

Leader's Progress Report for Council
29th Oct 2009

Financial Context/Budget – tough times ahead:

- The state of the economy and public finances is on everyone's mind at the moment; so let me start off by updating you on our financial position.
- 2008/09 accounts have been finalised and audited. They were much improved on last year and we received positive feedback from Deloitte's, our auditors.
- In 2008/09 we achieved an under spend of £8m which helped significantly to strengthen our balance sheet. A review of the under spend has been completed and found that the large majority of the under spend was due to one-off savings or savings already captured in the 2009/10 budget rather than sustainable savings.
- Good progress is being made on closing next years' funding gap (approx £11m), challenge panel process started this week. The aim of the challenge panel process is to ensure that the Council can meet its funding pressures and deliver a balanced budget in 2010/11. To ensure that service activity is aligned to the delivery of the corporate priorities and Flagship Actions, to keep the Council on track in its performance trajectory; and ensure that any major risks are understood and appropriate mitigations are in place.
- Reserves are projected to be up to £6m by the end of the financial year
- The cross partner Recession Busting Group has been undertaking and co-ordinating a range of activity to help mitigate the impact of the recession. We succeeded, as part of West London Alliance, in obtaining money from the Future Jobs Fund to fund 300 new jobs in West London and over 100 people in Harrow's most deprived wards have been helped back to work through our Excite project. They have also funded 6 new projects including: work experience placements for young people not in education, employment or training; an additional CAB advice kiosk; and self-employment training.

Better Deal for Residents:

- However, we are all aware of the difficult national financial context with much recent talk of public sector cuts/restraint.
- According to the three-year grant settlement, the grant increase for Harrow will be 1.5% next year. However, the next spending review will not take place until after the election, causing considerable uncertainty about future grant levels. To be prudent the MTFS assumes a cash reduction of 3% a year on general grant and area based grant from 2011-12 to 2013-14. In real terms this is a reduction of around 5%.
- Coupled with the impact of the recession, continuing growth pressures around social care and landfill tax we are projecting worst case funding gaps in the order of £40m in total over next 3 years 2010/11 – 2012/13 meaning we need to save 30% from our budget.
- We won't achieve this by following the same processes as before or we will end up doing nothing well and compromising on our future performance. We need a wholesale, fundamental look at what we do and why we do it and to work with our partners, who are in the same position to make sure we get maximum value out of every £1.9bn public sector pounds that gets spent in Harrow. There will be some tough decisions ahead.

- In July Cabinet endorsed the 'Better Deal for Resident's programme' which aims to meet the challenges of the medium term budget, deliver our sustainable communities strategy and manage resident's increasing expectations.
- Since the programme was endorsed...
 - A review has taken place to see there areas of common process and activity across our Directorates that would be more efficiently organised if they were simplified, standardised and shared across the Council which has presented a long-list of opportunities which is now in the process of being focussed down into a set of business cases.
 - Populus and Iqira have been appointed to work with us to identify ways in which we can get residents to behave differently in such a way that helps us to deliver improved outcomes and reduced costs.
 - HCE on behalf of the HSP is leading our own Total Place analysis where we look at the totality of public sector spend in the borough and as a result two themes are being investigated for opportunities for better join up and greater efficiency between partners:
 - Older people and their pathways in and out of Accident & Emergency
 - Support for the 100 most service intensive families
 - A review of procurement and property assets are also underway.

Vision and Priorities:

- Cabinet approved the Year Ahead Statement in July, which included the continuation of the three current corporate priorities: Cleaner, safer street; support for vulnerable people and build stronger communities. Consultation will now be carried out on these priorities via the resident's panel.
- A New sustainable community plan agreed with residents was also approved in April and sets out the vision for the borough through to 2020 that focuses around:
 - Harrow residents enjoying a healthy and sustainable lifestyle
 - Harrow becoming a more sustainable borough
 - Harrow's diverse community being celebrated and valued
 - Children and young people being safe, happy, healthy and able to achieve their full potential
 - Harrow being an attractive place to work and set up business
 - Harrow public services providing excellent value for money and responding to community needs.

In terms of our flagship actions:

- Recycling performance in June was 49.9%, our flagship target is 50% for one month, and we expect Q2 figures to show we have exceeded this.
- Proposals for 6 of the 8 proposed 'days of action' have been agreed and the first day was held in July focussing on graffiti in Roxeth, Rayners Lane, Hatch End and Harrow Weald. Incidentally, August's reputation tracker showed that 70% of residents who take part in Weeks of Action feel it improves their area.

- During Q1 188 social care clients had a personal budget with a further 89 in the process. Our target is 500 by March 2010.
- Three new Neighbourhood Resource Centres opened in July significantly improving and modernising the day care support we provide.
- The Welcome Guide for new migrants to the borough was launched in May.
- Ten Children's Centres are now open.
- Free swimming for under 16's and over 60s has been introduced and take up has been extremely positive with 91% support from residents.

Other Improvement/achievements:

- First Children's centre had an announced inspection in September and were rated 'outstanding', which is fantastic given the context of more intense scrutiny and inspection following baby P.
- GCSE attainment by Harrow pupils rose this year from 57.7% to 60.8% which ranks Harrow 12th nationally.
- We were formally awarded Member Development Charter Accreditation by London Councils this month.
- Access Harrow also achieved the Customer Service Excellence award from Central Government.
- We also won an industry award for our new web-site and Harrow People was shortlisted for a Communications award for the second year in a row.
- Our annual 'Under One Sky' festival in July brought together a record 13,000 residents from all different backgrounds.
- Unfortunately, we were the location for far-right extremist demonstrations in September. However, the way in which local partners and community groups came together to deal with the protests and reassure the community afterwards was recognised as best practice by both the Mayor of London and the Metropolitan Police Commissioner.
- On a positive note, the August Harrow Reputation and Media tracker showed that 70% of residents agree people from different backgrounds get on well together; a 14% increase since October 2008. We will have to wait and see if the next tracker and place survey that is due to take place this month will reflect any adverse reaction from this unsavoury episode.
- The Reputation Tracker also showed that satisfaction with the council had consolidated at 56% despite the recession and a downward trend across London; however, we still fall behind the outer London average. 52% of residents feel informed about council services and benefits, only 34% believe the council takes account of resident's view and 33% think the council provides good value for money, so there is plenty more we need to do.

Aspirations for the future:

- This year we have been working towards a new inspection regime – Comprehensive Area Assessment (CAA), which is a tougher, joint inspectorate assessment of the council's capacity for managing resources and performance combined with a judgement on the LSP's capacity to work together to improve outcomes for local people.

- The Council submitted a self-assessment to the Audit Commission in June and we have been encouraged by the continuous dialogue and feedback that we have had with our CAA Lead.
- We hope that CAA will recognise our continued improvement and we continue to work to secure the best outcome for the Council and its partners.
- The improvements the council has made over the past 2-3 years have firmly embedded strong foundations and improved capacity within the organisation which puts us in a strong position to continue improving and manage the fundamental challenges ahead.
- The impacts of the recession have been and will continue to be tough, but they also offer a unique opportunity to deliver a real step change in efficient, sustainable and user-responsive services which we shall need to embrace.