



## **One Council Overview & Scrutiny Committee**

9 October 2013

### **Report from Assistant Director of Policy and Deputy Director of Finance**

Wards Affected:  
ALL

## **Performance and Finance Review, Quarter 1, 2013-14**

### **1.0 Introduction**

A revised Borough Plan for 2013 - 2014 was agreed by Full Council 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
- Improving Health and Well-Being
- Better Lives for Children and Families
- Making Brent Safer, Cleaner and Greener
- Promoting Jobs, Growth and Fair Play
- 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 is currently being developed. The performance reporting section of this report will be redesigned to reflect the key performance indicators highlighted in the Corporate Plan once it is finalised. The performance section of the appendix therefore represents a transition towards revised performance reporting.

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 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 39% on target (green) or just below target (amber) and 13% are well below target (red). The rest are considered indicative only and have no targets set. Please note that indicators with no data returns against them are classed as high risk.

<b>Overall Council Performance</b>						
						Total
	Low	Med	High	IO	MD	Total
<b>Adult social care</b>	4	0	0	8	0	12
<b>Children &amp; F</b>	6	5	3	4	0	18
<b>Environment &amp; N</b>	5	2	5	2	1	15
<b>Regeneration &amp; G</b>	3	1	0	9	3	16
<b>Central services</b>	3	0	2	8	0	13
<b>Total</b>	<b>21</b>	<b>8</b>	<b>10</b>	<b>30</b>	<b>5</b>	<b>74</b>
<b>Percentage</b>	<b>28</b>	<b>11</b>	<b>13</b>	<b>41</b>	<b>7</b>	<b>100</b>

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. Benchmarking will only be available for those indicators that other councils also wish to benchmark against. To

ensure that 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 Q1 2012/13.

### 3.1 ***Adult Social Services***

A new set of national indicators for Adult Social Care will be phased in over a period of two years and they are designed to more accurately reflect practice changes which have occurred over the last three years. In the meantime a set of local indicators will be monitored to ensure that the service closely monitors productivity and expenditure.

### 3.2 ***Children and Families***

New indicators are included for Q1 which are designed to reflect how schools in Brent have been judged by Ofstead. The number of secondary and primary schools judged as being inadequate is showing as below the target of zero and red. A new indicator which provides the estimated number of troubled families where successful engagement has been achieved is just below target with an amber rating. The rate of reoffending at 8% compares favourably with the 23% recored in Q1 2012/13. While the percentage of care leavers in employment, education and training is, at 67%, just below the target of 70% this represents an improvement on 54% recorded in Q3 2012/13 and 64% in Q4 2012/13. The number of looked after children placed with in-house foster carers has gone down slightly since Q4 and the number placed in independent fostering agencies has gone up and showing a high risk status.

### 3.3 ***Environment and Neighbourhood Services***

The time lag means that figures for the volume of residual waste and percentage of household waste sent for recycling for Q1 are provisional and may be subject to amendment. All of the alerts for these indicators are currently showing as red and are therefore high risk. The number of flytipping inspections and investigation is below target and is red, however the number of enforcement actions taken remains above target. A new local indicator which reflects the number of active library users as a percentage of the population shows a year to date total of 20% against a target of 22% and is medium risk.

### 1.4 ***Regeneration and Major Projects***

The borough employment rate continues to show an upward trend, with the percent of working age residents in employment moving from 65.9% in Q4 2012/13 to 68.1% in Q1 2013/14. The number of households in temporary accommodation has been increasing since Q1 2012/13, though this is within the forecasted rise it is currently showing a medium risk status. 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 current rent collection rate is on target and is highlighted in the appendix as a low risk. The average number of days taken to re-let a property is well below target, and a low risk.

### 3.5 **Central Service**

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. This demand was as a direct consequence of the Welfare Reform changes, 21,000 customers were adversely affected by changes to how financial support is given for Council Tax alone and many customers contacted the council during the first quarter concerned about the changes. Performance in July is significantly better so it is anticipated that there will be a significant improvement in this indicator during the second quarter.

### 3.6 **Complaints Summary**

The number of complaints received was broadly in line with Q4 2012/13. BHP and Environment & Neighbourhoods continue to account for two-thirds of the complaints. They are also the two services that experience the best performance in terms of response rates with 80% of complaints responded to on time. Response rates across the rest of the council are mixed with less than 50% of Children & Families and Adult Social Care complaints being responded to on time. A series of projects are being progressed by the Complaints Service Team designed to bring about across the board improvements in response rates during 2013/14.

## 4.0 Executive Summary - FINANCE

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

Item	Budget £000	Forecast £000	Variance £000
Adult Social Services	109,015	109,458	443
Children & Families	44,205	44,378	173
Environment & Neighbourhood Services	36,076	36,174	98
Regeneration & Major Projects	30,487	28,948	(1,539)
Central Services	41,638	41,638	0
Transfer to Reserves		1,539	1,539
<b>Service Area Total</b>	<b>261,421</b>	<b>262,135</b>	<b>714</b>
Central Items	22,876	22,876	0
<b>Total Council Budget</b>	<b>284,297</b>	<b>285,011</b>	<b>714</b>

- The Council is currently forecasting an over spend of £714k, due to various demand and cost 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 either brought back into balance or compensating savings will be found and there will no requirement to use the Council's non earmarked general fund balances to meet the overspend.
- For Adult Social Services there is a forecast overspend of £443k. The main factor contributing to the overspend relates to the Mental Health Service. In order to reduce this overspend an efficiency programme has been put forward and agreed by the department. The efficiency programme is being monitored on a monthly basis and a programme board has been set up to review progress.
- Children & Families are currently forecasting an overspend of £173k predominantly in the area of Social Care and more particularly in the purchasing and placements budget. The number of children in foster care has increased by 14 in June after an initial fall at the start of the year. This has seen increases in placements in both in house fostering and independent fostering agencies as the pressure on out of borough placements, the placing of siblings and children with very challenging needs has increased. There has been a reduction in residential placements though the full impact of this improvement is not expected until later in the year
- Environment and Neighbourhood Services Major Projects is forecasting an overspend of £98k with continuing pressures on the recycling and waste budget which is forecasting an overspend of £226k following higher than expected waste tonnage figures at the start of this financial year. This budget

is being closely monitored and action being taken to target improved performance.

- Regeneration and Major Projects is forecasting an underspend of £1.539m. In 2012/13 additional resources were provided for temporary accommodation for the changes resulting from the introduction of the Local Housing Allowance caps. Further resources of £2.45m were provided in the 2013/14 budget for the changes in the housing benefit subsidy coming into force in 2013. During 2012/13 the impact of the Local Housing Allowance caps was not as great as originally anticipated consequently this allowed the temporary accommodation budget to deliver an underspend at the end of the year and to allocate monies to reserves to meet pressures in 2013/14. The effects of this underspend have rolled into the 2013/14 temporary accommodation budget and together with a revised estimate following the go live date of 12 August 2013 for the Overall Benefit Cap this has led to a forecast underspend of £1.539m. It is 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 be monitored as part of the budget monitoring process in 2013-14.

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

Item	2013/14 Budget £000	Forecast £000	Variance £000
Adult Social Services	722	722	0
Children & Families	0	0	0
Environment & Neighbourhood Services	8,789	8,789	0
Regeneration & Major Projects	70,007	70,007	0
Housing – General Fund	6,868	6,868	0
Housing - HRA	17,232	17,232	0
Central Services	450	450	0
<b>Total Capital Programme</b>	<b>104,068</b>	<b>104,068</b>	<b>0</b>

The Council's quarter 1 position shows the current forecast to be line with budget. The rephrasing of 2012/13 carry forwards will be incorporated into the quarter 2 figures. Further details of the budgets are included in the appendix to this report.

## 5.0 Financial implications

These are set out in the attached Performance and Finance Review quarter 1 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 Deputy Director of Finance 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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