



**Haringey** Council

Agenda item:

**CABINET**

**08 February 2011**

Report Title. **The Council's Performance: December 2010 (Period 9)**

Report of **The Chief Executive and the Director of Corporate Resources**

Signed :

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Wards(s) affected: **All**

Report for: **Key Decision**

**1. Purpose of the report (That is, the decision required)**

- 1.1. To report on an exception basis financial and performance information for the year to December 2010.
- 1.2. To agree the budget virements set out in this report in accordance with financial regulations.
- 1.3. To agree the recommendations set out in paragraph 4.

## **2. Introduction by Cabinet Member for Performance Management (Cllr Claire Kober)**

2.1. It is positive to record the fall in serious violent crimes in the borough compared to last year, I hope our ongoing partnership work will see this trend continue. I am also pleased to see improvements in services for our vulnerable residents, with a large decrease in number of delayed transfers of care and considerable efforts to give self-directed support through personalised budgets.

2.2. I am keen to see further progress in future performance reports with regards to children's safeguarding. In particular to see children's social care core assessments being completed to target. The high number of households still in temporary accommodation across the borough remains a concern. Given the coalition government's wider changes in housing policy we will have to carefully consider how best we can reduce this in 2011.

## **2.3. Introduction by Cabinet Member for Finance & Sustainability (Cllr Joe Goldberg)**

2.4. I draw attention to section 15 and to Appendix 2 as I have to report an increase in the forecast revenue over spend this period, largely due to an increase in Looked after Children (LAC) and a worsening in the forecast position on parking income. This gives a forecast revenue outturn position of £2.9m overspent based on the December data.

2.5. I am concerned at the increase in the LAC budget which, this period, relates to forecast increased costs due to potential removal of PCT funding for 2 clients and, additionally, there were 21 new cases.

2.6. The economic climate continues to have a significant impact on the Council's finances and increases in costs such as these continue to be outside of the Council's control.

2.7. As highlighted in paragraph 7.1 this outturn figure assumes the use of £1.7m unallocated ABG grant without which the position would be worse. Directors must continue to push to bring the year end figure down as with the pressure facing Council budgets in 2011/12 and beyond we can not afford to incur any over spend this financial year.

## **3 State link(s) with Council Plan Priorities and actions and /or other Strategies:**

3.1 This report sets out performance against a number of indicators that measure progress against the Council priorities and the Local Area Agreement targets.

## **4 Recommendations**

4.1 To consider the report and the progress being made against the Council's

priorities.

4.2 To agree the budget changes (virements) set out in Appendix 2.

4.3 To require Directors, where possible, to take necessary action to bring current year spending to within their approved budget.

## **5 Reason for recommendation(s)**

5.1 Proposed budget changes (virements) are set out in Appendix 2 for approval in accordance with financial regulations.

5.2 To ensure that Members are kept informed about service and financial performance against the priorities and targets set.

## **6 Summary (Performance)**

6.1 Paragraph 14 and Appendix 1 of this report provide a summary of performance for this reporting period. Of the 37 key service indicators monitored 24 have improved since 09/10, 1 is the same and 8 are worse with no comparison possible for 4 indicators.

Some areas where targets are being met or where there has been an improvement are highlighted below:

6.2 Excellent performance on delayed transfers of care with an average weekly rate of 5.2 per 100,000 population, a massive improvement from the 14.5 rate being reported at this time last year.

6.3 Performance on processing benefit claims was sustained at 20 days in December, 3 days short of the 17 day target.

6.4 Significant improvement on call centre performance in the last 2 months with 92% of calls answered in 30 seconds in December, exceeding the 70% target.

6.5 The 2010 attainment results have now been validated and confirm a closing of the gap with the national average and progress at Key Stage 2. GCSE results have also improved with 48.0% achieving 5 or more A\*-C grades including English and Maths.

6.6 The number of most serious violent crimes has reduced by 31.9% compared with the same period last year.

6.7 Recycling and cleanliness targets continue to be exceeded including the cleanliness of our parks.

Areas where targets are not being met include:

6.8 Average re-let times for local authority dwellings reduced to 19.8 days in December (best performance of the year) a reduction of 12 days from the previous month. The year to date position is 37.3 days and remains above the 25 day target.

6.9 A reduction of 251 households in temporary accommodation since March but the rate of reduction has slowed (9 since last month) and there remain more households in temporary accommodation than planned for this point in the year.

## **7 Chief Financial Officer Comments**

7.1 The overall general fund revenue budget, based on the December position, stands at a projected £2.9m above budget, an increase from the £2.6m reported last period. The main reason for this movement is an increase in Looked after Children (LAC) and a worsening in the forecast position on parking income. The underlying causes of the overall revenue forecast over spend remain, namely the high level of service demand particularly within Children and Young Peoples' Services (CYPS) along with the increased financial liability due to changes in Housing Benefit Subsidy rules. This year end projection still assumes that £1.7m of unallocated ABG is used to offset the position.

7.2 As highlighted in previous reports, given that the council is currently planning for very significant reductions in funding from government, as confirmed in the recent provisional finance settlement, it remains imperative that the in year overspend in 2010/11 is minimised to ensure that no additional pressure is placed on the tight budget position in 2011/12 and beyond. There must be no let up in effort to bring the budget in on target by the year-end.

7.3 The Council's Non-Service Revenue (NSR) budget is maintaining a forecast year-end underspend of £3.0m. This is made up of a £1.0m uncommitted general contingency plus the additional £2.0m under spend reported last period as a result of the use of internal cash balances instead of external borrowing which will reduce debt repayments this year.

7.4 The dedicated schools budget (DSB) element of the overall Children & Young People's (CYP) Service budget is projected to spend at budget.

7.5 The forecast revenue outturn for the Housing Revenue Account (HRA) remains in line with that reported last period, a net under spend of £0.4 m.

7.6 The projected capital year end variance, based on the December position, is an under spend of £11.4m compared to the £9.9m under spend reported last period. The detail is set out in section 15.

## **8 Head of Legal Services Comments**

8.1 There are no specific legal implications in this report.

## **9 Equalities & Community Cohesion Comments**

9.1 Equalities are a central thread throughout the Council's performance and many of the indicators have equalities implications. Equality impact is considered alongside performance by services.

## **10 Consultation**

- 10.1 Throughout the year the report will show the results of consultation with residents, service users and staff.
- 10.2 The Council consults widely on its budget proposals with residents, businesses, service users and other interested parties.

## **11 Use of appendices /Tables and photographs**

- 11.1 Appendix 1 details the indicators where performance is not meeting the target.
- 11.2 Appendix 1a December performance for top service outcomes (not attached) [http://www.haringey.gov.uk/index/council/performance\\_and\\_finance/council\\_performance/performance-reports/council\\_scorecards\\_2010\\_11.htm](http://www.haringey.gov.uk/index/council/performance_and_finance/council_performance/performance-reports/council_scorecards_2010_11.htm)
- 11.3 Appendix 2. Financial tables

## **12 Local Government (Access to Information) Act 1985**

- 12.1 Budget management papers and HR metrics
- 12.2 Service PI returns
- 12.3 Business Plans

## **13. Background**

- 13.1 This is the December report for 2010/11, covering the period April 2010 to the end of December, detailing the Council's performance against agreed targets for 2010/11. Financial and performance information is based on the financial monitoring reports prepared for the budget and performance review meetings for period 9.
- 13.2 We have revised our approach to performance reporting so that we focus on a smaller number of indicators (37) that reflect the council's priorities. These are detailed in appendix 1a which can be accessed via this link: [http://www.haringey.gov.uk/index/council/performance\\_and\\_finance/council\\_performance/performance-reports/council\\_scorecards\\_2010\\_11.htm](http://www.haringey.gov.uk/index/council/performance_and_finance/council_performance/performance-reports/council_scorecards_2010_11.htm)
- 13.3 Appendix 1 details the indicators where performance is not meeting the target.
- 13.4 Appendix 2 shows the aggregate projected positions for revenue and capital, proposed budget changes (virements) for approval in accordance with financial regulations, and the Red, Amber Green (RAG) status of planned savings and planned investments.

## **14. Performance Highlights**

### **Performance highlights in terms of service outcomes for November are as follows:**

- 14.1 26.7% of adult social care clients are receiving self directed support – this remains higher than the profiled target of 22.5% for this period. The service is focusing on personalised budgets which are a part of this measure and currently 158 clients are in receipt of a personalised budget, an increase of 44 clients since last month.
- 14.2 Delayed transfer of care, the latest NHS data shows that some of the delays attributable to Haringey in previous reports have been revised. This means that our outturn is not only continuing to improve but also better than expected. The December figure is 5.2 per 100,000 population and is significantly better than the target of 11.0 for 2010/11.
- 14.3 There has been a significant improvement in call centre telephone calls answered in 30 seconds over the last 2 months, 93% in November and 92% in December. The year to date position is recovering from the poor start in the early months of the year and at 69% is just 1% short of the 70% target.
- 14.4 28.4% of household waste has been reused, recycled or composted in the year to December exceeding the 27% target set for 2010/11.
- 14.5 In the year to December 3.3% of streets were recorded as having unacceptable levels of litter, better than the 10% target.
- 14.6 There have been 5,402 serious acquisitive crimes in the year to the end of December, a 6.2% reduction when compared with the same period last year.
- 14.7 There have been 248 serious violent crimes in the period April to December, 31.9% fewer when compared with the same period last year and exceeding the 4% reduction target.
- 14.8 In the year April to December 1,383 public complaints (stage 1) have been received across the council and 91% of these have been dealt with in the 10 day timescale.

### **Areas where targets are not currently being met include:**

- 14.9 15.6% of carers have received a review and a needs assessment and a specific service. Whilst there has been continued progress in this area, performance is below the levels achieved by this time last year and remains slightly short of the target set for this period (17.9%).
- 14.10 Of council tax due in the year to December 82.28% was collected falling short of the profiled target of 84%. Continual effort is being made to ensure where customers are having difficulties paying, then help is available and where customers refuse or delay payment, recovery action is administered quickly.
- 14.11 At the end of December, the average time taken to process new claims and change events remains at 25 days for the year to date (20 days in December)

against a 17 day target. The rate of improvement is now difficult to maintain, e-benefits continues to play a significant part in the improvements and this is being promoted. The Service is looking at ways to maximise the number of staff used to promote benefits claims and working more closely with Customer Services.

- 14.12 In December 69.1% of children's social care initial assessments were carried out in 10 working days and 65.1% of core assessments were completed in 35 days both against a 70% target. The year to date positions are 66.6% and 59.5% respectively. The focus continues to be on providing high quality and analytical work and the assessment process continues to form part of a regular programme of audits of quality of practice which are reviewed by management to ensure that a high standard of work is maintained.
- 14.13 The number of households in temporary accommodation stands at 3,296 a reduction of 9 since last month and 251 since the end of March but short of the profiled target of 2,836. Efforts are continuing to secure alternative supply which will assist the continued drive to reduce numbers although this is becoming increasingly difficult as suppliers continue to explore the market for a range of options.
- 14.14 The average re-let time for local authority dwellings reduced significantly in December to 19.8 days, for the year to date it is 37.3 days. This is an amalgamation of relet times 28.2 days for supported housing and 18 days for general needs. The repairs part of the process has seen a significant improvement in performance over the last twelve months and the trend continues to improve on voids overall with the best performance of the year in December 2010.

## **15. Finance**

- 15.1 The overall general fund revenue budget monitoring, based on December data, is showing a forecast over spend of £2.9m, up from the £2.6m reported last period. The change this period is due to an increase in Looked after Children (LAC) and reductions in forecasts for Parking income which was highlighted as a risk last period. The details are set out in the following paragraphs.
- 15.2 Adults are continuing to experience high client numbers, but are mitigating much of this pressure with a vacancy factor against all non-statutory positions which has been a successful strategy to date. The year-end forecast of £0.1m under spend is being maintained this period.
- 15.3 The estimated outturn for the Children and Young People's Service has increased again this period by £0.2m and now stands at £7.7m above budget. This increase is essentially due to the impact of the on-going high levels of Looked after Children (LAC) and the associated legal costs with the overall number of LAC (excluding unaccompanied minors) increasing this period from 557 to 560. The underlying Directorate pressure remains significant at around £12m although the action taken to date has sought to offset this as far as possible by maximising grant income and

making in-year savings in other areas in order to reduce the net position as far as possible.

- 15.4 The Urban Environment directorate has increased the forecast year end over spend marginally to £1.1m this period. This increase is solely due to a reduced projection for parking income caused by further delays in introducing revised fees and charges and the impact of the poor weather on the ability to issue tickets. Although there remains a significant over spend on the Housing budget, the year end forecast has not worsened again this period which lends some credence to a view that the pressure is stabilising.
- 15.5 The year end forecast for Corporate Resources at P9 remains as an under spend of £0.47m. Benefits and Local Taxation and Property Services continue to forecast some over spend; the former caused by on-going high levels of service demand, the later largely due to continuing low occupancy at Technopark. The restrictions on discretionary spend and recruitment which along with other interim savings are forecast to both offset the pressures being felt and also to deliver the under spend reported.
- 15.6 The forecast outturn for the three Chief Executive directorates (Policy, Performance, Partnerships & Communications (PPP&C), People & Organisational Development (POD) and the Chief Executives (CE)) has improved slightly this period to a £0.7m under spend compared to the £0.65m under spend reported in period 8. The under spend is mainly due to the impact of the restrictions on discretionary spend.
- 15.7 The year end forecast for Non-service revenue (NSR), which largely consists of budgets for capital financing costs, levies and contingencies, is being maintained at an under spend of £3.0m. This is made up of the uncommitted £1.0m general contingency built into the 2010/11 budget plus an under spend of £2.0m against the debt interest repayment budgets due to the use of internal cash balances in lieu of borrowing. The Alexandra Palace and Park Trust continues to work to maximise the profit generated by APTL and keep discretionary expenditure to a minimum however, as suggested last period, shortfalls against budgeted income at Alexandra Palace largely arising from delays to the re-opening of the ice rink have led to the Trust Board advising that the amount of additional deficit funding is likely to increase. Accordingly the year end forecast is likely to exceed the previously reported figure of £0.1m, however the Board have agreed to a range of spending reductions aimed at keeping any overspend to a minimum.
- 15.8 As highlighted in previous reports, the Haringey Forward planned 2010/11 savings have been discussed and reviewed in detail and although not all will be fully realised in 2010/11, largely due to the time required to deliver savings associated with restructures, base budgets for 2011/12 will be revised to reflect the savings.
- 15.9 The under spend in respect to the 2010/11 unallocated Area Based Grant reported last period is assumed as still being used to offset the in year budget. As



discussed in the previous report, Directors are still expected to work at bringing forecast overspends down as it would be more beneficial to have recourse to this sum to smooth the transition into 2011/12.

- 15.10 The RAG status of agreed 2010/11 revenue savings and investments is shown in Appendix 2 and has not changed this period. Only 2% (£0.2m) of savings is currently flagged as red and is largely due to under achievement of planned external income; this is factored into the directorate year end forecasts.

### **Treasury Management**

- 15.11 The Treasury Management activity in the first nine months of 2010/11 was compliant with the Treasury Management Strategy Statement agreed in February 2010. Following the repayment of maturing debt in October, the level of cash balances dropped, and since then have remained at an average of £31m during November and December. Investments have been made into AAA rated money market funds and an instant access account only to ensure sufficient liquidity is maintained. These accounts pay an interest rate equivalent to one month fixed term deposits, with the advantage of instant access. Due to the significant use of money market funds, the average long term credit rating of the portfolio has increased to AA+.

- 15.12 £50m of Council debt has matured this year and £20m of new borrowing was taken on 31st August as a starting point to refinancing this. Due to the significant difference between short term investment interest rates and long term borrowing rates, the Council is continuing to make use of internal cash balances, rather than taking any further new borrowing until necessary. During December the Council continued to be able to meet its obligations within the current cash balances. However officers are monitoring the position closely, alongside the Council's treasury management advisers, including monitoring of interest rate movements to ensure that further borrowing is taken at an optimal time

### **Capital**

- 15.13 The aggregate capital programme position for 2010/11 is as shown in Appendix 2 and at Period 9 is now forecasting an underspend of £11.4m, an increase of £1.5m from the £9.9m underspend reported in period 8. The detail behind the figures is set out by Directorate in the following paragraphs.
- 15.14 The Adults, Culture and Community Services is maintaining the year end forecast at an under spend of £0.9m. This principally relates to two projects: £0.5m for the Muswell Hill Library as funding is dependent on the sale of adjacent land which is not now expected to achieve a sufficient receipt and £0.4m on the Lordship Recreation project as expenditure will need to be re-phased into 2011/12.
- 15.15 The Urban Environment general fund capital programme continues to forecast an under spend of £2.1m this financial year. This is largely in relation to Marsh Lane which is on hold until the options to fill the funding gap are reviewed and in the

interim the site is being advertised for rental. The HRA capital programme continues to forecast a balanced position at year end.

- 15.16 The Corporate Resources Period 9 forecast remains at an under spend of £3.2m. Of this, £2.4m is within the Accommodation Strategy programme as the scope of the original smart working programme has been revised as agreed in a separate report to Cabinet in December; the remainder relates to the Hornsey Town Hall project which is behind profile due to the need to review and consider the optimum delivery model.
- 15.17 Within the non-BSF Children's Capital Programme two new programmes have been included this period one of which is forecasting a £0.3m under spend this financial year as the project is currently at design stage and is not expected to start on site until April 2011. There has been little change since period 8 across the rest of the programme and at P9 the total non-BSF year end forecast is a small over spend of £0.6m. The underlying reason remains that the Broadwater Farm Inclusive Learning Campus is spending ahead of profile however no overall project variances are expected and the funding can be met by temporarily using grants as yet unapplied.
- 15.17 The BSF capital programme overall continues to forecast a balanced position; however some planned 2010/11 spend has been re-profiled into 2011/12. This is largely due to re-profiling of programme contingency budgets into future years, and delayed expenditure against the ICT MSP contract due to schools holding over expenditure against their "local choice" budgets until later in the contract,. Expenditure on all school construction projects is on target for the year, with 10 of the 12 school projects now completed and closed.
- 15.18 The target level of in year receipts from asset disposals is £2m. The current forecast for this year remains the same as last month at approximately £6m resulting from the identification of additional properties considered surplus to requirement and now recommended for disposal in this financial year and also actions to bring forward some disposals planned for 2011/12 to 2010/11. A degree of risk is still attached to some of the disposals in the programme which therefore continues to be kept under review and updated accordingly.

## **Virements**

- 15.19 The virements proposed in this period are listed in Appendix 2 in accordance with financial regulations.