough and current trends show considerable improvement on previous years. However the increase in street litter is a cause for concern and will be subject to discussions with the contractor to see if this can be improved within the confines of existing contractual constraints.

Regeneration and Major Projects

The difficult economic climate continues to take its toll and unemployment rates in the borough remain high compared to the rest of London. The Welfare benefit changes have also put pressure on our Housing service, with numbers of households in temporary accommodation increasing every week.

However despite this, the Wembley regeneration area continues to progress, with a new Hilton Hotel opening shortly and several other hotels to follow. We will be hosting three Olympic events as part of the 2012 London Games and the UEFA Champions League Final returns next year. A new multiplex cinema will open in 2013 along with the first designer outlet centre within the M25, providing a very welcome boost to the borough's retail offer. New shops, restaurants, and bars/cafes will transform the Wembley area into one of the capital's premier visitor attractions bringing desperately needed jobs and investment to local people.

One Council Programme

This project programme has generated more than 30 separate improvement and efficiency projects that are now delivering the bulk of the Council's required savings. In 2011/12 approximately two thirds of the £42 million savings required were delivered through this programme and our intention is to at least match this next year. In our capacity as a lead authority in the West London Alliance Brent is also actively progressing a series of large-scale procurement projects which will help to provide better services at lower cost to the tax-payer.

4.0 Executive Summary - FINANCE

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

Item	Budget £000	Forecast Outturn £000	Variance £000
Adult Social Services	88,949	88,949	0
Children & Families	53,115	53,115	0
Environment & Neighbourhood Services	36,596	36,648	52

Regeneration & Major Projects	33,996	33,089	(907)
Finance & Corporate Services / Central Services	31,358	31,013	(345)
Service Area Total	244,014	242,814	(1,200)
Central Items	23,875	24,986	1,111
Total Council Budget	267,889	267,800	(89)

The Council submitted a set of accounts for 2011/12 to the District Auditors by the statutory deadline of 30th June 2012. The accounts show an improvement in outturn of £89k 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 27th September 2012.

- Departmental budgets under spent by £1.2m which was an improvement of £1.38m from the quarter 3 forecast of £180k overspend with the main area of under spending being Regeneration and Major Projects.
- This has been partly offset by the recognition of additional costs within central items of £1.291m since quarter 3. This means that Brent is now reporting general fund balances of £10.169m at the 31st March 2012 an overall improvement of £89k better than the latest budget.
- Overall the main overspending pressures identified during the year that have come through in the outturn are adult social care transitions (£580k), and children's social care legal costs (£184k), after allocation of centrally held funds.
- Regeneration and Major Projects under spend was £907k due to slippage and under spends on various projects.
- Although Children & Families and Adults Social Care have broken-even at year end there have been spending pressures during the year. Adult Social Services have seen additional costs of £1.1m within its day centres from staffing and transport expenses which have been met from under spends in other budgets and additional PCT income. Children and Families have had spending pressures across its placement and safeguarding budgets of around £1m which have been offset mainly by savings within early years and children's centres.
- Environment and Neighbourhoods main pressures during the year have been delays in implementing the library transformation programme, overspending within waste and recycling and safer streets which have been met by over achievement of income targets in Transportation and Transport Services.

- Central Services has an under spend of £345k for quarter 4 an improvement of £231k from the forecast overspend of £114k in quarter 3 primarily due lower than expected staff costs and higher income figures within Strategy, Partnerships & Improvements.
- The £1.2m under spending on departmental budgets together with the various balances on central items have allowed the Authority to fund the replenishment of the £2.7m transformation reserve and create a new reserve of £3.0m to fund employment initiatives. The main variances enabling this to happen are an under spend on capital financing costs which has arisen from taking advantage of low rates on short term financing arrangements and a saving of £2.0m in the redundancy and restructuring budget.
- The outturn on the schools budget for 2011/12 improved from around £1.5m to breakeven. These means that the schools deficit remains in the region of £5.7m with the agreement with the Schools Forum to bring the schools budget deficit back into balance by the end of 2014/15.
- The under spend of £89k means that subject to audit our overall general fund non earmarked balances will be £10.169m at the start of 2012/13.

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

Item	Qtr 3 Budget Position £000	Outturn £000	Variance £000
Adult Social Services	1,200	300	(900)
Children & Families	0	0	0
Environment & Neighbourhood Services	16,305	14,368	(1,937)
Regeneration & Major Projects	117,229	90,059	(27,170)
Housing – General Fund	5,146	4,318	(828)
Housing - HRA	14,668	10,835	(3,833)
Finance & Corporate Services / Central Services	1,926	4,545	2,619
Total Capital Programme	156,474	124,425	(32,049)

The Council's quarter 4 actual shows a decrease in 2011/12 capital expenditure of £32.049m from the amended Quarter 3 figure. Full details of the variances to the previously reported figure are given in the attached Finance Appendix. For 2012/13 £40.086m will be carried forward into the programme which includes the £32.049m and an additional £8.033m of resources from increased levels of grant funding or funded through additional levels of self funded borrowing, where the revenue costs are met through identified savings or are met from within existing budgetary provision. As such

the Council's Capital Programme has remained in balance without detrimental impact upon revenue budgets.

5.0 Financial implications

These are set out in the attached 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

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