

Committee/Meeting: Overview & Scrutiny	Date: 2nd July 2013	Classification: Unrestricted	Report No:
Report of: Acting Corporate Director, Resources Originating officer(s) Chris Holme – Acting Corporate Director Resources; Louise Russell – Service Head, Strategy and Performance		Title: Strategic Performance and Corporate Revenue and Capital Budget Monitoring 2012/13 - Draft Outturn Wards Affected: All	

Lead Member	Cllr Alibor Choudhury
Community Plan Theme	One Tower Hamlets
Strategic Priority	Ensuring Value for Money Across the Council

1. **SUMMARY**

1.1 This report details the draft financial outturn position of the Council at the end of the financial year 2012/13 compared to budget, and service performance against targets. Further adjustments to the financial outturn may be required as the statement of accounts are finalised and the final position is reviewed by KPMG as part of the year end audit.

- General Fund Revenue and Housing Revenue Account;
- Capital Programme;
- Collection Fund;
- Pension Fund;
- Performance for strategic measures; and
- Progress against Strategic Plan activities.

1.2 This report will be considered by Cabinet on 3rd July and Overview & Scrutiny Committee on 2nd July. The draft Statement of Accounts, including the Comprehensive Income & Expenditure Account, Balance Sheet and Cash Flow, will be considered by Audit Committee on 25th June. The Accounts will be 'subject to audit' with the Audit Commission due to sign them off by 30th September 2013.

1.3 **Finance Overview**

1.3.1 **General Fund**

The outturn for 2012/13 is a net Directorate budget overspend of £0.7 million (0.22%) on an overall net budget of £314 million: this is consistent with the variance reported in previous monitoring reports. The over spend is after transfers to reserves (as detailed in Appendix 5). After taking account of the adjustments this results in an additional underspend of £5.3m. This represents planned transfers to reserves, ring-fenced funds carried forward and project expenditure that has slipped into a later financial year and some of these transfers to reserves require formal approval by Members.

Housing Revenue Account

There is a £1.48 million surplus against a net budget deficit of £1.5 million, this is consistent with what has been reported previously.

Further information is provided in paragraph 3.8 and Appendix 3.

1.3.2 Capital Programme

The capital expenditure for 2012/13 totalled £144.6m against a budget of £161.4m. The slippage of £16.8m (10.4%) was in the main against the housing element of the programme (£8.5m) and the High Street 2012 scheme (£3.8m). In general schemes not completed in 2012/13 have been reprogrammed for later years. Further details are set out in section 4 of the report and Appendix 4.

1.3.3 Collection Fund

The Council will draw down £80.4m of Council Tax income from the Collection Fund in line with budget. The in-year collection rate was 95.1% (2012 - 95.4%) which compares very favourably with neighbouring Boroughs and the projected collection rate remains at 97%, which is in line with budget. £332.3m was collected in NNDR (Business Rates) on behalf of the government with a collection rate of 99.69%, again in line with the original forecast for the year and among the top performers nationwide. With effect for 2013/14, the amount of Business Rates collected will be significant to the Council in terms of the funding that is retained by the Authority. Further information is provided in Section 5.

1.3.4 Pension Fund

The deficit on the Pension Fund at the year-end was £524 million (£423 million 2012) reflecting higher future inflationary increases and a lower discount rate used to calculate the net present value of the liabilities. (see Section 6). This is a snapshot valuation for accounting purposes and the revaluation for contributory purposes is taking place currently and will be available later in the year. This will affect employer contributions to the fund with effect from April 2014.

1.4 Performance Overview

The strategic measures enable the Council to monitor progress against key performance targets. Of the 39 measures used by the Council 34 are reportable, with further data awaited for the remaining 5. 12 (35 %) have met or exceeded their target (Green), 16 (47 %) are within target range (Amber) and 6 (18 %) are below minimum expectation (Red). 16 (47%) of all measures have improved compared to this time last year and only 8 (24 %) have deteriorated. Section 7 provides a summary of performance against our agreed targets.

The Council's Strategic Plan also sets out our strategic activities, which are monitored bi-annually. Progress in delivering the Strategic Plan has also been strong. Section 8 provides a progress report on implementation of our strategic activities.

2. DECISIONS REQUIRED

The Overview and Scrutiny Committee is recommended to:-

- 2.1. Consider and comment on the Council's financial performance compared to budget for 2012/13 as detailed in Sections 3 to 6 and Appendices 1-4 of this report.
- 2.2. Consider and comment on the proposed transfers to reserves as detailed in Appendix 5 of this report; and
- 2.3. Consider and comment on the 2012/13 year end performance for strategic measures and Strategic Plan activities in Sections 7 and 8 and detailed in Appendices 6 & 7.

3. REVENUE

3.1 **General Fund Summary**

The following table summarises the General Fund revenue outturn compared to budget for 2012/13. The revised budgets for each service area reflect the adjustments and virements made during the year which are detailed in Appendix 1.

	Revised Budget £'000	Actual £'000	Transfer from Reserves £000	Transfer to Reserves £000	Outturn £'000	Variance £'000
Adults, Health and Wellbeing	101,460	99,635	0	1,825	101,460	0
CSF General Fund	77,388	74,898	0	2,490	77,388	0
Sub Total : Education, Social Care & Wellbeing	178,848	174,533	0	4,315	178,848	0
Chief Executives Department	9,820	9,183	0	634	9,817	-3
Communities, Localities and Culture	80,184	72,593	0	7,591	80,184	0
Development and Renewal	19,530	16,292	-1,730	4,968	19,530	0
Resources	10,137	15,963	-5,620	484	10,827	690
Subtotal : Net Service Expenditure	298,519	288,564	-7,350	17,992	299,206	687
Corporate Costs & Capital Financing	15,655	88	0	3,200	3,288	-12,367
Budgeted Contribution to General Reserves	0	6,417	0	0	6,417	6,417
Total	314,174	295,069	-7,350	21,192	308,911	-5,263

* includes parking control income applied to fund General Fund in accordance with the budget

Unallocated contingencies allows the transfer of £5.3m to General Fund reserves. This is in addition to the planned £6.4m transfer to General Fund reserves per Medium Term Financial Plan. General Fund reserves will stand at £38.1m.

Set out below is a summary of the outturn position for each service directorate including any proposed transfers to reserves. A more detailed analysis of the budget variances is shown in Appendix 2.

3.2 **Adults, Health and Wellbeing** **Variance: Nil**

In arriving at this position an amount of £1.825 million, has been requested as an addition to the reserve for Joint Health & Social Care Initiatives (section 256), this is ring-fenced funding which arises from agreements with the NHS to spend in accordance with joint priorities.

3.3 **Chief Executive** **Variance: Nil**

This is in line with the Quarter 3 forecast with a small underspend which will be taken to reserves to fund elections within the borough.

3.4 **Children, Schools and Families** **Variance: Nil**

Children Schools and Families are reporting a break-even position in both the General Fund and the Schools Budget. The Directorate is reporting that some unspent non-ringfenced grants are carried forward to 2013/14.

Members will be aware that DSG is ring-fenced by the Government and is not available for general expenditure.

3.5 Development and Renewal **Variance: Nil**

D&R show a nil variance against the final budget; this is in line with the Quarter 3 forecast. New Homes Bonus funding set aside to fund Decent Homes Projects has not been spent in 2012/13 due to the need to utilise other grant funding first (see capital report).

3.6 Resources **Variance: £0.7m overspend**

The net overspend of approximately £0.7 million is due to the factors reported during the year. This is net of a reported transfer of £484,000 of reserves primarily to support the Council's apprenticeship programme.

3.7 Corporate Costs & Capital Financing **Variance: £5.3m underspend**

After the planned £6.4 million transfer to general fund balances, a further balance of £5.3 million will be taken to General Fund reserves. This is partly £1.2 million of additional investment income and unspent capital financing charges, plus £4.3 million of funding set-aside against risks which have not materialised as anticipated and includes lower than anticipated inflation and the return to General Fund of provisions set aside in previous financial years.

3.8 Housing Revenue Account (HRA) **Variance: £1.48m underspend**

There is a £1.48 million surplus on the HRA which is in line with the latest forecast position. This underspend is the net result of a number of variances, the main ones being that ; the Authority has received a number of one-off payments totalling approximately £0.5m in respect of the recovery of costs incurred as part of various stock transfers carried out a few years ago; the required contribution to the Bad Debt Provision was lower than anticipated; the energy budget has underspent by £0.5m due to the fact that when this budget was set it was anticipated that 2012/13 gas & electricity prices would increase by between 20% and 40%, whereas the actual price changes were significantly lower.

The outturn incorporates an RCCO of £3.5 million towards the non-grant-funded element of the Decent Homes backlog programme, as agreed initially by Cabinet in September 2011 and updated in May 2013.

The 2012/13 surplus will increase HRA balances which will also be used as a contribution towards the non-grant-funded element of the Decent Homes backlog programme.

Members will be aware that HRA funding is available only for social housing and cannot be applied to general purposes.

4. **CAPITAL**

4.1 The capital budget now totals £161.4m. The main reasons for the decrease in this budget are the re-profiling of the Housing Capital Programme and section 106-funded Development and Renewal schemes which will now start in 2013/14.

4.2 Details of all the changes to the capital budget are set out in Appendix 1.

4.3 Total capital expenditure to the end of 2012/13 was £144.6m, representing slippage of 10.4% against the capital programme budget for 2012/13 as follows:

	Annual Budget as at 31-Mar-13	Spend 2012/13	Variance	Variance
	£m	£m	£m	%
TOTALS BY DIRECTORATE:				
Children, Schools and Families	17.120	15.344	-1.776	-10.4%
Communities, Localities and Culture	10.788	10.274	-0.514	-4.8%
Development and Renewal	9.214	3.436	-5.778	-62.7%
Building Schools for the Future (BSF)	76.520	76.520	0.000	0.0%
Resources	0.128	0.000	-0.128	-100.0%
Adults, Health and Wellbeing	0.242	0.121	-0.121	-50.0%
Housing Revenue Account (HRA)	47.407	38.883	-8.524	-18.0%
GRAND TOTAL	161.419	144.578	-16.841	-10.4%

4.4 The £16.8m slippage against the 2012/13 capital budget is not an underspend against the total programme; any resources not used in the current year will be used in future years of the programme. The main reasons for the slippage are as follows:

- **High Street 2012 (£3.8m)**

The High Street 2012 project is now scheduled to be completed by December 2013. Resources have been slipped accordingly in agreement with the external funding partners.

- **Housing Capital Programme (£3.5m)**

Due to the need to focus on the Decent Homes programme to ensure grant maximisation, mainstream scheme resources slipped into 2013-14. Schemes have been carried forward into 2013-14 as notified to Cabinet on 8 May 2013,

and all slipped resources have been incorporated into the future Decent Homes and Mainstream programmes.

- **Decent Homes (£3.4m)**

Following the approval of the Decent Homes procurement process by Cabinet in January 2013, the full Decent Homes programme for 2013-14 to 2015-16 and the 2013-14 mainstream programme were approved by Cabinet on 8 May 2013. This re-profiled the full Decent Homes programme across financial years, including the schemes that were slipped from 2012-13 due to initial delays in the procurement process.

5. COLLECTION FUND

- 5.1 The Collection Fund is a statutory account for the collection and distribution of amounts due in respect of council tax and National Non-domestic Rates (NNDR or Business Rates). The Council collects council tax both on its own behalf and for the precepting authority, the Greater London Authority (GLA). NNDR is collected by the Council on behalf of the government and this is paid over to the Department of Communities and Local Government in accordance with a monthly schedule issued by the CLG at the beginning of each financial year. A Business Rate Supplement payable to the GLA is also collected to contribute towards the cost of Cross-Rail. £13.03m was collected in year for the Business rate Supplement (BRS)
- 5.2 The council tax base as at 31st March 2013 was £82.4m compared to the budgeted base of £80.4m. The in-year collection rate was 95.1% (95.4% 2012) with a final projected collection rate of 97% (actual 2012 to date 96.2%). £80.4m was transferred from the Collection Fund to the General Fund, in line with budget. After making appropriate provisions for bad debts there is a surplus of around £2.0m on the fund that will be carried forward into 2013/14. The use of this has been planned for the 2013/14 budget.
- 5.3 The Council collected £332.3m in NNDR in 2012/13 relating to that year, an in-year collection rate of 99.69% (99.4% in 2012) – this exceeded the 98.5% collection target. The cumulative gross amount outstanding at the year-end was £9.5m, over £3m less than the previous year.
- 5.4 Details of income collection during 2012/13 are shown below:

Income Stream	Collected in 2011/12 %	2012/13 Target to 31.03.13 %	2012/13 Collected to 31.03.13 %	Direction of Travel
Business Rates	99.40	98.50	99.69	↑
Central Income	93.00	90.00	91.00	↑
Council Tax	95.40	95.10	95.10	-
Housing Rent	99.61	99.60	99.72	↑
Parking Income	61.09	60.00	65.10	↑

6. **PENSION FUND**

- 6.1 All non-teaching staff employed by the Council are entitled to join the Local Government Pension Scheme (LGPS). Each local authority is required to operate a Pension Fund as part of the scheme although the employee contributions into the fund and the associated pension benefits are determined by the government as part of a national scheme.
- 6.2 The employer contributions into the fund are determined by the funds Actuaries, appointed by the Council, and reflect the actuarial valuation carried-out every three years. The valuation assesses both the assets and liabilities of the fund and the extent to which the fund is either in net surplus or deficit. Any deficit will need to be made good over a rolling 20 year period through increases in employer contributions.
- 6.3 The employee contribution level is currently between 5.5% - 7.5% and staff contributions into the fund in 2012/13 totalled £8.6m. The employer's contribution rate is currently 15.8% with the Council paying a total of £22.9m in contributions, plus an additional payment of £15.25m in deficit funding, into the fund in 2012/13 which is reflected in the total employee costs for the Council in that year of £38.2m. There were 4,789 active members in the scheme from a total establishment of some 8,557 employees.
- 6.4 As at 31st March 2013 there was a deficit on the fund of £519 million (£423m 2012) under the IAS19 (former FRS17 calculation). The increase in the deficit is principally due to the financial assumptions used at 31 March 2013 being less favourable than they were at 31st March 2012. A significant reduction in the discount rate combined with lower than expected returns on investment has led to a higher value being placed on liabilities - this has been the case for most LGPS funds. This is a snapshot valuation for accounting purposes and the revaluation for contributory purposes is taking place currently and will be

available later in the year. This will affect employer contributions to the fund with effect from April 2014.

7. PERFORMANCE

- 7.1. The Council strives to make continuous improvements to its services, year on year, and this is reflected in its ambitious target setting. It has robust performance management arrangements in place, including a Performance Review Group which focuses on those areas identified as needing improvement.
- 7.2. The following sections of the report provide year-end performance information for the Council's strategic measures (appendix 6) and Strategic Plan activities (appendix 7).

STRATEGIC MEASURES

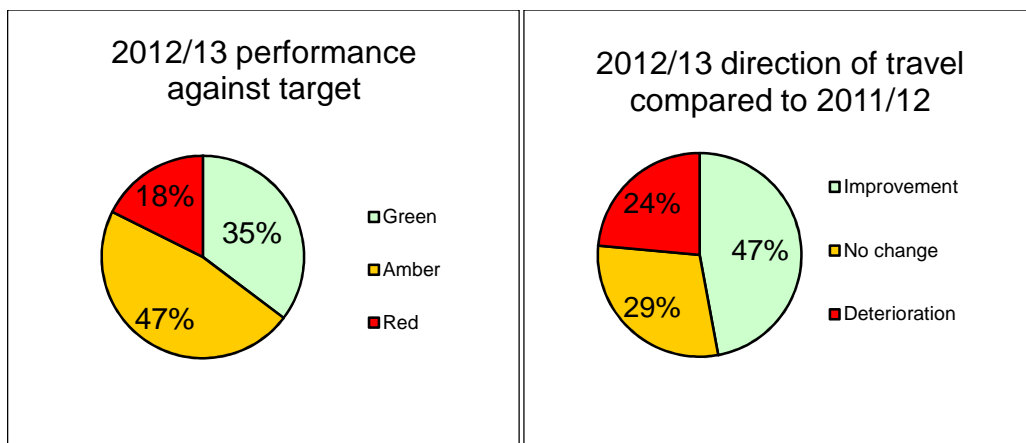
- 7.3. There are 47 strategic measures in the 2012/13 Strategic Plan, including subset of measures, to monitor progress in delivering against the Council's priorities. 34 of the 47 measures are currently reportable. Data is not yet available for some strategic measures. With the exception of the attainment measures, data for these indicators will be available shortly. These measures are:
- Percentage of overall council housing stock that is non-decent.
 - Percentage of CAF reviews with an improved average score.
 - Self-reported experience of social care users.
 - Proportion of students who progressed to a sustain education destination within one year of Key Stage 4. The Department for Education is still working to improve the methodology for this indicator. It is not yet known when the data will be available.
 - Proportion of students who progressed to a sustain education destination within one year of 16-18 learning. The Department for Education is still working to improve the methodology for this indicator. It is not yet known when the data will be available.
 - Annual Resident Survey measures relating to people's perceptions of the Council, community cohesion, and crime and anti-social behaviour.
- 7.4. Outlined below (and detailed in appendix 6) is year-end information, or latest available, performance at year end. Performance against the end of year target is measured as either 'Red', 'Amber' or 'Green' (RAG). Should the performance fall below minimum expectation (standard target) – indicated as the dotted red line, it is marked as 'Red'. Should it fall above the minimum expectation, but below the stretch target – indicated as the solid green line, it is 'Amber' (within target range). Should it be performing at or better than the stretch target, it is 'Green'. Indicators are also measured against the previous year's performance, as 'direction of travel'. If performance is deteriorating, it is indicated as a downward

arrow ↓, if there is no change (or less than 5% change) it is neutral ⇔, and should it be improving compared to last year, it is indicated as an upward arrow ↑.

Performance Measures Summary

7.5. Of the 34 reportable measures:

- 12 (35%) are meeting or exceeding their stretch target (Green), with 11 (85%) of these an improvement from last year (↑);
- 16 (47%) are above the standard target (minimum expectation) but below the stretch target (Amber), with 5 of these improving (↑) and 4 deteriorating (↓) compared to last year's performance;
- 6 (18%) are below the standard target (Red), with 1 indicator improving (↑) and 2 deteriorating (↓);
- Overall 16 out of the 34 indicators (47 %) show improved performance compared to last year (↑), 10 (29%) are stable (⇔), and only 8 (24%) have deteriorated (↓).



7.6. *Areas of strong performance, where the stretch target has been exceeded, include:*

The number of overcrowded families rehoused - lets to overcrowded households

1,410 overcrowded households were rehoused in 2012/13. This is well above the stretch target of 1,200 households.

Improved street and environmental cleanliness – litter

The stretch target for this measure has been exceeded. This is a reflection of the overall performance of the team to deliver very positive results for street cleanliness.

Improved street and environmental cleanliness – detritus

The 2012/13 performance surpassed the stretch target. The public realm service has worked hard to tackle street cleanliness in the borough.

Achievement at level 4 or above in both English and Maths at Key Stage 2

The final result for achievement at Level 4 or above in both English and Maths at Key Stage 2 in 2012/13 (academic year 2011/12) was 82%. This exceeds the target and is a significant improvement from the previous year. Tower Hamlets is above the national average result of 80%.

Overall employment rate - gap between the Borough and London average rate (working age)

The borough's employment rate is 61.6 and the London average is 68.9, making the gap between Tower Hamlets and the London average rate 7.3 percentage points. The overall trend shows a steady decrease in the employment rate gap.

JSA Claimant Rate (gap between the Borough and London average rate (working age))

The JSA claimant rates for Tower Hamlets and London are 5.5 and 3.9 respectively. The gap between the borough and London average is now down to 1.6 percentage point, exceeding the stretch target. This equates to 755 fewer JSA claimants.

Rate of residential burglary crimes - The stretch target (15.9) has been achieved and performance has improved by 2.98 percentage points compared to last year.

Rate of motor vehicle crimes - The stretch target (12) has been achieved and performance has improved by 2.15 percentage points compared to last year.

Smoking Quitters

Due to the time lag for this measure, the latest available data is for Quarter 3, which shows that the number of quitters is significantly above the stretch target and this is reflected in each of the quarters for this year. Tower Hamlets continues to be a top performer for this measure.

Female mortality rate

The latest data available relates to 2011/12. This shows that the borough's female mortality rate has surpassed the stretch target.

Carers receiving needs assessment or review and a specific carer's service, or advice and information

The latest available data relates to Quarter 3. The stretch target has been exceeded and performance has markedly improved since the previous two quarters.

7.7. *Areas of improvement, where performance has improved compared to last year, include:*

Percentage of senior staff who have a disability

Annual performance has improved compared to 2011/12. The staff equality audit (completed in May 2012) has improved data quality with more people with disabilities identifying themselves for monitoring purposes. The 2013/14 Work Force to Reflect Community (WFTRC) action plan will also include specific actions for directorates to improve against this target.

Achievement of at least 78 points across the Early Years Foundation Stage

The final results show that 55% of children achieved at least 78 points across the Early Years Foundation Stage, with at least 6 in each of the scales in Personal Social and Emotional Development and Communication, Language and Literacy. This is an improvement compared to last year's outturn of 49.9%, but falls short of the 60% stretch target.

Proportion of children in poverty - The stretch target (46.9) has not been achieved but the standard target (55) has been exceeded. There has been a 4.4 percentage points reduction in the number of children in poverty compared to this time last year.

Rate of personal robbery crimes - Whilst performance was just off the stretch target (5.20), the standard target (5.70) has been achieved. Throughout the year Tower Hamlets police continued to proactively target known robbers, undertook additional patrols and worked hard on underlying gang issues with partners. For the forthcoming year additional resources will continue to be used to proactively target robbery offences, offenders and location.

Under 18 conception rate

Tower Hamlets has performed exceptionally on this indicator. The Office for National Statistics (ONS) published figures on under-18 conception rates for England and Wales in 2011. They show that the conception rate for Tower Hamlets was 28.5 per 1000 females aged 15-17, a fall of 10.4% from 2010 and 50.7% from the baseline (1998). This compares to a national decrease of 34% against the baseline. More up to date information is not yet available.

Social care clients and carers in receipt of Self Directed Support –

The latest available data relates to Q3. Performance as at 31 December 2012 was 51.3%, showing a very strong improvement trend from the previous year, when 39.7% of social care users were in receipt of self-directed support.

7.8. Areas where performance fell short of the minimum target and deteriorated compared to last year are:

Improved street and environmental cleanliness – graffiti

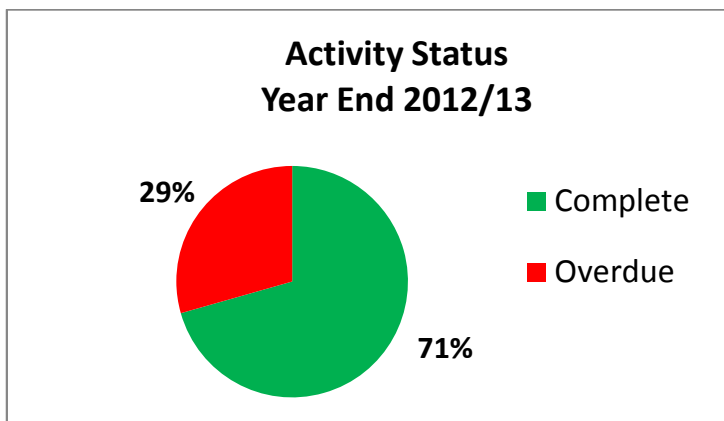
The standard target (8) has not been achieved. Performance was just 0.8 off the standard target. Street Care Teams continue to work hard in dealing with graffiti. The Clean and Green Community Payback and Volunteer Co-ordinator has worked hard at targeting areas with high graffiti utilising volunteers. However, graffiti incidents are on the increase in the borough. Without a graffiti strategy in place it will be very difficult to lower this score.

All-age all-cause mortality rate - Male

The latest available mortality figures relate to 2011/12. This shows that the all-age all-cause mortality rate for males is slightly higher than it was in the previous year. 2012/13 data will be available in August. The Strategic Plan for 2013/14 sets out a range of activities to improve health and wellbeing, with the public health function transferred to the Council since April 2013.

8. STRATEGIC PLAN ACTIVITIES

- 8.1. The Council's performance management and accountability framework requires CMT and Members to consider progress against the Strategic Plan activities every 6 months. This section provides a monitoring update at year-end for the 2012/13 Plan.
- 8.2. All activities within the Strategic Plan have been monitored and are included in Appendix 7. The following criteria are used to report on the status of activities at year-end:
 - Completed (Green) - where an activity has been completed.
 - Overdue (Red) - where an activity has not completed in the 2012/13 financial year, or at the time of reporting. Managers have provided comments for all overdue activities to explain why the deadline was missed; what is being done to rectify the situation; and when the activity will be completed.
- 8.3. There are 68 activities in the 2012/13 Strategic Plan. At year-end, 48 activities (71%) have been completed and 20 (29%) are overdue, with most of these due to complete by the first half of the current financial year.



- 8.4. Overall, performance in delivering the 2012/13 Strategic Plan has been good, with over two thirds of activities completed.
- 8.5. The Council is continuing to deliver its partnership-wide programme to manage the impact of welfare reform on local residents. The Housing Options Team has made contact with every private household likely to be affected by the Benefits Cap. Social housing landlords are visiting their tenants affected by a range of reforms including the bedroom tax. Communications, training and engagement continues with staff across the Council as well as health, housing and voluntary sector partners.
- 8.6. The improvements made in reducing the gap between the borough's employment rate and that of London, as well as between the borough's Jobseekers Allowance claimant rate and the London average (outlined in Appendix 6), is reflected in the completion of employment and enterprise related activities. Employment opportunities are being secured through key strategic developments, almost 4,000 local people secured Games time opportunities and the Council is effectively using its procurement processes to maximise employment outcomes for local people.
- 8.7. Good progress continues to be made in providing affordable homes for local people. Despite missing the target for affordable homes delivery in 2012/13, the Council is on course to deliver over 4,000 affordable homes by 2014. Phase One of the Ocean Estate regeneration programme has completed, with all the affordable homes for this stage delivered, and the programme is on target to deliver over 800 new homes on the estate. The Council also successfully secured 27 homes in the East Village on the Olympic site, and is working to secure more homes for local people on the wider Olympic site.

- 8.8. Community Safety remains a key priority for the borough. The Council, working with its community safety partners, agreed the Community Safety Plan, implemented the Drugs Strategy and delivered the local Prevent programme.
- 8.9. The Council and its partners are tackling health inequalities and make the borough healthier. NHS reforms are being effectively implemented locally: the transfer of Public Health to the Council is complete and the procurement process for Healthwatch Tower Hamlets has been undertaken. Local partners have also completed the Health and Wellbeing Plan, which will provide the strategic direction for the Health and Wellbeing in the borough. The Council has also invested in improving the borough's leisure centres and play pitches.
- 8.10. 19 activities have been assessed as being overdue. Only 5 of these activities are less than 70 per cent complete. Details of these overdue activities, including remedial action, are outlined below. In addition, the Performance Review Group will also be reviewing these activities.

Improve the quality of housing services (60% complete)

The Tower Hamlets Homes 2012/2013 Delivery Plan has been evaluated, and a new one for 2013/14 agreed, securing improvements in Housing Services for THH tenants and leaseholders. Whilst service charge 'actuals' were dispatched on time, achieving transparency for leaseholders; the implementation of the Consolidated Action Plan (CAP) has slipped to May 2013. Transferred registered providers continue to report progress against service promises twice yearly, with the next report going to the Housing Lead Member in summer 2013.

Develop and implement the Mayor's Employment and Enterprise Board (0% complete)

The development of the Board has been postponed as further work is needed to achieve suitably high level representation and personnel. Work will continue in forming the Economic Taskforce (the operational group) to review and implement current work plans in the Employment and Enterprise strategies. This work will then identify any further actions or opportunities, with a view to making additional recommendations to a proposed future Mayor's Board post April 2014.

Improve support to carers (60% complete)

A number of strands are delayed, including the introduction and expansion of carers' budgets and contingency plans for carers as part of the support planning process. Contingency planning is being put in place and the Carers Journey is being taken forward. This activity is anticipated to complete in November 2013.

Improve the customer journey by embedding the principles of choice and control (40% complete)

All milestones remain scheduled for completion however they have slipped past the 2012/13 deadlines. There were delays with the implementation of the new 'customer journey' for the community learning disability service, this is now expected to be completed in July 2013. The launch of the e-marketplace to enable people to purchase health and social care services over the internet has also been delayed. Agilisys have now taken responsibility for procuring the e-marketplace, with Council input. Once approval is given and the contract signed, implementation can begin immediately and the e-marketplace should be online approximately three months later.

Identify and meet the needs of families using our Family Wellbeing Model approach (60% complete)

The FWBM was originally implemented in 2010/11. It was evaluated and amended in 2012 to ascertain how well it was identifying and meeting the needs of children and young people. Further amendments are proposed in conjunction with the implementation of the Multi Agency Safeguarding Hub (now due in July 2013 after delays in building works to house the MASH) and as a consequence of the requirement to review thresholds (required by Working Together 2013, published in late March 2013). It makes sense to complete the two reviews at the same time; a revised target date of July 2013 has been set for this.

9. COMMENTS OF THE CHIEF FINANCIAL OFFICER

9.1 The comments of the Chief Financial Officer are contained within the body of this report.

10. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL SERVICES)

10.1 The report provides performance information, including by reference to key performance indicators and the budget. It is consistent with good administration for the Council to consider monitoring information in relation to plans and budgets that it has adopted.

10.2 Section 3 of the Local Government Act 1999 requires the Council as a best value authority to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness". Monitoring of performance information is an important way in which that obligation can be fulfilled.

10.3 The Council is required by section 151 of the Local Government Act 1972 to make arrangements for the proper administration of its financial affairs. The Council's chief finance officer has established financial procedures to ensure the Council's proper financial administration. These include procedures for budgetary

control. It is consistent with these arrangements for Members to receive information about the revenue and capital budgets as set out in the report.

- 10.4 When considering its performance, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don't. Relevant information is set out in section 11 of the report.

11. ONE TOWER HAMLETS CONSIDERATIONS

The Council's Strategic Plan is focused on tackling inequality and supporting cohesion. The Council's strategic performance measures support the monitoring of progress in delivering the Council's priorities.

12. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

The Strategic Plan has a strong focus on action for a greener environment. This includes specific priorities, with supporting actions and measures within the Great Place to Live theme.

13. RISK MANAGEMENT IMPLICATIONS

In line with the Council's risk management strategy, the information contained within the Strategic Indicator Monitoring will assist the Cabinet, Corporate Directors and relevant service managers in delivering the ambitious targets set out in the Strategic Plan. Regular monitoring reports will enable Members and Corporate Directors to keep progress under regular review.

There is a risk to the integrity of the authority's finances if an imbalance occurs between resources and needs. This is mitigated by regular monitoring and, where appropriate, corrective action. This report provides a corporate overview to supplement more frequent monitoring that takes place at detailed level.

The explanations provided by the Directorates for the budget variances also contain analyses of risk factors.

14. CRIME AND DISORDER REDUCTION IMPLICATIONS

The Strategic Plan has a strong focus on crime and disorder. The key priorities, activities, milestones and measures are set out within the Safe and Cohesive theme.

15. **EFFICIENCY STATEMENT**

The Council has a range of control mechanisms in place that seek to ensure that all income and expenditure against approved budgets represents value for money. As part of the external audit process KPMG makes an independent assessment on the Authority's arrangements to secure economy, efficiency and effectiveness.

16. **APPENDICES**

More detailed performance and financial information is contained in the appendices, as follows:

Appendix 1 – lists revenue and capital budget/target adjustments (including virements) agreed during 2012/13.

Appendix 2 – provides an analysis of outturn compared to General Fund revenue budgets by directorate and explanations of major variances.

Appendix 3 – provides an analysis of outturn compared to HRA revenue budgets and explanations of major variances.

Appendix 4 – provides an analysis of outturn compared to capital budgets and explanations of major variances by scheme.

Appendix 5 – details all proposed transfers to reserves and the balances in reserves as at 31st March 2013.

Appendix 6 – details performance for all of the reportable strategic measures.

Appendix 7 – provides a progress summary of Strategic Plan activities.

Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2012

List of “Background Papers” used in the preparation of this report:

No “background papers were used in writing this report