



Haringey Council

Agenda item:

**Cabinet**

**On 26 January 2009**

Report Title. **The Council's Performance –Period 8 April – November 2008**

Report of **The Chief Executive and Chief Financial Officer**

Signed *pp J. Pawler 15/1/09.*

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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 November 2008.

1.2. To agree the budget virements in accordance with financial regulations.

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

2.1. It is encouraging to note the Council's performance in key areas such as time taken to process new benefit claims, invoice payments and NEETs. It is vital that we intensify our efforts in these areas given the economic downturn. It is encouraging to see the falls in serious knife crime offences and robberies. It is also positive to see the number of visits to the boroughs sports centres at record levels.

2.2. There are a number of areas of performance which are clearly a cause for concern in particular relet times and the number of people living in temporary accommodation which is still too high. It is vital that the expansion in the Council's

recycling service enables us to meet our targets on household waste recycling.

### **2.3. Introduction by Cabinet Member for Resources (Cllr Charles Adje)**

2.4. Attention is drawn to paragraph 20 of the report and to Appendix 2 which provide details of the financial position for the month. It also provides an update on Treasury Management and the Icelandic bank situation. I continue to encourage colleagues to ensure any anticipated overspend are contained.

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

3.1. This report gives an indication of the level and quality of services delivered on the ground. It monitors Haringey's position in relation to a number of indicators that will be used to assess the Council in the Comprehensive Area Assessment (CAA) and the Local Area Agreement (LAA).

### **4. Recommendations**

4.1. To note the report and the progress being made against Council's priorities.

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

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

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

### **6. Summary (Performance)**

6.1. Overall good progress has been made on the indicators monitored in the first eight months with 89% of indicators showing green or amber lights in 2008/09.

6.2. Performance highlights include:

- Serious knife crime and robberies are both down, Haringey's reductions are respectively the 9<sup>th</sup> and 8<sup>th</sup> largest reductions in the Metropolitan Police area.
- Percentage of 16-18 year olds not in education, employment or training (NEETS) is low in October at 6.8%
- Visits to the borough's sports centres, are ahead of target with 889,000 visits so far this year

6.3. This report also highlights areas for focussed monitoring such as recycling rates,

number of households in temporary accommodation and average relet times along with agreed actions to bring performance in line with targets.

- 6.4. Child protection performance data is under review and not included in this report. An update on data validation will be provided with the next finance and performance report.

## **7. Chief Financial Officer Comments**

- 7.1. The overall revenue budget monitoring, based on the November position, shows that the general fund is forecast to spend at budget as shown in Appendix 2. The Children & Young People's Service is projected to overspend and this is offset by projected underspends in non-service revenue and Policy, Performance, Partnerships and Communications (PPP&C). The reasons for the projected variations are detailed in the report. There are also some budget pressures outlined in the report that services are seeking to contain within the budget.
- 7.2. The dedicated schools budget (DSB) element of the overall Children & Young People's budget is projected to spend £0.1m below budget. Any DSG underspend will need to be carried forward to next year.
- 7.3. In relation to the housing revenue account (HRA), the net revenue projection is to spend at budget. This is following estimated savings arising from the letting of the new gas boiler maintenance contracts although these savings are offset by a number of pressures as detailed in the report.
- 7.4. The aggregate capital projected position in 2008/09 is projected to underspend by £4.9m. Reasons for the projected variations are detailed in the report.

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

- 8.1. There are no specific legal implications in this report, but there is likely to be a need for legal advice in future on certain of the specific projects mentioned.

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

- 9.1. Equalities are a central thread throughout the council's performance.

## **10. Consultation**

- 10.1. Throughout the year the report will show the results of consultation with residents, service users and staff.

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

- 11.1. Appendix 1. November performance scorecard
- 11.2. Appendix 2. Financial tables

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

- 12.1. Budget management papers
- 12.2. Service PI returns including unit cost data
- 12.3. Council Plan
- 12.4. Business Plans

## **13. Background**

- 13.1 This is the regular monthly report covering Finance and Performance of the Council for the period April to November 2008, detailing the Council's performance against agreed targets. Financial and Performance information is based on the financial monitoring reports prepared for the budget and performance management review meetings for period 8.
- 13.2 Appendix 1 details performance against 63 monthly reported indicators all linked to the Council's priorities:
  - Making Haringey one of London's greenest boroughs
  - Creating a better Haringey: Cleaner, Greener and Safer
  - Encouraging lifetime well-being
  - Promoting independent living
  - Delivering excellent services
- 13.3 Appendix 2 shows the aggregate projected positions for revenue and capital, proposed budget changes (virements) for approval in accordance with financial regulations, and the RAG status of planned savings and planned investments.
- 13.4 The Comprehensive Area Assessment (CAA) will take account of our performance against all 198 National Indicators (NIs), however a significant number of the new national indicators lend themselves to quarterly or annual monitoring rather than monthly. These will be shown quarterly to ensure that Members and senior officers are aware of the full list of indicators which will be used to judge the Council and the Strategic Partnership at the end of the year.

## **14. Use of Traffic Lights**

- 14.1 Progress on indicators continues to be tracked on a monthly and year to date position against the 2008/09 target using a traffic light annotation where:

- Green: Target achieved / performance better than planned
- Amber: Just below target (typically a 5% tolerance)
- Red: Target not achieved / below expectation

14.2 Trend arrows depict progress since the last financial year, so whilst an indicator may receive a red traffic light for not achieving target, it will show an upward trend arrow if performance has improved on the previous year's outturn. Between them, the lights and arrows indicate current progress and predict the likely annual position.

14.3 Where appropriate Appendix 1 shows the latest all England top quartile data (for 2006/07) with an indication of our quartile position in 2006/07. In some cases comparisons with nearest neighbours are shown as a more appropriate guide to top level performance.

## 15. Achievements

### 15.1 Priority 2. **Creating a better Haringey: Cleaner, Greener and Safer**

15.1.1 Serious knife crime is down with 349 offences in the year to November compared with 437 offences in the same period last year. This reduction is the 9<sup>th</sup> largest reduction in the Metropolitan Police Service (MPS)

15.1.2 Total Robberies have seen a reduction with 785 incidents in the year to November compared with 1034 at the same stage last year. This reduction is the 8<sup>th</sup> largest reduction in the MPS

15.1.3 Theft of motor vehicles is down with 785 offences in the year to November, compared with 845 at the same point last year.

### 15.2 Priority 3. **Encouraging lifetime well-being**

15.2.1 There is an on-going improvement in the percentage of 16-18 year olds not in education, employment or training (NEETS). In October the figure was 6.8% against the stretch target of 10.4%. The percentage of unknowns has reduced to 18.5%. This figure is high due to seasonal factors, mainly 18 year olds between "A" levels and higher education and is still on course to meet the target of 9.9%.

15.2.2 Active card membership figures are ahead of the target. In November the year to date figure was 12,263 against a target of 11,549.

### 15.3 Priority 4. **Promoting independent living**

15.3.1 The number of older people admitted to residential or nursing care remains better than the target of 135 with the annual equivalent of 126 admissions in the year to date.

15.3.2 Direct payments continue to improve with the November position showing 232 per 100,000 head of population. This is above the target of 195

15.3.3 The percentage of carers' receiving an assessment remains at 22% against a target of 14%.

#### 15.4 Priority 5. **Delivering excellent services**

15.4.1 The number of working days/shifts lost due to sickness absence per FTE employee is down to 8.74 in the rolling year. This is below the target of 8.8

15.4.2 Member Enquiries responded to within timescale are meeting the 90% target for the year to November following a slow start to the year.

15.4.3 Complaints have also recovered with 87% Stage twos responded to within timescale in the year to date, against an 85% target. 89% of Stage ones have been completed within timescale. The 90% target will be met if the current monthly performance level of 92% is maintained.

15.4.4 Statements of special educational need issued within 26 weeks were 100% in November (82% target) with 86% of those including exemptions on time against a 70% target. The year to date figures show 83% and 81% respectively.

15.4.5 The average time taken to process a new benefit claim is showing an improvement. The IT problems at the start of the year have now been resolved and this has been reflected in performance. The figure for November was 27 days, this has brought the year to date figure down to 32 days, which is now hitting the target for the first time this year.

15.4.6 Invoice payments reached a year to date position of 91.63% paid within terms ahead of 91% target and improved from 87% in 2007/08

### 16. **Areas for focus and actions taken to address these**

#### 16.1 Priority 1. **Making Haringey one of London's greenest boroughs**

16.1.1 Household waste recycling, performance remains below the 28% target. An Action Plan for improving the performance against this indicator is being developed following last month's exception report and an improvement in performance is expected following new services to estates and improvements to bring banks rolled out in October and November 2008 including:

- Trial project to supply compostable liners for free to residents to encourage participation in food waste recycling service
- Vehicles with mixed loads have been instructed to unload at the bulk waste recycling facility
- Work with ReStore Community Projects to improve capture of recyclables or reusable items at interface with Haringey Enterprise

## 16.2 Priority 2. **Creating a better Haringey: Cleaner, Greener and Safer**

16.2.1 The November year to date figure for Domestic Burglary is currently at 1,839. This is slightly more than last year and compares to the November target of 1,672.

16.2.2 In the year to date thefts from motor vehicles have increased over the same period last year – 2,260 compared to 2,090. This is below the November target of 1,963. A poster campaign is in place to highlight the risks of leaving valuables on display in vehicles. Other borough-wide interventions include the provision of crime prevention advice to residents living in hotspot areas

## 16.3 Priority 5. **Delivering excellent services**

16.3.1 The actual aged debt has risen from £5.54m at the end of October to £6.08m. The majority of this rise relates to money owed by the PCT. Against the profiled target for this there is currently a £1.59m shortfall. This is mainly made up of sundry debt in the following areas; Adults Culture and Community £873k, Children and Young People £417k, and Urban Environment £312k. Although a substantial payment has been made in December by the PCT discussions are ongoing with them to keep fully up to date with costs owed. Further action is being taken in order to improve the aged debt position including corporate monthly debt management days. Recovery action plans have been agreed where appropriate and an update on progress will be provided in the next report.

16.3.2 The average relet time is decreasing, but the year to date figure of 47 days is still well above the target set (31 days) A comprehensive action plan (designed to streamline processes and improve the performance of the building maintenance, lettings and tenancy management teams) is being implemented. Together with recent staff changes within Homes for Haringey and the Council's ALMO Client Team and Lettings Team, this action plan will improve efficiency and drive down void turnaround times over the next six months. Progress is being monitored closely by the Chief Executive of Homes for Haringey and the Council's Assistant Director for Strategic and Community Housing Services who meet monthly to review the action being taken to improve voids performance. Improvements have already been made to speed up the process for verifying housing applicants' eligibility and circumstances, so as to avoid any unnecessary delay in letting properties. Policy and procedural

changes have also been introduced to ensure that Haringey's choice based lettings scheme supports, rather than hampers, the improvement of performance. To improve voids performance in sheltered housing, there are plans to bring together, in one team, all of the staff who are involved in the letting of sheltered housing, including those responsible for assessing applicants' support needs and eligibility for sheltered housing.

16.3.3 The Temporary Accommodation figure reduced to 4,746 in November, this is still above the profiled target of 4,626. Despite the progress being made in most areas of the Temporary Accommodation Reduction Plan, the number of households moving into the private rented sector has not achieved the targets set. A Private Sector Lettings Team has been established to procure assured short hold tenancies and 'match' them to households who are already living in temporary accommodation or are at imminent risk of becoming homeless. Residents of temporary accommodation are responding positively to the offer of the private rented sector option, and considerable efforts are being made to find them what they want. We have recently recruited two managers, with a proven track record in homelessness prevention, housing options and private sector lettings, who will be responsible for the delivery of the housing advice, homelessness, allocations and lettings service. They are due to join the service in February and March 2009. An Interim Head of Housing Needs and Lettings, appointed in January 2009, also has a strong background in homelessness prevention and housing options, and will ensure that everything possible is done to reduce the Council's use of temporary accommodation in line with the projections.

## **17. Finance**

- 17.1 The overall revenue budget monitoring, based on the November position, shows that the general fund is forecast to spend at budget as shown in Appendix 2. There are some budget pressures detailed below that services are seeking to contain within the approved budget limit.
- 17.2 In Adults, Culture and Community Services the previously projected cost pressure of £0.8m on adult social care has been reduced to £0.5m this month. There are some price and demand cost pressures relating to commissioning and as well as having some strategies in place to further reduce these pressures the Director is also seeking to contain costs within the overall budget. In Recreation Services a six month rescue package for Wolves Lane Nursery has been agreed at a cost of £0.1m this year. It is proposed that this is funded from a contingency underspend. This virement request is included in Appendix 2. The department is projected to spend at budget assuming approval of this virement.
- 17.3 20.3 In Adults, Culture and Community Services the saving of £80k for the community alarm service has a RAG status of red. This saving relied on marketing the service to generate further income. This has not been possible



during 2008/09 but discussions with providers of this service will take place early in 2009/10 to market the service in order to maximise income from sales.

- 17.4 20.4 The Children and Young People's Service is projecting a net general fund budget overspend of £0.9m. There is a significant overspend on the commissioning budget for looked after children offset by a number of other mainly one-off underspends. This financial position will be further refined as additional resources may be required in the short term to respond to the actions arising from the inspection.
- 17.5 The Dedicated Schools Budget (DSB) element of the overall Children & Young People's budget is projected to spend £0.1m below budget, down from £0.2m last month.
- 17.6 In Urban Environment the projected parking income shortfall is £0.5m compared to £0.6m last month. This revised projection takes account of improved performance for the last five months. Overall this is offset by other savings in the department.
- 17.7 The Housing Revenue Account is projected to be balanced at the year end. There was a projected underspend of £0.2m was projected last month. This change is the result of a number of small variations.
- 17.8 Corporate Resources is projecting a balanced position. Within this there are some budget pressures that are being managed including commercial property rental income, Local Land Charges income, and Customer Services relating to the costs of implementing a restructure associated with achieving the savings target for this year.
- 17.9 PPP&C is projected to underspend by £0.1m and other directorates are projected to spend at budget.
- 17.10 Non-service revenue is projecting to underspend by £0.8m. This is due to one – off additional interest earnings projected this year of £0.7m and a one-off saving of £0.2m in respect of budget set aside for the NLWA levy that is not required this year. The net position is reduced to £0.8m after allowing for the proposed virement for Wolves Lane Nursery of £0.1m.
- 17.11 The RAG status of savings and investments is also shown in Appendix 2. Planned savings classified as red are in respect of the community alarm budget and the commissioning budget for looked after children referred to earlier in the report.

### **Treasury Management**

- 17.12 The processes for the recovery of monies from Icelandic banks are all at different stages. The process with Heritable bank is being managed by Ernst and Young and as this is a UK registered company this is progressing using the

normal process under Scottish law. The LGA have set up a steering committee of public sector representatives and private sector legal support. The individual statutory creditor committee for Heritable Bank has been set up with five members, two of which are representing around eighty local authorities and other public sector bodies. These are the Chief Financial Officers of Kent County Council and London Borough of Haringey. The position with Landsbanki and Glitnir in Iceland is being managed by resolution committees set up by the Icelandic authorities and Councils in this country have two local authority representatives liaising with the Local Government Association and their legal advisers in respect of that. Definitive timescales are not yet available for these banks and a moratorium on legal action has been put in place by the Icelandic government around this in order to allow more time.

- 17.13 The Local Government Finance Settlement for 2009/10 includes a proposal for government to make a regulation which will, exceptionally, allow local authorities with funds invested in Icelandic banks to postpone the impact of any possible impairments required by accounting practice, from 2008/09 to 2010/11, by which time the position regarding 'frozen' funds should have become clearer. This means that there will be no charge to the Council's accounts for possible losses related to the Icelandic investments in 2008/09 financial year or requirement to allow for this in the budget process for 2009/10.

## **Capital**

- 17.14 The aggregate capital projected position in 2008/09 is as shown in Appendix 2 and is projected to underspend by £4.9m. This is mainly in respect of the projects outlined in the following paragraphs. In net terms Children & Young People are projected to underspend by £2.5m, Urban Environment by 0.9m, the HRA by £0.9m, Corporate Resources by £0.4m and Adults, Culture & Community by £0.2m.
- 17.15 In Children & Young People the main variances are a projected underspend of £1.3m for the Building Schools for the Future (BSF) project, together with other smaller net underspends on Children's Centres and primary capital projects. In terms of the BSF this is positive in the sense that it relates to contingency that has been set aside for this financial year, which is now not expected to be called upon. This can be carried forward to the following year.
- 17.16 In Urban Environment the Mortuary project has a budget pressure of £0.5m as previously reported to Members. A proposal is being considered to meet the budget pressure from the GAF III programme allocation, which was received on 10th December 2008, a contribution from planned revenue underspends in view of the improving financial position for parking and any relevant underspends against this year's capital budget.

- 17.17 The Marsh Lane scheme continues to project an underspend of £0.2m. This is in respect of the year one contingency, which is unlikely to be utilised as expected costs will be met from within the main budget.
- 17.18 As previously reported to Members the Tottenham High Road and Myddleton Road schemes are projected to slip into next year and an underspend of £0.3m is projected. The schemes are funded from English Heritage grant and match funding from the Council. Year 3 match funding confirmation is awaited before proceeding with the scheme from 2009/10.
- 17.19 A new variation reported in Urban Environment this time is the budget for compulsory purchase of properties. The plan for the acquisition of three dilapidated and eyesore properties, which need to be brought back into use, are with the Secretary of State for decision. It is unlikely that a decision will be obtained this financial year and therefore a £0.7m underspend on this is projected. The Private Sector Housing properties scheme is also projected to underspend by £0.3m due to the late launch of this scheme.
- 17.20 The HRA capital budget's main projected variations are in respect of the Decent Homes project that will be funded by means of a virement from leaseholder contributions. The Housing Aids and Adaptations scheme is projected to underspend by £1.1m due to a lower number of referrals than originally planned.
- 17.21 In Corporate Resources the ICT capital programme is currently under spending by £0.4m mainly as a result of the re-scoping of some projects within the SAP programme and lower than forecast spend on the mobile working project. A review of projects planned for 2009/10 is being carried out to see if any can be brought forward into this year.
- 17.22 Proposed budget changes (virements) are set out in Appendix 2 for approval in accordance with financial regulations.