

Performance and Finance Scrutiny Sub-Committee **AGENDA**

DATE: Monday 20 September 2010

TIME: 7.30 pm

VENUE: Committee Room 3,
Harrow Civic Centre

MEMBERSHIP (Quorum 3)

Chairman: Councillor Sue Anderson

Councillors:

Jerry Miles
Sachin Shah

Tony Ferrari
Barry Macleod-Cullinane
(VC)

Reserve Members:

1. Nana Asante
2. Krishna Suresh
3. Krishna James

1. Chris Mote
2. Susan Hall

Contact: Lysandra Dwyer, Acting Senior Democratic Services Officer
Tel: 020 8424 1264 E-mail: lysandra.dwyer@harrow.gov.uk

AGENDA - PART I

1. ATTENDANCE BY RESERVE MEMBERS

To note the attendance at this meeting of any duly appointed Reserve Members.

Reserve Members may attend meetings:-

- (i) to take the place of an ordinary Member for whom they are a reserve;
- (ii) where the ordinary Member will be absent for the whole of the meeting; and
- (iii) the meeting notes at the start of the meeting at the item 'Reserves' that the Reserve Member is or will be attending as a reserve;
- (iv) if a Reserve Member whose intention to attend has been noted arrives after the commencement of the meeting, then that Reserve Member can only act as a Member from the start of the next item of business on the agenda after his/her arrival.

2. DECLARATIONS OF INTEREST

To receive declarations of personal or prejudicial interests, arising from business to be transacted at this meeting, from:

- (a) all Members of the Committee, Sub Committee, Panel or Forum;
- (b) all other Members present in any part of the room or chamber.

3. MINUTES (Pages 1 - 4)

That the minutes of the meeting held on 19 July 2010 be taken as read and signed as a correct record.

4. PUBLIC QUESTIONS

To receive questions (if any) from local residents/organisations under the provisions of Committee Procedure Rule 17 (Part 4B of the Constitution).

5. PETITIONS

To receive petitions (if any) submitted by members of the public/Councillors under the provisions of Committee Procedure Rule 15 (Part 4B of the Constitution).

6. DEPUTATIONS

To receive deputations (if any) under the provisions of Committee Procedure Rule 16 (Part 4B) of the Constitution.

7. REFERENCES FROM COUNCIL AND OTHER COMMITTEES/PANELS

To receive any references from Council and/or other Committees or Panels.

8. CHAIR'S REPORT (Pages 5 - 10)

Report of the Divisional Director, Partnership Development and Performance

9. COUNCIL PERFORMANCE AT QUARTER 1 - 2010/11 (Pages 11 - 32)

Report of the Divisional Director Partnership Development and Performance.

10. SCRUTINY RECOMMENDATIONS MONITORING 2009/10 (Pages 33 - 38)

Report of the Divisional Director Partnership Development and Performance.

11. FUTURE FUNDING GAPS (Pages 39 - 46)

Report of the Corporate Director Finance.

12. REVENUE AND CAPITAL MONITORING FOR QUARTER 1 - AS AT 30 JUNE 2010 (Pages 47 - 64)

Report of the Corporate Director, Finance.

13. ANY OTHER BUSINESS

Which the Chairman has decided is urgent and cannot otherwise be dealt with.

AGENDA - PART II - NIL

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PERFORMANCE AND FINANCE SCRUTINY SUB-COMMITTEE MINUTES

19 JULY 2010

Chairman: * Councillor Sue Anderson

Councillors: * Tony Ferrari * Jerry Miles
* Barry Macleod-Cullinane * Sachin Shah

* Denotes Member present

1. Attendance by Reserve Members

RESOLVED: To note that there were no Reserve Members in attendance at this meeting.

2. Declarations of Interest

RESOLVED: To note that there were no declarations of interests made by Members.

3. Minutes

RESOLVED: That the minutes of the meeting held on 25 March 2010, be taken as read and signed as a correct record.

4. Appointment of Vice-Chairman

RESOLVED: To appoint Councillor Macleod-Cullinane as Vice-Chairman of the Performance and Finance Sub-committee for the 2010/2011 Municipal Year.

5. Public Questions, Petitions and Deputations

RESOLVED: To note that no public questions were put, or petitions or deputations received at this meeting.

RESOLVED ITEMS

6. Scrutiny and Performance

The Sub-Committee received a report of the Divisional Director of Partnership Development and Performance that set out the importance of the role of the Committee in undertaking performance and finance scrutiny. An officer reported that:

- the Sub-Committee was formed in 2007 to increase the profile of the role of performance management within the scrutiny process and to enable that information to drive the scrutiny work programme;
- performance management was a tool used by officers and councillors, as part of good management, to challenge existing practises and consider ways forward. The process included setting quality targets and how they should be measured as part of the performance management framework;
- the challenging economic climate and the abolition of the Comprehensive Area Assessment had highlighted the relevance of performance management, and the need for scrutiny to reflect these changes in the Sub-Committee's ways of working. It was felt that these changes would require greater transparency in the role of the Council and its partners in delivering services;
- service and financial performance data was scrutinised in a number of ways:
 - to inform the scrutiny work programme and decide how Members time was spent;
 - to focus on particular work areas;
 - to hold the executive to account for decisions made;
 - to benchmark performance and compare our services to other organisations;
 - to consider a range of indicators in order to make informed recommendations for the future.
- Improvements boards reviewed the performance of services within the Council. Scrutiny officers sought to align the outcomes of these improvement board meetings with the agenda setting process for the Sub-Committee.

Members and officers discussed a number of matters arising from the report:

- Councillors had opportunities other than meetings scheduled in the calendar to meet and discuss external pressures and any areas of concern they had;
- performance figures and the financial cost of providing services needed to be considered alongside each other. The challenge was to consider both aspects in order to have an informed debate. Officers would work with Members to strengthen the links between both areas in order for them to gain a deeper knowledge of the relationship between the two areas; consideration of value for money benchmarking data could possibly aid this process.

The officer invited Members contributions to the content of a member development programme that would be offered to all members of the Sub-Committee. In response, a Member asked officers to investigate whether the programme could be offered during August. In terms of the content of the programme, a Member requested that officers include guidance on what National Indicators meant, how they related to performance and finance matters and which indicators were likely to be dropped as a result of moves to identify local performance measures.

RESOLVED: That

- (1) the report be noted;
- (2) a tailored member development session be developed and that officers investigate potential for this to take place in August rather than in the Autumn, in consultation with the Chairman and Vice-Chairman;
- (3) arrangements be made, in consultation with the Chairman and Vice-Chairman, for bringing forward the date of the next meeting of the Sub-Committee to ensure that it coordinated with the performance and budget planning cycle.

7. INFORMATION REPORT - Managing Performance in Harrow

The Sub-Committee received a presentation of the Divisional Director of Partnership Development and Performance that set out the performance management framework and processes applied by Harrow Council and the national context. The Sub-Committee were advised about:

- the four stages of “plan, do, review, revise” in the cycle of performance management;
- the hierarchy of internal and external plans that fit together to deliver the Council’s Corporate Plan and Harrow Strategic Partnership’s Sustainable Community Strategy. The Council’s procedures for performance management including quarterly Improvement Boards,

the Corporate Balanced Scorecard and the Strategic Performance Report;

- the changing national and local performance management landscape following the abolition of C0mprehensive Area Assessments;
- the importance of good quality data in monitoring performance.

In response to questions raised by Members of the Sub-Committee, an officer confirmed that:

- the Corporate Balanced Scorecard addresses the priorities set out in the Corporate Plan and was revised annually;
- objectives and performance indicators outlined on the scorecards cascade down to Corporate Directorate Scorecards and to measures at a departmental and team level;
- the five-point scale used in performance scorecards used a traffic light system from high green to high red, to report performance;
- although most performance indicators used the same scale it was possible to set different parameters where appropriate;
- Value for Money (VfM) analysis was available annually and provided comparisons with other Councils.

Officers agreed to investigate whether risk ratings could be applied to individual performance indicators.

RESOLVED: That the presentation be noted.

(Note: The meeting, having commenced at 7.35 pm, closed at 9.10 pm).

(Signed) COUNCILLOR SUSAN ANDERSON
Chairman

**REPORT FOR: PERFORMANCE AND
FINANCE SCRUTINY
SUB-COMMITTEE**

Date of Meeting:	20 September 2010
Subject:	Chair's report
Responsible Officer:	Alex Dewsnap, Divisional Director, Partnership Development and Performance
Scrutiny Lead Member area:	Councillor Sue Anderson (Chairman) Councillor Barry Macleod-Cullinane (Vice-Chairman) of the Performance and Finance sub-committee
Exempt:	No
Enclosures:	Appendix A – Note of briefing held on 17 August 2010

Section 1 – Summary and Recommendations

This report sets out issues considered by the Chair since the last meeting of the Performance and Finance scrutiny sub-committee.

RECOMMENDATIONS:

The sub-committee is requested to:

1. Note and endorse the content of the report
2. Identify any potential issues for Performance and Finance to investigate in the future.

Section 2 – Report

Introductory paragraph

This report outlines the work of the chair and vice-chairman since the last meeting of the sub-committee.

Background

A briefing for the chair and vice-chairman was held on 17 August 2010. Members of the sub-committee were also invited to attend.

The purpose was to receive a finance briefing from the Corporate Director of Finance on the council's financial position in order to inform the future work of the sub-committee.

A note of the briefing is attached as Appendix A.

As a result of the briefing received, the sub-committee agenda was agreed as follows by the chair and vice-chairman:

- 1) Revenue and Capital Monitoring to 30 June 2010
To include specific discussion of:
 - a) Parking income trends
 - b) Children's services benchmarking data
 - c) Impact of PCT finances on the council
- 2) Future funding gaps
- 3) Corporate scorecard for Q1

Financial Implications

There are no specific implications arising from this report.

Performance Issues

This report deals with matters of financial and service performance throughout.

Environmental Impact

Not applicable.

Risk Management Implications

Not applicable.

Corporate Priorities

The work of the sub-committee addresses all of the council's corporate priorities.

- Deliver cleaner and safer streets
- Improve support for vulnerable people
- Build stronger communities

Section 3 - Statutory Officer Clearance

Not required for this report.

Section 4 - Contact Details and Background Papers

Contact: Heather Smith, Scrutiny Officer, 020 8420 9203,
heather.smith@harrow.gov.uk

Background Papers: See footnotes to Appendix A.

Appendix A – Note of Briefing – 17 August 2010

A briefing meeting was held on 17 August. It was attended by:

- Councillor Sue Anderson, Chair
- Councillor Barry Macleod-Cullinane, Vice-Chairman
- Councillor Sachin Shah, committee member
- Councillor Tony Ferrari, committee member
- Myfanwy Barrett, Corporate Director, Finance
- Martin Randall, Senior Performance Officer
- Heather Smith, Scrutiny Officer

1. **2009/10 Outturn**

The Corporate Director gave a briefing based on the 23 June Cabinet report.¹ She added that forecasting by directorates had improved.

2. **In year financial performance**

Following discussion, it was agreed that the revenue and capital monitoring report be included on the agenda for 20 September.

Major in-year pressures were falling parking income and increased expenditure in children's services. Members also discussed in-year cuts² and the decision to share the cuts between directorates on a pro-rata basis calculated against controllable budget.

Members debated the potential for savings to be made from the reduction in compliance costs following the abolition of the Comprehensive Area Assessment. The Corporate Director indicated that the council would still need to pay auditors' fees and that the Audit Commission is intending to do some work on Use of Resources for the purposes of audit comment.

Members also requested a report on the future funding gap faced by the council and details of the scenarios considered by the council in planning to address the funding gap.

3. **Primary Care Trust (PCT) finances and the impact on the Council**

Members discussed the potential for the council to face cost pressures as a result of funding cuts made by the health sector.

4. **Preparations for the spending review**

The Comprehensive Spending Review (CSR) is scheduled for 20 October. It is not yet clear when the Local Government Settlement will follow but it is expected to be a two-year settlement. The spending review covers a four year period.

Consultation is underway with regard to the Formula Grant, specifically to the Area Cost Adjustment.³ Government sets a "floor" or lower limit to any

¹ <http://www.harrow.gov.uk/www2/mgConvert2PDF.aspx?ID=68646&J=8>

² A report on in year funding cuts was considered by Cabinet on 15 July.
<http://www.harrow.gov.uk/www2/mgConvert2PDF.aspx?ID=69160&J=9>

³ Local Government Finance Formula Grant Distribution: Consultation paper
<http://www.communities.gov.uk/publications/localgovernment/formulagrantdistributionconsult>.
This consultation closes on 6 October 2010. The Area Cost Adjustment (ACA) is the element

authority's change in Formula Grant allocation year-on-year.⁴ Any change could potentially have an adverse effect on London local authorities. It is unclear whether the floor will remain and the impact could be significant if other changes were also made to the Area Cost Adjustment.

Reform to the Housing Revenue Account is going ahead but the timeframe is not known at this stage.

Consultation is also underway on the proposal to introduce local referendums to veto excessive council tax increases.⁵ The proposal is for a maximum allowable increase; if a council planned to breach it a "shadow budget" would need to be produced and then a referendum held. The Corporate Director commented that recently London authorities had made low increases so would be unlikely to be affected.

The LGA publication on place based budgets was also alluded to.⁶ Proposals for GP commissioning and academies possibly imply that the policy agenda is taking a different direction.

The CSR is also awaited with regard to the future of the inspection regime.

5. Next steps – agenda for P&F sub-committee meeting – 20 September 2010

Members discussed the agenda based on the briefing received.

1) Revenue and Capital Monitoring to 30 June 2010

This will include discussion of:

- a) Parking income trends
- b) Children's services
- c) PCT finances

2) Future funding gaps

3) Strategic Performance Report Q4

A Member also requested that officers look at identifying whether there are regulatory requirements that directorates considered that they could do without. The Scrutiny Officer agreed to take this forward. Members also discussed the committee's role going forward, including considering how the organisation is monitoring itself in the light of reduced external inspection.

of the relative needs formulae which reflects particular variations in the costs of service delivery around the country (Ibid, p. 176). The Relative Needs Formulae take account of an authority's relative need by considering a number of factors which appear to explain variations in the cost of providing services (Ibid, p. 3).

⁴ Ibid, p. 208

⁵ Local referendums to veto excessive council tax increases: Consultation paper <http://www.communities.gov.uk/publications/localgovernment/vetocounciltaxincreasesconsult>.

This consultation closed on 10 September 2010.

⁶ <http://www.lga.gov.uk/lga/publications/publication-display.do?id=12294112>

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**REPORT FOR: PERFORMANCE &
FINANCE SCRUTINY
SUB-COMMITTEE**

Date of Meeting:	20 September 2010
Subject:	Council Performance at Quarter 1 - 2010/11
Responsible Officer:	Alex Dewsnap, Divisional Director, Partnership Development and Performance
Scrutiny Lead Member area:	All areas
Exempt:	No
Enclosures:	Appendix 1 – Corporate Scorecard indicators by status Appendix 2 – Corporate Scorecard

Section 1 – Summary and Recommendations

This report provides performance information for Quarter 1 2010/11 (April to June), with historic comparisons against Quarter 1 and Quarter 4 in 2009/10.

Recommendations:

That:

- i) the Sub-Committee note the report;
- ii) Members indicate what information on performance they would wish to receive in future;
- iii) Members consider whether they would wish to be involved in a mid-year review of the corporate scorecard.

Section 2 – Report

Introduction

This report presents information on Council performance at Quarter 1, 2010/11, together with comparative information for the previous quarter and the corresponding quarter last year (Quarters 4 and 1, 2009/10), using information from the Corporate Scorecard.

About the Corporate Scorecard

The Corporate Scorecard is designed primarily to help the Corporate Strategic Board (CSB) and Cabinet monitor the delivery of the Council's priorities. It includes measures of:

- outcomes for the resident or service user;
- customer perceptions;
- enablers of good performance, like the management of staff absence;
- the health of the organisation, like budgetary control.

To enable progress against the Council's priorities to be more easily tracked, the scorecard is arranged under the following headings:

- The Council's three corporate priorities:
 - Deliver cleaner and safer streets (labelled as 1);
 - Improve support to vulnerable people (labelled as 2);
 - Build Stronger Communities (labelled as 3);
- Customer & Corporate Health (labelled as 4)
- Resources (labelled as 5)

Within Directorates, service-specific scorecards are maintained and reported quarterly through Improvement Boards, with the key service measures feeding through to CSB via the Corporate Scorecard. At the time of writing, Improvement Boards are in progress and CSB will review Quarter 1 performance on 6 October before a report is finalised for Cabinet on 28 October. The corporate review of performance this cycle has therefore yet to be completed.

Many of the measures used in the scorecard are National Indicators prescribed under the previous Government. Although the position of the National Indicator Set is still unclear following the abolition of the Comprehensive Area Assessment, it seems likely that some National Indicators will be retained, either formally, as a requirement of regulatory bodies, or informally, because local authorities have found them useful and wish to collect comparative data to an agreed definition (as happened with some Best Value Performance Indicators). Other indicators will no longer be collected, including those that rely on national surveys which are now abolished and those where the burden of collection outweighs the usefulness.

Given these changes, officers are reviewing the set of indicators that the Council needs to manage its business, account to residents and meet

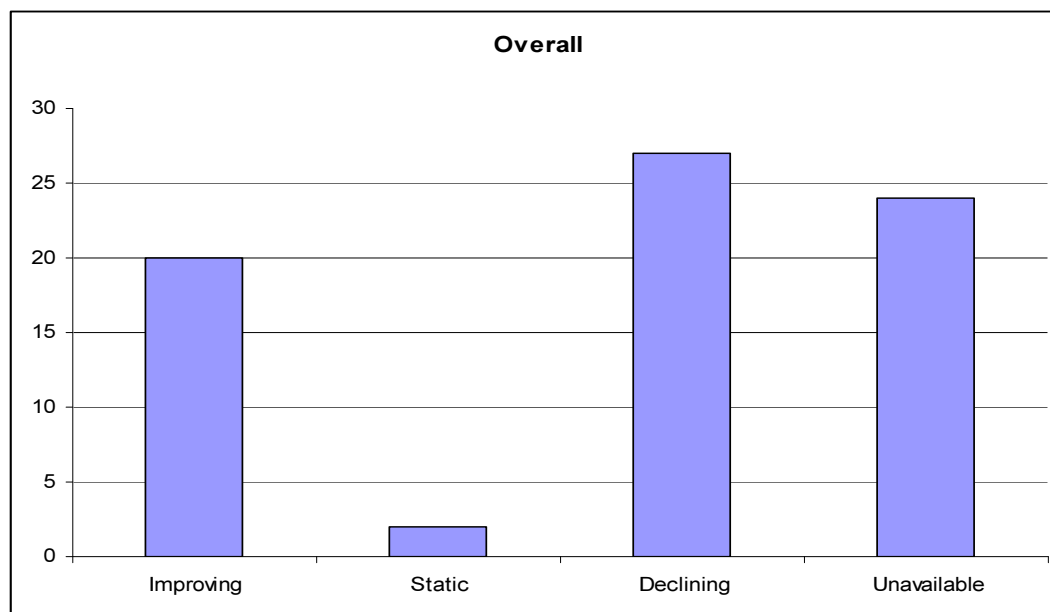
regulatory requirements, with a view to a mid-year refresh of the corporate scorecard for Quarter 3. Members of Scrutiny are invited to give their views on how they wish to be involved in this exercise.

Summary of performance

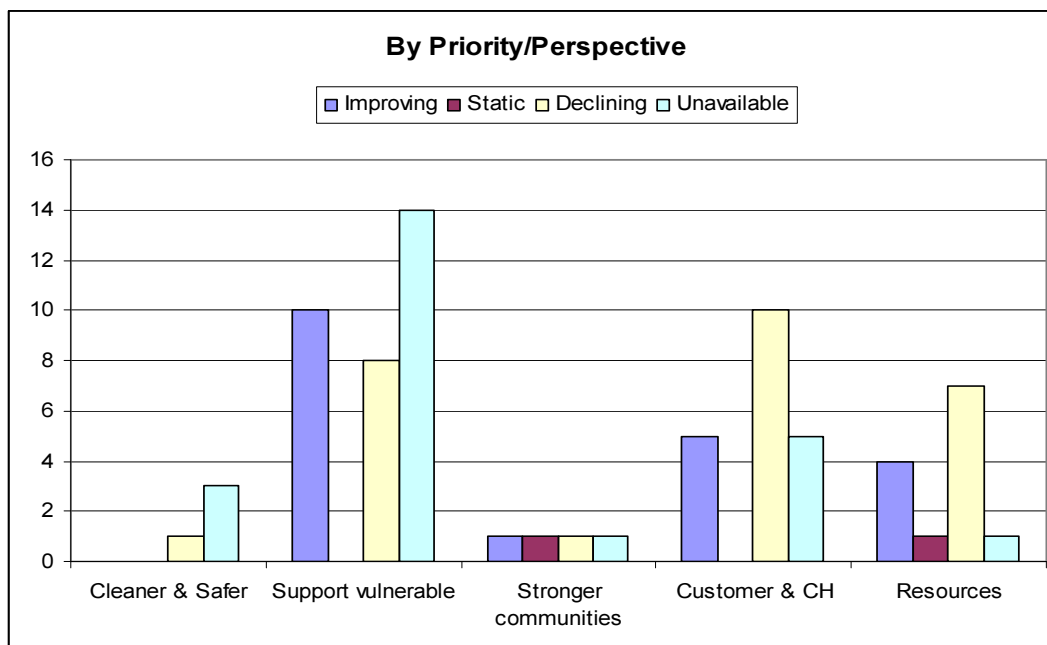
Appendix 1 shows the status or category of performance by indicator in the two most recent quarters. The full Corporate Scorecard is at Appendix 2. The following summarises changes in performance between Quarter 1 2009/10 and Quarter 1 2010/11. We have not compared Quarter 4 2009/10 performance with Quarter 1 2010/11.

Quarter 1 2009/10 and Quarter 1 2010/11

The following charts illustrate the numbers of indicators that show improvement, decline or no movement since last year, together with the number for which data is not currently available to compare. This comparison is based on the actual figures in each year, not performance status, and ignores changes in targets, policy or circumstances.



Against each of the five perspectives in the Corporate Scorecard, the following can be seen:



It should be noted that the scorecard ratings (Appendices 1 and 2) are assessed against targets. In some instances targets are very challenging and have been set against national or leading best practice. In these circumstances an amber or red rating may be superior performance to our peers, but is labelled as such because of our aspirations for a challenging target.

It should also be borne in mind that some indicators are interdependent so an apparent decline in one can mirror an improvement elsewhere.

The table below summarises Quarter 1 performance against target by reference to Status in the scorecard (see Appendices 1 and 2):

	High Green	Low Green	Amber	Low Red	High Red	No data
Deliver cleaner and safer streets	-	-	1	-	1	2
Improve support to vulnerable people	6	9	10	1	2	4
Build Stronger Communities	-	2	-	1	1	-
Customer & Corporate Health	9	5	-	3	1	2
Resources	4	3	2	-	4	-
Total	19	19	13	5	9	8

Note: The number of indicators in this table is greater than the number in the charts, above, as prior year data is not available for all indicators.

Scorecard content

The columns of the scorecard at Appendix 2 contain the following:

NI ref	Where a measure is part of the mandatory National Indicator Set (NIS) it is referenced here. The future of the NIS is uncertain and is expected to be reviewed by the coalition government as part of the autumn Comprehensive Spending Review. If unmarked, the measure is a local one set by the Council.
Indicator description	Short title for the measure. This may not reflect the complexity of its calculation.
Polarity	Whether a high figure or a low figure represents good performance for this indicator
On corporate scorecard 2009/10	Ticked if the same measure was on last year's scorecard. The scorecard is reviewed annually to reflect the current priorities. This may affect availability of past data for some measures, e.g. where newly created this year. In addition, note should be taken where an indicator has past data but was not in the Corporate Scorecard last year, as this indicates it was not ranked such a high priority.
Target Qx	The planned value for the measure at Quarter x.
Actual Qx	The actual value achieved.
Qx status	An assessment of the performance against target by these categories: HG High Green – better than target by 5% or more LG Low Green – on target A Amber – within 5% of target LR Low Red – between 5% and 10% off target HR High Red – over 10% off target (The standard “tolerance” is 5% as above but individual indicators can vary.)
Direction of travel	Whether performance has improved (upward arrow), deteriorated (downward arrow) or remained the same (horizontal arrow) since the previous quarter.
Current assessment	Management commentary on performance and any remedial action

Financial Implications

None arising from this report.

Environmental Impact

Not applicable to this report.

Risk Management Implications

Not applicable to this report.

Corporate Priorities

The information in this report concerns all Corporate Priorities but has no direct effect on them.

Section 3 - Statutory Officer Clearance

Not required.

Section 4 - Contact Details and Background Papers

Contact: Martin Randall, Senior Performance Officer, 020 8424 1815

Background Papers: Strategic Performance Reports, Quarters 1 and 4, 2009/10

Appendix 1

Corporate scorecard indicators by status – Quarter 4 2009/10 and Quarter 1 2010/11

Corporate Priority 1: Deliver cleaner and safer streets	Q4 Status	Q1 Status
NI 192 Household waste recycled and composted	A	A
NI 32 Repeat incidents of domestic violence	HR	Data awaited
Residential Burglary Sanction Detection Rate	Not in corp. scorecard	HR
NI 40 Number of drug users recorded as being in effective treatment	A	Data awaited
Corporate Priority 2: Improve support for vulnerable people	Q4 Status	Q1 Status
NI 59 Initial assessments completed within 7 days of referral	HR	HR
NI 64 (PAF C21) Duration on the Child Protection Register	LG	LG
NI 65 (PAF A3) Re-registrations on the Child Protection Register	HG	HG
% of children with a Child Protection Plan allocated to a qualified Social Worker	A	LG
% of Children Looked After allocated to a qualified Social Worker	A	A
NI 60 Core assessments for children's social care that were carried out within 35 working days of their commencement	LG	HR
NI 63 Stability of placements of children looked after: length of placement	HG	A
NI 117 % of young people aged 16-18 who are NEET ¹	HG	LG
NI 86 Secondary schools judged as having good standards	Not in corp. scorecard	Data awaited
NI 88 number of extended schools	LG	LG
NI 103a SEN - statements issued within 26 wks (excl. exceptions)	LG	LG
NI 103b - SEN - statements issued within 26 wks (all statements)	A	LG
Primary schools judged to have good standards	Not in corp. scorecard	Data awaited
% persistent absence in primary schools by term	Not in corp. scorecard	Data available in Q2
% persistent absence in high schools by term	Not in corp. scorecard	Data available in Q2
NI 132 Timeliness of social care assessments	LG	A
NI 133 Timeliness of social care packages	HR	A

¹ Not in Education, Employment or Training

NI 130 Social Care clients receiving Self Directed Support (Direct Payments and Individual Budgets)	HG	A
NI 135 Carers receiving needs assessments or reviews and a specific carer's service or advice and information	HG	A
PAF-D40 People receiving a review as a % of those receiving a service.	No target set	HG
NI 146 Adults with learning disabilities in employment	LG	A
Rate of fixed term exclusions from schools	Not in corp. scorecard	A
Major adaptations waiting time (SAS measure)	HG	A
QA - 'CRILL' -% of new res/nursing care rated good/excellent	Not in corp. scorecard	LR
QA - 'CRILL' -% of new home care rated good/excellent	Not in corp. scorecard	HG
Ethnicity of clients vs Harrow population	A	A
NI 136 People supported to live independently (C29,30,31,32)	HG	HG
6 wk satisfaction survey for new adult social care clients	Not in corp. scorecard	HG
Average time taken to relet LA housing (days) (exBV212)	HR	LG
Total number accepted as homeless and in priority need	Not in corp. scorecard	HG
No of private sector vacant properties returned to occupation	HG	LG
NI 155 Number of affordable homes delivered (gross)	HG	LG
Corporate Priority 3: Build stronger communities	Q4 Status	Q1 Status
NI 109 Number of Sure Start Children's Centres	LG	HR
No of cases where positive action is taken to prevent homelessness	A	LG
BV 200b Plan Making - is council meeting LDS milestones?	A	LR
NI 152 Working age people on out of work benefits	LG	LG
Customer service/corporate health	Q4 Status	Q1 Status
NI 157a Processing of Major Planning Applications	HG	LR
NI 157b Processing of Minor Planning Applications	HG	LG
NI 157a Processing of Other Planning Applications	HG	LG
% telephone calls answered within 5 rings or 30 seconds	LR	LR
% email & web forms acknowledged within 24 hrs + replied within 5 wkg days	HR	Data available in Q2
% of letters and faxes replied to within 10 working days	HG	Data available in Q2
One Stop Shop average waiting time	HR	LR
% of customers seen in less than 15 minutes	A	LG

% of one stop shop customers surveyed satisfied/very satisfied	LG	LG
One Stop Shop Customer Satisfaction Survey - Professionalism	HG	HG
One Stop Shop Customer Satisfaction Survey - Resolution	HG	HG
One Stop Shop Customer Satisfaction Survey - Speed of response	HG	HG
Resolution of issues at first contact - rate	HG	HG
Avoidable contact covered by Access Harrow	LG	HG
% who agree that the Council gives local people good VFM (RT)	HG	HG
% who feel that they can influence decisions affecting their local area (RT)	HG	HG
% who are satisfied with the way the Council runs things (Reputation Tracker)	HG	HG
Customer satisfaction with responsive repairs service	A	LG
% of tenants satisfied with the outcome of their anti social behaviour case	Not recorded	HG
No. of households we assist with housing in the private rented sector	Not recorded	HR
Resources	Q4 Status	Q1 Status
BV 12 Proportion of working days lost to sickness absence	LG	A
BV 17a % of local authority employees from minority ethnic	A	A
BV 16a % of employees declaring that they meet the DDA definition	HR	HR
BV 8 Percentage of invoices paid on time	HR	HR
BV 9 Percentage of Council Tax collected	LG	LG
BV 10 Percentage of non-domestic rates collected	A	LG
PM1 Average time for processing new benefits claims (days)	HG	HG
PM5 Average time for processing changes of circumstances (days)	HG	HG
NI181 Time to process HB/CTB new claims & change events	LG	HG
% of managers entering budget into SAP	HG	HR
Variance against budget (net position)	LG	HR
Variance against budget – capital programme	Not reported	HG
LA rent collection and arrears: proportion of rent collected	A	LG

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Priority 1 - Deliver Cleaner and Safer Streets

NI Ref:	Indicator Description	Polarity Good to be High ▲ or Low ▼?	On corporate Scorecard 2009/ 10	2009/10 Target Q1	2009/10 Actual Q1	2009/10 Q1 Status	2009/10 Target Q4	2009/10 Actual Q4	2009/10 Q4 Status	2010/11 Target Q1	2010/11 Actual Q1	2010/11 Q1 Status	Direction of travel ↑ ↔ ↓	Current Assessment
Improve street and environmental cleanliness														
NI 192	NI 192 Household waste recycled and composted	▲	✓	47%	44.80%	A	47%	46.40%	A	48.50%	43.70%	A	↓	The 2009/10 figures showed a good improvement in the previous year, and are within one percentage point of the target, up by 3 percentage points on the previous year. Although the provisional figures for this quarter (Q1) are lower than the target, Q1 has typically been a lower performing quarter for this indicator.
Make Harrow Safer														
NI 32	NI 32 Repeat incidents of domestic violence	▼	✓	12.50%	0%	HG	12.50%	23%	HR					Data not yet available
	Residential Burglary Sanction Detection Rate	▲	✗							16.00%	5.10%	HR		This is a complex indicator which can vary considerably from quarter to quarter. It is likely to increase throughout the year. The number of residential burglaries has fallen this quarter compared to Quarter 4 and Quarter 1 2009/10.
NI 40	NI 40 Number of drug users recorded as being in effective treatment	▼	✓	422	438	LG	435	416	A	422.25				Data not yet available

Priority 2 - Improve Support for Vulnerable People

NI Ref:	Indicator Description	Polarity Good to be High ▲ or Low ▼?	On corporate Scorecard 2009/ 10	2009/10 Target Q1	2009/10 Actual Q1	2009/10 Q1 Status	2009/10 Target Q4	2009/10 Actual Q4	2009/10 Q4 Status	2010/11 Target Q1	2010/11 Actual Q1	2010/11 Q1 Status	Direction of travel ↑↔↓	Current Assessment
Stay Safe Outcome														
NI 59	NI 59 Initial assessments completed within 7 days of referral	▲	✘	80%	72.41%	HR	80%	71.20%	HR	80%	55.60%	HR	↓	This reflects a 34% higher rate of referrals than was estimated on the basis of last year's figures and workforce pressures relating to social worker recruitment and retention. New social workers have been recruited and an action plan is in place.
NI 64	NI 64 (PAF C21) Duration on the Child Protection Register	▼	✘	10%	0.00%	LG	10%	3.64%	LG	10%	6.52%	LG	↓	This indicator only counts plans when they have ended. There are currently a high number of ongoing cases which have lasted over 2 years and, when these end, performance of this indicator will deteriorate. An action plan is in place to review all cases over 16 months and stabilise this indicator.
NI 65	NI 65 (PAF A3) Re-registrations on the Child Protection Register	▼	✘	12.50%	11.10%	HG	12.50%	8.28%	HG	10.00%	3.45%	HG	↑	A low number of repeat registrations indicates good performance. Careful monitoring and case management will continue.
	% of children with a Child Protection Plan allocated to a qualified Social Worker	▲	✘	100%	100%	LG	100%	98.94%	A	100%	100%	LG	↑	
	% of Children Looked After allocated to a qualified Social Worker	▲	✘	100%	100%	LG	100%	98.73%	A	100%	99.35%	A	↑	
NI 60	NI 60 Core assessments for children's social care that were carried out within 35 working days of their commencement	▲	✓	81.00%	76.00%	LR	82.52%	84.10%	LG	83.00%	59.79%	HR	↓	As above (NI59)
NI 63	NI 63 Stability of placements of children looked after: length of placement	▲	✓	64%	73.68%	HG	64%	68.60%	HG	68%	65.63%	A	↓	21 out of a cohort of 32 children looked after aged under 16 looked after for 2.5 years have been in the same placement for 2 years or more. This is good performance considering a number of stable placements had recently resulted in Special Guardianship Orders and were therefore removed from this cohort. We are monitoring placements closely to ensure there are no unnecessary moves.

NI Ref:	Indicator Description	Polarity Good to be High ▲ or Low ▼?	On corporate Scorecard 2009/ 10	2009/10 Target Q1	2009/10 Actual Q1	2009/10 Q1 Status	2009/10 Target Q4	2009/10 Actual Q4	2009/10 Q4 Status	2010/11 Target Q1	2010/11 Actual Q1	2010/11 Q1 Status	Direction of travel ↑↔↓	Current Assessment
Economic well being														
NI 117	NI 117 % of young people aged 16-18 who are NEET	▼	✓	3.60%	4.03%	HR	3.60%	3.10%	HG	3.40%	3.40%	LG	↔	Harrow continues to have one of the lowest levels of NEET (Not in Education, Employment & Training) young people in London. The figures for this time of year are good and indicate that young people are being tracked and followed up.
Enjoy and Achieve Outcome														
NI 86	NI 86 Secondary schools judged as having good standards		✗							90%				Data not yet available
NI 88	NI 88 number of extended schools	▲	✓	100% (by the end of the year)	96%	LG	98.50%	98.50%	LG	100%	100%	LG	↑	100% of schools in Harrow provide access to the full core offer. Excellent progress has been made to achieve this deadline before its due date of Sept 2010.
NI103a	NI 103a SEN - statements issued within 26 wks (excl. exceptions)	▲	✗	95%	96.20%	LG	95%	94.96%	LG	95%	96.6%	LG	↔	We have been successful in exceeding our target by continuing to carefully monitor workload demands.
NI103b	NI 103b - SEN - statements issued within 26 wks (all statements)	▲	✗	95%	89.30%	LR	95%	92.75%	A	90%	93.3%	LG	↑	as above (NI103a)
	Primary schools judged to have good standards	▲	✗											Data not yet available
	% Persistent Absence in Primary Schools by term	▲	✗											Reported in Q2
	% Persistent Absence in High Schools by term	▲	✗											Reported in Q2
Increased choice and control														
NI 132	NI 132 Timeliness of social care assessments	▲	✓	96%	95.20%	A	96%	96.50%	LG	97%	95.00%	A	↔	The increase in numbers of clients receiving Self Directed Support (see NI130) has placed an extra challenge on this indicator. Frequent monitoring is in place to ensure compliance with this indicator.
NI 133	NI 133 Timeliness of social care packages	▲	✓	94%	87.10%	A	94%	84.40%	HR	94%	93.20%	A	↑	Current performance is an improvement on 2009/10 . Action plan with early warning system in place to prioritise cases that are in danger of going over time.

NI Ref:	Indicator Description	Polarity Good to be High ▲ or Low ▼?	On corporate Scorecard 2009/ 10	2009/10 Target Q1	2009/10 Actual Q1	2009/10 Q1 Status	2009/10 Target Q4	2009/10 Actual Q4	2009/10 Q4 Status	2010/11 Target Q1	2010/11 Actual Q1	2010/11 Q1 Status	Direction of travel ↑↔↓	Current Assessment
NI 130	NI 130 Social Care clients receiving Self Directed Support (Direct Payments and Individual Budgets)	▲	✓	No quarterly target set	8.60%	N/A	20%	22.2%	HG	24.5%	23.4%	A	↑	Older People teams have just started their Personal Budget conversion reviews which explains why we are slightly behind target. It is expected that once OP are in full swing with the conversion reviews the next quarter target will be met.
NI 135	NI 135 Carers receiving needs assessments or reviews and a specific carer's service or advice and information	▲	✓	No quarterly target set	9.30%	NT	46%	52%	HG	10%	9.5%	A	↑	This is a cumulative indicator. Actual exceeds Q1 2009/10
	PAF-D40 People receiving a review as a % of those receiving a service.	▲	✓	No quarterly target set	19.60%	N/A	No target set	87.30%		20%	24.50%	HG	↑	This is a cumulative indicator. Actual exceeds Q1 2009/10
Freedom from discrimination and harassment														
NI 146	NI 146 Adults with learning disabilities in employment	▲	✓	Not available - reported annually			12.5%	13.60%	LG	3.2%	3.1%	A		This is a cumulative indicator. The indicator will continue to increase throughout the year as more clients are reviewed.
Making a positive contribution														
	Rate of fixed term exclusions from schools									320	319	A		
Improve Quality of Life														
	Major adaptations waiting time (SAS measure)	▼	✗	Not available			30 weeks	45.3 weeks	HG	45 weeks	45.4 weeks	A	↔	A backlog of adaptations needs to be cleared before this indicator can improve significantly. Increased budget in 2010/11 and revised procedures should lead to improvement.
	QA - 'CRILL' -% of new res/nursing care rated good/ excellent	▲	✗	Not available						93%	86.5%	LR		Although this indicator is below target it has improved from 2009/10. However we still have one 1* block contract. The position is being reviewed.
	QA - 'CRILL' -% of new home care rated good/ excellent	▲	✗	Not available						99%	100%	HG		We are exceeding our target for this indicator because we are only placing with good and excellent providers. We are continuing to monitor homecare providers and will take action if provision drops below 2 star
	Ethnicity of clients vs Harrow population		✗	Not available			1	1.04	LG	1	0.96	A	↔	The closer to 1 on this indicator the better. This figure indicates that Harrow is performing well.

NI Ref:	Indicator Description	Polarity Good to be High ▲ or Low ▼?	On corporate Scorecard 2009/ 10	2009/10 Target Q1	2009/10 Actual Q1	2009/10 Q1 Status	2009/10 Target Q4	2009/10 Actual Q4	2009/10 Q4 Status	2010/11 Target Q1	2010/11 Actual Q1	2010/11 Q1 Status	Direction of travel ↑↔↓	Current Assessment
NI 136	NI 136 People supported to live independently (C29,30,31,32)	▲	✓	2785	3550	HG	2785	3533	HG	2924	3476	HG	↔	Continuing good performance which is being monitored fortnightly.
	6 wk satisfaction survey for new adult social care clients	▲	✗	Not available						82%	91.30%	HG		Performing well against quarterly target.
Deliver high quality services														
	Average time taken to relet LA housing (days) (exBV212)	▼	✗	27	28.6	LR	27	37.7	HR	32	31.5	LG	↔	New asbestos checks are adding at least 10 days to void turnaround time, so this target is now unlikely to be met
Tackling Homelessness demand while reducing temp accommodation														
	Total number accepted as homeless and in priority need	▼	✗	Not available						15	12	HG		Q1 2010 figures just published show Harrow as having the lowest number of acceptances of any London borough.
	No of private sector vacant properties returned to occupation	▲	✗	11	13.9	HG	45	47	HG	7	7	LG	↔	This is a cumulative indicator. Q1 target met. On target for year end. Monthly monitoring undertaken to allow for contingency planning if necessary
Increasing supply of housing														
NI 155	NI 155 Number of affordable homes delivered (gross)	▲	✓	26	28	LG	219	266	HG	61	75	LG	↑	Q1 target met and on target to meet end of year target. Completions are monitored monthly to allow for contingency planning if required

Priority 3 - Build Stronger Communities

NI Ref:	Indicator Description	Polarity Good to be High ▲ or Low ▼?	On corporate Scorecard 2009/ 10	2009/10 Target Q1	2009/10 Actual Q1	2009/10 Q1 Status	2009/10 Target Q4	2009/10 Actual Q4	2009/10 Q4 Status	2010/11 Target Q1	2010/11 Actual Q1	2010/11 Q1 Status	Direction of travel ↑ ↔ ↓	Current Assessment
Be healthy outcome														
NI 109	NI 109 Number of Sure Start Children's Centres	▲	✘	68.7%	62.5%	LG	81%	81%	LG	100%	87.50%	HR	↑	14 centres in Q1 offering services
Tackling homelessness & demand while reducing temp accommodation														
	No of cases where positive action is taken to prevent homelessness	▲	✘	150	221	HG	800	821	A	200	206	LG	↔	On target. The effects of the recession are still causing an increase in enquiries and threatened homelessness. We have recently held a "Housing Opportunities Event" to highlight our services which was attended by nearly 200 residents. We continue to offer mortgage advice and general housing advice to prevent people losing their homes, and so far we have avoided a rise in the rate of homelessness
Preserve and enhance the environment within the borough														
	BV 200b Plan Making - is council meeting LDS milestones?	▲	✓	Yes	No	LR	Yes	No	A	Yes	No	LR		The Local Development Scheme sets out a programme for the preparation of planning documents. It has recently been revised.
Maintain economic development														
NI 152	NI 152 Working age people on out of work benefits	▼	✓	Annual target	-	AT	8.6%	8.6%	LG	12.7%	10.0%	LG	↔	This indicator is measured by the difference between the Harrow figure and the national figure. The data relates to August 2009, which is the most recent data released.

Customer & corporate health perspective

NI Ref:	Indicator Description	Polarity Good to be High ▲ or Low ▼?	On corporate Scorecard 2009/ 10	2009/10 Target Q1	2009/10 Actual Q1	2009/10 Q1 Status	2009/10 Target Q4	2009/10 Actual Q4	2009/10 Q4 Status	2010/11 Target Q1	2010/11 Actual Q1	2010/11 Q1 Status	Direction of travel ↑↔↓	Current Assessment
Increase customer satisfaction														
NI 157a	NI 157a Processing of Major Planning Applications	▲	✓	60%	80.9%	HG	60%	85%	HG	60%	40%	LR	↓	Reduced opportunity for applications to be considered at committee during the national/local elections period, plus transition from temporary to permanent staffing resulted in a decline in this indicator which will continue to have an impact in subsequent quarters. However we expect a variation in this indicator due to the small number of major planning applications.
NI 157b	NI 157b Processing of Minor Planning Applications	▲	✓	65%	81.9%	HG	65%	84%	HG	65%	71%	LG	↓	Continuing on target despite small drop in performance
NI 157c	NI 157c Processing of Other Planning Applications	▲	✓	80%	94.1%	HG	80%	94%	HG	80%	90%	LG	↓	Continuing on target despite small drop in performance
	% of calls answered within 5 rings or 30 seconds	▲	✓	Not available			85%	82%	LR	90%	85%	LR	↔	The percentage of calls answered within 30 seconds has improved reaching its highest level for twelve months. The focus is now on improving the level of service received by customers calling regarding Benefits and Council Tax which will enable us to achieve the target of 90%. This figure relates to Access Harrow, cross council figures will be reported from Q2.
	% Email & web forms acknowledged within 24 hrs + replied within 5 wkg days	▲	✓	Not available			85%	76% 92%	HR	85%				Complete cross council figures not available until Q2.
	% letters & faxes replied to within 10 working days	▲	✓	Not available			70%	92%	HG	80%				
	One Stop Shop average waiting time	▼	✓	15 Min	13 min 41 secs	LG	15 Min	16 min 20 secs	HR	15 Min	16 min 13 sec	LR	↑	The average wait time improved from eighteen minutes in April to under sixteen minutes in June and the percentage of customers seen within 15 minutes continued to improve in the 1st quarter. This is partially due to the new Housing Benefit process being enhanced by increasing the number of advisors available to assess the forms as well as improvements in the initial interaction with customers at Reception.
	% customers seen in less than 15 minutes	▲	✓	58%	60%	A	60%	59%	A	60%	61%	LG	↑	

NI Ref:	Indicator Description	Polarity Good to be High ▲ or Low ▼?	On corporate Scorecard 2009/ 10	2009/10 Target Q1	2009/10 Actual Q1	2009/10 Q1 Status	2009/10 Target Q4	2009/10 Actual Q4	2009/10 Q4 Status	2010/11 Target Q1	2010/11 Actual Q1	2010/11 Q1 Status	Direction of travel ↑↔↓	Current Assessment
	% of one stop shop customers surveyed satisfied/ v.satisfied	▲	✓	95%	96%	LG	95%	95%	LG	95%	95%	LG	↔	The continuing roll out of the new Housing Benefit process is increasing customer satisfaction highlighting the importance of resolution. The introduction of the Police Information Point and a Housing Officer service within Access Harrow is an additional benefit to residents enabling a greater joined up service.
	% of one stop stop customers satisfied (professionalism)	▲	✓	90%	98%	HG	90%	97%	HG	90%	96%	HG	↔	
	% of one stop shop customers satisfied (resolution)	▲	✓	80%	97%	HG	80%	95%	HG	80%	96%	HG	↔	The new Housing Benefit process for handling new claims has been further improved resulting in a better service for customers visiting the One Stop Shop.
	% of one stop shop customers satisfied (response speed)	▲	✓	80%	97%	HG	80%	84%	HG	80%	85%	HG	↔	
	Resolution of issues at first contact	▲	✓	87%	80%	HG	80%	90%	HG	80%	91%	HG	↑	This performance reflects the high number of enquiries resolved within Access Harrow.
	Avoidable contact covered by Access Harrow	▼	✓	25%	21%	HG	25%	23%	LG	23%	20%	HG	↔	This data has been captured over 111,000 contacts within Access Harrow. An improvement in the Housing Benefits process and a reduction in 'missed bins' enquiries has assisted in a slight reduction to last years figure.
	% who agree that the Council gives local people good VFM (RT)	▲	✓	-	33%	NT	32%	35%	HG	32%	35%	HG	↔	The last survey run was March 2010, therefore no change since Q4.
	% who feel that they can influence decisions affecting their local area (RT)	▲	✓	-	25%	NT	27%	30%	HG	27%	30%	HG	↔	
	% who are satisfied with the way the Council runs things (RT)	▲	✓	-	56%	NT	5% increase on 58%	52%	HG	36.75%	52%	HG	↔	
Deliver high quality services														
	Customer satisfaction with responsive repairs service	▲	✗	92%	91.6%	A	92%	89%	A	90%	90%	LG	↔	Based on telephone interviews. On target.
Improve neighbourhoods and quality of life														
	% of tenants satisfied with the outcome of their anti social behaviour case	▲	✗	Not available						60%	100%	HG		100% of tenants who responded said they were very or fully satisfied with the outcome of their ASB complaint. However this is a very low sample and work is in progress to develop the reporting system for future months. Future responses are not expected to be so high

NI Ref:	Indicator Description	Polarity Good to be High ▲ or Low ▼?	On corporate Scorecard 2009/ 10	2009/10 Target Q1	2009/10 Actual Q1	2009/10 Q1 Status	2009/10 Target Q4	2009/10 Actual Q4	2009/10 Q4 Status	2010/11 Target Q1	2010/11 Actual Q1	2010/11 Q1 Status	Direction of travel ↑↔↓	Current Assessment
Tackling homelessness & demand while reducing temp accommodation														
	No. of households we assist with housing in the private rental sector	▲	✘	Not available					60	52	HR		In common with other London boroughs, we are having difficulty in placing households in the private rented sector. We have launched our Local Lettings Agency that may help.	

Resources perspective

NI Ref:	Indicator Description	Polarity Good to be High ▲ or Low ▼?	On corporate Scorecard 2009/ 10	2009/10 Target Q1	2009/10 Actual Q1	2009/10 Q1 Status	2009/10 Target Q4	2009/10 Actual Q4	2009/10 Q4 Status	2010/11 Target Q1	2010/11 Actual Q1	2010/11 Q1 Status	Direction of travel ↑ ↔ ↓	Current Assessment
Improve the way we work for our residents														
	BV 12 Proportion of working days lost to sickness absence	▼	✓	8	7.58	HG	8.45	7.91	LG	7.51	7.57	A	↓	Performance has continued to improve, building on the positive trend. Work to maintain the rate of improvement is continuing but future performance is uncertain as sickness absence may rise as the transformation programme rolls out.
	BV 17a Percentage of black and ethnic minority employees	▲	✓	39	36.69	A	39	37.34	A	39	37.64	A	↔	Q1 saw further slight improvement however, progress will be affected by reduced levels of recruitment and the indicator may be impacted by the transformation programme.
	BV 16a % of employees declaring that they meet the DDA definition	▲	✓	3	2.05	A	3	1.91	HR	3	1.9	HR	↔	Q1 has seen a further deterioration and the target has not been achieved. Work last year with Harrow Association for Disabled People to improve performance has so far not resulted in improvements. The Corporate Equality Group has highlighted this as a priority
	BV 8 Percentage of invoices paid on time	▲	✓	95%	93.00%	A	95%	80.00%	HR	95.0%	82.00%	HR	↔	Need to get assessments for these.
	BV 9 Percentage of Council Tax collected	▲	✓	30.3%	30.70%	LG	97%	97.26%	LG	30.5%	30.61%	LG		This is a cumulative indicator with a final year target of 96.75%
	BV 10 Percentage of non-domestic rates collected	▲	✓	36.0%	34.76%	A	97.25	96.18%	A	35.00%	35.92%	LG		This is a cumulative indicator with a final year target of 97.25%
	PM1 Average time for processing new benefits claims (days)	▼	✓	21	16.4	HG	21	16.32	HG	21	14.63	HG	↔	Performance is excellent and this has been recognised in the recently published Q1 Dept of Work & Pensions figures for all authorities regarding right time indicator performance. This is despite the recession which has seen an increase of almost 20% in claimants over the last 24 months.
	PM5 Average time for processing changes of circumstances (days)	▼	✓	9	4.3	HG	9	7.31	HG	9	4.87	HG	↔	
NI 181	NI181 Time to process HB/CTB new claims & change events (days)	▼	✓	9	5.4	HG	9	7.22	LG	9	6.27	HG	↔	
	% of managers entering budget into SAP		✗	100%	80%	A	100%	100%	HG	100%	85%	HR	↓	
	Variance against budget (net position)		✗	0.05%	0.02%	LG	0.05%	0.01%	LG	0.05%	0.16%	HR	↓	See P & F Report - "Revenue & Capital Monitoring to 30th June 2010".
	Variance against budget - capital programme		✗							10%	0.01%	HG		

NI Ref:	Indicator Description	Polarity Good to be High ▲ or Low ▼?	On corporate Scorecard 2009/ 10	2009/10 Target Q1	2009/10 Actual Q1	2009/10 Q1 Status	2009/10 Target Q4	2009/10 Actual Q4	2009/10 Q4 Status	2010/11 Target Q1	2010/11 Actual Q1	2010/11 Q1 Status	Direction of travel ↑ ↔ ↓	Current Assessment
Deliver high quality services														
	LA rent collection and arrears: proportion of rent collected	▲	x	87.36%	85.49%	A	98.00%	97.19%	A	87.36%	90.30%	LG	↑	Good and steady progress is being made in improving rent performance, which is now clearly sustainable

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**REPORT FOR: PERFORMANCE AND
FINANCE SCRUTINY
SUB-COMMITTEE**

Date of Meeting:	20 September 2010
Subject:	Scrutiny Recommendations Monitoring 2009/10
Responsible Officer:	Alex Dewsnap, Divisional Director Partnerships, Development and Performance
Scrutiny Lead Member area:	All areas
Exempt:	No
Enclosures:	Appendix A – Reviews completed in 2009/10

Section 1 – Summary and Recommendations

This report sets out progress against recommendations made by scrutiny through review reports in 2009/10.

Recommendations:

The sub committee is requested to:

1. Note the report;
2. Agree the proposals for further monitoring set out in Appendix A.

Section 2 – Report

Introductory paragraph

As a new Council administration began in May 2010, scrutiny Members have requested a report outlining details of recommendations made by scrutiny in the course of 2009/10.

The purpose of this report is to provide scrutiny Members with intelligence on those reviews that have been completed as well as those in need of further monitoring. Historically the Performance and Finance sub-committee has fulfilled the role of monitoring progress against recommendations made.

This year the Health sub-committee has begun to take on the role of monitoring recommendations made in respect of health matters.

This report will also be provided to Members of the Overview and Scrutiny committee and Health sub-committee for information.

Background

Reviews completed by scrutiny in 2009/10 are as follows:

- [Extended schools as community resources \(April 2009\)](#)
- [Housing Revenue Account \(November 2009\)](#)
- [Integrated Care Organisation \(January 2010\)](#)
- [Response to Acute Paediatric Services NHS consultation \(February 2010\)](#)
- [Response to East Harrow polysystem NHS consultation \(February 2010\)](#)
- [Standing review of the budget - phase 2 \(January 2010\)](#)
- [Sustainability \(February 2010\)](#)

Appendix A provides detail of when these reports were considered by Cabinet, whether progress against recommendations has already been reviewed and an officer assessment of whether further monitoring is advised.

The following report was completed in 2008/09 but is recommended for further review by scrutiny. Details are also given in Appendix A:

- [Delivering a strengthened voluntary and community sector - final report \(November 2008\)](#)

Financial Implications

There are no specific financial implications associated with monitoring progress against recommendations.

Performance Issues

This report deals with performance throughout.

Environmental Impact

Not applicable to this monitoring report.

Risk Management Implications

Not applicable to this monitoring report.

Corporate Priorities

Scrutiny activity covers all of the council's corporate priorities.

Section 3 - Statutory Officer Clearance

Not required for this report.

Section 4 - Contact Details and Background Papers

Contact: Heather Smith, Scrutiny Officer, 020 8420 9203
heather.smith@harrow.gov.uk

Background Papers:

Relevant scrutiny review reports, all of which are published on the council's website at:

http://www.harrow.gov.uk/info/10058/scrutiny/1811/completed_scrutiny_projects/reports/3

Appendix A – Reviews completed in 2009/10

Review	Agreed by Scrutiny	Considered by Cabinet	Review undertaken by	Assessment by scrutiny officer
Extended schools as community resources	April 2009	17 September 2009	Performance and Finance 25 March 2010	No further follow-up recommended. P&F received a progress report from the relevant officer and the committee was satisfied with progress made.
Housing Revenue Account	November 2009	14 January 2010 The work of scrutiny contributed to the council's response to a Communities and Local Government consultation on the future of the Housing Revenue Account.	N/A	No direct further follow up required with regard to the specific review. However, O&S is considering undertaking work on the new Housing Ambition Plan later in the Municipal Year. It is recommended that the SDE leads maintain a watching brief on potential changes to the HRA.
Integrated Care Organisation	January 2010	18 March 2010 (for information)	Health sub 2 September 2010	No direct further follow up required with regard to the specific review. The Health sub intends to keep a watching brief on this area.
Response to Acute Paediatric Services NHS consultation	February 2010	N/A	Health sub 2 September 2010	No direct further follow up required with regard to the specific review.

Review	Agreed by Scrutiny	Considered by Cabinet	Review undertaken by	Assessment by scrutiny officer
Response to East Harrow Polysystem NHS consultation	February 2010	N/A	Health sub 16 June 2010	Developments and proposals put forward by the previous Government in relation to health are to be re-assessed against new criteria. Most proposals that are already in motion are able to go ahead. The Health sub has asked to be kept informed of developments.
Standing review of the budget	January 2010	Received by Cabinet 11 February 2010, response report 23 June 2010	Not yet scheduled for review.	This report should be followed up either by P&F or by the new Standing Review of the Budget in the course of 2010/11.
Sustainability	February 2010	18 March 2010	Not yet scheduled for review.	This report should be followed up by P&F in the course of 2010/11.

Earlier work recommended for continued review

Delivering a strengthened voluntary and community sector	November 2008	Received by Cabinet 18 December 2008, response report 26 March 2009. Of the 22 review recommendations, 17 were agreed for immediate implementation and a further 4 as part of the Third Sector strategy. One recommendation, relating to Harrow Heroes, was not agreed. Third Sector Strategy was agreed by Cabinet 18 March 2010.	Performance and Finance 16 November 2009. Members requested a further progress report. Not yet scheduled for further review on 2010/11.	This report should be followed up by P&F in the course of 2010/11. This discussion should be informed by the previous P&F discussion (16-11-09 minute 144 refers).
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REPORT FOR:

Performance and Finance &
Committee

Date:	20 September 2010
Subject:	Future Funding Gaps
Scrutiny Lead Member area:	All areas
Responsible Officer:	Myfanwy Barrett Corporate Director of Finance
Exempt:	No
Enclosures:	Appendix 1 – Funding Gaps 2011-12 to 2013-14

Section 1 – Summary and Recommendations

To provide the Committee with an opportunity to review the estimated funding gaps in future years and the underlying assumptions.

Recommendation: That the Committee considers and comments on the assumptions and issues relating to future funding gaps.

Reason: To ensure that there is effective scrutiny of budget planning.

Section 2 – Report

1. In the current published MTFs, which was approved by Cabinet in February 2010, the funding gaps for 2011-12 to 2013-14 are £16m, £14m and £13m respectively. These gaps reflect the best information that was available at the time in relation to:
 - Forecast grant levels
 - Collection fund position
 - The cost of financing capital investment
 - Concessionary fares

- Levies and subscriptions payable to other bodies
 - The need to continue to strengthen the balance sheet
 - The need to reduce reliance on capitalisation over time
 - Forecast pay awards and inflation
 - National insurance changes
 - The forecast outcome of the triennial valuation of the pension fund
 - Demographic pressure in Children's Services and Adults
 - Increases in waste disposal costs due to landfill tax increases
2. The MTF5 was based on a council tax increase of 2.5% in each year.
 3. The assumptions behind the MTF5 are continuously under review. Since February there have been a number of important developments:
 - It has become clear that there is still considerable pressure in Children's services, over and above the approved budget for 2010-11
 - The government is encouraging schools to become academies, and this would have implications for the Council
 - Cabinet has made an in principle decision to transfer the IT service to Capita, with additional investment required
 - Harrow PCT is facing significant financial problems and this is having a knock on effect on the Council
 - Free personal care is unlikely to proceed
 - Parking income is under pressure
 4. In year funding cuts announced in June suggest there is significant risk around specific grants and Area Based Grant in future.
 5. The emergency budget published in June and subsequent analysis suggests:
 - Public sector spending totals will be reduced, on average, by 25% over 4 years in real terms (IFS analysis suggests the figure for local government may be 33%)
 - There will be a public sector pay freeze in central government for two years (2011-12 and 2012-13), with protection for the lowest paid, and this is likely to be mirrored in local government
 - Employers' NI will increase by 1% in 2011-12, but this will largely be offset by an increase in the threshold
 6. Inflation and interest rates are difficult to predict in the current climate. At the end of July this year CPI was 3.1% and RPI was 4.8%. The stated inflation target is still 2%. The Council makes separate provision for pay, so CPI is the relevant index for other inflation. The current MTF5 is based on 2% and the best and worst cases in the appendix are based on 1% and 3%. It may be that Directorates are required to absorb some inflationary pressure next year. All Directorates are expected to negotiate contract increases with suppliers.
 7. The base rate has been at 0.5% for some time, and this is expected to start to increase in 2011, but the rate of increase is difficult to predict.
 8. There is considerable uncertainty about how the proposed freeze on council tax in 2011-12 will work in practice.

9. Overall in the last six months there have been some positive movements, for instance on pay, capital financing, and free personal care, and some negative movements such as the situation in Children's services and the grant outlook.

Options Considered

10. The attached analysis shows the components of the funding gap for 2011-12, 2012-13 and 2013-14. In addition, for 2011-12 there is a sensitivity analysis (best case, middle case, worst case).
11. In this analysis the worst case scenario for 2011-12 is a funding gap of £28m. This is based on no council tax increase, general and area based grant reductions of 6% per annum in cash terms, specific grant reductions of £2m, relatively high inflation, additional service pressures coming forward, and new investment in priorities of £2m.
12. The best case is £6.5m and the middle case is £17.25m.
13. As part of the planning round, the starting point is that any reductions in specific grants will be matched by reductions in expenditure, and all Directorates are being asked to review their grant funded services from this perspective. However, some allowance has been made in the analysis attached for specific grant cuts which cannot be matched by spending reductions in the service area in question.
14. The funding gaps will continue to move around as new issues emerge.

Consultation

15. Consultation is not required on funding gaps.

Financial Implications

16. Financial matters are integral to this report.

Risk Management Implications

17. A detailed risk register will be developed as part of the budget round.

Corporate Priorities

18. The budget process is aligned with the development of corporate priorities and the Corporate Plan.

Section 3 - Statutory Officer Clearance

Name: ... Myfanwy Barrett... Chief Financial Officer

Date: 24 August 2010.....

Name: ... George Curran... On behalf of
Monitoring Officer

Date: ... 24 August 2010.....

Section 4 - Contact Details and Background Papers

Contact: Myfanwy Barrett, 020 8420 9269

Background Papers:

NONE

If appropriate, does the report include the following considerations?

1.	Consultation	YES
2.	Corporate Priorities	YES

Funding Gap: Sensitivity Analysis for 2011-12

Area	2011-12 £m MTFS	2011-12 £m BEST	2011-12 £m MIDDLE	2011-12 £m WORST	Comments	2012-13 £m	2013-14 £m
Capital Financing Costs and Investment Income	2	1	1.5	2	Dependent on size of capital programme, interest rates and capital receipts	3	2
Technical aspects: <ul style="list-style-type: none"> • Area Based Grant • Reserves • Provisions • Capitalisation • Land Charges • Concessionary fares 	3	1	2	3	Important to continue to rebuild balance sheet, concessionary fares is a significant risk, general balances now over £6m	2	2
Inflation (including pension contributions)	6	3	5	7	MTFS based on 2% for pay and prices Best – pay at 0%, NI at 0.5%, general inflation at 1% Worst ¹ – pay at 2%, NI at 1%, general inflation at 3%	6	6
Loss of specific grants which can't be matched by spending cuts		0	1	2	DSG review, loss of other specific grants		

¹ July 2010 data: CPI at 3.1% and RPI at 4.8%

Area	2011-12 £m MTFS	2011-12 £m BEST	2011-12 £m MIDDLE	2011-12 £m WORST	Comments	2012-13 £m	2013-14 £m
Service Pressures	3	2	2.75	3.5	MTFS reflects free personal care, demographic growth and waste disposal costs. Latest info suggests that free personal care will not proceed and that position on WLWA levy has improved. Possible further risks around academies, carbon trading etc. Best case based on deleting free personal care and reduced levy.	2	2
NEW: Children's budget – underlying shortfall and increased demographic risk		1	1	1			
NEW: PCT risk		0	0.5	1			
NEW: IT outsourcing deal		1.5	1.5	1.5			
Investment	2	0	1	2	Political decision	2	2
Total pressures	16	9.5	16.25	23.0		15	14
General Grant reduction	2	0	2	4	MTFS based on 3% cash reduction Best – grant freeze Worst – 6% cash reduction (Same assumptions apply to Area Based Grant)	2	2

Area	2011-12 £m MTFS	2011-12 £m BEST	2011-12 £m MIDDLE	2011-12 £m WORST	Comments	2012-13 £m	2013-14 £m
Funding Gap with no council tax increase	18	9.5	18.25	27.0		17	16
Council tax increase @ 2.5%	(3)	(3)	(1.5)	0	Best – 2.5% increase or full funding provided to get to 0% Worst – 0% increase with no government funding	(3)	(3)
Collection Fund	1	0	0.5	1	MTFS based on £0.5m surplus Best – surplus of £1.5m (same as 2009-10) Worst – surplus of £0.5m		
Net funding gap	16	6.5	17.25	28.0		14	13

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**REPORT FOR: CABINET /
PERFORMANCE AND
FINANCE SCRUTINY SUB-
COMMITTEE**

Date:	14 September 2010 / 20 September 2010
Subject:	Revenue and Capital Monitoring for Quarter 1 - as at 30 June 2010
Key Decision:	Yes
Responsible Officer:	Myfanwy Barrett, Corporate Director Finance
Portfolio Holder	Councillor Bill Stephenson – Leader and Portfolio Holder for Finance and Business Transformation
Exempt:	No
Decision subject to	Yes
Call-in:	
Enclosures:	Appendix 1 - Revenue commentary Appendix 2 - Capital Monitoring Appendix 3 - Housing Revenue Account

**Section 1 – Summary and Recommendations (To
Cabinet)**

This report sets out the Council's revenue and capital monitoring position as at 30th June 2010.

Recommendations: (To Cabinet)

- (a) Note the revenue and capital forecast outturn position for 2010/11;
- (b) Note the action being taken to bring the Council in on budget this year;
- (c) Approve the virement within the HRA in paragraph 13; and
- (d) Approve the amendments to the Capital Programme as set out in appendix 2

Reason:

To present the forecast financial position and actions required to be taken

Recommendation: (to Performance and Finance Scrutiny Sub-Committee)

That the report be noted.

Section 2 – Report

Introduction

1. This report summarises the monitoring position as at end of June 2010. The total Directorate outturn position is £194.149m against a latest budget of £191.009m, which represents an over spend of £3.140m, a variance of 1.6% of the net budget. This includes in year savings targets of £1.3m for which plans are being put in place and includes some of the carry forward requests from 2009/10 as detailed in paragraph 10.

Original Budget	Directorate	Latest Budget	In year Savings	Revised Budget	Forecast Outturn	Variation		
						Period 03	%	2009/10
£000		£000	£000	£000	£000	£000	%	£000
21,691	Corporate Finance	22,032	-145	21,887	21,987	100	0.5	-712
1,174	Legal and Governance	1,269	-40	1,229	1,269	40	3.2	-36
5,076	Chief Executive	6,330	-100	6,230	6,230	0	0.0	-553
27,941	Sub total Corporate	29,631	-285	29,346	29,486	140	0.5	-1301
70,029	Adults & Housing	69,636	-455	69,181	69,836	655	0.9	-860
46,496	Community and Environment	46,574	-300	46,274	47,509	1,235	2.7	-1,171
40,437	Children's	41,776	-220	41,556	42,594	1,038	2.5	1931
4,332	Place Shaping	4,692	-40	4,652	4,724	72	1.5	-373
189,235	Directorate Total	192,309	-1,300	191,009	194,149	3,140	1.6	-1,774

2. The Council is currently forecasting an overspend of £3.1m across Directorates. This figure includes the impact of in year funding cuts. All Directorates are continuing to develop action plans to mitigate the considerable pressures they are facing and cover their share of the in year cuts, and assessing the impact of proposed measures. Work is being done to
 - Control vacancies and use of agency staff;
 - Ensure careful management of spending;
 - Bring forward transformation projects and 2011/12 savings wherever possible;
 - Consider opportunities to increase income in year; and
 - Consider diverting capital grants to reduce capital financing costs.
 Progress is being monitored on a monthly basis by the Council's Corporate Strategy Board.

Revenue Budget

Corporate Directorates

3. Corporate Finance are reporting potential pressures of £0.100m mostly in relation to Shared Services staffing. Both Corporate Finance and Legal and Governance are constructing plans to address their pressures and in year cut. The Chief Executive's directorate is maintaining vacancies in order to deliver a balanced budget.

Adults and Housing

4. Adults and Housing is forecasting an overspend of £0.655m which incorporates £0.200m overspend on Adults -mainly in relation to ICES and Mental Health- and £0.455m in year cuts. The directorate are devising actions to balance the budget. There are potential pressures from the PCT which are not yet factored in, whilst negotiations are taking place.

Children's Services

5. Children's Services have a projected overspend of £1.038m. The variance takes account of the additional funding of £1m to mitigate budget pressures and the in year cuts of £0.220m. The in year cut of £0.220m is being met from reductions in the Extended Schools area based grant of £0.083m with the remaining savings to be met from the Achievement & Inclusion Service.
6. There are significant pressures on Safeguarding, Family Placement and Support £0.477m; Special Needs Service £0.622m; and Young People's Service £0.925m. Of the £1m funding provided for budget pressures, £0.084m has been allocated to Safeguarding to cover additional social worker costs, and initially the remaining £0.916m is being held centrally to offset overspends elsewhere.

Community and Environment Services

7. C&E are forecasting an overspend of £1.235m which includes in year cuts of £0.300m. The overspend emanates from parking enforcement under recovery of income £0.828m; environmental health £0.135m over spend on Animal Services (pest control); car park income £0.076m down; public realm £0.117m over as a result of reduced income for Trade Waste.

Place Shaping

8. Place Shaping is forecasting a £0.072m over spend and is currently looking at ways to balance this.

Corporate Budgets

9. There will be some flexibility in corporate budgets, e.g. pay award provision and Treasury Management, which is being analysed and collated. This is taken in conjunction with the need to provide additional upfront funding to the Transformation Programme to ensure savings can be made earlier and strengthen the council's balance sheet as much as possible in preparation for the spending review.

Carry Forwards

10. Given in year existing pressures and cuts Directors and Divisional Directors have been asked to absorb commitments carried forward from previous years where this is possible, to allow more flexibility corporately to address the highest priority areas. From the total carry forwards of £2.153m, the following carry forwards have been approved to date which totals to £0.766m.

Released Carry Forward			
Directorate	Description	£m	Explanation
Community & Env.	Under spend on Capital Financing	0.075	Approved by the Cabinet in March 2010 to fund additional grants to the Voluntary sector in Community & Environment Directorate
Place Shaping	Healthy Living Café	0.034	One off amount required to complete project
	Development of Harrow's core strategy	0.164	Required to deliver One Place
	LAA Project	0.114	Projects approved by the HSP not yet spent in 2009-10.
	Maintenance of Suspense Account	0.269	Allocation of £0.269m to the Assistant Chief Executive for Transformation Programme in 2010/11 agreed by the Cabinet in March 2010.
	Backdated VAT Refund	0.110	This sum is needed for Assistant Chief Executive directorate to fund on-going staffing costs of the programme management Office who support Transformation Programme
Total		0.766	

Housing Revenue Account (HRA)

11. The Housing Revenue Account is included at Appendix 3. The overall position in year is a deficit of £1.147m compared to the approved deficit of £1.031m. This is an adverse variance of £0.116m which, if continues, will be met from HRA balances which are currently £4,784k. The directorate is committed to identify efficiencies to manage this adverse position and the updated position will be reported to the December Cabinet.

Virement

12. As reported at the June Cabinet, HRA budget in respect of external decorations were under spent by £0.495m resulting from planned delays in carrying out the repairs work. These under spends were taken to the HRA reserve at the end of 2009/10 resulting into a closing balance of £4.784m.
13. Approval is sought from the Cabinet to release £0.495m from HRA reserves for External Decorations to carry out the repairs works.

Reserves and Provisions

14. The Council must hold adequate provisions, reserves and balances against known and anticipated events and in respect of its statutory duties as appropriate. All these provisions are reviewed on a quarterly basis. As at quarter one the Council has adequate provision in respect of Bad Debts, Insurance, Litigation and Employment cases.

Capital Programme

15. The Capital Programme is reported at Appendix 2. The forecast outturn is £54.6m against the latest capital programme of £54.5m. The approved changes during the quarter increased the programme by £2.0m and the carry forward from 2009/10 approved by the June cabinet totals to £21.6m. Most of these changes including carry forwards are grant funded.

Financial Implications

16. Financial matters are integral to the report.

Environmental Impact

17. There are none directly related to this report.

Performance Issues

18. Good financial performance is essential to achieving a balanced budget. The financial performance is integrated with the strategic performance. The quarter 1 strategic performance will be reported to the October Cabinet.

Risk Management Implications

19. The risks to the council are clearly set out in the report and how they are being managed.
Risk included on Directorate risk register? Yes
Separate risk register in place? No

Equalities Implications

20. There is no direct equalities impact.

Corporate Priorities

21. This report deals with the Revenue and Capital monitoring which is a key to delivering the Council's corporate priorities.

Section 3 - Statutory Officer Clearance

Name: Myfanwy Barrett	<input checked="" type="checkbox"/>	Chief Financial Officer
Date: 26 August 2010		
Name: Matthew Adams	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 20 August 2010		

Section 4 – Performance Officer Clearance

Name: Alex Dewsnap	<input checked="" type="checkbox"/>	Divisional Director Partnership Development and Finance
Date: 24 August 2010		

Section 5 – Environmental Impact Officer Clearance

Name: John Edwards	<input checked="" type="checkbox"/>	Divisional Director Environmental Services
Date: 20 August 2010		

Section 6 - Contact Details and Background Papers

Contact: Jennifer Hydari (Divisional Director, Finance & Procurement) Tel: 020-8424-1393 / Email: jennifer.hydari@harrow.gov.uk

Background Papers: Revenue Budget 2010-11 to 2012-13 to February 2010 Cabinet.

**Call-In Waived by the
Chairman of Overview and
Scrutiny Committee**

NOT APPLICABLE

Corporate

- The corporate departments have a variety of cost pressures, particularly on salaries, but it is anticipated that they will be managed to keep within budget. Not all of the additional reductions required to meet the in-year cuts have been identified at this point. Work is ongoing to identify further savings of £100k for Finance and £40k for Legal to meet this additional savings target.

Service	Revised Budget (Excl. Savings)	In year Savings	Revised Budget	Forecast Outturn	Variance		
					Period 3		2009/10 Outturn
					£000	%	£000
Corporate Finance - main	21,787	-145	21,642	21,742	100	0.5	-356
Corporate Items - CF	245	0	245	245	0	0	-356
Corporate Finance Total	22,032	-145	21,887	21,987	100	0.5	-712
Legal & Governance	1,269	-40	1,229	1,269	40	3.2	-36
Asst Chief Exec Dept	6,330	-100	6,230	6,230	0	0	-532
Corporate Items - ACE	0	0	0	0	0	0	-21
Chief Executive Total	6,330	-100	6,230	6,230	0	0	-553
Total	29,102	-285	29,051	29,486	140	0.5	-1,301

Corporate Finance

- The main pressures within the department relate to the IT review, Health & Safety, and Financial Assessments. These are being contained through vacancy management across the department. There is an anticipated saving of £30k in relation to Audit Commission fees.

Chief Executive

- The department is maintaining a number of vacancies currently and is only partly covering for maternity leave. This has enabled it to achieve its share of the additional in year cuts.

Adults and Housing

Service	Revised Budget (Excl. Savings)	In year Savings	Revised Budget	Forecast Outturn	Variance		
					Period 3		2009/10 Outturn
					£000	%	£000
Community Care	41,450	-217	41,233	41,318	85	0.2	-484
Commissioning & Partnerships	16,587	-47	16,540	16,799	259	1.6	-72
Personalisation & Development	5,074	-90	4,984	5,080	96	1.9	-50
Strategic Management	1,176	0	1,176	1,290	114	47.0	-16
Adult Services	64,287	-354	63,933	64,487	554	0.9	-622
Housing GF	5,349	-101	5,248	5,349	101	1.9	-238
Total	69,636	-455	69,181	69,836	655	0.9	-860
HRA	1,031	0	1,031	1,147	116	11.0	-697

- The directorate's focus is to deliver a balanced position, however given the reported pressures and risks around the Primary Care Trust (PCT), it is likely to be challenging to deliver an in year underspend of £455k. The department is currently in the process of reviewing actions to assist in achieving this position and the in year cuts have been allocated across the directorate.

Community Care

- The impact of the continuing care position, once agreed with PCT, may well increase the overspend now being reported.
- Some pressures in relation to care management, which are under review as part of the action plan in relation to the in year cuts.

Commissioning & Partnerships

- The pressures relate to the delivery of MTFs efficiencies associated with Integrated Community Equipment Service (ICES). A plan is in place to progress a solution.
- Pressure in relation to delivery of efficiencies for Mental Health in respect of day care provision and efficiencies delivered by Central North West London Mental Health Foundation Trust (CNWL) in the management of the service. Action plan sought from CNWL to reassure the Council that the efficiencies can be delivered in year as anticipated.

Personalisation & Development

- The pressures relate to care management and transport, in part offset by an underspend in relation to day centres.

Strategic Management

- Pressures of £114k remain from the unallocated BTP efficiencies of £140k carried forward from 2009/10 [£26k has been achieved through the annual Bus Services Operator Grant].

Housing GF

- An overspend is being reported as a result of the allocation of in year savings. In addition, there are potential pressures in relation to salary costs associated with Watkins House. This is currently being investigated and will be reported once the pressures have been clarified.
- The department is committed to identifying efficiencies of £100k to assist in managing the outturn position, and will be reported as an outturn variation once the actions to achieve are clear.

Community and Environment

Service	Revised Budget (Excl. Savings)	In year Savings	Revised Budget	Forecast Outturn	Variance		
					Period 3		2009/10 Outturn
					£000	%	£000
Community & Culture	9,961	-60	9,901	9,833	-68	-0.7	-12
Environment	35,696	-220	35,476	36,907	1,432	4.0	-1,022
Directorate Support & Performance	917	-20	897	769	-129	-14.3	-137
Total	46,574	-300	46,274	47,509	1,235	2.7	-1,171

Community & Culture

13. Cultural Services is forecasting a £9k underspend primarily as a result of recovery of RPI on recoupment income from leisure connections £98k. However this additional windfall has been allocated to fund emergency capital work at Harrow Art Centre.
14. Libraries and Museum is forecasting an £52k underspend due to actual rates for the year being lower. These underspend will be used to manage the cost of the proposed Sunday opening from October 2010 (£15k). Future funding of Sunday opening of the Central library will be built into the Radio Frequency Identification technology (RFID) business case.

Environment

15. Parking Enforcement is currently forecasting an overspend of £828k due to under recovery of enforcement income resulting from:
 - road works in central Harrow which is affecting enforcement activity as roads are closed to through traffic. Works have been underway for the last 3 months and are scheduled to be ongoing until November;
 - prevailing economic conditions will lead to lower enforcement as fewer cars on the road etc.; and
 - some mitigation against this forecast may be provided resulting from the installation of the new camera network which is now live and beginning to generate revenue although not yet in large volumes.
16. Environmental Health is forecast to be £135k overspent due to overspend on Animal Services. Current forecasts suggest that the pest control service will not be able to generate sufficient income to meet budget. To break even the Pest Control would need to generate revenue of £278k.
17. Car parks are forecasting an overspend of £76k. This is due to lower forecasted machine income generation based on trends in the first quarter of the year and the loss of rental income at Queens House Multi Story Car Park due to termination of rented spaces from local business.
18. Property & Infrastructure are forecasting a net overspend of £19k resulting from:
 - overspends in Asset Management & Facilities on electricity (£195k), Water Rates (£82k) and emergency gas repairs (£42k);
 - insufficient budget for general rates (£66k) and building cleaning (£34k) at the Civic Centre;
 - increase in salary forecast (£91k) for Harrow Stay Put following the recruitment of contract surveyors and the possible return of an employee currently on long term leave;
 - above inflationary increases in traffic signals charges from TFL (£19k); and
 - additional pressures arising from the asbestos improvement notice (£100k).

The above overspends are offset by opportunities identified below:

- net under spends on salaries (£426k) in Minor Works following a review of budgets;
- additional income (£73k) in Harrow Stay Put mainly due to charging for CAD services; and

- a possible rates rebate (£100k) which has *not* been included in the forecast.

19. Public Realm services are forecasting to overspend by £117k. The main reason for the overspend is that the service is unable to achieve income targets for Trade Waste and Civic Amenity (CA) site as a result of the downturn in the building industry. Last year £200k of reduced income from CA sites was managed within budget.

Directorate Support & Performance

20. The £100k in respect of waste RFID case which was agreed after the budget was set in February and £29k from other savings identified will contribute towards the in year savings target of £300k.

Children's Services

21. The 2010/11 forecast outturn for Children's Services, as at period 3, is a projected overspend of £1,038k. This variance takes account of the additional funding of £1m to mitigate budget pressures and the in year budget cuts of £220k agreed by Cabinet in July. The £220k budget reduction is being met from reductions in expenditure on the Extended Schools of £83k with the remaining £137k savings to be achieved from Achievement & Inclusion Service.

Service	Revised Budget (Excl. Savings)	In year Savings	Revised Budget	Forecast Outturn	Variance		
					Period 3		2009/10 Outturn
					£000	%	£000
	£000	£000	£000	£000			£000
School Development	2,342	-137	2,205	2,205	0	0	-147
Children's Services Management	3,028	0	3,028	2,132	-896	-29.6	-162
Early Years Service	1,446	-83	1,363	1,273	-90	-6.6	-10
Safeguarding, Family Placement and Support	13,555	0	13,555	14,032	477	3.5	584
Special Needs Service	8,515	0	8,515	9,137	622	7.3	756
Young People's Service	7,491	0	7,491	8,416	925	12.3	958
Schools	5,399	0	5,399	5,399	0	0	-48
Total	41,776	-220	41,556	42,594	1,038	2.5	1,931

Children's Services Management

22. Of the £1m funding provided for budget pressures £84k has been allocated to Safeguarding, Family Placement and Support to offset additional social worker costs. Initially the remaining £916k will be held centrally and will be used to offset overspends elsewhere in Children's Services.

Safeguarding, Family Placement and Support

23. The £477k pressure identified in Placements is broken down as follows:-

- **Honeypot Lane Residential Care Home £283k:** Pressure due to staff costs coupled with not achieving the income target for selling vacant places to

neighbouring boroughs. The proposal to close Honeypot Lane addresses this budget pressure and may even deliver additional savings depending on the alternative placements for the current residents. However given the timescales the savings are unlikely to be fully realised until 2011/12; and

- **In House Fostering £140k:** The service is working to increase the capacity of in house foster providers as it provides high quality care for children and good value for money. However the growth in the service, coupled with the development of the 'Fostering Plus' arrangements, is expected to generate a pressure of £140k. This has been partly offset by a slight reduction in spend on agency fostering and residential placements.

Special Needs Service

24. A full review of the Special Needs Transport Service identified potential efficiencies totalling around £800k. These efficiencies are centred around the procurement of a new fleet, using route optimisation software to reduce the number of vehicles needed, claiming Bus Service Operator's Grant and a revised spot hire contract. As a result of implementation timescales only part year savings of £493k are expected to be achieved in 2010/11, thereby creating a pressure of £307k. In addition the service manager has reported that additional routes are forecast to cost an extra £241k in 2010/11, creating a total pressure of £548k.

Young People's Service

25. Based on the current cohort of Unaccompanied Asylum Seeking Children (UASC) there is a forecast pressure of £242k in 2010/11. The grant provided by the UK Border Agency does not fully cover the cost of the service and the level of grant income reduces significantly as the age of the cohort increases. In previous years this shortfall has been partially offset by a USAC Special Circumstances Grant but this grant is not expected in 2010/11..

26. Currently there is a forecast overspend of £709k on Leaving Care. This is due to savings on placement costs and the reduction in Leaving Care provision assumed in the MTFs not being deliverable. A series of panels were held to review all placements, starting with the older children in Leaving Care. This helped reduce the forecast overspend by highlighting opportunities where young people over 18 can be moved out of agency and residential placements into independent living or supported lodgings. These panels have resulted in the forecast overspend reducing by £252k from an initial forecasted overspend of £961k.

Duties transferring from the Learning & Skills Council (LSC)

27. Following the disbanding of the LSC from 1 April 2010 the council has additional statutory duties for the commissioning and quality of 16-19 education. The DfE allocated grant of £244k to fund these new duties. This funding was not included in the 2010/11 budget as the amount had yet to be finalised. The funding has now been allocated as area based grant and consequently was subject to a reduction of £56k. The service is in the process of reviewing the plans to bring down the cost to within the new funding envelope of £188k.

28. Furthermore the DfE have just announced there will be further changes which will impact on the council's role in respect of 16-19 education however the details are yet to be confirmed. The new 16-19 commissioner is in post plus the service has additional staffing costs on Special Educational Needs assessments, together these total £130k in 2010/11. Children's Services is requesting that £130k of the £188k grant provided for this purpose is allocated to Children's Services with immediate

effect. Without this funding the additional costs will be a further budget pressure. Given the uncertainty surrounding these duties going forward it is not possible to confirm whether any further funding will be required, if it is not required then it will generate a corporate saving of £58k.

Place Shaping

Service	Revised Budget (Excl. Savings)	In year Savings	Revised Budget	Forecast Outturn	Variance		
					Period 3		2009/10 Outturn
					£000	%	£000
Business Management	1,219	-40	1,179	1,090	-89	-7.5	-217
Planning Services	2,794		2,794	2,971	177	6.3	-13
Economic Development Research & Enterprise	911		911	860	-51	-5.6	81
Major Development Projects	56		56	57	1	1.8	-141
Corporate Estate	-288		-288	-254	34	-11.8	-83
Total	4,692	-40	4,652	4,724	72	1.5	-373

Business Management

29. The £89k under spend is mainly attributed to staff cost savings (£48k) due to a reduction in agency staff following a downturn in workload and additional income (£32k) from re-charges to capital projects.

Planning Services

30. In total the current outturn position for Planning Services is £177k over spent against budget. This is primarily due the reduction in income (£189k) due to economic down turn and additional costs for preparation of future appeals (£72k) which is partly offset by salary savings detailed below.

- Design & Conservation has an under spend of £46k mainly due to salary savings resulting from several posts being held vacant;
- Development Management is showing a net overspend of £47k and is made up of additional preparation costs for on-going and future appeals (£72k) and a reduction in fees and charges (£95k) due to the downturn in the economic climate. This is offset by salary savings (£118k) as a result of staff reductions; and
- Building Control's forecast outturn is £108k over budget. This is mainly due to salary overspends (£14k) as a result of market supplement payments and a predicted reduction in fees and charges (£94k) due to the economic downturn. Following the implementation of *The Building (Local Authority Charges) Regulations 2010* which came into effect on 1 April 2010, a review of fees and charges is currently underway in order to quantify the potential impact.

Economic Development Research & Enterprise

31. An under spend of £45k is predicted mainly due to salary savings (£78k) as a result of staff vacancies, including a Tourism Officer post which is being held vacant for 5 months and a Town Centre Liaison Officer which will be held vacant for the full year. The salary savings are offset by a reduction in recharges to capital.

Major Development Projects

32. Major projects are forecasting to be broadly in line with budget.

Corporate Estate

33. A net overspend of £34k is predicted at period 3 and is mainly due to a reduction of capital income (£224k) from time spent selling capital assets, offset by:

- Additional rental income (£68k) from an area of activity in St Ann's Shopping Centre;
- Under spends on commercial properties - utilities (£29k), security costs (£33k) other controllable overheads (£19k);
- Increased income from insurance premiums (£21k) on commercial properties; and
- Staff salary savings (£12k).

CAPITAL OUTTURN AS AT 30TH JUNE 2010									
	Original Capital Programme	Cabinet Changes Approved c/f from 2009/10	Revised Capital Programme	Additions/R eductions	Virements	Capital Programme Proposed for Members Approval	Budget in SAP	Forecast Outturn	Variance
	£000	£000	£000	£000	£000	£000	£000	£000	£000
General Fund									
Corporate Finance & Strategy	8,800	3,456	12,256	0	0	12,256	4,448	4,448	0
Children's Services	13,978	11,012	24,990	2,009	0	26,999	24,203	24,203	0
Adults and Housing GF	2,610	2,064	4,674	0	0	4,674	3,674	3,674	0
Community & Env.	10,230	1,700	11,930	50	0	11,980	11,880	11,980	100
Place Shaping	2,000	1,318	3,318	0	0	3,318	233	233	0
Capitalisation	410	0	410	0	0	410	410	410	0
Sub - Total GF Programme	38,028	19,550	57,578	2,059	0	59,637	44,848	44,948	100
Funding									
Grant	11,329	12,712	24,041	2,009		26,050	23,880	23,880	0
Capital Receipt	0	0	0	0		0			
Borrowings	26,699	6,838	33,537	50		33,587	20,968	21,068	100
Sub - Total GF Funding	38,028	19,550	57,578	2,059	0	59,637	44,848	44,948	100
HRA									
Sub - Total HRA Programme	7,610	2,072	9,682	0		9,682	9,682	9,682	0
Funding									
Major Repair Allowance	3,932	0	3,932	0		3,932	3,932	3,932	0
Extensions Grant	0	181	181	0		181	181	181	0
Capital Receipt	250	0	250	0		250	250	250	0
RCCO	500		500			500	500	500	0
Borrowings	2,928	1,891	4,819	0		4,819	4,819	4,819	0
Sub - Total HRA Funding	7,610	2,072	9,682	0	0	9,682	9,682	9,682	0
Total Capital Programme	45,638	21,622	67,260	2,059	0	69,319	54,530	54,630	100

Note: The forecast outturn is based on the approved business cases as at quarter 1.

ADDITIONS and REDUCTIONS

Children's Services

Description	£000
Children's Centre – additional grant funding	1,389
Supporting Young People - additional grant funding	50
Harnessing Technology – DfE have cut the grant by 50% in year	-278
Targeted Capital – Practical Cooking – additional grant funding	848
Total	2,009

Community and Environment

Description	£000
Procurement of Major Works Contracts	50
Total	50

VIREMENTS

Children's Services

Description	£000
Autistic Spectrum Disorder	896
Primary Capital (Grant)	-896
Total	0

VARIANCES

Community & Environment

Description	£000
School Landlord Works - Asbestos notices	100
Total	100

Appendix 3

Housing Revenue Account forecast outturn position as at 30 June 2010

	Approved Budget 2010-11 £000	Forecast Outturn 2010-11 £000	Variation £000	Explanation of variation
Operating expenditure :				
Employee Costs	1,165	1,236	71	Savings of £120k budgeted to offset additional costs of Access Harrow are expected to be achieved through reductions in outstanding debt. See note below in relation to bad debt provision.
Supplies & Services	439	454	15	Higher than anticipated printing costs in respect of Asbestos awareness and legal fees form the majority of the forecast overspend.
Utility cost (Water & Gas)	685	532	-153	Utilities costs have been estimated based year to date expenditure and a review of prior year billing [£108k relates to credits from prior years realised in 10-11].
Estate & Sheltered Services	2,288	2,418	130	As a result of the fundamental review of Leasehold Charges, additional expenditure on agency staff has been necessary resulting in a forecast overspend of £96k. This has been compounded by the cost of agency staff used to cover sheltered units.
Central Recharges	2,893	2,893	0	Central charges are assumed to equate to the budget
Sub - total	7,470	7,533	63	
Repairs expenditure :				
Repairs - Voids	499	605	106	A higher than budgeted cost of repairs [£1,497 v £1,339 per budget], volumes consistent with budget [318] but increased costs associated with asbestos issues [£56k].
Repairs - Responsive	2,799	2,675	-124	A lower than expected unit cost [£105.00 vs £116.54 per budget], volumes consistent with budget [17,307]. To be kept under review given volatility and seasonal considerations.
Repairs - Other	1,487	1,482	-5	There are no backlog of external decorations works planned in 2010-11.
Sub -total	4,785	4,762	-23	
Other expenditure:				
Contingency - general	200	200	0	It is too early to release unused balances on the general contingency, however this will be closely monitored. Any unused amounts will manage down the in year deficit.
Charges for Capital	6,916	6,488	-428	This forecast reflects the lower opening debt position [reflecting the slippage in Capital Schemes from 2009-10 to 2010-11 of £1.7m] and a reduction in interest rates [4.75% to 4.13%].
RCCO	500	500	0	Revenue Contributions to Capital Outlay (RCCO) have been assumed to be in line with budget.

	Approved Budget 2010-11 £000	Forecast Outturn 2010-11 £000	Variation £000	Explanation of variation
Bad or Doubtful Debts	250	250	0	Arrears of rent and service charges have reduced by £68k since the beginning of the year. Rent arrears stood at £1,468k as at 30 June 2010 (Current tenants £739k; Former tenants £729k). Service charge arrears from Leaseholders stood at £241k, a decrease of £37k from the start of the financial year. Whilst capacity potentially exists to reduce the bad debt provision, given fluctuations in debt and the service charge review, this is assumed to be within budget at this stage but will be kept under review.
HRA Subsidy	6,178	6,458	280	The variation on the Subsidy largely offsets the related variation on Charges for Capital (see above for details) and assumes a lower level of subsidy arising from the reduction in interest rates.
Sub - total	14,044	13,896	-148	
Total Expenditure	26,299	26,191	-108	Not withstanding variations on income, this lower than anticipated expenditure on revenue would assist in restoring balances.
Income				
Rent Income – Dwellings	22,425	22,192	233	The variation arises from a deterioration in the turnaround of void properties from 28 days budgeted to 39 days for the remainder of the financial year.
Rent Income – Non Dwellings	841	805	36	An increase in the void rate on garages, together with demolition of 14 garages and reduced rental income from commercial premises.
Service Charges - Tenants	1,164	1,172	-8	Service charges to Tenants have shown a reduction against budget, which is largely attributable to the increased level of voids combined with a higher void turnaround rate (see above).
Service Charges - Leaseholders	518	518	0	Service charges are currently under review and will be the subject of a separate Cabinet report. Variations are anticipated in relation to the actualisation of costs for 2008-09 & 2009-10, however, it is anticipated that these costs will be offset by additional income generated.
Facility Charges (Water & Gas)	497	497	0	
Interest	6	6	0	
Other Income	8	45	-37	Outturn forecast include (£30k) subletting grant carried forward from 2009, (£5k) projection for recovered court costs in relation to tenant related cases and (£2k) for misc parking permits
Transfer from General Fund	163	163	0	Recharges to the General Fund in respect of shared amenities.
Total Income	25,622	25,398	224	

	Approved Budget 2010-11 £000	Forecast Outturn 2010-11 £000	Variation £000	Explanation of variation
Housing Ambition Plan	354	354	0	The Housing Ambition Plan and virement from HRA balances was agreed by Cabinet on 15 July 2010. There are indications that the additional income generated by the leasehold review may not be as great as anticipated, however, this is currently under review. A review of the Asset Management structure is also underway and assumed to be cost neutral at this stage.
In Year Deficit / (Surplus)	1,031	1,147	116	An action plan is required to manage down the in year deficit in line with the approved budget to avoid any further reduction in HRA balances.
Balance b/fwd	-4,430	-4,784		
Balance c/fwd	-3,399	-3,637		The HRA Business Plan assumed a balance of £5,319k to be carried forward into 2011/12. The latest position indicates a shortfall of £1,682k.