

Committee: Overview and Scrutiny Committee	Date: 22 July 2014	Classification: Unrestricted	Report No:
Report of: Corporate Director Resources	Title: Strategic Performance and Corporate Revenue and Capital Outturn Q4 2013/14 (Month 12)		
Originating officer(s) Keviin Miles, Chief Accountant, & Kevin Kewin, Service, Manager, Strategy, policy & Performance	Wards Affected: *To be completed by author N/A		

Executive Summary

This monitoring report details the financial outturn position of the Council at the end of Quarter 4 compared to budget, and service performance against targets. This includes year-end position for the:

- General Fund Revenue and Housing Revenue Account; and
- An overview of performance for all of the reportable strategic measures.

Recommendations:

The Overview and Scrutiny Committee is recommended to:

- Consider and comment on the matters set out in the report.

1. SUMMARY

1.1 This report details the draft financial outturn position of the Council at the end of the financial year 2013/14 compared to budget, and service performance against targets. Further adjustments 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. The report includes details of;

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

1.2 This report will be considered by Cabinet on 23rd July. The draft Statement of Accounts, including the Comprehensive Income & Expenditure Account, Balance

Sheet and Cash Flow Statement, was considered by Audit Committee on 30th June. The Accounts will be 'subject to audit' with the Audit Commission due to sign them off by 30th September 2014.

1.3 Finance Overview

1.3.1 **General Fund**

The outturn for 2013/14 is a net Directorate budget overspend of £534k (0.2% of budget) on an overall net budget of £298 million: this is consistent with the variance reported in previous monitoring reports. The outturn position includes transfers to reserves (as detailed in Appendix 5). After taking account of the additional RSG and application of earmarked funds this increases the General Fund balance by £27.5million in line with recent forecasts. This represents planned transfers to reserves; ring-fenced funds carried forward and project expenditure that has slipped into a later financial year. New transfers to reserves require formal approval by Members.

1.3.2 **Housing Revenue Account**

There is a £2.6 million surplus on the ringfenced HRA; the surplus is due to the reasons outlined during the year.

Further information is provided in paragraph 2.9 and Appendix 3.

1.3.3 **Capital Programme**

Directorates have spent 67% of their capital budgets for the year (£130m against budgets of £196m). Any unspent budgets will be carried forward and spent in future years. All capital expenditure in 2013/14 was fully funded from available resources. Further information is provided in section 3 of the report and Appendix 4.

1.3.4. **Collection Fund**

The Council will draw down £64.5m of Council Tax income from the Collection Fund in line with budget. The in-year collection rate was 95.4% (2013 - 95.1%) which compares very favourably with neighbouring Boroughs and the projected collection rate remains at 97%, which is in line with budget. £360m was collected in NNDR (Business Rates) with a collection rate of 99.7% (99.6% in 2013) again in line with the original forecast for the year and among the top performers nationwide. With effect from 1st April 2013 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 6.

1.3.5 Pension Fund

The cumulative deficit on the Pension Fund (forecast pension liabilities compared to scheme assets) at the year-end was £496 million (£519 million 2013), broadly unchanged from the previous year. (see Section 5). This is a snapshot valuation for accounting purposes.

1.4 **Performance Overview**

The strategic measures enable the Council to monitor progress against key performance targets. Of the 47 measures used by the Council, 33 are reportable at this stage, with further data awaited for the remaining 14. Of the 33 reportable measures, four indicators have no direction of travel arrow (performance compared to last year) as they are new and two indicators have no RAG (red, amber, green status) status as targets were not set.

7 strategic measures (23%) have met or exceeded their stretched target (Green), 13 (42%) are within target range (Amber) and 11 (35%) are below the standard target (Red). 13 (45%) of all measures have improved compared to this time last year, 7 (24%) are stable and 9 (31%) have deteriorated. Section 6 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 7 provides a progress report on implementation of our strategic activities.

2. **REVENUE**

2.1 **General Fund Summary**

The following table summarises the General Fund revenue outturn compared to budget for 2013/14. The revised budgets for each service area reflect the adjustments and virements made during the year which are detailed in Appendix 1.

SUMMARY	Final Budget £'000	Actual £'000	Transfer to Reserves £'000	Transfer from Reserves £'000	Outturn £'000	Variance £'000
Law, Probity and Governance	9,442	9,141	255	0	9,396	(46)
Communities, Localities and Culture	79,652	72,719	8,592	(1,659)	79,652	0
Development and Renewal	19,710	18,579	2,847	(1,723)	19,703	(7)
Education, Social Care and Wellbeing	228,320	224,443	4,157	(280)	228,320	0
Resources	9,585	9,069	641	(177)	9,533	(52)
Corporate Costs / Capital Financing	17,048	2,299	15,307	(241)	17,365	317
Directorate Total	363,757	336,250	31,799	(4,080)	363,969	212
Central Items (Target Adjustments)	(65,951)	(65,629)	0	0	(65,629)	322
Budget Requirement	297,806	270,621	31,799	(4,080)	298,340	534
Additional Revenue and Support Grant and application of earmarked reserves						(27,463)
General Fund Opening Balance (1st April 2013)						(38,060)
General fund Closing Balance (31st March 2014)						(64,989)

2.2 Year-to-date variances are explained in the detailed budget analysis in Appendix 2. A summary position for each service directorate is set out below.

2.3 **Law, Probity and Governance** **£46k Underspend**

LP&G is showing a small underspend due to vacant posts. This underspend will be taken to general reserves.

2.4 **Communities, Localities & Culture** **NIL**

The directorate was break-even in the financial year.

2.5 Development and Renewal **£7k Underspend**

The directorate was slightly underspent in the financial year.

2.6 Education, Social Care and Wellbeing **NIL**

The headline position being reported is a balanced budget position. However, it is becoming increasingly clear that the changes that have occurred in expected income from the Health Authority in recent years has not been adequately factored into projections and this is pointing to the need to drawdown reserves and grants that are only available for one-off use and which indicate acute budget pressures for the 2014/15 budget on an on-going basis.

The new Agresso forecasting mechanism works on the principle that managers provide detailed line-by-line forecasts on a regular basis, such that the financial position of the directorate is visible by aggregating the forecasts. This approach is taking some time to bed in, particularly because of the complexities of such a large budget with so many individual managers responsible for maintaining a realistic forecast.

2.7 Resources **£52k Underspend**

Resources underspent by £52k, most of this underspend was within Human Resources. This is in line with the projected variance and the variance will be taken to general reserves.

2.8 Corporate Costs & Capital Financing **£317k Overspend**

Creation of corporate provisions led to a small overspend.

Central items shows £27.463 million of additional RSG income within the budget strategy and the application of reserves towards the budget requirement.

2.9 Housing Revenue Account (HRA) **4.1m Underspend**

There is a £4.1 million surplus on the HRA. This underspend is the net result of a number of variances, the main ones being that the Authority has received over £1m more rental income than was budgeted, due to a lower than anticipated level of voids, and a lower number of Right to Buy sales than was assumed when setting the budget.

In addition, as previously reported, the actualisation of 2012/13 service charges has resulted in higher than budgeted income – this is partly due to an increase in

the number of rechargeable repairs in 2012/13 (this element equates to approximately £1.1m). The actualisation process also generated additional income which reflects the recharging to leaseholders of an element of all appropriate costs incurred in 2012/13. In May 2012, the service charge methodology was reviewed to ensure that bills fully reconciled back to all spending through THH's company and delegated budgets. This meant that for 2012/13 service charges the estimate was issued before the review and therefore the actual bills incorporated a 2012/13 adjustment (invoiced in 2013/14). For prior and following years, the estimates and actuals were constructed under the same methodology - this means from 2014/15 onwards, any adjustments are expected to be small.

A number of one-off payments totalling approximately £0.4m were received in 2013/14 in respect of the recovery of costs incurred as part of various stock transfers carried out a few years ago. As previously forecast, the required contribution to the Bad Debt Provision was lower than anticipated due to delays in the implementation of some of the government's Welfare Reforms. In addition, the energy budget is underspent as gas & electricity price increases have been lower than forecast.

The outturn incorporates an RCCO (Revenue Contribution to Capital Outlay) of £9.1 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 2013/14 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.

CMT/Cabinet will be aware that HRA funding is available only for social housing and cannot be applied for general fund purposes.

3. **CAPITAL**

- 3.1 The capital budget now totals £196m, decreased from the £214.4m reported for the third quarter following the re-profiling of transport schemes budget to 2014/15 and re-alignment of Affordable Housing and Housing Capital programmes onto 2014/15.
- 3.2 Details of all the changes to the capital budget are set out in Appendix 1.
- 3.3 Total capital expenditure to the end of Quarter 4 represented 67% of the revised capital programme budget for 2013/14. This resulted in slippage of 33% the 2013/14 budget as follows:

	Annual Budget as at 31-Mar-14	Spend as at 31-Mar-14	Slippage	Slippage
	£m	£m	£m	%
TOTALS BY DIRECTORATE:				
Education, Social Care and Wellbeing	18.925	15.729	3.196	17%
Communities, Localities and Culture	8.440	7.470	0.970	11%
Development and Renewal	26.644	7.293	19.351	73%
Building Schools for the Future (BSF)	42.859	49.577	-6.718	-16%
Housing Revenue Account (HRA)	98.921	50.170	48.751	49%
Resources	0.128	0.128	0.000	0%
Corporate GF provision for schemes under development	0.000	0.000	0.000	0%
GRAND TOTAL	195.917	130.367	65.550	33%

3.4 The £65.5m slippage against the 2013/14 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:

- **Decent Homes Backlog (£25.1m)**

The five year Decent Homes programme totals £189m, which includes £94.5m of Decent Homes backlog grant funding. The scheme is being managed in accordance with GLA grant conditions with the 2013/14 grant amount being £25m. The scheme profile for 2013/14 was £58m; the outturn is £33m, however, all contracts have now been let and it is anticipated that the slippage will be spent in the first half of 2014/15. The GLA grant element for 2013/14 has been maximised with the Authority's own resource contribution slipping into later years.

- **Ocean New Deal for Communities (£6.7m)**

The budget has been re-aligned to reflect the funding provision for Ocean Block H leaseholder re-purchase and decant costs. This is an ongoing scheme with the resources being applied as necessary, with flexibility to utilise resources between years as required.

- **Regional Housing Pot (£6.1m)**

Resources relate to DCLG funding for St. Clements Hospital site and it is anticipated that this will be transferred to the GLA in the early part of 2014/15.

- **Non Decent homes schemes to be developed (£6.0m)**

Cabinet in January agreed to apply £3.55m of these resources to facilitate Decent Homes works on the Malmesbury Estate. The remaining resources were incorporated into the HRA Budget report considered by Cabinet in February.

- **Blackwall Reach (£4.6m)**
 The Blackwall Reach represents a £13 million capital commitment over several financial years. Expenditure of £1.608 million has been incurred in 2013/14, and it is anticipated that the remaining leasehold properties will be acquired during 2014/15; however, this profile is flexible, with resources in place to adapt the profiled funding as necessary.
- **Fuel poverty and insulation works on HRA properties (£3.4m)**
 This budget represents the Council's contribution towards energy saving schemes being developed in conjunction with an energy supplier under the government's Energy Companies Obligation (ECO) programme. The Council budget includes a grant contribution of £2.254 million received from the Department of Energy and Climate Change.
- **Wellington Way Health Centre (£3.1m)**
 This capital estimate represents a ring-fenced section 106 payment to Barts NHS Trust in respect of Wellington Way Health Centre. It is likely that the NHS Trust will not draw these funds down until 2014/15; therefore the resources will be carried forward.
- **Multi Faith Burial Grounds (£3m)**
 Resources have been set aside to support the provision of a multi faith burial facility. The resources will be carried forward into 2014/15.
- **High Street 2012 (£2.5m)**
 The High Street 2012 project is now scheduled to be completed during 2014/15. The budgets will be reduced to reflect the fact that some elements of the work have been undertaken directly by contractors as part of their section 106 obligations.
- **Faith Buildings (£1.7m)**
 Resources have been set aside to support a grant programme to offer financial assistance to faith communities to repair, adapt and improve buildings in Tower Hamlets in which faith-based activities occur. The resources will be carried forward into 2014/15.
- **Refurbishment of Phase 3 of the Council's Short Life Properties (£1.6m)**
 This scheme is to refurbish 12 short life properties and bring them back into use as rented stock. Preliminary works have been undertaken with the renovations taking place in 2014/15. The resources will be carried forward into 2014/15.

3.5 The capital spend of £130.4 million has been funded from the following capital financing sources:

Source of Financing	£m
Government Grants	84.851
Capital Receipts	14.702
External Borrowing	1.019
Developers' Contributions (section 106)	7.739
Revenue Contributions	10.258
Major Repairs Reserve	11.798
Total	130.367

3.6 The total approved budget, taking into account the whole life of all capital schemes, is currently £884.2m against which spend of £884.2m is forecast resulting in a total nil variance.

	All year budget as at 31-Mar-14	Projection 31-Mar-14	Variance
	£m	£m	£m
Education, Social Care and Wellbeing	112.459	112.460	0.001
Communities, Localities and Culture	75.021	75.020	-0.001
Development and Renewal	38.288	38.288	0.000
Building Schools for the Future (BSF)	325.531	325.531	0.000
Housing Revenue Account (HRA)	302.760	302.760	0.000
Resources	0.220	0.220	0.000
Poplar Baths & Dame Colet House	20.000	20.000	0.000
Corporate GF provision for schemes under development	10.000	10.000	0.000
GRAND TOTAL	884.279	884.279	0.000

3.7 Capital receipts received in 2013/14 from the sale of Housing and General Fund assets as at 31 March 2014 are as follows:

Capital Receipts		
	£m	£m
Receipts from Right to Buy (78 properties)	8.361	
less poolable amount to DCLG	-1.807	6.554
Sale of Housing Land		
Queens Head PH	0.350	
Enfranchisement	0.070	
Cotall Street	0.610	1.030
Sale of General Fund assets		
Travelodge site	2.910	
Sale of subsoil at Wapping Pier Head	0.300	
Overage Payments (Wapping Lane)	0.366	
Enwonwu Sculpture (LBTH share - net)	0.086	
Land at Lukin Street	2.900	6.562
Total		14.146

These receipts have already been allocated to schemes as part of the current and previous years' capital programme allocations. Right to Buy receipts must be set aside to meet targets on housing provision as set out in regulations governing the pooling of housing capital receipts, so they must be ring-fenced for this purpose and are not available for general allocation.

4 COLLECTION FUND

- 4.1 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 pre-cepting 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)
- 4.2 The Council's share of Council Tax income as at 31st March 2014 was £64.5m compared to the budgeted base of £63.4m. The in-year collection rate was 95.4% (95.1% 2013) with a final projected collection rate of 97% (actual 2013/14 to date 95.4%). £63.4m plus a previous year's surplus of £1.6m was transferred from the Collection Fund to the General Fund, in line with budget. After making appropriate provisions for bad debts, the Council has a £1.2m share of a surplus on the fund that will be carried forward.

- 4.3 The Council collected £360m in NNDR and achieved an in year collection rate of 99.7% (99.6 in 2013) – this exceeded the 99.5% collection target and contributes greatly to mitigating the risk of outstanding appeals.

The cumulative gross amount outstanding for all years at the year-end was £11.4m.

- 4.4 Details of income collection during 2013/14 are shown below:

Income Stream	Collected in 2012/13 %	2013/14 Target to 31.03.14 %	2013/14 Collected to 31.03.14 %	Direction of Travel
Business Rates	99.69	99.50	99.70	↑
Central Income	91.01	92.00	92.04	↑
Council Tax	95.10	95.20	95.40	↑
Housing Rent	99.61	98.00	100.11	↑

PENSION FUND

- 5.1 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.
- 5.2 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.
- 5.3 The employee contribution level was between 5.5% - 7.5% during 2013/14 and staff contributions into the fund totalled £11.0m. The employer's contribution rate is currently 15.8% with the Council paying a total of £25.5m in contributions, plus an additional payment of £16.5m in deficit funding, into the fund in 2013/14 which is reflected in the total employee costs for the Council in that year of £42.0m. There were 6,158 active members in the scheme from a total establishment of 8,654 employees.
- 5.4 As at 31st March 2014 there was a deficit on the fund of £496 million (£519m 2013) under the IAS19 (former FRS17 calculation), the deficit was broadly unchanged from 2013. This is a snapshot valuation for accounting purposes.

The revaluation for contributory purposes took place during 2013 and has left the Council's % contribution rates unchanged from April 2014, though lump-sum contributions will increase by £2 million a year (up to £18.5m in 2014/15).

6 PERFORMANCE

- 6.1 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.
- 6.2 The following sections of the report provide year-end performance information for the Council's Strategic Plan activities (appendix 6) and strategic measures (appendix 7).

STRATEGIC MEASURES

- 6.3 There are 47 strategic measures in the 2013/14 Strategic Plan, including subset of measures, to monitor progress in delivering against the Council's priorities. 33 of the 47 measures are currently reportable. Data is not yet available for some strategic measures. Data for these indicators will be available shortly. These measures are:

- **Percentage of overall council housing stock that is non-decent** – year end data is expected shortly after quality checks have been completed.
- **Number of households who considered themselves homeless who approached the local authority's housing advice service(s), and for whom housing advice casework intervention resolved their situation** – year end data will be available after quality checks have been completed.
- **Percentage of household waste sent for reuse, recycling and composting** – provisional outturn is reported, the final outturn will be available in September once final validation has been undertaken by the service.
- **Rate of violence with injury crimes – DV and non-DV** – due to recent changes within the Metropolitan Police, data relating to violence with injury measures is not currently available.
- **Percentage of CAF reviews with an improved average score** – year end data will be available once data collection from all third party sources has been completed.
- **Self-reported experience of social care users** – year end data is due shortly, after the RAP return has been finalised.
- **Smoking quitters** – year end data is published one quarter in arrears, so will be available for the Quarter 1 monitoring period.
- **Annual Resident Survey measures relating to people's perceptions of the Council, community cohesion, and crime and anti-social behaviour** –

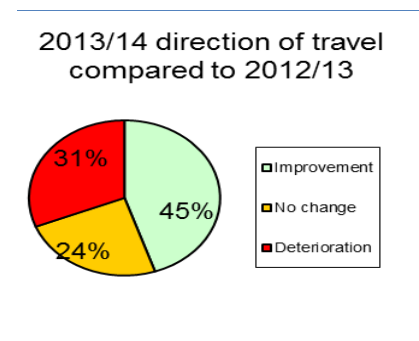
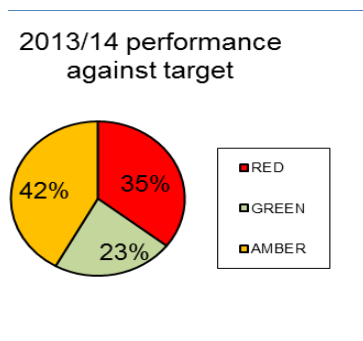
fieldwork interviews commenced early June, and it is anticipated that outturns will be reported in the Autumn of 2014.

6.4 Outlined below (and detailed in appendix 6) is year-end information, or latest available performance data. 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

6.5 Of the 33 reportable measures two have no RAG as no target was set and four have no direction of travel arrow as they are new measures:

- 7 (23%) are meeting or exceeding their stretch target (Green), with 6 (85.7%) of these an improvement from last year (↑);
- 13 (42%) are above the standard target (minimum expectation) but below the stretch target (Amber), with 6 of these improving (↑) and 3 deteriorating (↓) compared to last year's performance;
- 11 (35%) are below the standard target (Red), with 1 indicator improving (↑) and 6 deteriorating (↓);
- Overall 13 out of the 33 indicators (45%) show improved performance compared to last year (↑), 7 (24%) are stable (↔), and 9 (31%) have deteriorated (↓).



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

Percentage of LP07 or above Local Authority staff who have a disability (excluding those in maintained schools)

6.34% of LP07+ staff have a disability; the stretch target of 5.8% has been exceeded.

Number of working days / shifts lost to sickness absence per employee

There were 6.47 days lost per employee to sickness absence this year. This is better than the stretch target (6.5 days) and an improvement on last year's outturn (7.07 days).

16-19 year olds who are not in education, employment or training (NEET)

4.5% of young people in this age group are NEET. The stretch target has been met and there has been an improvement on last year's outturn of 4.9%.

Rate of personal robbery

There were 4.47 personal robbery incidents per 1,000 residents in Tower Hamlets this year. The target of 4.48 was exceeded and there was an improvement on last year's outturn of 5.3 incidents per 1,000 residents.

Under 18 conception rate

The conception rate for 2012 (data published for the 13/14 financial year) was 24.3 per 1,000 in this age group. This equates to a 57.9% reduction from the 1998 base rate. The stretch target (-53.6%) has been exceeded and is an improvement on last year's outturn (-50.7%).

- 6.7 *Areas of improvement, where performance has improved compared to last year, include:*

Level of street and environmental cleanliness – detritus / graffiti / fly-posting

Annual performance has improved compared to 2012/13. There has been a 33% improvement for detritus (from 3.6% to 2.4%); a 29.5% improvement for graffiti (from 8.8% to 6.2%), and a 9% improvement for fly-posting (from 2.2% to 2.0%). The year-end performance is measured as an average of performance over the three tranches. The year-end outturns have improved by 1.2 percentage points for detritus, 2.6 percentage points for graffiti, and 0.2 percentage points for fly-posting.

Overall employment rate – gap between the borough and London average (working age)

At 6.7%, the stretch target of 6.3% has not been met; the minimum standard has been achieved. However, the gap between the employment rate in Tower Hamlets and the London average has narrowed by 0.6% compared to this time

last year. Although there has been a decline in the employment rate in the borough since last quarter, the trend this year and over the past few years has been positive. The employment rate in Tower Hamlets is now higher than our closest neighbours, Newham and Hackney.

JSA claimant rate (gap between the borough and London average (working age))

The JSA claimant rate in Tower Hamlets is 3.8% and the London Average is 2.9%. The gap between Tower Hamlets and the average is 0.9 percentage points. This is above the stretch target of 0.6 but exceeds the minimum standard. The gap has improved by 0.7 percentage points since last year. Narrowing the gap on this measure is a trend over the past few years.

All-age, all-cause mortality, male

First reported in Quarter 2, the latest available mortality figures relate to the 2012 calendar year. There has been a reduction of 8.7 percentage points in the all-age all-cause mortality rate for males between 2011 and 2012. 2013 data will be available in August 2014.

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

Number of affordable homes delivered (gross)

581 affordable homes were delivered this year against the minimum target of 600. This is 49 fewer homes than were built last year. A large number of schemes have slipped, but many of the units which have just missed their 31st March deadline will now complete in the first quarter of next year. Causes of delays include utility connections and highway works.

The number of overcrowded families rehoused, lets to overcrowded households

The minimum target of 1,000 lets to overcrowded households has not been achieved. The annual outturn of 815 lets is significantly under target and also 595 fewer than last year. There has been an increase in the number of offers to non-priority cases and the 10% target set for Band 3 applicants (who are adequately housed) under the Council's lettings plan has reduced the number of lets available to overcrowded families.

Rate of residential burglary

At 13.77 crimes per 1,000 residents, the target (12.35) has been missed. There has been a minor deterioration in performance since last financial year when there were 13.72 crimes per 1,000 population.

CAD Calls for ASB

There were 76.85 CAD calls for ASB per 1,000 population against a target of 67.51. The target was missed and this year's outturn was 1.84 percentage points higher than last year.

Smoking Quitters

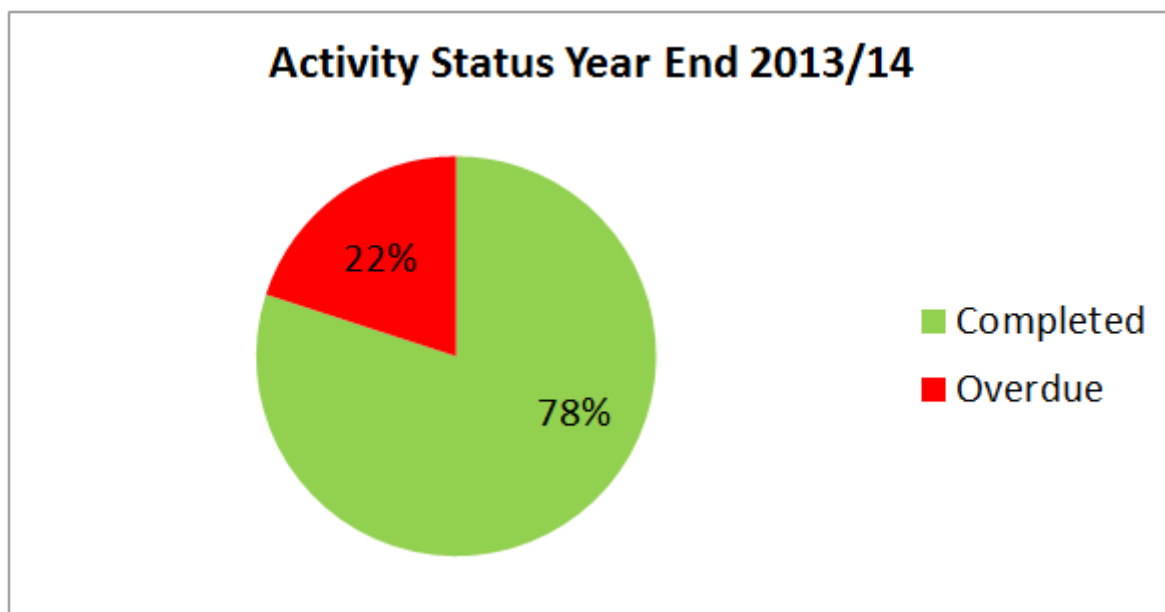
Data is available up to Q3 2013/14. During this period 1,421 people had achieved the four week quit. The Q3 target of 2,250 has been missed and at the same point last year, 2,419 smokers had achieved the four week quit. The annual target of 3,000 is at risk of being missed.

All-age all-cause mortality rate – female

The final outturn for the 2012 calendar year was 508.9 deaths per 100,000 female residents. The target of 451 was missed and the outturn is 39.4 higher than the previous year (2011).

7 STRATEGIC PLAN ACTIVITIES

- 7.1 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 2013/14 Plan.
- 7.2 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 2013/14 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.
- 7.3 There are 82 activities in the 2013/14 Strategic Plan. At year-end, 64 activities (78%) have been completed; and 18 (22%) are overdue, with most of these due to complete by the first half of the current financial year.



- 7.4 Overall, performance in delivering the 2013/14 Strategic Plan has been good, with just over three quarters of activities completed.
- 7.5 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 disbursed payments from the Temporary Accommodation Support Fund to affected residents and regular six weekly meetings of the Welfare Reform Task Group have taken place, with sharing of best practice in supporting residents affected by welfare reform. There have been targeted communications through resident engagement events and poster campaigns; with briefings and training for front-line staff.
- 7.6 The Council continues to work with its key partners to secure employment opportunities for local residents. A Tower Hamlets Economic Development Task Force has been established to identify specific areas of development following the elections in May 2014. The revised Employment and Skills service structure has delivered a 25% increase in output for the year. Targets relating to apprenticeships have all been met and officers continue to work closely with the procurement and planning processes to maximise contractual obligations.
- 7.7 Good progress continues to be made in providing affordable homes for local people. The Council is on course to deliver over 4,076 affordable homes by May 2014, 1,341 of those are family sized (34.6%).
- 7.8 Community Safety remains a key priority for the borough. The recruitment programme for Tower Hamlets Enforcement Officers has been completed, with all posts being filled. The Council, working with its community safety partners, has developed a Violence Against Women & Girls action plan and training programme. The Council adopted a Cumulative Impact Policy (Saturation Policy) to provide stronger controls around the licensing of additional premises in the

Brick Lane area. Additional legislative powers to better control the impact of Sex Entertainment Venues were adopted by full Council.

- 7.9 The Council and its partners are tackling health inequalities and make the borough healthier. The Health & Wellbeing Board has agreed the Towards a Healthier Tower Hamlets Strategy and delivery plan. The Council has also invested in improving the borough's leisure centres and play pitches, with planning permission being granted on the Poplar Baths development.
- 7.10 18 activities have been assessed as being overdue. Only 3 of these activities are less than 75 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.

Expand free early education placed of high quality for disadvantaged two year olds (40% complete)

The target remains extremely challenging as finding and setting up new childcare facilities is a complex and lengthy process. 398 places have been created with a further 248 opening in April 2014. 20 additional projects are in various stages of development and will continue to be worked on in 2014/15. The Schools Forum has approved a revenue to capital transfer of £2.5m, which is pending sign off from the DfE.

Optimise use of existing funding and maximise prospects for future funding (50% complete)

Optimising use of existing funds and maximising prospects for future funding continues into 2014/15. Building an evidence base and evaluating the effectiveness of currently funded provision will be done before future programmes are defined. Testing of an online monitoring tool is scheduled for Q1 of 2014/15 and whilst the launch of round 3 of the European Social Fund (ESF) / Community Grants continues, no additional ESF / Community Grant packages have been secured.

Make better use of our buildings (30% complete)

The renewed Asset Management Strategy is on track for Cabinet approval in July 2014, also informing the disposals programme. This had been delayed due to need to clarify arrangements with Directorates. The disposals programme is linked to the Asset Management Strategy and therefore the disposals of surplus assets are delayed until this is completed.

8. COMMENTS OF THE CHIEF FINANCIAL OFFICER

- 8.1 Under Financial Regulations it is the responsibility of senior managers to spend within budgets and, where necessary, management actions will need to be taken over the remainder of the financial year to avoid overspend.
- 8.2 If there had been a revenue overspend during 2013/14, this would have had a negative impact on the Medium Term Budget Plan and would have required more savings in future. With a roughly break-even position in 2013/14, there has not been an adverse impact on savings targets, however there were budget pressures within ESCW services that required funding from reserves during 2013/14.

9. LEGAL COMMENTS

- 9.1 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.
- 9.2 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.
- 9.3 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.
- 9.4 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 8 of the report and officers must consider the need for equality analysis when carrying out any action in discharge of the Council’s functions.

10. ONE TOWER HAMLETS CONSIDERATIONS

The Council's Strategic Plan and Strategic Indicators are focused upon meeting the needs of the diverse communities living in Tower Hamlets and supporting delivery of One Tower Hamlets. In particular, strategic priorities include the reduction of inequalities and the fostering of community cohesion – these are measured by a variety of strategic indicators.

11. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

An element of the monitoring report deals with environmental milestones within the Great Place to Live theme.

12. RISK MANAGEMENT IMPLICATIONS

In line with the Council's risk management strategy, the information contained within the strategic measure 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.

13. CRIME AND DISORDER REDUCTION IMPLICATIONS

The strategic measure set contains a number of crime and disorder items under the Safe & Cohesive theme, however there are no specific crime and disorder reduction implications.

14. EFFICIENCY STATEMENT

Efficiencies for 2013/14 are incorporated within the estimated forecast outturn.

15. APPENDICES

- Appendix 1 - lists budget/target adjustments (including virements) for the General Fund and capital budget movements
- Appendix 2 - provides the budget outturn forecast by Directorate and explanations of any major variances.
- Appendix 3 - provides the budget outturn forecast and explanations of major variances for the HRA.
- Appendix 4 – provides details of the capital programme and explanations of any major variances
- Appendix 5 – provides details of the contribution to Reserves
- Appendix 6 – provides an overview of performance for all of the reportable strategic measures
- Appendix 7 – provides a summary of progress against the Strategic Plan

**Local Government Act, 1972 Section 100D (As amended)
List of “Background Papers” used in the preparation of this report**

No “background papers” were used in writing this report