

	<p>Executive 19 September 2012</p> <p>Report from Director of Strategy, Partnerships and Improvement and Director of Finance and Corporate Services</p>
Wards Affected: ALL	
Performance and Finance Review, Quarter 1, 2012-13	

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 three 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. Agree the budget virements contained within this report.

3.0 Executive Summary - Performance

The performance section of the Performance and Finance Review report now includes a benchmarking column which will provide information from the London Council's benchmarking club. To make 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 quarter 1 2011/12.

3.1 *Adult Social Services*

Performance in relation to the timeliness of social care assessments for mental health clients is showing a slight improvement, though it is below target. A comprehensive review of Brent Mental Health Service is currently underway and the findings will be used as a basis to inform future priorities and performance targets for the service. Carers Needs Assessments have marginally improved on last year's performance and the service is now developing a strategy to improve the existing offer through the introduction of a new Carers Hub, which will provide practical support, advice and information. Data quality issues are being addressed and expected to show a significant improvement by January 2013.

3.2 *Children and Families*

The shortage of school places at key stage 1 continues to be a cause for concern; however a report setting out a medium and long term strategy for creating additional school places was agreed by the Executive in August. The snapshot measure of the number of looked after children in Brent shows a slight reduction though the sustained pressure in Children's Social Care looks likely to continue for the foreseeable future. A suite of four co-ordinated One

Council projects that collectively deliver a 'Working with Families' initiative in Brent is currently being developed. The aim of the projects is to provide early help and ensure better coordination between departments and agencies reducing fragmentation and balancing demand with resources.

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. New local indicators have been developed to measure the number of small and large flytips in the borough. The number of flytipping inspections and investigations and the number of enforcement actions taken are below target.

3.4 ***Regeneration and Major Projects***

Unemployment rates in Brent remain high in comparison to the London average with the percentage of working age residents in employment going down since quarter 4 2011/12. There has been a slight reduction in the number of households in temporary accommodation. This has been relatively stable during quarter 1, which may be in part as a result of a small reduction in number of homeless approaches which result in the council accepting a statutory homeless duty. The current rent collection rate is slightly below target and is highlighted in the appendix as a medium risk. The average number of days taken to re-let a property is below target and a high risk.

3.5 ***Central Services***

New indicators on the number of personal robberies and the number of residential burglaries have now been included to better reflect local priorities. Both of these indicators are showing a medium risk status.

3.6 ***Complaints Summary***

The streamlined two stage complaints procedure was introduced across the council in quarter 1. BHP will introduce the procedure at the start of quarter 2. Local Resolution, formerly known as Stage 1, complaint volumes were broadly in line with the corresponding numbers for previous quarters. The trend in the reduction of escalated complaints continued with only 19 cases reaching the final stage. The Corporate investigation was introduced in conjunction with the new complaints procedure and was designed to support the on going efforts to improve the quality of initial complaint investigations. We will be in a better position to assess the impact of the standard at the end of quarter 2.

3.7 In 11/12 Brent achieved the best result for any London Council so far as the percentage of adverse findings as a percentage of all decisions by the Ombudsman is concerned. Brent's figure was 11.6% compared with a London

average of 27% and a national average of 21%. This demonstrates once again that the council has robust systems in place for investigating and resolving complaints.

3.8 A new indicator introduced in Q1 to record the reason for the complaint. This shows that just over 30% of complaints concerned a delay in providing a service. The next most common categories were complaints about staff attitude and incorrect action taken by the Council.

3.9 **One Council Programme**

The aim of the One Council Programme is to significantly improve the way the council organises itself and delivers services, whilst limiting the impact of budget reductions on Brent residents. The Programme provides a robust framework to deliver complex change quickly and effectively. Overall the Programme delivered gross savings of £11.6m in 2010/11 and a further £29.9m in 2011/12, leading to cumulative savings of £41.5m per annum from the end of 2011/12. Additional budgeted savings for 2012/13 are £15.8m, which will take cumulative underlying savings to £57.3m per annum. By the end of the Programme in 2014/15, cumulative underlying savings are forecast at £81.7m per annum.

4.0 Executive Summary - FINANCE

4.1 The Council's revenue budget position for quarter 1 is as follows:

Item	Budget £000	Forecast Outturn £000	Variance £000
Adult Social Services	89,552	90,502	950
Children & Families	51,402	52,416	1,014
Environment & Neighbourhood Services	34,073	34,073	0
Regeneration & Major Projects	33,277	33,277	0
Finance & Corporate Services / Central Services	32,550	32,550	0
Service Area Total	240,854	242,818	1,964
Central Items	19,538	19,528	(10)
Total Council Budget	260,392	262,346	1,954

- The Council is currently forecasting an over spend of £1.954m, due to demand pressures on service budgets. It is expected that action taken by service areas and the Council will ensure that by year end these over spends will be brought back into balance and there will no requirement to use the Council's non earmarked general fund balances to meet the overspend.

- Children & Families are currently forecasting an overspend of £1,014k. The main factor is a Social Care overspend of £905k. There were placement pressures in 2011/12 which have continued into 2012/13. The spending pressure primarily relates to having to place a number of new Looked After Children with relatively complex needs in more expensive provision. For example 1 recent new additional residential school placement is costing an additional £180k per annum. Similarly the number placed with Independent Fostering Agencies has been above target for the first quarter although the latest position for June has moved to being on target. Measures to ensure the needs of clients are met in the best way while at the same time ensuring the placements represent the best value for money continue to aim to keep control of expenditure. In addition, savings from across Children and Families are being identified to reduce the forecast overspend as far as is possible and will be fed into the departmental monitoring position once they are more firmly identified. The Schools budget is currently forecast to overspend by £952k as SEN expenditure continues to cause budget pressures, which is a continuation of pressures from 2011/12 and previous years. Through the SEN One Council Project a great deal is being done to control future commitments, however the financial impact of this will take some time to feed through into reduced expenditure due to a large element of expenditure being linked to historic statements. The current forecast is also subject to further review once the final Dedicated Schools Grant allocation for 2012/13 has been announced by the DfE and a firmer forecast should be available at that point.
- For Adult Social Services there is a forecast overspend of £950k due to shortfalls in growth for transitions over the last two financial years. The responsibility for paying the cost of care transfers each year on 1st August from Children and Families for all young people aged 19. The majority of the transfers relate to learning disabilities and can require residential, homecare respite and day care services Work is on going to reduce this with compensating underspends in other areas of the budget being sought.
- Although Environment and Neighbourhood Services and Regeneration and Major Projects are forecasting a breakeven position there remain significant risks. In Environment it is around achieving the budgeted recycling and waste savings through the delivery of reduced tonnages. For Regeneration and Major Projects although £1.134m of growth has been provided in 2012/13 budget to cover additional costs in the temporary accommodation budget there remain concerns about the costs to housing benefit resulting from the changes to Local Housing Allowance caps.

4.2 The Council's capital budget position for Quarter 1 is as follows:

Item	Original Budget	Revised Budget	Forecast	Variance
	£000	£000	£000	£000
Adult Social Services	1,184	2,084	2,084	0
Children & Families	0	0	0	0
Environment & Neighbourhood Services	7,535	10,367	10,367	0
Regeneration & Major Projects	165,952	196,911	196,911	0
Housing – General Fund	6,969	8,357	8,357	0
Housing - HRA	13,846	16,894	16,894	0
Finance & Corporate Services / Central Services	450	1,406	1,406	
Total Capital Programme	195,936	236,019	236,019	0

The Council's revised budget position 2012/13 reflects the inclusion of £40.083m of carry forwards reported in the Quarter 4 report for 2011/12. The Quarter 1 forecast is in line with revised budget position. So the Council's Capital Programme for 2012/13 remains in balance. Full details of the movements between the original budget and forecast are given in the attached Finance Appendix.

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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CLIVE HEAPHY

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