

Report title: **Finance & Performance – November 2005**

Report of: **The Chief Executive and Director of Finance**

**Ward(s) affected:** All

**Report for:** Key Decision

### **1. Purpose**

- 1.1 To set out an exception report on the finance and performance monitoring for November 2005.

### **2. Introduction by Executive Member for Finance (Cllr Richard Milner)**

- 2.1 The table at 10.1 shows the overall revenue position for each of the services and indicates the emerging pressures for November 2005, amounting to a variation of around £200k (less than 0.1% of the total revenue budget).
- 2.2 This represents a significant improvement in the variation against plan and suggests that the remedial actions in place are taking root.
- 2.3 The HRA continues to show cost pressures in repairs for reasons outlined in last month's report. Options have been agreed by members on how the budget pressures can be contained within the available resources without significant impact on service performance and are expected to reduce the net overall overspend to £300k, an improvement of £200k on the projected overspend in the previous month's report.

### **Introduction by Executive Member for Organisational Development and Performance Management (Cllr Takki Sulaiman)**

- 2.4 With regard to the capital position, pressures on the BSF programme, Tech Refresh and CCTV implementation are driving the projected variance of £0.6m and we continue to work to resolve these with the objective to balancing at year end.
- 2.5 Haringey is officially an improving borough as recognised by the Comprehensive Performance Assessment made by the independent Audit Commission.

2.6 This report highlights improvements in a wide range of service areas from Children Service's completion of all reviews of children on the register due so far this year, to Social Service's improvement in waiting times for new older clients, to Environmental Service's acceptable standard of cleanliness for 98.2% of Zone 1 streets.

2.7 There remains areas for improvement which are receiving support from managers in the improvement and performance service.

### **3. Recommendations**

3.1 To note the report.

To agree virements set out in section 11.

**Report authorised by: Max Caller – Interim Chief Executive**

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### **4. Executive Summary**

4.1 This report sets out the routine financial and performance monitoring for November 2005.

### **5. Reasons for any change in policy or for new policy development (if applicable)**

5.1 None

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

**The following background papers were used in the preparation of this report:**

Budget management papers  
Service PI returns

## **7. Background**

- 7.1 This is the regular finance and performance monitoring report for November 2005. It is based on the financial monitoring reports prepared for the budget management meetings held on 20 December 2005 for period 8 and the service submission of the basket of performance indicators that we are using for 2005/06.
- 7.2 For 2005/06 the indicators contained within Appendix 1 for the traffic light report include key threshold indicators used in the Council's Comprehensive Performance Assessment (CPA) and those included in Haringey's Local Public Service Agreement (LPSA) as well as some key local indicators for the Council.
- 7.3 Performance data is shown in full in Appendix 1. Progress is tracked on the monthly and year to date position against the target using a traffic light annotation where:
- green = target achieved / performance better than planned
  - amber = just below target
  - red = target not achieved / below expectation

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

## **8. Service Positions**

### **8.1 Children**

- 8.1.1 The overall revenue budget shows a balanced position. However, within this there are a number of over-spending budgets where action is required to resolve the on-going position.
- 8.1.2 The looked after children commissioning budget remains an area of concern. The number of children looked after is 408 compared to the budget figure of 390 resulting in a projected overspend in the region of £260k. The department has undertaken to review its procedures to ensure that the process is sufficiently robust in terms of decision making. The commissioning strategy for future years assumes that net savings will be delivered and this remains key to the Council's overall financial strategy.
- 8.1.3 The asylum position remains broadly as previously reported, that is a gross shortfall of £3.1m to be covered by a contingency and assumed special case grant claims for 2004/5 and 2005/6. The position remains a serious concern for the financial strategy and the Leader has written to the relevant Home Office Minister. At the same time as the draft grant settlement assurances were given that all special claims would be met for 2004/05 and 2005/06.
- 8.1.4 The projected capital overspend of £0.8m shortfall in respect of Building Schools for the future (BSF) costs remains an issue and action is required to contain this within Children's Service resources.

- 8.1.5 Performance highlights for Children's services are as follows.
- 8.1.6 Performance on both parts of the indicator on issuing statements of special educational needs continues to exceed target. Where exceptions under the Code of Practice are included 76 out of 91 (84%) statements were issued within the 18-week timescale in the year to November. For part a, which excludes exceptions, all 76 statements issued in the year to November were in time.
- 8.1.7 Care leavers engaged in employment, education and training at the age of 19 is an LPSA measure. Our target for 2005/06 is that 65% of these young people are in employment, education or training. Excellent progress has been made in this area with 70% of the children who have turned 19 this year in education, training or employment on their 19<sup>th</sup> birthday. This exceeds our LPSA target of 65% for 2005/06.
- 8.1.8 All reviews of children on the register due so far this year were completed. (BV162). Excellent performance has been sustained in this area.
- 8.1.9 There have been 11 adoptions in the year to November '05. The target for 2005/06 is 20 adoptions and this is key to achieving the financial assumptions in the approved budget.

## **8.2 Social Services**

- 8.2.1 As reported last month it is recognised that there are significant financial pressures within Adults' and Older People's services and that the projected net overspend of £0.6m remains. Robust management action is being taken to try to ensure that these pressures do not result in any additional overspend.
- 8.2.2 In Adults' there are increased costs in physical disabilities and there is growth in the number of clients receiving a service (294 to 346) and where revised NHS criteria means that fewer people qualify for NHS funding.
- 8.2.3 The projected overspend in Older People's is mainly as a result of a higher number of weeks being commissioned above the commissioning strategy assumptions. The most significant reason for this increase in commissioning is the delay on the sale of Cooperscroft and Trentfield residential homes (as a result of the judicial review) which has resulted in a higher number of beds having to be re-provided on the open market. This underlying pressure is a risk to the existing financial strategy. The position for future years will require careful review in the budget process, particularly in the light of expected efficiency savings of 1.5% required by government in the supporting people programme.
- 8.2.4 The performance appendix reports the latest performance figures on some key indicators in Adults' and Older People's services. This shows that:
- 86% of items of equipment were delivered in 7 working days in November, exceeding the original 80% target. It is expected that performance can be sustained at this level so the Director of Social Services has raised the forecast and target for the end of year performance to 83%.

- In November there were 6 supported admissions or 51.4 per 10,000 population aged over 65 to residential / nursing care in the year. This places us inside the Department of Health “Good” performance banding range. Our LPSA target is to be in the banding of between 70 and 100 admissions per 10,000 population. However, in order to promote independence, the objective of the Community Care Strategy has been to reduce supported admissions and current performance is very close to the target set for 2005/06.
- *Acceptable waiting times for assessment- new older clients aged 65+(BV195)*  
This indicator is the average of the percentage of clients where time from first contact to beginning of assessment is less than 48 hours and the percentage where time from first contact to completion of assessment is less than or equal to 4 weeks. Performance on this key threshold indicator at 70% is now meeting the target.

8.2.5 Some areas where we need to improve our performance in Adults' and Older People's services are:

- *Adults and older clients receiving a review as a percentage of those receiving a service.*  
Although performance improved in November to 72% of clients receiving a review, this still falls short of the 75% target (BV55).
- Carers for Adults and Older People who received a carer's break or specific carer's service in the last year reduced to 15% in November against a target of 25% set for 2005/06.

### **8.3 Housing**

8.3.1 As reported previously, there is potentially a further improvement on the homelessness general fund budget of around £2m in addition to the approved budget changes already implemented. This is a financial consequence of the successful programme of private sector lease procurement and movement of families from short-term bed and breakfast accommodation and the increasing total numbers of these in the current year.

8.3.2 In the HRA there are pressures on repairs spending mainly due to an increase in demand and therefore increases in the volume of general repairs delivered by the HHBS service. The potential overspend is £2.0m. Options have been prepared on how the budget pressures can be contained within the overall resources available without any significant impact on service performance and these were considered at a Member working group and will now be implemented. These actions will reduce the net overall overspend in 2005/06 to £300k.

8.3.3 The assumptions on rent income include the projected shortfall in collection performance, offset by a reduction in the number of houses sold under the right to buy scheme this year.

#### 8.3.4 Performance issues in Housing are as follows:

##### Homelessness Assessments

- 8.3.5 In November '05, decisions on homelessness applications issued in 33 days decreased to 78.5% of cases, falling short of the 92% target. This was due to a couple of temporary issues; training for all frontline homelessness staff on the new prevention and options service took place during the month, leaving only skeleton cover and some staffing issues relating to senior frontline officers reduced effectiveness for the month. The year to date position at 95.6% still exceeds target.
- 8.3.6 BV183a and BV183b measure the average length of stay in weeks that a household at the point of permanent re-housing have spent in bed and breakfast or hostel accommodation, respectively. The indicators only measure households with children or pregnant women, who have spent time in accommodation where facilities are shared with other people.
- 8.3.7 Since 2004, we no longer place any such households in shared facility accommodation for long periods. The definition for this indicator has recently been amended to exclude tenants' historical stays in bed & breakfast prior to April 2004. This was the date from which the Homelessness (Suitability of Accommodation) England order 2003 took effect.
- 8.3.8 The average length of stay in bed & breakfast accommodation, under this new definition is reported as zero weeks.
- 8.3.9 The average length of stay in hostels, in November '05 increased to 140 weeks with the year to date position at 69 weeks above the 40 week target. The high November figure was due to *immigration leave to remain* status of one tenant who became eligible for permanent housing in August '05 after a 5 year wait. Improved performance is expected in this area with better inter-departmental working now in place to ensure current tenants in temporary accommodation stay a maximum of 40 weeks.

##### Average Re-let Times

- 8.3.10 The average re-let time of local authority dwellings rose by 10 days to 36 days in November, outside our local target of 29 days and our LPSA target of 25 days. This was due to specialist lets with 7 hard-to-let units impacting on November's performance. These have now been let and work with the Older People's service is underway to address these specialist lets.

##### Rent Collection

- 8.3.11 Rent collected to the end of November (BV 66a) is projected at 97% of rent due for the year, against a target of 97.8%. A case by case review of all cases where the arrears have increased in the last 6 months has recently been completed. These results are still being analysed but it is already apparent that sufficient intervention is not being taken early enough to prevent arrears from escalating. This is also apparent in the steady increase in arrears levels.

Whilst there will now be concerted action on these cases, the longer term solution is for dedicated rent recovery teams, which are now being established.

- 8.3.12 The percentage of tenants with more than seven weeks rent arrears at 13.6% remains above our target of 8%.

#### Repairs

- 8.3.13 November's performance on appointments made and kept remained disappointing with just over 90% compliance according to data taken from our IT system. Since October reported performance has been based on Optitime reports rather than customer satisfaction data. The report rules need to be rewritten to take into account cases that are reported as failures but are not i.e. where appointments are kept but follow up works are required.

### **8.4 Environment Services**

- 8.4.1 A shortfall of £350k is reported this month against the parking income target for 2005/06 based on income performance for the first 8 months. The shortfall may reduce further reflecting improvements over the last few months. This is as a result of a number of actions implemented during the summer. The income recovery rate for parking charges is now at 60%, which exceeds the target by 3%.
- 8.4.2 A number of other budget pressures have also been identified by Business Units but the Directorate is committed to managing these within its approved cash limit for the year.
- 8.4.3 As reported last month, there is a projected underspend on capital of £650k due to slippage on the CCTV project. A number of other schemes have low expenditure to date but it is envisaged that these will be completed and spent by the year end.
- 8.4.4 Performance highlights in Environment are:
- 8.4.5 Household waste recycled or composted in November at just over 20% exceeds the 18% target for the eighth month running ensuring that our statutory target for the year will be met.
- 8.4.6 Waste Minimisation performance in November and the year to date remains within the London top quartile although still above the challenging target. Further improvements may be forthcoming in the New Year with the advent of a new home-composting scheme.
- 8.4.7 Waste collections missed per 100,000 at 121 in November '05 were inside our LPSA target of 130 for the fourth month running. If this improved level of performance is sustained, we should just hit our LPSA target.
- 8.4.8 98.2% of Zone 1 streets were of an acceptable standard of cleanliness in November against a 95% target. Performance continues to be above the target. This performance aligns with the improved results from the first tranche of ENCAMS' independent cleanliness survey (BV199). This showed that 23%

of our relevant land had significant deposits of litter and detritus compared with 32% in 2004/05. This level of performance moves us out of the bottom quartile.

- 8.4.9 328 out of 403 minor planning applications (81%) were determined in 8 weeks in the year to November exceeding our 78% target and beating the government target. In addition all but two of the thirty major applications processed in the year so far were determined within 13 weeks.
- 8.4.10 The Parks Cleanliness index improved further in November to 83.6 exceeding the target of 80. There has been a general improvement in scores throughout the borough despite some fluctuations at some sites. Overall the yearly cumulative score has increased to 79.7. Most other parks are recovering from their drop in score over the summer. Coldfall Wood, Wood Green Common and Woodside Park are to be specifically targeted.
- 8.4.11 The average number of days to repair streetlights decreased to 2.3 days in November but the position for the year at 1.8 days is well below the target of 3.5 days. However, the average length of time to repair faults relating to power supply handled by our District Network Operator (DNO) - currently EDF - increased to 27 days in November and 23.5 days in the year to date, against a target of 10 days. The repair time continues to be poor despite work with EDF to get faults to them as quickly as possible. The target for 2005/06 will not be met and will need to be revised for 2006/07.
- 8.4.12 There have been 51 people killed or seriously injured in the period January to July 2005. Scaled up, this equates to 85 in the full calendar year, against our LPSA target of 145. Although performance to-date looks good against the target set for this year, it must be noted that data is only up to July {latest available from TfL} and predictions must be treated with caution. The CPA uses a three year rolling average to reduce the effect of unrepresentative fluctuations: at July 05 this was 148 and so was out of the lower threshold.

## **8.5 Finance**

- 8.5.1 As reported last month, the continuing drive to improve performance in Benefits and Local Taxation in the context of an on-going recruitment programme has resulted in a significant level of agency staff. Additional costs are projected of around £0.5m. After carrying out a review of all budget areas within Finance it is now expected that this additional cost can be contained within the overall budget of the department.

### Council Tax and Business Rates

- 8.5.2 93.3% of Council tax due was collected in the year to November '05 just short of the 93.5% target set for 2005/06. Performance has remained steady and shows an improvement over the same period last year. The service has worked with Customer Services to improve the enforcement processes with a focus on improving the collation of key information from customers after a liability order has been obtained.



- 8.5.3 99.1% of business rates due were collected in November, exceeding the 99% target level. The position in the year to date is 98.9%. The collection rate will continue to be closely monitored to ensure the annual target is achieved.

#### Invoice payments

- 8.5.4 90.7% of invoices were paid in 30 days in November exceeding the 90% target.

#### Benefits

- 8.5.5 The average speed of processing a change in circumstance was 29 days in November against a target of 18 days. This was the result of the Department for Works and Pensions introducing a revised calculation for this indicator. Work is being undertaken to estimate a revised annual position and the target will require amending.

### **8.6 Chief Executive's**

- 8.6.1 As reported last month, a budget pressure identified to date is that Local Land Charges income is projected to be below target. The projected shortfall is £172k as a result of reduced activity in the housing market and further losses of business to private sector personal search agencies. Measures to reduce the impact of this are currently being pursued and a saving of £50k has been identified so far which will reduce the projected net overspend to £122k.

- 8.6.2 As reported last month, there is also a budget pressure that has been identified in respect of Broadwater Farm Community Centre. Members have resolved in principle to continue in-house operation through 2006/07 and have noted that there will, in consequence, be an overspend of £282k in the current year, and a sum of £282k included in the budget package for 2006/07.

- 8.6.3 Other budgets within Chief Executive's Services are being reviewed such that the overspends can be contained in overall terms. In particular there may be some flexibility in Strategy arising from vacancies in the first half of this year.

- 8.6.4 As reported last month, on capital a decision on re-phasing of the roll-out means that there are additional costs on the Tech Refresh project. The programme is now well underway and good progress is being made although some niggles, which have been highlighted in the risk monitoring process, are being experienced. The additional cost of the re-phasing is £0.5m.

Performance highlights are:

#### Public Complaints

- 8.6.5 In the year to November 1071 (80%) of complaints at stage 1 (local resolution) were responded to within the 15 working day timescale against a target of 80%. For the more complex service investigation stage, 13 out of 18 (72%) of complaints were resolved within timescale in November falling short of the target for the month. Problems in Finance have been brought to the attention of managers and staff and addressed in the most recent team brief. The year

to date position at 73% means that in order to hit target by the end of the year, performance would need to average 94% for the remaining months.

8.6.6 Excellent performance on stage 3 complaints (independent review) has been sustained with all of the 21 complaints received in the year so far, reviewed and responded to within the 25 working day timescale.

8.6.7 64% of Freedom of Information (FoI) requests have been actioned within the 20 day timescale in the year so far against a target of 90%. A bid for resources has been submitted as part of the Pre Business Planning review process.

#### Sickness

8.6.8 The average number of working days lost to sickness per full time equivalent employee in November '05 increased further to 9.5 days per annum. The year to date position 9.1 days, including late reported sickness, of is now above the target of 8.8 days.

#### Access Services

8.6.9 62% of callers to Customer Service Centres in November were seen within 15 minutes. The year to date position is 67% falling short of the 70% target set for 2005/6. In order to improve the performance at the Customer Service Centres, it is proposed to move staff between the call centre and the Wood Green Customer Service Centre. This will commence following the rollout of Tech Refresh in Customer Services, planned for early December. It is expected that the target will be achieved by year end.

8.6.10 In November call centre telephone calls answered in 15 seconds fell to 51%. Performance was affected by recovery actions in Council Tax along with a number of technology failures on critical days. In addition the service underwent high levels of training in preparation for Siebel 7.7 go live. Performance in the year to date at 67% of calls answered in 15 seconds is just short of our 70% target.

8.6.11 There were 185,015 visits to our libraries in November '05, the equivalent of almost 10 visits per head of population in a year. The target for 2005/06 is 9 visits per head.

### **9. Performance Summary**

9.1 In summary the traffic lights for the year to date position as at November '05 show that for 79% of indicators, performance is on target or close to the end of year target. In addition 80% of indicators have maintained or improved performance since the end of last year.

### **10. Summary - Budget Monitoring**

10.1 The aggregate revenue projected position in 2005/06 is as shown in the following table. The variation shown under non-service revenue relates to the likely non-achievement of part of the budgeted savings in relation to the Programme Board and specifically the Procurement savings. There is a target

of £1 million in respect of Procurement savings in 2005/06 and to date only £200k from the renewal of the Insurance contract is likely this year.

General Fund revenue	Approved Budget	Projected variation
	£m	£m
Children	202.0	0
Social Services	51.7	0.6
Housing	(0.2)	(2.0)
Environment	48.9	0.3
Finance	12.9	0
Chief Executive's	18.1	0.5
Non-service revenue	12.5	0.8
<b>Total</b>	<b>345.9</b>	<b>0.2</b>

10.2 As reported last month, in the HRA there are pressures on repairs spending mainly due to an increase in demand and therefore increases in the volume of general repairs delivered by the HHBS service. These are offset by other identified savings and the net potential overspend is estimated to be £0.3m.

10.3 The aggregate capital projected position in 2005/06 is as shown in the following table. There is a pressure on the BSF programme within Children's Services of the order of £0.8m. The CCTV project in Environment is projected to slip by £0.7m. There are also additional costs on the Tech Refresh project within Chief Executive's Service.

Capital	Approved Budget	Spend to date	Projected variation
	£m	£m	£m
Children	40.0	21.0	0.8
Social Services	4.7	0.7	0
Housing – General Fund	4.4	1.4	0
Housing – HRA	23.5	10.0	0
Environment	21.6	6.1	(0.7)
Finance	7.3	2.0	0
Chief Executive	19.3	5.2	0.5
<b>Total</b>	<b>120.8</b>	<b>46.4</b>	<b>0.6</b>

## 11. Financial administration

11.1 Financial regulations require proposed budget changes to be approved by Executive. These are shown in the table below. These changes fall into one of two categories:

- budget virements, where it is proposed that budget provision is to be transferred between one service budget and another. Explanations are provided where this is the case;
- Increases or decreases in budget, generally where notification has been received in-year of a change in the level of external funding such as grants or supplementary credit approval.

11.2 Under the Constitution, certain virements are key decisions. Key decisions are:

- for revenue, any virement which results in change in a directorate cash limit of more than £250,000; and
- for capital, any virement which results in the change of a programme area of more than £250,000.

Key decisions are highlighted by an asterisk in the table.

11.3 The following table sets out the proposed changes. Each entry in the table refers to a detailed entry in the appendices, which show the budgets that it is proposed to change. There are two figures shown in each line of the table and the detailed sheets. The first amount column relates to changes in the current year's budgets and the second to changes in future years' budgets (full year). Differences between the two occur when, for example, the budget variation required relates to an immediate but not ongoing need or where the variation takes effect for a part of the current year but will be in effect for the whole of future years.

11.4 Proposed virements are set out in the following table:

Period	Service	Key	Amount current year (£'000)	Full year Amount (£'000)	Description
8	Housing	Cap	49		Additional allocation of disabled facilities grant
8	Environment	Cap*	430		Leisure services health and fitness equipment funded from revenue lease rentals budget
8	Environment	Rev	109		Additional TFL funding for London cycle network
8	Environment, Finance	Rev	43	86	Merger of Parking shop with Cahiers – transfer of overhead charges
8	Children	Cap	107		New LSC allocation for neighbourhood learning in deprived communities
8	Children	Cap*	5,087		New DFES funding for sixth form centre construction
8	Children	Cap	150		New SF allocation for city learning centres
8	Children	Cap*	1,033		New big lottery funding for St Thomas More school
8	Chief Executive's	Rev*	589	589	Agreed increase in legal fees to fund new case management system
8	Chief Executive's	Rev	120	120	Customer focus budget funded from business units in Access services

## 12. Recommendations

12.1 To note the report.

12.2 To agree the virements set out in section 11.

### **13. Legal Comments**

13.1 There are no legal implications.

### **14. Use of Appendices**

Appendix i. November Performance summary

Appendix ii November Telephone answering performance