



**Executive
26 July 2010
Performance and Finance
Select Committee
27 July 2010
Report from the Directors of
Finance and Corporate Resources
and Policy and Regeneration**

Wards affected:
ALL

Performance and Finance Review Quarter 4, 2009/10

1. Summary

- 1.1 This report summarises Brent Council's spending, activity and performance in Quarter 4, 2009/10 and highlights key issues and solutions to them. It takes a corporate overview of financial and service performance and provides an analysis of high risk areas. The report is accompanied by appendices providing budget, activity and performance data for each service area, the Local Area Agreement, ring fenced budgets and the capital programme. Vital Signs trend data and graphs are also provided along with the council's overall budget summary.
- 1.2 The report also contains details of the recent government announcements reducing various grants to the council and asks the Executive to agree action to balance the revenue budget.

2.0 Recommendations

The Committee is asked to:

- 2.1 Note the council's spending, activity and performance in financial year 2009/10.
- 2.2 Require that all directors ensure that where there are underlying spending pressures these are addressed in 2010/11 so spend is kept within budget and underperformance tackled, and that measures are taken, in consultation with relevant portfolio holders, to achieve this.
- 2.3 Agree the 2010/11 virements referred to in paragraph 5.11 and detailed in appendix G.

2.4 Agree budget reductions in those areas where government grant has been reduced in 2010/11 as set out in Appendix H.

3.0 Background

3.1 The success of the council is ultimately measured by the delivery of the priorities within the Corporate Strategy and its jointly agreed outcomes in the Local Area Agreement. That is principally determined by the council's overall strategic planning framework and reviewed through the annual report to Council in November on progress against the Corporate Strategy and the Annual Review published in late summer. Regular Performance and Finance Review reports allow members to ensure that council finances and performance remain on track to help achieve these priorities.

3.2 This approach to monitoring and reporting reflects other changes in the council's approach in recent years, including strengthening the link between the Corporate Strategy and the Medium Term Financial Strategy, active performance monitoring and management, a greater focus on outcomes as part of capital programme monitoring, and bringing together financial and performance monitoring of partnership activity through the Local Area Agreement. It provides more clarity about the relationship between spending, performance and activity – and provides a basis for assessing the potential impact of future decisions.

3.3 Appendices included in this report are as follows:

Appendix A	General Fund services – Financial, activity and performance monitoring information for each of the council's main service areas:
- A1	- A Great Place
- A2	- A Borough of Opportunity
- A3	- One Community
Appendix B	Capital programme
- B1	- Children and Families
- B2	- Environment and Culture
- B3	- Housing and Community Care
- B4	- Corporate Centre
Appendix C	Housing Revenue Account
Appendix D	Local Area Agreement
- D1	Local Area Agreement
- D2	Local Area Agreement (continued)
Appendix E	Budget Summary
Appendix F	Vital Signs – high and medium risk performance
Appendix G	Budget Virements 2010/11
Appendix H	Analysis of central government grant reductions – 2010/11
Appendix I	Addendum

3.4 Supplementary documentation circulated to members includes a Vital Signs report providing detailed explanation of high and medium risk performance and an activity monitoring report.

4. Corporate context

4.1 Looking forward, the Council's new Administration is in the process of developing a new Corporate Strategy, which reflects new priorities for a challenging economic environment – one which will see unprecedented and sustained pressure for the Council to deliver more with considerably less resources. Difficult decisions will need to be taken and priorities will need to be achieved against a backcloth of reduced government grant, Members' ambitions to keep council tax increases low, demographic pressures, and the increasing costs of Waste Disposal and Social Care.

4.2 Continuous improvement has always been at the centre of the Council's approach to service development and financial planning, and we have demonstrably raised the responsiveness, relevance and quality of our public services. Despite these real and sustained improvements, the organisation now acknowledges that the conventional silo-based and incremental approaches to improving performance and efficiency are no longer the most appropriate strategies to sustain us for the new economic realities in which we find ourselves. Brent has therefore developed an ambitious change programme to support the Council's Improvement and Efficiency Strategy which is structured around three key themes:

- *Making the 'One Council' approach a reality*
Development of the infrastructure to build a leaner, more effective, dynamic and community focused organisation, which maximises the use of its resources.
- *Raising performance and maximising efficiency*
Service reviews run by cross-council teams to develop and implement more customer-focused and effective service delivery models.
- *Delivering on major projects*
Delivery of large capital schemes around the borough including the new Civic Centre and the regeneration of Wembley, South Kilburn and the North Circular Road.

4.3 The impact of the recession and recent heightened public concern about child protection means that the council has had to reassess its priorities, although its fundamental approach remains the same. A lot of what we already do supports people who might be most affected by recession by helping them find work, adult and community education, other employment and training initiatives, preventing homelessness and providing accommodation when people become homeless, ensuring people receive the state benefits to which they are entitled, and supporting those with social care needs. We also have a programme in place to transform our children's social care service which

has improved from an 'adequate' (2 out of 4) service that overspent, to a 'good' service (3 out of 4) that lives within its budget.

5.0 Overall financial position

General Fund Revenue budget

5.1 The 2010/11 Budget Report to Council on 1 March 2010 included projections of the outturn for 2009/10. The accounts for 2009/10 have now been closed and were approved at the General Purposes Committee on 29 June 2010. The accounts are subject to audit and therefore the figures are provisional until the audit is completed at the end of September.

5.2 The table below summarises the provisional outturn for 2009/10 and further information is included in Appendix E.

	Quarter 3 Forecast £'000	Outturn £'000	Variance £'000
Children and Families	60,211	60,234	23
Environment and Culture	49,510	48,145	(1,365)
Housing & Community Care:			
o Housing	14,136	13,304	(832)
o Adult social care	87,640	90,405	2,765
Finance & Corporate Resources / Central Units / Business Transformation	25,774	25,846	72
Service Area Total	237,271	237,934	663
Central items	40,116	39,398	(718)
Area Based Grants	(16,405)	(16,405)	0
Total council budget	260,982	260,927	(55)
Transfer to balances	854	909	55
Total after transfer to balances	261,836	261,836	0

5.3 The main movements in service area spending since the forecast outturn was reported are as follows:

- Children and Families The outturn shows an increase in the deficit of £23k as compared with the 3rd quarter forecast. The main factors in the net overspend were the cost of children's placements for children in care and costs associated with children with disabilities. The number of looked after children has increased in the final quarter from 349 to 374. This has put further pressure on the service after remaining relatively constant since the summer of 2009. One encouraging movement is that the number of children placed with Brent foster carers compared with the independent sector has risen. Overall the placements budget overspent by £3.2m The other main area of overspend has been SENs and children with disabilities, which

overspent by £940k, as a result of increases in client numbers receiving care at home and direct payments. These overspends have been offset by the use of savings from unaccompanied asylum seekers grant, Building Schools for the Future monies and through the better use of the Sure Start grant. In addition service managers have identified in year savings most of which were the result of a vacancy freeze and a reduction in some smaller budgets. Growth of £2.4m was agreed as part of the 2010/11 budget but budgets also need to be realigned in this financial year to more closely match expenditure.

- Environment and Culture The most significant issue in Environment and Culture over 2009/10 has been the effect of the recession on the level of income across the service area. The deficit on the parking account has been the largest factor. However, in the last quarter of the year there was some improvement in the number of PCNs issued and income collected. Overspending on parking notices, removals and meter income came in at £880k rather than the forecast of £1.3m. This together with a number of one off items, delayed projects and unfilled staffing vacancies has made it possible to turn around a forecast overspend of £1.148m into a underspend of £217k at the year end..
- Housing and Community Care All of the main services in Adult Social Care overspent as costs rose and demand increased. Also there was a need to provide for higher levels of bad debt provision. The forecast overspend increased by £2.765m once the use of a number of reserves had been taken into account. Savings of £832k within Housing has reduced the overall increase in the deficit to £1.9m within Housing and Community Care. Although £1.7m of growth was included within the 2010/11 budget there will continue to be major pressures of many social care budgets which will be the subject of a separate report to the Executive.
- Finance & Corporate Resources/Central Units/Business Transformation

The most significant item of overspending in this area is for benefit payments where there has been substantial increase in costs resulting from increases in caseload and the introduction of Local Housing Allowances (LHA). Although most of these costs are recovered by government subsidy there are subsidy penalties relating to non-recoverable claimant overpayments. The overspend for 2009/10 was £600k though this has been offset by the use of £350k of Local Housing Allowance monies. £762k growth for this item has been included in the 2010/11 budget. Further underspending across a number of areas in particular Legal and Business Transformation has reduced the net overspend to £72k.

5.4 There is an improvement in central items of £718k primarily from reduced capital financing charges as result of continued low interest rates.

Housing Revenue Account

- 5.5 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 9,200 freehold dwellings and leasehold properties.
- 5.6 The HRA outturn for 2009/10 is a deficit of £2.4m, which is in line with forecast of £2.46m deficit and consistent with the use of the additional balances achieved in 2008/09.

Schools Budget

- 5.7 The ring-fenced Schools Budget is split into two parts. The first element 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.
- 5.8 The central items budget for 2009/10 was £20.4m and the outturn is for an overspend of £3.6m. This is due to overspending of £1.7m in the cost of SEN statements and out of borough placements, £1.3m from recharges for nurseries and children's centres and £500k of various other overspends. This has partly been offset by £700k from the Council reserve for the schools budget central items. As a consequence the Dedicated Schools Grant will need to be top sliced by £2.9m in 2010/11 to meet the deficit.

2010/11 Budget

- 5.9 The outturn for 2009/10 highlighted the continuing pressure on Adult Social Care and Looked-after Children and will certainly be areas to be closely managed in 2010/11. The service transformation programmes in both areas are being used to mitigate some of these budget pressures.
- 5.10 The budget set at the Council Meeting in March assumed that a minimum of £7.16m would be generated from savings from the One Council Programme. Good progress has been made with over £4.5m delivered to date in this financial year with the main project savings being from the staff and structure review, the review of overtime and allowances and procurement.

Virements

- 5.11 There are a number of budget virements in 2010/11 which members are asked to agree. These are included in Appendix G. The changes will be reflected in the first quarter monitoring report.

2010/11 Central Government Savings

5.12 On 10th June the Government announced £6.2bn of reductions in public spending in the current financial year of which £1.166bn of this was to fall on local government. As a result Brent has lost £6.855m of grant funding of which £5.371m related to 2010/11 (£1.045m is included in 2011/12 and £439k for the Local Authority Business Growth Incentive Scheme was not included in the base budget).

5.13 Brent has lost revenue from two main sources

(a) Area Based Grants (ABG's)

	£m	
Department for Education	1.882	All ABGs have been reduced by 24%
Supporting People Administration	0.171	100% of previously announced allocation
Working Neighbourhood Fund	0.057	£577 original allocation (10% reduction)
Prevent	0.102	£350 original allocation (29% reduction)
Home Office	0.037	(Awaiting further details)
Loss of grant	<u>2.249</u>	

(b) Other Grants and Funding:

	£m
Housing Planning Delivery Grant	0.390
Local Authority Business Growth Incentive Scheme	0.439
LAA Reward Grant	3.634
Free swimming grant	0.143
Loss of grant	<u>4.606</u>

5.14 The Performance Reward Grant is the largest loss. The Council had earned £7.286m from achieving stretch targets agreed with Central Government within its first Local Area Agreement, which ran from 2006/07 to 2008/09. The grant was to be payable in two equal instalments in 2009/10 and 2010/11. The first payment of £3.634m was made in March 2010, however, the second payment has now been withdrawn.

5.15 Members agreed that 50% of the Reward Grant would be used to fund investment into project delivery within the One Council Programme. The loss of £1.8m funding means that the Programme will now have to generate higher savings in 2010/11. This will require projects to increase their pace of delivery and look for higher targets. The use of the other 50% was to support the

delivery of LAA priorities and provision of support as a result of the recession. These schemes were spread over 3 years from 2009/10 to 2010/11.

- 5.16 These in year savings by the government directly translate into budget reductions for Brent to maintain . As a result expenditure will have to be reduced by corresponding amounts. The Executive is asked to agree that these reductions are made directly from the areas where the grant is being utilised. The implications for those areas that have had funding cut are detailed in Appendix G. In cases where the grant loss cannot be absorbed directly from the service funded each Service Area will need to find the reduction from within its overall budget.

Capital programme

- 5.17 Financial monitoring information for the Capital Programme is included in Appendix B.
- 5.18 Total spending on the capital programme in 2009/10 was £104.337m, made up of £79.666m on the General Fund and £24.671m on the Housing Revenue Account. Changes between the forecast outturn and actual outturn are set out in Table 2 below.

Table 2 - Changes between forecast and actual capital outturn

	£'000
Spending	
Forecast spending outturn – March 2010	134,573
<i>Add items not included in the forecast outturn</i>	
Revenue contributions from General Fund	6,071
Revenue contributions from HRA	3,725
Enfranchisement Schemes	235
Additional external grant	1,438
Additional Contributions	4,301
Additional Self Funded Prudential Borrowing	115
Additional HRA Unsupported Borrowing	2,140
Overspends	1,000
Underspends	(4,375)
Adjustment for forecast levels of slippage	5,052
Sub-total	154,275
Less:	
Amounts carried forward to 2010/11	(50,580)
Additional contributions carried forward	642
Total spending	104,337
Less:	
Total resources	(104,337)
Amount Carried Forward	0

5.19 Significant additions to the previous outturn forecast include:

Revenue Contributions from General Fund

- £6.025m contributions to meet the capitalisation of sums meeting the definition of capital expenditure originally incurred within the revenue accounts.

Additional External Grant

- £0.789m Transport for London Grant Funding
- £0.570m Performance Reward Grant

Additional Contributions

- £0.409m contributions from Metropolitan Housing Trust to Chalkhill scheme.
- £2.430m contribution from South Kilburn Partnership/Trust towards regeneration scheme
- £1.462m contributions from disposals at Texaco site, Barnhill Cottage and Thames Court.

Additional HRA Unsupported Borrowing

- This sum of £2.140m relates to the Granville New Homes scheme. The first payment of the capital receipt arising from the transfer to Brent Housing Partnership has been received reducing the interest payable by the HRA on the total scheme expenditure. Future receipts will continue to reduce this commitment on the HRA.

Overspends

- £0.948m overspend arising on the Decent Homes programme. This has been offset by an underspend on the ALMO controlled housing works.

Underspends

- £0.948m underspend on the ALMO controlled housing works as detailed above.
- £1.000m underspend on Public Sector Renewal Support Grants from element funded through unsupported borrowing.
- £0.187m underspend on new units provision.
- £2.107m on central items for provisions not required in year.

5.20 As can be seen from Table 2, capital expenditure commitments of £50.580m have been carried forward from 2009/10 to 2010/11. Table 3 below sets out the main commitments.

Table 3 - Analysis of capital expenditure carried forward to 2010/11

	£'000
<u>Schemes Carried Forward:</u>	
- Voluntary Aided Schools Devolved Formula Grant	3,002
- Local Education Authority Controlled Voluntary Aided Programme	3,530
- School Schemes	17,749
- Youth Service Schemes	448
- Highways Schemes	338
- Leisure and Sports Schemes	724
- Environmental Initiative Schemes	491
- Social Care/Mental Care SCP(C)	311
- Adults Schemes	177
- PSRSG and DFG	317
- Places of Change	500
- Chalkhill (MHT contribution)	591
- Property Schemes	313
- PRU Schemes	5,061
- ICT Schemes	273
- Central Items	1,246
Section 106 Agreements	5,016
HRA Works	7,537
<u>Wembley Regeneration Land Claims:</u>	
- Estate Access Corridor	1,868
- Stadium Access Corridor	957

5.21 The first quarter monitoring for 2010/11 will be included in the Performance and Finance Review report to the Executive in September. This will include changes to the 2010/11 to 2013/14 programme to reflect slippage from 2009/10.

2010/11 Central Government Savings impact on Capital Investment

5.22 As detailed at paragraph 5.12 above, the Government's initial announcement of reductions has resulted in Brent losing £6.416m of revenue grant funding. The main reductions in terms of capital grant are as follows:

Gypsy and Traveller Site Grant	Capital £30m nationally with 100% cut
National Affordable Housing Programme	3% reduction nationally
Contaminated Land	Total allocation of £17.5m nationally reduced to £10m

5.23 Within the Chancellor of the Exchequer's Emergency Budget on 22nd June a number of specific matters were raised in relation to capital investment. The main points within the speech were as follows:

- There will be no further reductions in capital spending totals in this Budget.
- There will still be difficult choices about how that capital is spent.
- The absolute priority will be projects with a significant economic return to the country.
- Assessing what those projects are will be an important part of the autumn spending review.

On this basis it remains unclear as to what the full impact will be on the Council's Capital Programme as there is unlikely to be a clear view on how the remaining capital funding will be re-allocated until after the spending review has been announced.

5.24 On 2nd July the Housing Minister confirmed that the Growth Fund allocations for 2010/11 had been safeguarded at the levels set out in December 2010. The allocation for the London Borough of Brent is £1,456,989 which was as per the proposed revised 2010/11 capital funding allocation included within the CLG's Proposed changes to the Growth Fund for 2010-11 consultation documentation issued in October 2009.

5.25 On 5th July the Education Secretary set out a complete overhaul of capital investment in England's schools, bringing an end to the Building Schools for the Future Programme. The key elements of the announcement were as follows:

- 715 schools will no longer be rebuilt or refurbished through BSF of which nearly 180 schools were projected to be new build, over 319 to be remodelled or refurbished and 63 to be ICT-only. The building programme in 153 schools has not yet been confirmed.
- That 123 academy projects in development which have not reached financial close will be reviewed on a case-by-case basis.

- That the Government is launching a comprehensive review of all capital investment in schools, early years, colleges and sixth forms. The review will guide future spending decisions over the next Spending Review period (2011-12 to 2014-15). It will look at how best to meet parental demand; make current design and procurement cost-effective and efficient; and overhaul how capital is allocated and targeted.
- That the department is reducing its End Year Flexibility (EYF) requirements by £1bn to help ensure no additional borrowing this year.

The detailed impact on Brent's capital investment plans are as follows:

Ark Academy	Unaffected
Crest Boys Academy	For discussion
Crest Girls Academy	For discussion
Copland (A Specialist Science Community College)	Stopped
Queens Park Community School	Stopped
Alperton Community School	Stopped
Cardinal Hinsley Mathematics and Computing College	Stopped

The announcement did not make any specific reference to the future of the Primary Capital Programme (PCP).

5.26 On 6th July the Council received correspondence from the Big Lottery Fund on behalf of the Department of Education with regard the Myplace capital funding programme. This correspondence notified the Council that until there is a final decision from the Department the milestone review decision is on hold and any commitment to expenditure in excess of 5% of the lead in payment will be at the Council's own risk. On 26th February 2009 the Council received notification of an in-principal allocation from the Myplace grant of £4.977m which was allocated to the Roundwood Youth Centre and profiled for spend between 2009/2010 and 2011/2012. The 2009/2010 outturn position included £49k of expenditure against this scheme.

5.27 On 14th July 2010 the Secretary of State for Education announced further details of the reductions to be made in order to reduce Year End Flexibilities by £1billion, as referred to in paragraph 5.25 above. This has impacted on the level of Council's capital grant, with revised allocations as follows:

Buddying (Part of the Sure Start Programme)	£34,071
Local Delivery Support Grant	£164,382
Extended schools Capital	£127,039
Harnessing Technology (Part of the Standards Fund)	£469,724
Youth Capital fund	£77,050

The impact of these revised allocations on the Children and Families Capital Programme is currently being assessed but planned expenditure and activities

in these areas will have to be revised in year in order to avoid overspending against available funding.

The correspondence from the Secretary of State makes it clear that the announced reductions are only a small proportion of the total savings that will have to be made by the Department and that more detail will come available through the Comprehensive Spending Review.

2010/11 Children and Families Capital Programme

- 5.28 The Nursery block at Chalkhill Primary School has been condemned and requires extensive refurbishment. The school has devised a scheme to relocate the Nursery to the caretakers' house, remodelling it and refurbishing it to create a Foundation block.

The school is proposing to fund the majority of this scheme through its own resources but have identified a £150k funding gap to the scheme and have requested that Children and Families assess the possibility of contributing to the funding.

On this basis and in consideration that if no action is taken it is likely that the Nursery will have to be shut down, officers are analysing the current Children and Families capital programme to identify potential areas where funds could be made available. Areas currently under consideration are the main LA roofing works, from which the nursery block roof was to be addressed, and the Hut Replacement budgets. Officers are also considering that there is potential to contribute to the school scheme and replace the nursery block with a double class size modular unit with services to help support the LA's bulge class facility. This will aid in addressing the Council's expansion requirements. Progress on these proposals will be reported to a future meeting.

Prudential Indicators





- 5.29 Prudential indicators were introduced as part of the prudential borrowing regime introduced as part of the Local Government Act 2003. The arrangements are aimed at ensuring authorities exercise their borrowing powers responsibly, with capital expenditure plans that are affordable, external borrowing that is prudent and sustainable, and treasury management decisions taken in accordance with good professional practice. Prudential limits are set as part of the budget process and monitored during the year. The Executive will receive the annual report on Treasury Management in August and this will include the final outturn against the prudential indicators.

6.0 Overall performance position

Corporate and Community Strategies

- 6.1 Overall the council has made some progress towards delivering the key objectives in the Corporate and Community Strategies in Quarter 4 with the majority of Vital Signs indicators performing broadly in line with target. These

indicators are considered critical to the success of the council. 54% are currently on target (green star) or just below target (blue circle) and 30% are well below target (red triangle). The percentage of low risk indicators has increased by 5% since last quarter indicating that performance is improving at the top of the scale. High risk indicators have also increased by 5% as detailed below.

Overall Council Performance				
				
	Low risk	Medium risk	High risk	No data
Percentage Quarter 4 PIs	40%	14%	30%	16%





Local Area Agreement Update

- 6.2 The Local Area Agreement for 2008-2011 was refreshed between January and March of 2008/09. The Local Area Agreement is currently made up of 29 targets, seven of which are local indicators and 5 of which are annually reported. March 2008/09 was the final year in which the 12 stretch targets were reported. 2009/10 marks the first year the LAA has been reported under the new Comprehensive Area Assessment regime (CAA). The CAA replaces the Comprehensive Performance Assessment that came to an end in 2008/09.

Performance by theme

- 6.3 The following section of the report provides a summary of the performance against each theme and highlight in detail priority projects in the LAA which are below target.

- ***A Great Place***

A Great Place				
				
	Low risk	Medium risk	High risk	No data
Percentage Quarter 4 PIs	53%	0%	18%	29%

- 6.4 Key risks for the council in this theme include: pressures on budgets as a result of the state of the economy, increasing levels of gun and knife crime in the borough, progress of the waste contract to provide improvements in recycling and the progress of partnership working on graffiti. Low risk indicators have increased and there is some improvement with the level of recycling and composting waste in Brent moving from medium risk to low risk status. Transformation is in place to look at aspects of the waste contract. This report sets out the measures that have been put in place to respond to any poor progress towards the corporate objectives. Further explanation of the rest of the key indicators for the council is included in the Vital Signs appendix F.

Please note that there is still no timely data being reported by the Crown Prosecution Service.

6.5 LAA Priorities:

6.5.1 ***2 Anti Social Behaviour** – *NI 24 Satisfaction with the way police and local council dealt with ASB.* The target for this quarter was met which is an improvement from quarter 3. There is a shortage of two anti-social behaviour officers which will have an impact on the current case work. The summer period will be very challenging as an increase in case work is expected.





6.5.2 ***5 Reducing accidental fires** – *The number of accidental fires in residential properties.* Due to the adverse weather conditions experienced in December 2009 and January 2010, there was a negative effect on performance for quarter 4. The weather conditions meant there were more people at home than there normally would be leading to an increased level of risk of accidental fires.

6.5.3 ***7 Recycling and composting** – *NI192 Percentage of household waste sent for reuse, recycling, composting or anaerobic digestion.* Performance has worsened to its current high risk status. The focus on green box recycling seems to have suffered slightly suggesting that the recycling message is losing momentum and people do not feel obligated to recycle as much. Key actions to address this include: increasing promotional activity about dry recycling service and ensuring street care officers take a proactive role in encouraging residents to recycle. Active monitoring will take place to target areas where there are low levels of recycling and recycling boxes will be distributed to these areas.

6.5.4 ***11 Access to Employment for Social Housing Tenants** – *NI152 Working age people on out of work benefits (percentage of working age population).* Due to the current economic downturn, it was agreed as part of the LAA refresh process that no formal target will be set for this indicator in the medium term. The Department for Work and Pensions is currently replacing the Incapacity Benefit Allowance with Employment Support Allowance and will issue further guidance on when to reinstate the measure in due course. There was guidance by Communities and Local Government in December 2009 to allow the target agreed in 2008 to be renegotiated. At present the gap between Brent's performance and that of London is +1.4%. Brent has entered a joint venture bid with Working Links for Flexible New Deal Funding from September 2010.

6.5.6 ***18 Sports participation**- *The number of visits by young people (under 17) taking part in sport and physical activities at council owned sports centres (not part of a school, club or term time 'learn to swim' course).* Performance has worsened this quarter due to seasonal variations as noted in the previous quarter's report. However, the overall outturn figures for 2009/10 show that performance has been achieved.

- **A Borough of Opportunity**

A Borough of Opportunity				
				
	Low risk	Medium risk	High risk	No data
Percentage Quarter 4 PIs	33%	20%	27%	20%

6.6 Key risks for the council in this theme include: adult social care (timeliness of care assessments and carer services) and supporting vulnerable adults into independent living. Performance has improved this quarter with low risk indicators increasing by 13% mainly due to some medium risk indicators performing better. High risk indicators have more than doubled this quarter due to the economic situation affecting the number of work placements available. This report sets out the measures that have been put in place to respond to any poor progress towards the corporate objectives. Further explanation of the rest of the key indicators for the council is included in the Vital Signs appendix F.

Please note that two adult social care indicators were unavailable at the time of reporting, as was drug treatment data (see appendix A2).

6.7 LAA Priorities:

6.7.1 ***12 Improving access to employment for those with mental health needs** – *NI150 Adults in contact with secondary mental health services in employment.* Data quality issues were identified this quarter and are currently under review. However, based on the existing methodology for calculating performance against target, these have been met.

6.7.2 ***13 Income maximisation-** *Annual amount of additional benefit in payment as a result of advice and assistance provided by relevant services in the borough.* There are still no indicators or targets in place to monitor progress for this priority.

6.7.3 ***34 Increasing Self Directed Support** – *NI 130 Social Care Clients Receiving Self Directed Support per 100,000 Population.* Performance in January and February was high risk, by the end of March the risk level had reduced to medium. The direction of travel shows that performance is improving.

6.7.4 ***35 Brent Carers** – *NI 135 Carers receiving needs assessment or review and a specific carers service, or advice and information*





The accuracy of the data for this indicator is in question as there have been problems deciding the denominator. This has an effect on both the target and the actual collated figure. Based on current calculations, this indicator is at medium risk. Issues that continue to arise include poor number of carer assessment being undertaken. This is being addressed through training front care managers and front line staff. Another issue being addressed is poor

recording of carer assessment and outcomes of services. To tackle this problem, training and performance monitoring with heads of service is taking place.

6.7.5 ***37 Reducing delayed discharges and increasing admission avoidance – NI 131 Delayed transfers of care D41 and NI 131.**

Though the trends from June 2009- 31 March 2010, show that targets were met, the direction of travel shows that performance is getting worse.

- **One Community**

One Community				
				
	Low risk	Medium risk	High risk	No data
Percentage Quarter 4 PIs	38%	15%	29%	18%

6.8 Key risks for the council in this theme include: pressures on budgets as a result of the recession, housing needs, the limited numbers of school places versus demand and the continued need for more local foster care placements. Performance has deteriorated since last quarter with low risk indicators decreasing by 1% and high risk indicators increasing by 5%. The non-reporting of data remains high at 18% (from 9% earlier in the year). High risk is mainly seen in adoption and fostering, Special Educational Needs and homelessness. Work is underway to plan for improving school provision in the borough in future and the transformation programmes in children’s and adult’s social care are addressing key risks identified here. Further explanation of the rest of the key indicators for the council is included in the Vital Signs appendix F.

Please note that all human resources indicators were unavailable at the time of reporting. Some revenues and benefits indicators were missing targets (see appendices A3 and A4).

6.9 LAA Priorities:

6.9.1 ***21 Reduction in households living in temporary accommodation – NI 156 Number of households living in temporary accommodation**

There has been a significant reduction in the number of household in temporary accommodation.

6.9.2 ***22 Increasing Affordable Homes – NI155 Number of affordable homes (delivered gross).** A total of 679 homes were delivered in 2009/10 which exceeds the target of 458 for the year. 397 homes were delivered in quarter 4 alone, more than double what was delivered in quarters 2 and 3 where performance was high risk. The service is optimistic that the Mayor’s target of 1600 homes will be delivered over the 2008-11 LAA period.

- 6.9.3 ***23 Additional Housing** – *NI 154 Net additional homes provided*. This is an annual indicator which will be reported in due course for quarter four (lag in data). Current projections show that less 500 completions have taken place during 2009/10. These projections come from the Large Housing Sites which make up the Housing Completion Survey. This figure falls short of the 915 target of the London Plan target. Owing to this shortfall is the current economic climate, which has delayed the start of some housing schemes. Other than the recession, a severe winter delayed the completion of some housing projects.
- 6.9.4 *** 25 Youth crime prevention** – *NI 111 First time entrants to the criminal justice system aged 10-17*. Preliminary figures show that further reductions were made to the number of first time entrants in the criminal justice system. From quarter two, the trends show that there have been reductions each quarter. The Brent Youth Offending Service in partnership with the police has implemented a Brent Triage Support Programme. It is an intervention programme aimed at diverting first time entrants from the criminal justice system.
- 6.9.5 ***26 Child Obesity** – *CF/VS09.3 Number of families attending the 10-week MEND programme (child obesity)*. There were 25 families were recruited for the MEND programme. However, 5 families dropped out due to illness and personal circumstances and as a result performance dropped to high risk.
- 6.9.6 ***27 Improving Outcomes for LAC** – *NI063 Stability of placements of 'Looked After Children: Length of Placement*. This has been a challenging target, performance in 2009/10 was not achieved.
- 6.9.7 ***38 Volunteering** *The number of People Volunteering for 100 hours or more*. Performance against target was not achieved this quarter. Due to a possible lack of funding in the future, it is difficult to set any targets for 2010/11 at this stage.
- 6.10 **Comprehensive Area Agreement (CAA)**
- 6.10.1 A new set of national indicators was put in place to support the CAA regime which began on 1st April 2009. In June 2010 CLG announced its intention to end CAA which means the end of overall organisational assessment ratings for councils (and Fire Authorities), along with the two supporting Use of Resources and Managing Performance ratings. It also means the end of the 'area assessment', which covers public service delivery across local areas, and the red and green flags that flow from that. The National Indicator set has been reduced from 198 to 180 and the new coalition government has signalled its intention to reduce the burden of its performance management framework further in due course.
- 6.10.2 However as effective performance management is the principal driver to deliver service improvements, the Council will continue to use the National Indicator set and ensure local key performance indicators are in place to

maintain alignment with corporate priorities and facilitate rigorous and robust performance monitoring and reporting.

7.0 Financial implications

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

8.0 Legal implications

8.1 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 capital budget set out in March 2010 and are not covered by the Scheme of Transfers and Virements will therefore need to be referred to Full Council.

8.2 The Director of Finance and Corporate Resources is satisfied that the criteria in the scheme are fulfilled in respect of the virements in the report.

9.0 Diversity implications

9.1 The diversity implications of budget proposals are considered at all stages of the budget process. This includes growth and savings proposals and the production of service development plans. Equality Impact Assessments have been produced for the main budget amendments included in the report.

10.0 Background documents

- 10.1 Corporate Strategy 2006/10
- Community Strategy 2006/10
- Local Area Agreement 2008/11
- Budget Report 20/10/11

Contact officers

Mick Bowden (Deputy Director, Finance and Corporate Resources) Brent Town Hall, Forty Lane, Wembley Middlesex, HA9 9HD 020 8937 1460

Cathy Tyson (Assistant Director, Policy and Regeneration) Brent Town Hall, Forty Lane, Wembley Middlesex, HA9 9HD 020 8937 1030

DUNCAN McLEOD
Director of Finance and Corporate Resources

PHIL NEWBY
Director of Policy and Regeneration

BUDGET VIREMENTS 2010/11

1. In April there a number of changes to Area Based Grant (ABG) funding. An additional £26k was allocated to Brent with £16k for Connexions, £8k to carry out a tenants' survey as part of NI 160 and a further £2k for Social Housing Guidance. These have been allocated to Children & Families and Housing respectively.
2. Monies of £85k held centrally for job evaluation staff as part of the remuneration strategy budget need to be vired to Business Transformation to cover two posts.
3. A transfer of £66k needs to be made to Streetcare in Environment and Culture to reflect a reduction in the contract phasing for the street lighting PFI. These monies will contribute towards the One Council Programme.
4. A virement of £46k needs to be made between Streetcare and Policy and Regeneration Unit for a graffiti anti social behaviour caseworker to reflect the funding arrangements.
5. The Revenue and Benefits/ One Stop Service review has been finalised and went live on the 1st July. Monies need to move between the two areas to reflect the revised structure with £487k of savings being generated towards the One Council Programme.
6. As part of the winding up of the Middlesex House Scheme £880k of budgets held by Housing need to be transferred to the centre to help meet the costs of the settlement.
7. The decision to cut 50 management posts in 2009/10 needs to be reflected in service area budgets. This has generated £2.501m of savings with a contribution of £2.308m towards the One Council Programme.
8. The allowance for the increase in Freedom Pass costs for 2010/11 was held centrally as part of the budget process. A transfer of £1.309m now needs to be made to the Adult Social Care budget to meet these additional costs.
9. A budget of £750k was agreed as part of the budget process for Building Schools for the Future. This needs to be transferred to Children & Families to meet the current commitments to date.
10. The Department of Education allocated £244k of area based grants to support the administrative duties associated with the transfer of responsibilities from the Learning Skills Council. These monies now need to be passed over to Children & Families.
11. The Rewarding Performance Gold Project included an agreed budget saving of £1m related primarily to closer management of all pay allowances but particularly overtime. This saving has now been allocated across service areas.
12. From 1 April 2010 internal charging ceased in a number of areas including public notices, recruitment advertising and administration, Criminal Records Bureau checks, interpretation and translation services, postage, occupational

health services and training centre usage. These costs amounting to £1.841m have now been centralised within the People Centre, Communications and Diversity and Property and Asset management.

13. Certain registrar services are now shared between Brent and Barnet and a saving of £25k has been identified against the Improvement and Efficiency Programme.

	Children & Families £000	Environment & Culture £000	Housing & Community Care £000	Business Transformation £000	Central Units £000	Finance & Corporate Resources £000	Central Items £'000
PFI Streetlighting		(66)					66
Area Based Grant	16		10				(26)
Graffiti Caseworker		(46)			46		
Revenue & Benefits and One Stop Shop Review				(775)		288	487
Middlesex House			(880)				880
Fifty Management Posts	(709)	(564)	(580)	(261)	(199)	(188)	2,501
Freedom Pass			1,309				(1,309)
Building Schools for Future	750						(750)
Learning Skills Council	244						(244)
Rewarding Performance	(203)	(322)	(199)	(88)	(42)	(146)	1,000
Internal Charging	(777)	(355)	(311)	1,403	(39)	79	
Shared Registrars Service					(25)		(25)
Job Evaluation				85			(85)
Total	(679)	(1,353)	(651)	364	(259)	33	2,545