

Cabinet 7 January 2015	 TOWER HAMLETS
Report of: Corporate Director Resources	Classification: Unrestricted
Strategic Performance and Corporate Revenue and Capital Monitor Q2 2014/15 (Month 6)	

Lead Member	Cabinet Member for Resources. Cllr Alibor Choudhury
Originating Officer(s)	Kevin Miles, Chief Accountant. Louise Russell, Service Head, Corporate Strategy and Equality
Wards affected	All
Community Plan Theme	All
Key Decision?	No

Executive Summary

This monitoring report details the financial outturn position of the Council at the end of Quarter 2 compared to budget, and service performance against targets. This includes the projected year-end position for the:

- General Fund Revenue, Housing Revenue Account and Capital Programme; and
- An overview of quarter 2 performance for the Strategic Plan and all of the reportable Strategic Measures.

Recommendations:

The Mayor in Cabinet is recommended to:

- Note the Council's financial performance compared to budget for 2014/15 as detailed in Sections 3 to 6 and Appendices 1-4.1 of this report.
- Review and note the 2014/15 quarter 2 performance for the Strategic Plan and the reportable Strategic Measures in Appendices 5 & 6.
- Agree a capital estimate of £275,000 for works at White Horse 1 O'Clock Club, as set out in Appendix 4.2.

1. REASONS FOR THE DECISIONS

- 1.1. Good financial practice requires that regular reports be submitted to Council/Committee setting out the financial position of the Council against budget, and its service performance against targets.

- 1.2. The regular reporting of the Strategic Performance and Corporate Revenue and Capital Budget Monitoring should assist in ensuring that Members are able to scrutinise officer decisions.

2. ALTERNATIVE OPTIONS

- 2.1. The Council reports its annual outturn position against budget for both revenue and capital net spend. It also reports its strategic performance.
- 2.2. Significant variations, trends and corrective action are reported in the body and appendices of the report. No alternative action is considered necessary beyond that included below and this report is produced to ensure that Members are kept informed about decisions made under the delegated authority.

3. DETAILS OF THE REPORT

- 3.1 This monitoring report details the financial position of the Council at the end of September 2014 (Month 6) compared to budget. The report includes details of;
 - General Fund Revenue and Housing Revenue Account;
 - Capital Programme;
 - Performance for strategic measures; and
 - Progress against Strategic Plan activities.

3.2 General Fund

As at the end of September 2014, the net projected General fund outturn position is £296.57m. This represents a £2.64m overspend, less than 1%, on the approved budget of £293.93M.

Resources and Education, Social Care & Wellbeing (ESCW) are currently projecting overspend positions of £1.6m and £1.9m respectively, whereas Law, Probity and Governance (LPG) is showing a small underspend (£50k). There is also an underspend of £800k in corporate costs and central income. Other directorates are forecasting a breakeven position. Details of the variances are included below and in 'Appendix 2'.

3.3 HRA

The HRA is projecting an underspend position of £0.852m 2014/15. This is less than 1.0% of the total budgeted income of £90.6m.

3.4 Capital Programme

Directorates have spent 23% of their capital budgets for the year (£44.9m against budgets of £197.7m). Further information is provided in section 6 of the report and Appendix 4.1.

Appendix 4.2 includes a recommendation for the adoption of a capital estimate in order not to delay matters before the next main ESCW programme report to Cabinet.

3.5 More detailed financial information is contained in the following report appendices:

- **Appendix 1** - lists Revenue and Capital budget / target adjustments (including virements).
- **Appendix 2** - provides the General Fund budget outturn forecast by Directorate and explanations of any major variances.
- **Appendix 3** – provides the budget outturn forecast for the HRA
- **Appendix 4.1** – provides the projected Capital Monitoring outturn position
- **Appendix 4.2** – sets out the detail of a capital estimate recommended for approval
- **Appendix 5** – provides the six month Strategic Plan monitoring
- **Appendix 6** – provides a summary of the Strategic Measures

4. FINANCE OVERVIEW

4.1. The following table summarises the current expected outturn position for the General Fund.

SUMMARY	Latest Budget £'000	Budget to Date £'000	Actual to Date £'000	Variance to Date £'000	Forecast Outturn £'000	Variance £'000
Law, Probity and Governance	9,291	4,646	5,128	482	9,241	(50)
Communities, Localities and Culture	79,481	36,673	31,895	(4,778)	79,481	0
Development and Renewal	15,914	7,831	10,773	2,942	15,914	0
Education, Social Care and Wellbeing	219,477	107,073	95,993	(11,080)	221,368	1,891
Resources	6,981	3,490	(6,477)	(9,967)	8,581	1,600
Corporate Costs / Capital Financing	(37,211)	(18,505)	7,161	25,666	(38,011)	(800)
Total	293,933	141,208	144,473	3,265	296,574	2,641

4.2 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.

4.3 **Law Probity and Governance** **£50k Underspend**

The LP&G directorate is showing a small underspend as a result of vacancies in the Corporate Management structure.

4.4 **Communities, Localities & Culture** **Nil**

A breakeven position is forecasted for this financial year

4.5 **Development and Renewal** **Nil**

The D&R directorate is forecasting a nil outturn for the financial year

4.6 Education, Social Care and Wellbeing

£1.9m Overspend

The extent of the financial pressures being experienced, principally by Adults Social Care packages is such that there are insufficient grants and reserves to cover the whole forecast amount. Therefore, an unavoidable overspend which was reported for CMBM05 has had to be included in the return to Corporate Finance for CMBM06, this is consistent with discussions which took place at the last Financial Recovery Group on 27th October 2014.

There remain risks affecting the budget position, some of which may improve the position; others may make the position worse.

Pressures experienced within Adults Social Care at the mid-point in the year are significant, particularly within Learning Disability, Physical Disability and Mental Health care packages. After the use of reserves, available grants and in year savings assumptions the current pressures in the directorate can be contained to an overspend of £1.9m, this has decreased from the quarter 1 position of £2.1m. Initial work in CMBM07 indicates that this downward trend may continue in quarter 3. This is partly as a result of extensive work to refine and revisit the make-up of care packages through challenge panel processes implemented by the Adults Social Care Financial Recovery Group.

The Financial Recovery Group has been established to work through the policy, process, systems, service and financial issues associated with restoring management and financial control for Adults Social Care. The work that this group oversees will be vital to restoring stability and visibility to the financial issues for ASC packages.

The Schools Budget is reporting an improved position, again, with forecast unallocated DSG at year-end now looking to be £4.696m.

4.7 Resources

£1.6m Overspend

The Resources directorate is forecasting an overspend of £1.60m.

The Council has a statutory duty to provide affordable accommodation for homeless families. Achieving that affordability expectation sees the majority of these households being awarded housing benefit (Non HRA Rent Rebates). However, the Government's subsidy on such payments relies on a formula that caps subsidy to 90% of the January 2011 Local Housing Allowance level. The fees the Council finds itself paying to landlords for the supply of temporary accommodation are significantly above this subsidy cap. The Council is facing

pressure from increasing numbers of families, attempting to procure accommodation locally and continuous increases in private sector rents.

In 2014/15 the position has been reviewed with the Housing Options Service, and a cost pressure of £2.6m has been identified. The 2014/15 budget contained £1m to allow for growth in this area, and funding for an extra £1.6m needs to be agreed to avoid an overspend. It is likely that private sector rent within the borough will continue to increase and further growth in excess of £1m will be required in 2015/16 onwards. Provision for this is being incorporated into the 2015/16 budget proposals

4.8 Corporate Costs & Capital Financing 800k Additional Income

Investment balances have been higher than expected due to Government grants being paid earlier in the year; capital expenditure slippage until later in the year; and a slightly higher interest return on longer term investments.

Spend to date variance is due to items such as depreciation and minimum revenue provision which are processed at year-end.

5. Housing Revenue Account £0.85m Underspend

The overall projected HRA underspend is the net result of a number of variances, the main ones being that rental income is forecast to be lower than budgeted; this is due to the high number of Right to Buy sales that are taking place – in the first six months of the year there have been 101 Right to Buy sales, compared to 14 sales during the same period last year. Energy costs are still forecast to be lower than budgeted, although this is a volatile budget and costs may increase if there is a period of prolonged cold weather. In addition, the 2014/15 budget includes £1.3m in respect of additional costs due to an increase in employer pension contributions and current forecasts are that the actual increase in costs will be lower than budgeted.

6. CAPITAL

6.1 The capital budget now totals £197.7m, decreased from the £208.9m reported at the end of June 2014. It is usual for the annual budget to be re-profiled into future years as initial grant allocations tend to be included in the current year budget and then re-profiled across years as further information on new projects becomes available.

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

6.3 Total capital expenditure to the end of Quarter 2 represented 23% of the revised capital programme budget for 2014/15 as follows:

	Annual Budget as at 30-Sep-14	Spent to 30-Sep-14	% Budget Spent
	£m	£m	%
TOTALS BY DIRECTORATE:			
Education, Social Care and Wellbeing	22.329	7.795	35%
Communities, Localities and Culture	10.896	2.207	20%
Development and Renewal	20.217	7.945	39%
Building Schools for the Future (BSF)	6.073	5.574	92%
Housing Revenue Account (HRA)	126.214	21.423	17%
Corporate GF provision for schemes under development	12.000	0.000	0%
GRAND TOTAL	197.729	44.944	23%

This compares with 19% at the same stage last year.

Although this is a seemingly low percentage of budget spent for halfway through the year, spend tends to be heavily profiled to the end of a year. At the end of November the capital spend was approximately £61m.

The main schemes which contribute to this figure are:

- Corporate GF provision (0% of £12.0m annual budget spent)**

This is set aside for the purchase of the new civic centre site which will be a one-off payment. Current forecasts indicate that this will take place towards the end of this financial year.
- Housing Capital Programme (2% of £20.7m annual budget spent)**

Non-Decent Homes schemes will not commence until 3rd quarter due to current focus on Decent Homes programme. 2014/15 budget projected to underspend (slip) by £10.7m so variance against profiled budget is in line with annual projection.
- New Affordable Housing Schemes – Ashington Estate East and Extensions (1% of £11.3m annual budget spent)**

Due to delays in finalising the dwelling mix for the Ashington Estate East project and the number of units to be provided, it is now unlikely that the tendering and planning processes will be undertaken in order for works to start on site during 2014-15. The Extensions scheme is a two year programme with a grant deadline that all completions must take place by March 2016. As such, the full budget was included within the 2014-15 financial year. Resources are however flexible between the two financial years. For both of these schemes the budget profile will be amended as part of the 2015-16 budget process to reflect actual progress.

- **Fuel Poverty and Insulation Works on HRA Properties (0% of £3.4m annual budget spent)**

Delays have arisen on this project due to changes in the Government's Energy Companies Obligations (ECO) scheme which resulted in the Council's partner (British Gas) withdrawing from the proposed project. The Council has however, secured alternative ECO funding from EDF, with formal contracts being entered into on 20 November

- **Decent Homes Backlog (25% of £73.6m annual budget spent)**

Accruals and fees which will be claimed from GLA are posted as part of year end procedures, resulting in a skew towards Q4 spend

6.4 Projected capital expenditure for the year compared to budget is as follows:

	Annual Budget as at 30-Sep-14	Projection 31-Mar-15	Forecast Variance
	£m	£m	£m
TOTALS BY DIRECTORATE:			
Education, Social Care and Wellbeing	22.329	22.165	-0.164
Communities, Localities and Culture	10.896	10.896	0.000
Development and Renewal	20.217	19.089	-1.128
Building Schools for the Future (BSF)	6.073	6.073	0.000
Housing Revenue Account (HRA)	126.214	115.546	-10.668
Corporate GF provision for schemes under development	12.000	12.000	0.000
GRAND TOTAL	197.729	185.769	-11.960

Programme slippage of £11.9m is currently being projected. The projection does not reflect an underspend but is due to timing differences between years. Any amount of slippage will be spent in future years. The main reasons for the variance are as follows:

- **Housing Capital programme (£10.7m)**

This budget is managed by Tower Hamlets Homes and covers works outside of the on-going Decent Homes programme such as heating, lifts and door entry systems, roofing, windows etc. with investment need assessed by stock condition surveys. Due to the Authority focusing on the Decent Homes programme, the non Decent Homes HRA capital schemes will not commence until Q3 of 2014/15, and therefore it is highly likely that this budget will not fully spend in 2014/15. In the event of an underspend, resources will be carried forward to 2015/16.

6.5 The total approved budget, taking into account the whole life of all capital schemes, is currently £911.7m against which spend of £911.7m is forecast resulting in a total nil variance.

6.6 Capital receipts received in 2014/15 from the sale of Housing and General Fund assets as at 30th September 2014 are as follows:

Capital Receipts		
	£m	£m
Sale of Housing assets		
Receipts from Right to Buy (100 properties)	10.533	
less pooled amount paid to DCLG	-0.792	9.741
Sale of General Fund assets		
Overage Payments (Wapping Lane)	0.518	0.518
Total		10.260

Retained 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.

6.7 Approval is sought for an ESCW capital scheme for works to the White Horse 1 o'clock club. Further details are set out in Appendix 4.2

7. STRATEGIC PLAN 2014/15

7.1 The council's performance management and accountability framework requires CMT and members to consider our progress against Strategic Plan activities every 6 months. This section provides a monitoring update for the first 6 months of the 2014/15 Plan.

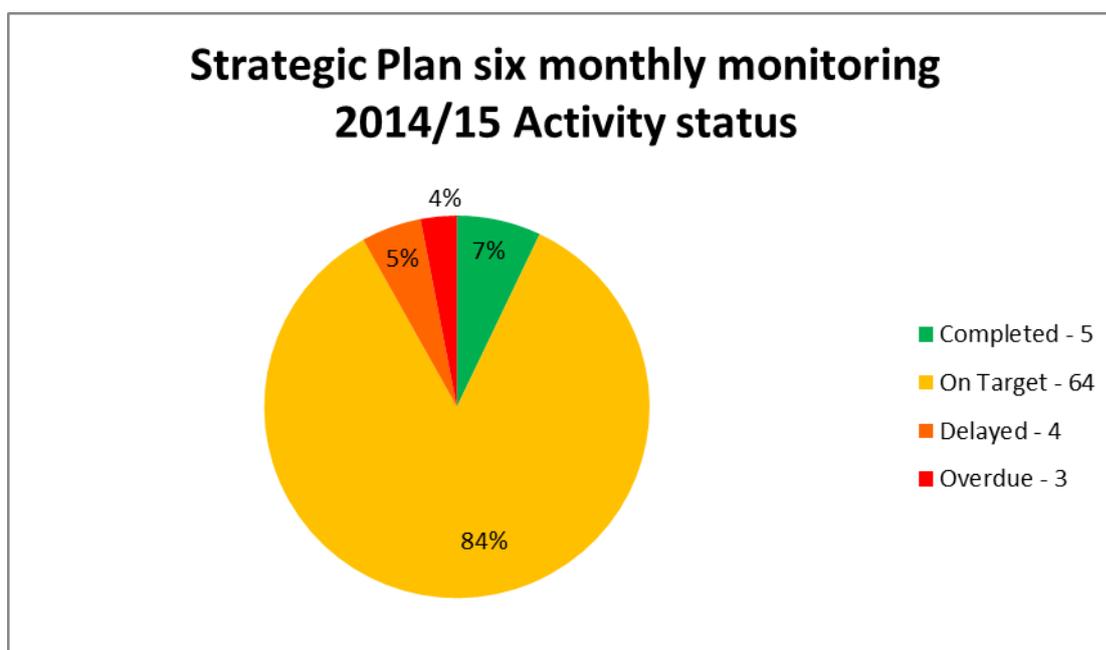
7.2 All activities within the Strategic Plan have been monitored and are included in **Appendix 5**. The following criteria are used to report on the status of activities:

- Completed (Green) - where an activity has been completed.
- On Target (Gold/Amber) - where an activity is not due for completion yet, and managers consider that progress is on track to meet the deadline. The percentage completed is given to provide an indication of the work already carried out.
- Delayed (Orange) - where an activity has missed its deadline or is assessed as likely to miss its deadline, but is still anticipated to complete within the financial year.

- Overdue (Red) - where an activity has been identified as likely to not be completed this financial year. 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 76 activities in the Strategic Plan. 91% of these activities are either complete or on target to complete on time, meaning the Council is well on track to delivering our strategic objectives within this financial year.

7.4 In total 5 (7%) of activities are completed, 64 (84%) are on target with 4 (5%) delayed and 3 overdue (4%).



7.5 Overall performance in delivering against the Strategic Plan is strong, with several activities complete, some earlier than anticipated:

7.6 **Increase household waste sent for reuse, recycling and composting** This activity, including developing a media awareness campaign, determining future demand profiles, and evaluating waste generation for estate-based communities has been completed ahead of the target date of March 2015.

7.7 **Embed a Child Rights Approach in all of our commissioning for 2014/15** – This activity, including ensuring key partners sign up to the Mayor’s Charter of Child Rights, and the associated commissioning framework, training and procurement were completed before the target date of February 2015.

7.8 **Implement the Welfare Reform Temporary Accommodation Support Fund** – This activity completed by the October deadline and the fund is likely to continue to March 2015.

- 7.9 **Deliver free school meals for all primary pupils in the Borough through supplementing the government's Universal Infant Free School Meals Programme** – This activity is complete and each pupil based in Years Reception to Year 2 is now receiving a hot free school meal. This meets or exceeds the Government's nutritional and food based guidelines. In addition to the Government's scheme, all pupils in Years 3-6 are also receiving free school meals if they are not already entitled under the statutory scheme.
- 7.10 **Coordinate and support the implementation of the recommendations arising from the Tower Hamlets Fairness Commission** - This activity is complete, with a progress update being presented to Cabinet in November.
- 7.11 4 activities (5%) have been flagged as being delayed (Orange):
- 7.12 **Raise attainment and narrow the gap between the lowest 20% and the median of all children at the end of the Early Years Foundation Stage (EYFS)** – Schools will now receive three visits over the course of the year rather than the traditional annual visit. Assessment training is ongoing – this includes NQTs and experienced co-ordinators in schools. However, rollout of the mathematics programme has been delayed due to issues with the recruitment of a teacher to work with both schools and MPVIs.
- 7.13 **Increase the number of children achieving 5 A* to C grades including English and maths grades at GCSE** - Provisional 2014 GCSE results were released to schools in late August 2014. There have been a number of significant changes to exams this year which the DfE warned could impact on this year's results. The provisional results show that the percentage of students achieving 5+ A*-C GCSEs (including English and Mathematics) is 59.5% - a drop of 5.2% points on last year's figure of 64.7% (although remaining 25 percentage points above 2005/06 levels). Tower Hamlets' results are still likely to be above the national average. The Council's role is to broker support between schools and strengthen partnerships. There has been some slippage with milestones but remedial actions are in place.
- 7.14 **Develop and implement a Women and Health employment programme focussing on the priority of Maternity and Early Years** – The programme has been developed and first cohort is ready to be recruited. However, this is on hold pending further discussions.
- 7.15 **Provide proportionate support to vulnerable children and families** – implementation of the revised procedures to ensure that care proceedings take 26 weeks on average have been delayed, as has the use of Signs of Safety risk analysis tools across agencies.

- 7.16 3 activities have been flagged up as Overdue (Red) i.e. where an activity has been identified as likely to not be completed this financial year.
- 7.17 **Deliver a Multi-faith Burial Ground** – Our external partner has been unable to secure planning consent, and so an alternative site has been identified. However this will result in there being a year delay from the original timescale.
- 7.18 **Make better use of our buildings and other public assets** – Delays in implementing the Corporate Landlord Model have had a consequent impact upon other milestones within the activity. This includes an impact on the commencement of work on the Civic Centre, due to the purchase of the site from NHS Barts being yet to complete. Works on site are now estimated to commence in December 2016.
- 7.19 **Work with people with drug and alcohol dependencies to break the cycle of substance misuse** – The milestone relating to Completing the Drug & Alcohol Service re-provisioning. The specifications for tender have been completed. However, this milestone has been delayed and budget is yet to be agreed. This milestone is unlikely to be completed before year end.

8. **STRATEGIC PERFORMANCE MEASURES**

- 8.1 The strategic measures enable the Council to monitor progress against its priorities outlined in the Strategic Plan. The strategic measures reflect the Council's continued commitment to set itself stretching targets. They are reviewed on an annual basis as part of the refresh of the Strategic Plan to ensure that it remains fit for purpose. Where necessary, there will also be in-year reviews of the measures.
- 8.2 **Appendix 6** illustrates the latest performance against our strategic measures. Performance against the current stretching target is measured as either 'Red', 'Amber' or 'Green' (RAG). Should performance fall below standard target – indicated as the dotted red line - it is marked as 'Red'. Should it be at or better than the standard target, but worse than the stretched target – indicated as the solid green line - it is 'Amber'. Where performance is at or better than the stretched target, it is 'Green'. Performance is also measured against the equivalent quarter for the previous year, as a 'direction of travel'. Where performance is deteriorating compared to the same time last year, it is indicated as a downward arrow ↓, if there is no change (or less than 5% change, or no statistically significant change for survey measures) it is neutral ↔, and where performance has improved compared to the previous year, it is indicated as an upward arrow ↑.

2013/14 Final Outturn Reporting Update

8.3 Since the year end performance reporting was undertaken, final outturns for the following outstanding performance measures are now available, and are included in Appendix 6:

Annual Resident Survey Measures

There are nine measures taken from the Annual Residents Survey. The 2013/14 fieldwork took place later than usual (June to July 2014).

Seven of the nine outturns are similar to the previous year (i.e. any difference in score (positive or negative) was not statistically significant) with performance at least better than the standard target. This includes for:

- Percentage of residents agreeing that the Council is doing a good job
- Percentage of residents agreeing that the Council involves residents when making decisions
- Percentage of residents who rate parks and open spaces as good, very good, or excellent
- Overall / general satisfaction with the neighbourhood
- Local concern about ASB and Crime: vandalism, graffiti and criminal damage
- Satisfaction with the Police and Community Safety Partnership
- Percentage of people who believe people from different backgrounds get along well together

Local concern about drunk or rowdy behaviour in public spaces was higher than last year – this result may have been impacted on by the change in fieldwork dates. In addition, concern about drug use and drug dealing has increased – further detail about Council and Police activity to address this is set out in the report.

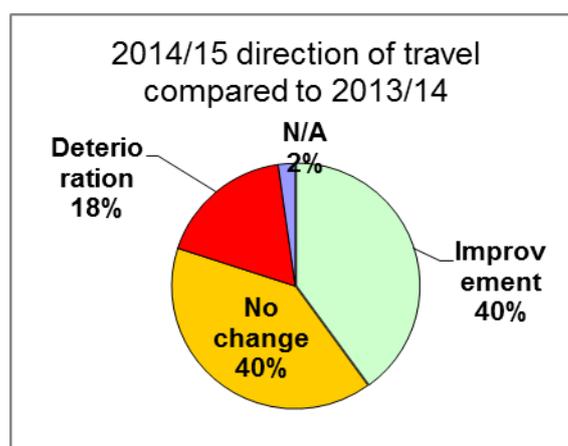
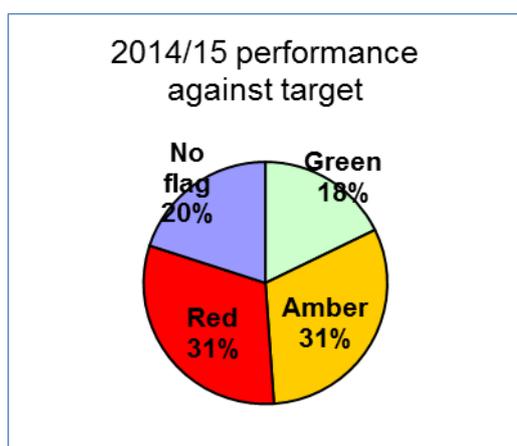
Percentage of overall council housing stock that is non-decent – by the end of the 2013/14 financial year, 48.42 percent of the overall council housing stock was non-decent, compared to 60 percent in the previous financial year. The standard target was met.

There is one measure where the 2013/14 outturns are still unavailable.

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.

Strategic Performance Measures – Quarter 2 (July-September 2014)

- 8.4 The number of strategic measures available for reporting fluctuates between periods due to the different reporting frequencies of the measures. Of the 56 measures in the Strategic Set, including subset of measures, 45 are reportable this quarter (including previously outstanding 2013/14 final outturns and Quarter 1 data).
- 8.5 For new or significantly changed measures, it is not usually possible to measure direction of travel (because previous quarters are not available); as a result, the proportions allocated to each direction arrow are based on a total of 44. For performance against target (RAG status), proportions are based on 36 measures.
- 8 measures (18%) are meeting or exceeding their stretched target (Green), with four of these an improvement from last year (↑) and four remaining unchanged (↔);
 - 14 (31%) are above the standard target but below the stretched target (Amber), with four of these improving (↑), eight remaining unchanged (↔), and two deteriorating (↓) compared to last year's performance;
 - 14 (31%) are below the standard target (Red), with four improving from last year (↑), no change for three measures (↔), six deteriorating (↓), with one a new measure with no measurable direction of travel;
 - Overall, one indicator does not have comparable data for this time last year and therefore no direction of travel information can be produced. Nine indicators do not have targets and so no RAG can be produced – these mainly relate to Community Safety measures where police targets have yet to be set.



- 8.6 There are several strategic performance measures which report on a quarterly basis but Q2 data is currently not available due to a time lag in reporting. Q1 data has been provided in the report and appendix. These are:
- Number of Smoking Quitters; and

- Percentage of household waste sent for reuse, recycling and composting.

Performance Summary

The following sections detail our performance under two key headings:

- High performing and areas of improvement
- High risk areas

High Performing Areas – Quarter 2

8.7 Measures that exceeded their stretched target or have improved compared to quarter 2 last year include:

Percentage of LP07 or above Local Authority staff that are from an ethnic minority performance is 25.14 percent. Although the stretch target of 30 percent has been missed, the standard target has been exceeded. There has been a significant increase (3.33 percentage points) in performance since September 2013/14.

Percentage of council tax collected performance is 47.8 percent; the stretch target has been exceeded by 0.59 percentage points.

Environmental cleanliness – graffiti 2.9 percent of the land surveyed was assessed as having levels of graffiti which fell below an acceptable level. The stretch target of 4 percent was exceeded and performance is also an improvement on this time last year, when 7.3 percent was assessed as below acceptable.

Environmental cleanliness – fly-posting 0.4 percent of land surveyed was assessed as having levels of fly-posting which fell below an acceptable level. The stretch target of 1 percent was exceeded. Performance improved by 0.6 percentage points compared to this time last year.

Percentage of overall council stock that is non-decent the 2013/14 year-end target of 48.42 percent was achieved. Performance improved by almost 12 percentage points compared to the 2012/13 financial year.

Early Years Foundation Profile – achievement of a good level of development 55 percent of children achieved the standard 'good level of development' compared to 49.9 percent the previous year. The target of 47.5 percent was exceeded.

Key Stage 2 pupil attainment in Reading, Writing and Maths – 81 percent of pupils achieved the standard compared to 78 percent in the previous year. The target of 79 percent was exceeded.

Overall employment rate – gap the gap between the borough's employment rate and the London average has reduced to 4.5 percent. The target of 6.3 percent has been exceeded. In quarter 2 last year, the gap was 6.9 percent, equating to a 2.4 percentage improvement.

JSA claimant – rate although the stretch target of 0.6 percent has been missed, the gap between the borough's JSA claimant rate and the borough average has reduced to 0.7 percent, the standard target of 0.9 percent has been exceeded. Compared to quarter 2 last year, there has been a reduction in the gap of 0.6 percentage points.

Proportion of children in poverty this annual measure indicates that 39 percent of children in the borough are 'in poverty'. A target for this measure was not set, however compared to last year, there has been a reduction in the percentage by 7.1 percentage points.

Self-directed support 62.4 percent of people using social care receive self-directed support or a direct payment. The standard target was exceeded, however the stretch target of 70 percent was missed. Compared to this time last year, performance has improved by 5.3 percentage points.

MOPAC 7 crimes: Number of Robbery incidents, number of thefts of a Motor Vehicle incidents, number of thefts from a Motor Vehicle incidents; number of Theft from the Person incidents

Targets have not yet been set for these measures, however compared to this time last year; there has been a reduction in the number of crimes for these measures as follows:

- Number of Robbery Incidents – 85 fewer
- Number of Burglary Incidents – 67 fewer
- Number of Theft from a Motor Vehicle incidents – 130 fewer
- Number of Theft from the Person incidents – 236 fewer

Total Notifiable Offences (TNO)

Targets have not yet been set for this measure. There were 11,197 TNOs between April-September, compared to 12,066 this time last year – equating to 869 fewer crimes.

High Risk Areas – Quarter 2

- 8.8 As part of the monitoring of our performance each quarter, analysis is undertaken to identify those measures at risk of not achieving their annual targets. These measures are set out below. Performance Review Group will consider each of these further (alongside all off-track measures) and whether additional remedial action is required.
- 8.9 **Percentage of LP07 or above Local Authority staff who have a disability** The standard target of 6.34 percent has been missed, and there has been a drop of 0.32 percentage points in performance compared to this time last year (September 2013). Although this figure remains below target, there has been a steady increase since April 12/13, where performance was at 2.17%. The number of people in this category (LPO7+) is relatively small, thus low numbers of people either leaving or joining can have a significant impact on the percentage. An exercise will be undertaken during quarter 3 to increase the accuracy of this data, which should have a positive impact on the figures.
- 8.10 **Number of working days / shifts lost to sickness absence per employee** The stretch target of 6.1 days has been missed and there has been a deterioration in performance since this time last year. There are a number of actions currently being taken to address the rise in sickness absence. People Board (Operations) regularly receives reports on sickness and is looking into service areas where absence is high with the aim of reducing the levels in those areas. DMTs across the Council are also being provided with additional information to that which they already regularly receive, looking into specific cases or areas with high absence, so that these can be addressed.
- 8.11 **Level of street and environmental cleanliness (litter)** Litter is below the standard target of 1.9 percent and has deteriorated by 0.8 percentage points. This has been affected by loss of funding from the Mayor's accelerated delivery programme. The Council is working together with Veolia to improve the results and reduce the level of litter in the borough. There will be increased monitoring by the Streetcare Officers to support Veolia in identifying zones that are failing to meet the required targets. Performance for litter is expected to improve by the next tranche survey, which will be completed in March 2015.
- 8.12 **Level of street and environmental cleanliness (detritus)** Detritus is below the standard target of 2.4 percent and has deteriorated by 1.7 percentage points compared to this time last year. This has been affected by the factors affecting the litter measure and the Council has been working with Veolia on improving all the overall cleansing standards. Performance for detritus is expected to improve further by next tranche survey, which will be completed in March 2015.

- 8.13 **Achievement of 5 or more A*-C grades at GCSE or equivalent including English and Maths** The year end outturn of 58 percent is below the standard target of 64.7 percent and 6.7 percentage points lower than last year's outturn. Changes to the methodology at KS4 have led to widespread drops in performance this year. Nationally, performance fell to 52.6% meaning that Tower Hamlets remains well above the national average but remains slightly below the London average of 60.6%. A small improvement in performance is expected when the findings of the results checking exercise has been completed and the final data is published by the DfE.
- 8.14 **Smoking quitters** The outturn of 303 people per 100,000 population (aged 16+) is below the standard target of 350 and is 47 people per 100,000 population fewer than this time last year. Since the beginning of the financial year, 661 residents have attended NHS Stop Smoking Services and achieved the four-week quit target. 86% of target quits had been achieved at the end of Q2 due, in the main, to a low quit rate within primary care predominately caused by insufficient prescribing of smoking cessation treatments. A recovery plan has been implemented within primary care since October. This recovery plan has included briefings for all clinical staff on best practice prescribing; additional staff training for those delivering and promoting the service; and further promotion of the stop smoking services. Performance is also expected to increase in Quarters 3 & 4 due to national and local campaigns.

9. COMMENTS OF THE CHIEF FINANCIAL OFFICER

- 9.1 Under Financial Regulations it is the responsibility of senior managers to spend within budgets and, where necessary, management action will need to be taken over the remainder of the financial year to avoid overspend.
- 9.2 Any overspend incurred during 2014/15, will risk the financial position of the Council and would increase the savings targets within the MTFP, with a potential impact on services.
- 9.3 The current forecast overspend in ESCW is being reviewed by the Financial Recovery Group and the overall position will be reported through ongoing monitoring. Further work will be done to validate the extent of the cost pressures, and in the short term, the overspend can be contained with corporate contingencies. Any cost pressures that are replicated in future years will be considered as part of the budget and MTFP process.

10. LEGAL SERVICES COMMENTS

- 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 A capital estimate is sought in the sum of £275,000 for works at Whitehorse 1 O’Clock Club. The Financial Regulations set a threshold of £250,000, above which Executive approval is required for a capital estimate. The Financial Procedures supplement this requirement. In accordance with Financial Procedure FP 3.3, senior managers are required to proceed with projects only when there is a capital estimate adopted and adequate capital resources have been identified. Where the estimate is over £250,000 the approval of the adoption of that capital estimate must be sought from the Executive.
- 10.5 The proposed works are to enable delivery of the Council’s functions in relation to early years’ provision under the Childcare Act 2006 and from that perspective appear capable of being carried out within the Council’s statutory functions. When procuring the works, regard must be had to the Council’s duty as a best value authority under section 3 of the Local Government Act 1999 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”. Procurement of the works must be carried out in accordance with the Council’s procurement procedures, which should support delivery of best value.
- 10.6 When considering its performance and any procurement, 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 (the public sector equality duty). 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.

11. 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 strong community cohesion and are measured by a variety of strategic indicators.

The scheme outlined in Appendix 4.2 (The White Horse 1 O'Clock Club) meets the reduction of inequality and the community cohesion requirements of the One Tower Hamlets theme.

12. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

An element of the monitoring report deals with environmental milestones within the Safe and Cohesive agenda.

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 Indicator set contain a number of crime and disorder items under the Safe & Cohesive theme, however there are no specific crime and disorder reduction implications.

15. EFFICIENCY STATEMENT

Efficiencies for 2014/15 are incorporated within the estimated forecast outturn.

Linked Reports, Appendices and Background Documents

Linked Reports

None

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 4.1 – provides details of the capital programme and explanations of any major variances
- Appendix 4.2 - sets out the detail of a capital estimate recommended for approval
- Appendix 5 – provides the six month Strategic Plan monitoring
- Appendix 6 – provides a summary of the Strategic Measures

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

None

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