

<b>Committee/Meeting:</b> <b>Overview &amp; Scrutiny Committee</b>	<b>Date:</b> 6 <sup>th</sup> December 2011	<b>Classification:</b> Unrestricted	<b>Report No:</b>
<b>Report of:</b> <b>Corporate Director Resources</b>  <b>Originating officer(s)</b> Peter Hayday, Service Head Financial Services, Risk & Accountability Michael Keating, Service Head One Tower Hamlets		<b>Title:</b> Strategic Performance and Corporate Revenue and Capital Budget Monitoring Q2 2011/12 (Month 6)  <b>Wards Affected:</b> All	

<b>Community Plan Theme</b>	All
<b>Strategic Priority</b>	All

## 1. SUMMARY

1.1 This monitoring report details the financial position of the Council at the end of Quarter 2 compared to budget and service performance against targets. This includes year end projection updates for the:

- General Fund Revenue and Housing Revenue Account;
- Capital Programme;
- 2011/12 Agreed Budget Savings Progress update; together with
- An overview of performance for all of the reportable strategic measures. The Strategic Measures Set represents the key priorities for the Council in 2011/12.

1.2 This report will be considered by Cabinet at its meeting on Cabinet on 7<sup>th</sup> December.

### 1.3 Finance Overview

#### 1.3.1 General Fund

As at the end of the second quarter to 30th September 2011, the projected net expenditure is in line with the budget for the year and is consistent with the month end projections reported previously. There are a number of on-going financial risks that are summarised in paragraph 3 of this report and detailed in Appendix 2.

### 1.3.2 Housing Revenue Account

HRA is forecasting a breakeven position. Further information is provided in paragraph 3.7.

### 1.3.3 Capital Programme

Directorates have spent 34.2% of their capital budgets for the year (£60.4m against budgets of £176.7m). No underspend is being projected at the moment as budgets have now been re-profiled. These figures include capital estimates which Cabinet is being asked to approve as set out in paragraph 4.2. The overall programme remains affordable within available resources.

### 1.4 Strategic Plan Activities

The Strategic Plan provides the framework for delivering the Council's priorities and contributions to the Community Plan, including the Mayor's pledges. As at the end of September 2011, 14% of the activities within the Strategic Plan are already complete, with a further 68% on target for completion within scheduled deadlines, 10% delayed and 8% overdue.

### 1.5 Strategic Measures

The Strategic Measures Set enables the Council to monitor progress against our priorities. Of the measures reportable this quarter, 65% (including subset of measures) are within their target range – 65% of which have exceeded their targets, and 32% are below the target range. 48% of measures have improved compared to last year's Quarter 2 performance.

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

- Appendix 1 - lists budget/target adjustments
- Appendix 2 - provides the estimate budget outturn and explanations of major variances for Directorates for the General Fund
- Appendix 3 - provides the estimate budget outturn and explanations of major variances for the HRA
- Appendix 4 – provides details of the capital programme and details of how the initial 2011/12 capital budget has changed, along with a copy of the BSF 3-year capital programme for information
- Appendix 5 – provides a mid year progress update against all Strategic Plan activities and milestones by Community Plan theme;
- Appendix 6 - provides an overview of performance for all of the reportable strategic measures
- Appendix 7 – provides 2011/12 Agreed Budget Savings Progress update

## **2. DECISIONS REQUIRED**

**The Overview and Scrutiny Committee is recommended to:**

- 2.1. Review and note the Quarter 2 2011/12 performance; and
- 2.2. Note the Council's financial position remains in line with budget as detailed in sections 3 and 4 and Appendices 1-4 of this report; and
- 2.3. Approve capital estimates totaling £1.655m for Private Sector Improvement Grants, the next phase of the Brick Lane Improvement project, and the Cycle Infrastructure Improvements scheme, as set out in paragraph 4.2.

### **Reasons for the Decision**

Quarterly updates on the position of the capital programme and revenue expenditure against budgets are provided to Cabinet for information. This is the forecast position for the year as at the end of September 2011. The requested capital budget increases are fully funded and require Cabinet approval as stipulated in financial regulations as they are over £0.25m.

### **Alternative Options**

Non approval of the requested capital estimates will mean affected schemes will not be able to progress.

### 3. REVENUE

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

SUMMARY	Latest Budget £'000	Budget to Date £'000	Actual to Date £'000	DSG Grant Due £'000	Variance to Date £'000	Forecast Outturn £'000	Variance £'000
Adults Health and Wellbeing	100,826	44,229	44,803	0	574	100,826	0
Chief Executive	10,813	5,408	5,334	0	(74)	10,813	0
Children, Schools and Families	85,403	42,702	103,623	(54,890)	6,031	85,403	0
Communities, Localities and Culture	72,342	31,342	23,662	0	(7,680)	72,342	0
Development and Renewal	17,419	8,709	9,769	0	1,060	17,419	0
Resources	13,067	6,533	6,533	0	0	13,067	0
Corporate Costs/Capital Financing	11,090	356	232	0	(124)	11,090	0
<b>TOTAL</b>	<b>310,960</b>	<b>139,279</b>	<b>193,956</b>	<b>(54,890)</b>	<b>(213)</b>	<b>310,960</b>	<b>0</b>

3.2 The table shows year-to-date variances for all the services. For CSF, the £103.623m spend to date includes £54.890m for schools activity to be funded from the Dedicated Schools Grant (DSG). The remaining £48.733m is the net General Fund actual expenditure to date, which is more in line with the profiled budget of £42.701m when the fact that most of the government grant income is credited at year-end is taken into account. The CLC underspend is in line with the previous years profile when taking into account adjustments for inflation. The major variations are all accounted for and are being managed. These are primarily the result of invoice timing by contractors and not systemic issues with project implementation. The D&R variance of £1.060m is due to costs arising from negotiations with the PFI provider to allow BSF works to proceed. These costs are to be funded from an earmarked Building School for the Future reserve created specifically created for this purpose.

#### 3.3 **Adults, Health and Wellbeing**

**NIL**

3.3.1 At the end of month six Adults Health and Wellbeing are forecasting a breakeven position.

3.3.2 The Directorate continues to have a number of budget risks as a result of demographic changes. However, there is also an opportunity as a result of unbudgeted NHS funding.

#### **A Transition Clients for Learning Disabilities**

The Directorate submitted a growth bid as part of the 2011/12 budget setting process for Learning Disability clients entering the Directorate from the Children Schools and Families Directorate. The forecast funding requirement for this financial year was £0.6m which has been vired from the corporate risk provision.

However, the current forecast by the Directorate is that expenditure to be transferred from the Children Schools and Families Directorate for the 2011/12 financial year is £0.9m; £0.3m more than had been expected. This represents the part year effect of 61 clients (approximately 35 new clients entering the service in 2011/2012). The average unit cost per client is £15,033 which is higher than anticipated and has been affected by two care packages which are both over the cost of £50,000 per annum (one of these clients has a care package of £104,030).

Further due diligence work is being carried out on these values to ensure that they are reflected accurately in the medium term financial plan.

#### **B Dementia Clients**

The Directorate submitted a growth bid as part of the 2011/12 budget setting process for Older People with dementia. The forecast funding requirement for this financial year was £2.1m.

The current forecast by the Directorate is that expenditure on supporting clients with dementia into elderly and mentally infirm residential placements is likely to be broadly in line with this projection, although the risk provision is still held within Corporate Costs.

Further due diligence work is being carried out on these values to ensure that they are reflected accurately in the medium term financial plan.

#### **C Domiciliary Care Savings**

As reported previously, the Directorate has an efficiency target for 2011/12 for £1.05m in respect of the re-tender of the domiciliary care contracts. Following discussions with Members the tender process was amended, to reflect the

Mayor's policy priorities and this procurement was judged suitable for the London Living wage to be included in the contracts and local suppliers will be encouraged. This has meant the new contracts will not be in place until April 2012. In order to mitigate this risk the Directorate has approached all existing providers to reduce their hourly cost by £2 per hour.

Any remaining slippage for 2011/12 has been managed through the corporate contingency.

## **D NHS Social Care Funding**

The Council has received £3.7m of funding in 2011/12 made available through the NHS to support Social Care expenditure. This funding is the subject of a Section 256 agreement and is required to meet the joint objectives of the Primary Care Trust (PCT) and the Council.

A similar level of funding is likely to be available for 2012/13 but beyond that year, the position is unclear.

Whatever funding is available, the Directorate will need to agree a business plan with the Primary Care Trust which details the service outcomes being sought by both parties through the additional allocation of resources.

### **3.4 Children, Schools and Families NIL**

The Directorate is reporting that it will be able to operate within budget for 2011/12. Nonetheless, an underlying gap of £0.302m in the savings targets for 2011/12 and underlying pressures in Building and Technical Services (BATS). Buildings & Development and transport have no long-term funding to support them and will need to be addressed.

### **3.5 Development and Renewal (D&R) NIL**

A breakeven position is currently forecast, however the Directorate is actively reviewing the Third Sector requirement for savings opportunities where there is a net risk of a £0.2m overspend.

### **3.6 Corporate Costs & Capital Financing NIL**

The Corporate Costs and Capital Financing budget is currently forecasting a breakeven position. This includes a draw down on corporate risk provisions to cover Adults, Health and Wellbeing cost pressures detailed above. To date some £2.2m of this provision is currently unapplied but is subject to further

potential draw-down to cover the ongoing budget pressures in the service directorates.

### 3.7 **Housing Revenue Account (HRA)** **NIL**

The overall projected HRA breakeven position is the net result of a number of projected under and overspends. The main variances relate to estate parking, which is forecast to underspend due to a new ticket-based contract that offers improved value for money, and income from charges, which is projected to be slightly higher than budget. Additionally, it has also previously been agreed that expenditure relating to the Options Appraisal would be funded from HRA reserves.

### 3.8 **Income Collection Performance Targets**

Details of income collection during 2011/12 are shown below.

<b>Income Stream</b>	<b>Collected in 2010/11 %</b>	<b>2011/12 Target to 30.09.11 %</b>	<b>2011/12 Collected to 30.09.11 %</b>	<b>Direction of Travel</b>
Business Rates	99.60	49.00	60.87	↑
Central Income	90.00	82.00	71.00	↓
Council Tax	95.10	47.60	48.36	↑
Housing Rents	99.87	100.00	99.36	↓
Service Charges	110.40	47.86	56.58	↑

Collection is comparatively low at 71% mainly due to the high value invoices being raised (£16m for the July period). The largest of these relate to NHS and environmental services which were paid in full in October. Collection statistics include invoices relating to utility charges totalling £1.3m raised in advance of the March 2012 due date.

Council Tax collection at the half year point, remains ahead of target and up on last years performance levels.

Collection of Housing Rents is 99.36%. Performance is currently missing the target of 100% due to the recent reduction in housing benefit paid to households with non dependants.

Increased activity focussing on 'high risk' arrears groups is taking place to improve performance. This includes for example, increased and earlier contact

with tenants with changes to their Housing Benefit entitlement, and increased promotion of Direct Debit and Standing Order as payment methods.

### 3.9 **2011/12 Agreed Budget Savings Progress to Date**

In February 2011 cabinet approved approximately £55m worth of savings to be delivered over 3 financial years starting 2011/12 of which £29m was required in 2011/12 to balance the budget.

£26.5m (92%) of the savings approved for 2011/12 has already been delivered and while work continues to deliver the remaining £2.4m (8%), the AHWB domiciliary care re-commissioning project has been delayed for the reason already covered in Section 3.3.2 (C) and is one off in 2011/12.

Progress is also being made on projects to deliver the 2012/13 and 2013/14 savings. Current indications are that over 16% of the 2012/13 and 12% of the 2013/14 savings have already been secured.

See appendix 7 for details on progress against specific projects.

## 4. **CAPITAL**

4.1 The capital budget now totals £176.7m, following the re-profiling of the Victoria Park Masterplan scheme (CLC), Basic Needs Expansion and ICT (CSF), High Street 2012 (D&R) and the Decent Homes initiative (HRA).

4.2 Cabinet are asked to approve capital estimates for the following items which are included within the capital budget figures:

- a) A new budget of £0.8m for Private Sector Improvement Grants within the D&R General Fund budget, which will be funded from resources which have already been received but are currently uncommitted. This includes funding of £0.253m brought forward from the Local Priorities Programme allocations for Disabled Facilities Grants. The balance of £0.547m will be funded from the East London Housing Partnership grant.
- b) An increase of £0.355m for the next phase of the Brick Lane Improvement project in the CLC budget. This will enable a whole route surface improvement of Brick Lane & Osborn Street to create an improved environment which can successfully support and develop the local economy. The increase in budget will be funded by a Section 106 contribution of £355,161.15 from two developments in the vicinity, as

approved at the Planning Contributions Overview Panel (PCOP) on 15<sup>th</sup> September 2011.

- c) An increase of £0.5m for the Cycle Infrastructure Improvements scheme. The original estimate adopted by Cabinet on 11/05/11 was £0.85m. The Olympics Delivery Authority, through OPTEMS has agreed to contribute a further £0.5m to the extension of the Cycle Hire scheme, to be spent by 31/03/12.

4.3 The Building Schools for the Future budget profile has been reviewed, which resulted in £6.1m of budget on the main schemes moving into future years, and £5.3m of budget relating to the ICT infrastructure schemes being brought forward into the current year.

4.4 Details of all the changes to the capital budget and the 3-year BSF capital programme are set out in Appendix 4.

4.5 Total capital spend to the end of Quarter 2 represented 34.2% of the revised capital programme budget for 2011/12 as per the table below. The proportion of capital budget spent to date is fairly typical for the first six months as much of the programmed spend will be profiled towards the end of the year.

	<b>Annual Budget as at 30-Sep-11</b>	<b>Spent to 30-Sep-11</b>	<b>% Budget Spent</b>
	<b>£m</b>	<b>£m</b>	<b>%</b>
<b>TOTALS BY DIRECTORATE:</b>			
Communities, Localities and Culture	21.097	5.436	25.8%
Children, Schools and Families Resources	21.931	7.034	32.1%
Adults, Health and Wellbeing	1.951	0.373	19.1%
Development and Renewal	0.295	0.111	37.7%
Building Schools for the Future (BSF)	15.329	7.228	47.2%
Housing Revenue Account (HRA)	77.858	31.787	40.8%
<b>GRAND TOTAL</b>	<b>38.251</b>	<b>8.426</b>	<b>22.0%</b>
	<b>176.712</b>	<b>60.395</b>	<b>34.2%</b>

- CLC mid year spend is substantially ahead of 2010/11 performance which resulted in a year end spend of 93%. The % spend profile will always be loaded in favour of the third and Fourth Quarters due to the dominance of TfL funded schemes, spend for which occur in the third to fourth quarter.

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

	Annual Budget as at 30-Sep-11	Forecast to 31-Mar-12	Projected Variance
	£m	£m	£m
<b>TOTALS BY DIRECTORATE:</b>			
Communities, Localities and Culture	21.097	21.097	0.000
Children, Schools and Families Resources	21.931	21.931	0.000
Adults, Health and Wellbeing	1.951	1.951	0.000
Development and Renewal	0.295	0.295	0.000
Building Schools for the Future (BSF)*	15.329	15.329	0.000
Housing Revenue Account (HRA)	77.858	77.858	0.000
<b>GRAND TOTAL</b>	<b>38.251</b>	<b>38.251</b>	<b>0.000</b>
	<b>176.712</b>	<b>176.712</b>	<b>0.000</b>

Total projected expenditure for the year of £176.7m is in line with the budget.

## 5. STRATEGIC PLAN 2011/12

- 5.1 The Council's Performance Management and Accountability Framework requires CMT and members to consider our progress against Strategic Plan activities every 6 months. This section provides a monitoring update for the first 6 months of the Strategic Plan 2011/12.
- 5.2 All activities within the Strategic Plan have been monitored and are detailed in Appendix 5. The following criteria are used to report on the status of activities:
- Completed (Green) - where an activity has been completed.
  - On Target (Gold/Amber) - where an activity is not due for completion yet, and managers consider that progress is on track to meet the deadline. The percentage completed is given to provide an indication of the work already carried out.
  - Delayed (Orange) - where an activity has missed its deadline or is assessed as likely to miss its deadline, but is still anticipated to complete within the financial year.
  - Overdue (Red) - where an activity has been identified as likely to not be completed this financial year. Managers have provided comments for all overdue activities to explain why the deadline was missed; what is being done to rectify the situation; and when the activity will be completed.
- 5.3 There are currently 68 activities in the Strategic Plan. Of the total activities within the Plan, 19 (28%) were due for completion between April and September 2011. Of these 19 activities:
- 9 (47%) are completed;
  - 9 (47%) are delayed; and

- 1 (5%) is overdue.
- 5.4 Of the remaining 49 (72%) activities, due for completion by end of 2011-12:
- 3 (6%) have been completed ahead of schedule:
    - § Develop better ways to work with our partners and residents
    - § Define boundaries for all of the Borough's town centres to support town centre investment activities
  - 37 (76%) are on target for completion by the agreed deadlines; and
  - 5 (10%) are likely to be delayed but be completed before year end. The common themes for delays at this stage include: the impact of recently announced changes to government policy and to funding grants; delays in planning approvals or in multi-agency working; and revising projects following consultation.
  - 4 (8%) are overdue.
- 5.5 In addition, one activity and two milestones have been marked as redundant (grey) due to changing priorities:
- **Mainstream triage work with young first time offenders to maintain the current low levels of entrants into the youth justice system.**  
Due to funding restrictions, mainstreaming of triage work with young offenders will not take place. Where possible the Youth Offending Team will use existing resources and services to lower or maintain entry into the youth justice system.
  - **Lifelong Learning Service to work with a range of schools to deliver a family learning programme as part of the Healthy Borough Programme; and**
  - **Lifelong Learning Service Learner Forums to develop work with residents and work with Tower Hamlets College, third sector and community organisations on learning opportunities for adults.**  
These milestones are no longer relevant. The Healthy Borough Programme was grant funded, with the programme ending in April 2011. The forum structure was not fit for purpose and is therefore currently being reviewed and restructured. Whilst work continues with key partners, these specific forums are no longer a suitable measure for that work.

### **Overdue Activities**

- 5.6 Of the total 68 activities in the Strategic Plan, four activities have been assessed as being overdue, as they are unlikely to be completed this financial year. Three of the four activities relate to affordable housing delivery and regeneration. Despite this, performance is strong in this area and we continue to exceed our targets for delivery of affordable housing and social rented family homes. Details on the overdue activities, including remedial action, are outlined below.

**5.7 Ensure the successful delivery of the Robin Hood Gardens regeneration programme (Blackwall Reach)**

Further work was necessary on the Environmental Statement following initial consultation with the Greater London Authority and London Thames Gateway Development Corporation requiring a change to the submission date of the planning application. Submission is now scheduled for December 2011. The Phase 1A start on site date is now anticipated to be July 2012. The Council is progressing Right to Buy Buybacks and the work for the Compulsory Purchase Order (CPO) to enable delivery of the Blackwall Reach project which will provide up to 1700 new homes.

**5.8 Increase support activities to housing partners to achieve greater delivery of suitable affordable homes for Tower Hamlets residents, including the provision of family sized homes**

The level of Homes and Communities Agency (HCA) grant for 2011-15 has not yet been confirmed, so we are unable to discuss details of future development programmes with RSLs. Detailed negotiations have taken place with some RSLs to establish acceptable New Affordable Rent levels for schemes which have already been submitted for planning permission. It appears likely that the New Affordable Rent regime will reduce the number of family sized homes which RSLs will produce. Properties under phase 2 of the Local Homes Initiative (9 units on 2 sites) are now projected to complete in early 2012/13.

**5.9 Sustain the delivery of affordable housing through the planning process in the current economic climate**

The procurement of specialist viability consultant support to assist in the delivery of this activity has been delayed but is now on track for completion in early 2012/13. In the meantime the necessary viability assessments to sustain the delivery of affordable housing are being undertaken by existing consultants and this service will be maintained until the new arrangements are in place.

**5.10 As part of this commitment we insert, as standard, a legal obligation in all Section 106 Agreements (e.g. New Festival Quarter, L1 Chrisp Street, and Bow Enterprise Park) requiring developers to build and deliver affordable housing ahead of private accommodation.**

**5.11 Delivery of phase 2 of improvements to the Tower Hamlets Local History Library and Archive**

This activity spans this and next financial year: phase 2 consists of major roof works and provision of a new lift. The scheme has been prepared but awaits

planning approval and listed building consent which will delay its start on site; the revised completion date is March 2013. The next stage of the refurbishment is to submit a bid for Stage 1 Heritage Lottery Funding in order to develop a full bid for stage 2 funding. Once the Stage 1 funding has been received development of the full bid normally takes at least a year whilst the works and sources of match funding are developed and consultation takes place. The revised deadline for the full bid to be submitted is July 2013.

- 5.12 The Council's Performance Review Group will review all activities identified as being at risk of not achieving their year end target, to consider what further action is required.

## **6 STRATEGIC PERFORMANCE MEASURES**

- 6.1 The strategic measures enable the Council to monitor progress against its priorities outlined in the Strategic Plan. The Strategic Measures Set is reviewed on an annual basis as part of the refresh of the Strategic Plan to ensure that they are fit for purpose. Where necessary, there will also be in-year reviews of the measures.
- 6.2 Appendix 6 details the latest performance against our strategic measures. We monitor the strategic measures through a bandwidth approach, introduced this financial year. Each measure has a target range comprising of a lower bandwidth, which indicates the minimum performance level, and the target. A traffic light system is used to represent performance against the target range. Where performance is below the range this will be coloured RED and GREEN where within range. To help provide a more detailed performance picture, the report also notes the variance between actual performance and the target. Where actual performance is more than 10% off the target this will be RED, within 10% or less of the target AMBER, and GREEN where it is at or above target.

### **Strategic Performance Measures – Quarter 2 July - September 2011**

- 6.3 The number of strategic measures available for reporting fluctuates between periods due to the different reporting frequencies of the measures. Of the 37 measures in the Strategic Set, totalling 45 when including subset of measures, 31 measures, including subset of measures (69%), are reportable in this quarter. Of these 31 measures:
- 20 (65%) are within their target range, 13 (65%) of which met or exceeded their target;
  - 10 (32%) are below their target range, but four of these are less than 10% off their target;

- 15 (48%) measures have improved based on 2010/11 comparable outturns; and
- 1 (3%) measure (Reduction in number of schools where fewer than 60% of pupils achieve level 4 or above in both English and Maths at KS2 - NI076) – does not currently have a target range. This measure is one of the new DfE floor standards and needs to be looked at in conjunction with the two targets around expected progress of pupils at key stage 2 compared to the national median. A target needs to consider all three, and has not been set yet as we await confirmation of the current number of schools not meeting the new standard.

6.4 The following sections detail our performance under three key headings:

- High performing areas
- Areas of improvement
- High risk areas

### **High Performing Areas**

6.5 The following measures exceeded their targets.

### **Affordable Housing**

#### **Number of affordable homes delivered – gross (National155); and Number of social rented housing completions for family housing - gross (Strategic223)**

Affordable homes and family housing remain key local priorities. This is reflected in our performance on our housing indicators, and the work we are doing to ensure completion of our 2011/12 programmes. We continue to exceed our targets for both of these measures and continue to lead performance both nationally and regionally on affordable homes delivered. Quarter 2 has seen a significant increase in the number of affordable homes and family housing compared to this time last year. Based on performance thus far we are on track to achieve the Mayor's housing pledge of building 4,000 affordable homes, with a focus on family housing.

### **Improved street and environmental cleanliness**

#### **Levels of street and environmental cleanliness (NI195 – litter, detritus, graffiti)**

Cleanliness of the public realm is an important local priority captured in the Mayor's pledge to protect and improve our environment. Our commitment to this is reflected in our recent performance figures on three out of the four areas of street and environmental cleanliness. Quarter 2 outturns show that we have significantly exceeded our targets on levels of litter, detritus and graffiti in the borough. Extensive work has taken place to manage this service

effectively, ensuring that we maintain a good service for local people and make efficiencies where possible. Tower Hamlets operates a 24 hour service with a robust monitoring process. Work on this continues through our Waste Strategy and with local partners and residents.

## **Education**

### **Achievement of at least 78 points across the Early Years Foundation Stage (NI072); and Achievement of 5 or more A\*- C grades at GCSE or equivalent including English and Maths (NI 075)**

Provisional figures for our 2011 education related indicators have just been received following the release of exam results. These are still subject to change. Due to this process we normally expect to see an increase of around one percentage point between provisional and final data. This checking also takes into account any adjustments made due to exam board remarking. Final results will be reported in January 2012. Provisional results indicate a significant and sustained improvement with a 4.4 percentage point increase to 49.9% (above the 47% target) of children achieving 78 points across all 13 scales and at least 6+ in Personal and Social Education and Communication, Language and Literacy. Figures at Key Stage 4, an important mayoral pledge for improvement, are also strong with 60.4% of students achieving five or more A\*-C grades at GSCE or equivalent including English and Maths. This exceeds our target and the provisional national average, and is likely to represent one of the biggest improvements of any local authority area this year.

## **Child poverty**

### **Proportion of children in poverty (NI116)**

Due to the methodology for calculating this measure, the latest figures for child poverty relate to 2009. This data indicates a significant improvement from 2008, with the rate of child poverty decreasing from 57% to 53%. Tower Hamlets remains the area with the highest rate of child poverty in London, despite being the borough with the best improvement rate in the region. The Partnership retains a strong commitment to tackling the issue of child poverty, and has developed a child poverty strategy with five key commissioning intentions which are to:

- Develop a total place approach to employment services;
- Build resilience and aspiration in families and communities;
- Support families with income maximisation and financial inclusion;
- Invest in increasing the employability of young people; and
- Mitigate the effects of poverty and improve families' living environments.

The commissioning intentions are being developed and delivered through key Council and Partnership strategies, including our Children and Young People's Plan and the Employment Strategy.

### **Employment**

#### **Overall employment rate - working age (NI151)**

Our overall employment rate has improved significantly over the last quarter; with an increase from 60.7% to 62.4%. This has reduced the gap between the borough's employment rate and the London average to 6.7% (the London average has risen by 0.1%). However, the Jobseekers Allowance (JSA) claimant rate has increased in the last quarter from 9.2% to 9.9%. We are continuing to implement our Employment Strategy Action Plan to support more local people, including those at risk of labour market exclusion such as BME women and young people, into sustainable employment.

As part of creating a prosperous community good progress has also been made on the Mayor's pledges relating to jobs and industry. Procurement opportunities and jobs for local people from the Olympics are being achieved through the Procurement Strategy, the Compete For System and East London Business Place. In addition, the Council is creating binding Section 106 planning obligations that require implementation of training strategies and significant employment opportunities in construction for local people

### **Health**

#### **All-age all-cause mortality rate (NI120)**

Latest figures (relating to 2010) show that we have exceeded our targets for all age-all-cause mortality rates for both male and female. This represents a year on year improvement in the borough, reflecting effective working between health and social care partners

### **Areas of improvement**

- 6.6 In addition to those measures where we have exceeded our targets, there are also a number of other measures where performance has improved compared to last year.

### **Customer Access**

#### **Overall Satisfaction (Strategic110a)**

We are still seeing an increase in our overall customer access satisfaction rate compared to this time last year, going from 90% to 91%. This is reflective of our commitment to providing supportive and responsive services to our residents, and in sustaining this even through more difficult periods of reduced resources.

### **Young people**

#### **16 to 18 year olds who are not in education, employment or training (NEET) (NI117)**

Our NEET figures for this quarter are off target; however our performance has improved compared to this time last year. NEET figures are usually relatively high around this time of year until places at educational institutes are confirmed and recorded. Furthermore, the improvement in performance is despite government changes to the methodology for calculating the NEET rate which has resulted in a higher rate for the borough. The Council remains dedicated to reducing NEETs. Activities to achieve this include: follow up initiatives with those young people identified; ongoing work with schools and colleges and third sector providers to support young people back into employment or education; and improvement of data quality. These activities are supported by wider investment in youth services, an important Mayoral pledge, with notable recent achievements including a much needed space for young people at the edge of the City in partnership with the London Metropolitan University.

#### **Improving A-Level attainment - A Level Average Points Score per student in Tower Hamlets (Strategic301)**

The A-Level Average Point Score measure contributes to monitoring our progress against our priority to improve educational attainment. In 2011 students in the borough achieved an average points score of 627.6. This is within the target range but below our very stretching target of 731.6. This year's 198.5 result is the highest ever point score per exam, a 0.5 point improvement on last year. Improving educational attainment, including A-Level results above the national average, is a crucial Mayoral pledge. The Mayor's drive to increase A-Level attainment is evident in the new Mayor's Education Award (MEA). The MEA is designed to help young people aged 16-19 from low income families continue in education and training by providing much needed financial support, in light of national changes to the Education Maintenance Allowance. In addition, the Mayor has also invested £400,000 in one-to-one A Level support.

### **Safeguarding**

#### **Percentage of children becoming the subject of Child Protection Plan for a second or subsequent time (NI065)**

8.7% of children became subject to a Child Protection Plan for a second or subsequent time. This is above our very stretching target of 3.5%, but a marked improvement from last year's Quarter 2 figure of 11.8%.

## **Health and social care**

### **Social care clients and carers in receipt of Self Directed Support (NI130)**

Current figures show that 39.4% of social care clients and carers are in receipt of Self Directed Support. This figure is within the target range but falls short of our target. However, current performance is a 3.3 percentage points improvement from the previous quarter and almost 10 percentage points improvement from the same time last year. We are therefore making progress in achieving the Community Plan priority and Mayoral pledge of promoting support for independent living.

### **Stopping smoking (NI123)**

The latest smoking cessation figures relating to Quarter 1, a Mayoral pledge, show that we have made a good start to the year with 1404 residents setting quit dates and 577 achieving a 4 week quit. This gives a quit rate of 41%. We are 3% above our Q1 target and have achieved a significant improvement compared to this time last year.

## **High Risk Areas**

- 6.7 As part of the monitoring of our performance each quarter, analysis is undertaken to identify those measures at risk of not achieving their targets. This is based on a number of criteria including: current performance; direction of travel and comparative performance with other London authorities. This results in a risk score of 1-5 (5 being high risk). The following measures have been highlighted as they have produced a risk score of 4 or above.

## **Homeless prevention**

### **Homeless prevention through casework intervention (Strategic013)**

The latest available data shows that we are significantly below our target for this measure. The most important prevention method is offering homeless households private sector properties as an alternative to the statutory homeless route and going in to temporary accommodation. These prevention methods have been severely affected by the government's proposed changes to Housing Benefit entitlements. Landlords have become more reluctant to offer properties to benefit dependant households. With continual promotion, there has been a shift in some landlords' views on this matter and performance in housing households into the private sector has improved slightly, but not enough for us to meet our target. We continue to work with landlords to ensure that rents remain affordable and that we are able to find suitable accommodation. We have also improved the incentives given to landlords to provide properties, funded from an increased homeless grant this year.

## **Crime**

### **Number of most serious violent crimes per 1,000 population (Strategic030)**

This is the responsibility of the Metropolitan Police and the Council works with the police to support them where possible. The target for Serious Violent Crime is currently below target. The Police have developed a range of initiatives to tackle the issue and improve performance. Safer Neighbourhood teams now conduct weekly weapons sweeps on estates and other key locations to seize hidden weapons used in street violence. Safer Community Officers are working with partners to improve inter-neighbourhood relationships through mediation work. Brick Lane, with its night time economy, continues to be an area that contributes heavily to violent crime performance. The Local Authority have recently implemented a borough wide drinking control zone on the recommendation of the police to make an impact on alcohol related violence.

### **Number of serious acquisitive crimes per 1,000 population (Strategic031)**

Serious acquisitive crime also presents a challenge for the Metropolitan Police within the borough; especially robbery, burglary and motor related crime. The Metropolitan Police are currently working with borough partners to develop and implement the Criminal Justice, Integrated Offender Management Programme. This initiative is designed to target known key offenders across a range of agencies to either reduce their re-offending rate or place them before the courts. Tackling drugs continues to be a focus for police activity because of its known link to acquisitive crime. To enable this work the Mayor has funded the Dealer a Day initiative and provided a borough policing team of 21 Officers. The Borough Commander has also requested additional support from New Scotland Yard in the form of the Territorial Support Group to target identified robbery problem areas.

## **8. COMMENTS OF THE CHIEF FINANCIAL OFFICER**

- 8.1 Under Financial Regulations it is the responsibility of senior managers to spend within budgets and, where necessary, management actions will need to be taken over the remainder of the financial year to avoid overspend.
- 8.2 Any overspend we incur at the end of 2011/12, or at any time over the forthcoming period, will risk the financial position and would increase the savings targets required to meet spending cuts, with a potential impact on front-line services. We need to be prepared to demonstrate to Members that everything possible has been done to contain expenditure within budgets.

## **9. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL SERVICES)**

- 9.1 The report provides performance information, including by reference to key performance indicators and the budget. It is consistent with good administration for the Council to consider monitoring information in relation to plans and budgets that it has adopted.
- 9.2 Section 3 of the Local Government Act 1999 requires the Council as a best value authority to “make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness”. Monitoring of performance information is an important way in which that obligation can be fulfilled.
- 9.3 The Council is required by section 151 of the Local Government Act 1972 to make arrangements for the proper administration of its financial affairs. The Council’s chief finance officer has established financial procedures to ensure the Council’s proper financial administration. These include procedures for budgetary control. It is consistent with these arrangements for Members to receive information about the revenue and capital budgets as set out in the report.
- 9.4 Cabinet is asked to agree revised capital estimates for three projects within the capital programme. It is a requirement of the Council’s financial regulations and procedures that Cabinet approval be obtained for capital estimates in excess of £250,000. The three projects are capable of being carried out within the Council’s statutory functions and it will be for officers to ensure that this is the case.
- 9.5 The proposal in respect of the Private Sector Improvement Grant is that funding will come from allocations for disabled facilities grants and from the East London Housing Partnership grant. To the extent that grant funding is used, officers will have to ensure that the conditions of the grant are complied with. If any virement is required from an existing allocation then this must be in accordance with the financial regulations and procedures.
- 9.6 Before agreeing the capital estimates, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don’t. Relevant information is set out in section 8 of the report and any projects already included in the capital programme should be independently subject to equality analysis.

**10. ONE TOWER HAMLETS CONSIDERATIONS**

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

**11. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT**

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

**12. RISK MANAGEMENT IMPLICATIONS**

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

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

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

**13. CRIME AND DISORDER REDUCTION IMPLICATIONS**

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

**14. EFFICIENCY STATEMENT**

Efficiencies for 2011/12 are incorporated within the estimated forecast outturn.

## 15. **APPENDICES**

- Appendix 1 - lists budget/target adjustments
- Appendix 2 - provides the estimate budget outturn and explanations of major variances for Directorates for the General Fund
- Appendix 3 - provides the estimate budget outturn and explanations of major variances for the HRA
- Appendix 4 – provides details of the capital programme and details of how the initial 2011/12 capital budget has changed, along with a copy of the BSF 3-year capital programme for information
- Appendix 5 – provides a mid year progress update against all Strategic Plan activities and milestones by Community Plan theme;
- Appendix 6 - provides an overview of performance for all of the reportable strategic measures
- Appendix 7 – provides 2011/12 Agreed Budget Savings Progress update

---

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

**No “background papers” were used in writing this report**