

Agenda item:

Cabinet		On 24 February 2009
Report Title. The Council's Performance – Period 9 April – December 2008		
Report of The Chief Executive and Chief Financial Officer		
Signed :		
Contact Officer : Richard Hutton – Policy & Performance Telephone 020 8489 2549 John Hardy – Corporate Finance Telephone 020 8489 3726 Robert Mathers-Reilly – Corporate PMO Telephone 020 8489 4282		
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 2008. 1.2.To report on an exception basis the quarterly progress of the Council's Better Haringey and Regeneration Corporate Programmes and to provide an overview of their status (Appendix 4) as at the end of September 2008. 1.3. 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 see the improvements in performance across the Council which are highlighted in this report. I am particularly pleased by the improvements to performance on fly tipping with both enforcement action improving but also the number of incidents of fly-tipping falling, I hope to see this trend continue. It is extremely encouraging to see the reduction in NEETs in the borough well ahead of target.

2.2. There are a number of areas which are a cause for concern and which we must focus our attention during the coming months. The fall in recycling figures is regrettable and something which needs addressing as a matter of urgency. It is disappointing to see the fall in processing minor applications this is something which I have asked the Directorate to address as a matter of urgency.

Introduction by Cabinet Member for Resources (Cllr Charles Adje)

2.3. I draw attention to paragraph 17 of the report and to appendix 3. I continue to monitor the position whilst we continue dialogue with the government regarding the CYPS service.

2.4. There is a further update on treasury management issues and the PWC report on the treasury management review is reported separately to this Cabinet meeting. I recommend this report to Cabinet.

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 3.

5. Reason for recommendation(s)

5.1. Proposed budget changes (virements) are set out in Appendix 3 for approval in accordance with financial regulations.

6. Summary (Performance & Programme)

- 6.1. Seventy nine of the 94 performance indicators in the extended quarterly appendix 1 are showing Green or Amber status
- 6.2. Fly Tipping (NI 196) has improved and is now receiving the best possible score of 1, meaning both incidents are decreasing and enforcement actions are increasing
- 6.3. Sports and leisure usage and active card membership both continue to exceed targets
- 6.4. National non domestic rates collection has fallen to 96.2% against a 99% target
- 6.5. Processing of minor planning applications, 79% completed on time , against a target of 85%
- 6.6. An update on child protection data validation is shown in paragraph 16.1
- 6.7. The majority of projects in the Better Haringey & Regeneration Corporate Programmes are on schedule to deliver the agreed benefits.

7. Chief Financial Officer Comments

- 7.1. The overall revenue budget monitoring, based on the December position, shows that the general fund is forecast to spend £1.2m above budget as shown in Appendix 3. CYPs, ACCS and Corporate Resources are each projected to overspend and this is partly offset by projected underspends in Non-Service Revenue (NSR) and Policy, Performance, Partnerships and Communications (PPP&C). The reasons for the projected variations are detailed later in this report. There are also some budget pressures outlined in the report that services are seeking to contain within the budget and further work will be done with services to reduce non-essential expenditure to bring the revenue position back in to line with the approved budget by the year end.
- 7.2. The dedicated schools budget (DSB) element of the overall Children & Young People's Service budget is projected to underspend by £0.3m.
- 7.3. In relation to the housing revenue account (HRA), the net revenue projection is to continue to spend at budget.
- 7.4. The aggregate capital projected position in 2008/09 is to underspend by £8.4m (6.2%). The reasons for this projected variation 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.

9.2. This report deals with the way that we manage projects many of which have an impact on different sections of our community. Successful delivery of these projects will improve the services we provide to all sections of our community.

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. December performance scorecard

11.2. Appendix 2. Update on National indicators not included in the monthly scorecard.

11.3. Appendix 3. Financial tables

11.4. Appendix 4. Programme highlight report

11.5. Appendix 5. Summary Project Objectives

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

12.5. Project Management Framework

12.6. Project Highlight Reports

12.7. Programme Board Reports

13. Background

- 13.1 This is the third quarterly report of 2008/09 detailing the Council's performance against agreed targets, the business plans and the Better Haringey and Regeneration Corporate Programmes for the period April to December 2008. 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 94 monthly and quarterly 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 The Comprehensive Area Assessment (CAA) will take account of our performance against all National Indicators (NIs), however a significant number of the new national indicators lend themselves to quarterly or annual monitoring rather than monthly. Appendix 2 lists the National Indicators not included in Appendix 1. They are shown 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.
- 13.4 Appendix 3 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.
- 13.5 Appendix 4 shows the status of the Council's Better Haringey and Regeneration Corporate Programmes, with summary objectives for each project noted in Appendix 5. This report forms part of Haringey's Project Management Governance and Quality Assurance arrangements, which include monthly reporting to the Programme Boards
- 13.6 Child protection performance information is not shown in this report as it is subject to a data quality checking. An update on child protection data validation is shown in paragraph 16.1.

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.
- 14.4 The traffic light annotation for the projects (Appendix 4) is used as follows:
- Green Overall Status: The project is on schedule to deliver the agreed benefits in line with the Project Plan.
 - Amber Overall Status: The project has encountered some issues which could affect the delivery of overall benefits within agreed time, cost or resources. Recovery action is underway, but has either not yet been approved or tested.
 - Red Overall Status: Delivery of overall benefits within agreed time, cost or resources is not presently possible.

15. Achievements

15.1 Priority 1. Making Haringey one of London's greenest boroughs

15.1.1 An event was held on October 2008 to formally launch the Greenest Borough Strategy adopted by Council on 14 July 2008. At the event approximately 100 delegates were welcomed by Councillor Haley before hearing a speech by Samantha Heath, Chief Executive of the London Sustainability Exchange, on the role that community cohesion and regeneration can play in encouraging people to adopt greener lifestyles. The speech was followed by a presentation of the strategy including a question and answer session. The strategy was well received and feedback from the event has been positive.

15.2 Priority 2. Creating a better Haringey: Cleaner, Greener and Safer

15.2.1 Fly tipping, NI 196, has improved to the best possible score of 1 meaning both incidents are decreasing and enforcement actions are increasing.

15.2.2 Serious knife crime is down ahead of target with 381 incidents in the year to December compared to 476 in same period last year.

15.2.3 The Haringey Parkforce Model and implementation plan were approved by Cabinet on the 18 November 2008. Implementation of the model has begun with resources being aligned and revenue resources re-directed in line with the decision. The dissolution of the current Parks Constabulary Service has begun.

15.3 Priority 3. **Encouraging lifetime well-being**

15.3.1 The percentage of 16-18 year olds not in education, employment or training (NEETS) is down in November to 6.7% ahead of the 10.4% target. The number of “not knowns” in the cohort remains on course to meet the 9.9% target with the November percentage down to 12.8 following the seasonal peak in September and October.

15.3.2 Despite the dip in the number of visits to the borough’s Libraries and Museum, in December, these remain ahead of the respective targets of 9,000 and 194 visits per 1,000 population.

15.3.3 Sports and leisure usage and active card membership continue to exceed targets. There are currently over 12,000 Active Card members.

15.4 Priority 4. **Promoting independent living**

15.4.1 The number of adults and older people admitted to residential or nursing care remains ahead of target with 9 and 98 in the year to date respectively, targets are 28 and 135 for the full year.

15.4.2 Direct payments have exceeded the year end target of 213 with current position of 235 payments age standardised per 1,000 population.

15.4.3 Social Care assessments for adults continue to be completed promptly with 93% on time ahead of the 80% target. For Older People performance on assessments is also 93% meeting the target of 93%.

15.4.4 Phase 2 of the Bruce Grove Townscape Heritage Initiative received certified practical completion on 4 December 2008. This project, funded through the Heritage Lottery Fund, private contributions and some Council funding, forms part of the Heritage and Conservation project. The aim of the project is to improve run-down commercial areas through building improvements in conservation areas. Phase 2 covered five properties and include repair and improvements to brick and stonework, restoration and / or reinstatement works, new shop fronts and replacement of signage, lighting and awnings.

15.4.5 The Wood Green Town Centre Supplementary Planning Document (SPD) was approved by Cabinet on 14 October 2008 and adopted by the Council on 28 October 2008 following a comprehensive consultation process and stakeholder engagement. The SPD will form part of the council’s Local Development Framework.

15.4.6 On 17 November 2008 the Planning Committee approved planning permission and conservation area consent for the development at Wards Corner subject to conditions. GLA stage 2 approval has been received and the S106 agreement has been signed. The formal notice of planning consent was issued on 24 December 2008. The developer’s revised delivery programme is now being

reviewed. After the issue of the planning consent a notice period of 3 months will elapse for judicial challenge by way of judicial review. Any request for a Compulsory Purchase Order (CPO) by the Council will probably be after the expiry of that period, but the paperwork will be progressed in the meantime and linked in with the overall delivery timetable.

15.4.7 A Development Agreement for Tottenham Town Hall has been signed with Newlon Housing Association. Subject to planning permission being granted work should commence on the site before the end of the financial year. On 16 December 2008 Cabinet approved development of phase 1 of Hornsey Depot in association with Sainsbury's and a Development Agreement is now being discussed.

15.5 Priority 5. **Delivering excellent services**

15.5.1 The number of women in the top 5% of earners in the council remains ahead of the 50% target at 52%.

15.5.2 Good performance in delivering statements of special educational need on time continues with December being the third consecutive month with 100% performance bringing the year to date performance up to 88%.

15.5.3 Invoice payments reached a new high with 94% paid on time in December, making 91.9% in the year to date against a target of 91%.

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

16.1 Following from the recovery plan to be completed by March 2009, performance information for child protection indicators will be available for future reports based on validated data.

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

16.2.1 The percentage of household waste recycled fell in December to 24% against a target of 28%. This was due to number of factors including the timing of Christmas period meaning whilst waste was collected in December two days of recycling collections will be counted in January's figures.

16.2.2 As previously reported a Growth Area Funding (GAF) bid was made by the Council which included part funding for the Marsh Lane project beyond March 2009. The amount of GAF received is less than was bid for and approval for how the funding be allocated will be sought from Cabinet. Currently approved plans assume £1.2m from GAF 3 and £0.4m from European Regional Development Fund within the overall project budget. However, the latter is no longer viable due to the type of project now being prioritised by the fund. A bid to the Joint European Support for Sustainable Investment in City Areas (JESSICA) is now being considered, guidance is awaited and when received a bid will be developed if appropriate. The majority of the funding for this project is planned to

be delivered from the development of the Greater Ashley Road scheme including the disposal of the Ashley Rd depot site.

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

16.3.1 Despite an improvement from the November position thefts from motor vehicles continue to be higher than last year showing a 4.9% increase. The Metropolitan Police (MPS) Motor Vehicle Crime team carry out regular intelligence-led decoy operations. Other borough-wide interventions include sophisticated analysis (including geographic and demographic mapping and victim and property profiling) to target crime prevention communications.

16.3.2 Misconnections in catchment area of the Markfield Park mean the park continues to experience a strong smell of sewage and the possibility of flooding with contaminated water in the event of a storm. The project team are working closely with the council's Enforcement team to put in place a programme of action by March 2009. As previously reported the siltation of the Old Moselle Brook remains a risk for the Markfield Park project. However, there has been a reduction in soiling and improved cleansing of Markfield Road and the risk is being managed. The situation will continue to be monitored and appropriate action taken as necessary

16.4 Priority 3. **Encouraging lifetime well-being**

16.4.1 Following on from the recent Joint Area Review the Council is working with Haringey Teaching Primary Care Trust and the Borough Commander to develop to improve services to support children and young people locally. We are focusing on the quality of practice, performance management, supervision, effective leadership and management oversight. The Community Strategy progress report reaffirms our commitment to **'Safeguard children and adults from abuse and neglect wherever possible and deal with it appropriately and effectively if it does occur'**. Our Local Area Agreement is being refreshed to reflect this commitment with the inclusion of additional safeguarding indicators from the national dataset. These are:

- NI 59. Percentage of initial assessments for children's social care carried out within 7 working days of referral
- NI 60 Percentage of core assessments for children's social care that were carried out within 35 working days of their commencement
- NI 61 Timeliness of placements of looked after children for adoption following an agency decision that the child should be placed for adoption
- NI 62. Stability of placements of looked after children: The percentage of children looked after with three or more placements during the year
- NI 67 Percentage of child protection cases which were reviewed within required timescales

The Council's performance scorecard will also be amended to include all of these indicators in the next performance report.

16.4.2 The tender for plant renewals at Tottenham Green Leisure Centre, which forms part of the Strategic Renewals of Leisure Centres project, only received one response and is being re-tendered. The need to re-tender means that the work will not now be completed by March 2009 as originally scheduled. The re-scheduled completion date is now August 2009. A bid will be submitted to DCMS for funding from the Free Swimming Capital Modernisation Programme and thus widen the scope of the works.

16.5 Priority 4. **Promoting independent living**

16.5.1 The new Mortuary is now open. The projected net overspend remains at £516k with a final account due by the end of the financial year. Further information is included in the section on capital below (17.17).

16.6 Priority 5. **Delivering excellent services**

16.6.1 National non domestic rates collection is at 96.2% against a 99% target. Recent collection profiling indicates this slowdown in collection is attributed to two factors; the economic climate affecting businesses and the changes in legislation brought in April 2008 in respect of empty properties.

16.6.2 The percentage of minor planning applications processed within timescale is below target.

16.6.3 Rent collection (IC 01) remains below target at 98.6% against the 100% target. Cold calling and a targeted mail shot to tenants with arrears were undertaken in December to improve collection rates.

17. Finance

17.1 The overall revenue budget monitoring, based on the December position, shows that the general fund is forecast to spend £1.2m above budget as shown in Appendix 3. There are also some budget pressures detailed below that services are seeking to contain within the approved budget limit. Further work will be done with services to reduce non-essential expenditure to bring the revenue position back in to line with the approved budget by the year end.

17.2 In Adults, Culture and Community Services there is a projected overspend of £0.3m being reported this month. This pressure is in respect of commissioning of care in Learning Disabilities and Mental Health. Actions are in place to reduce expenditure this year to try to bring this back in line with the budget. Particular improvements this month include the reduction in numbers of clients with no recourse to public funds which have reduced by 17 (to 98) at the end of the period.

- 17.3 The latest projection for Children and Young People's Services identifies an overspending on core funded activities (i.e. not school related budgets funded by the Dedicated Schools Grant) of £1.5m. This has increased from £0.9m from last month. The major element of this overspend continues to be in the area of the Looked After Children (LAC) placements budgets as the number of children in care continues to rise and the average unit cost increases. The extent to which this is continues at a base level in the medium term is one of the activities that is being dealt with as part of the joint area review action plan due to be finalised at the end of this month. .
- 17.4 The Dedicated Schools Budget (DSB) element of the overall Children & Young People's budget is projected to spend £0.3m below budget which will be carried forward to next financial year as is required by regulation.
- 17.5 In Urban Environment the projected parking income shortfall has stabilised at £0.5m, as reported 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.
- 17.6 The Housing Revenue Account is projected to be balanced at the year end.
- 17.7 As highlighted in recent reports, Corporate Resources has a number of budget pressures including a shortfall in Local Land Charges income, the additional costs of implementing the restructure within Customer Services and pressures within commercial property. The Directorate has taken action to contain as much of this additional pressure as possible identifying savings across the various business units. Currently plans are in place to address all but £0.3m of the overspend. The Directorate is working further to find measures to offset the residual sum.
- 17.8 Since last period, Policy, Performance, Partnerships & Communications (PPP&C) Directorate has agreed to fund a number of one-off items of expenditure including external support to develop and embed strategic commissioning and is still projecting to underspend by £0.1m.
- 17.9 Non-service revenue is projecting to underspend by £0.8m as reported last month. This is due to additional interest earnings projected for this year. There is an emerging budget pressure in relation to the Alexandra Palace Trading Company and Trust of £0.3m due to the projected trading surplus being lower than budgeted. This is offset here by the sum previously set aside for NLWA levy increase now not required in this financial year.
- 17.10 The RAG status of savings and investments is 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 are included in the projected variations in this report.

Treasury Management

- 17.11 The Council has this month formally approved a revised treasury management strategy that restricts the institutions deposits can be placed with to reduce risk given the continued difficulties in the global banking sector. The use of additional government backed AAA instruments has also been included.
- 17.12 The administration process for the Heritable bank is continuing and the statutory creditor's committee has met twice to discuss the proposed recovery plans with the administrators Ernst and Young. Haringey and Kent County Council are the local authority and public sector representatives on the committee. The administrators are pursuing a managed run off of the business rather than a sale of assets, which is estimated to produce a much better return for creditors at this time. The administrators have stated that a material dividend will be payable in due course.
- 17.13 In relation to Landsbanki and Glitnir there are open creditor meetings planned to take place in Iceland in February. Representatives from LB Barnet and Kent will be attending and co-ordinating feedback through the LGA steering committee. Initial reports will be presented to creditors. The process is not progressing as quickly in respect of these banks as the asset valuation work is very complex and the methodologies for this have not yet been agreed. Local reports have put the value of investments in all of the Icelandic banks from European organisations at £70bn. The moratorium in respect of legal action by creditors is still in place and this will be reviewed soon.
- 17.14 The report on the review of treasury management arrangements at Haringey by PwC is planned to be reported to this Cabinet meeting.

Capital

- 17.15 The aggregate capital projected position in 2008/09 is as shown in Appendix 3 and is projected to underspend by £8.4m (6.2%). In net terms Children & Young People are projected to underspend by £4.0m, Urban Environment by £2.9m, Corporate Resources by £1.2m and Adults, Culture & Community by £0.3m. The main change from last month is in respect of BSF and HRA as set out below.
- 17.16 In Children & Young People the main variances are an increased projected underspend of £2.9m 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 programme, some projects are running behind the profile provided by the cost consultants and as reported previously there is an amount of unused contingency this year. There is no change to the overall programme forecast which is to spend to budget, a formal virement is proposed therefore to rephase the budget.

- 17.17 In Urban Environment the Mortuary project has a budget overspend of £0.5m as previously reported. A proposal is being considered to meet the budget pressure from part of 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 available underspends against this year's capital budget. This funding has been identified and was reported to Procurement Committee on 19 February 2009. In summary it is proposed to fund the overspend as set out below and agreement to a capital virement is requested:

	£000
Bid included in GAF3 for Mortuary Landscaping	60
Projected revenue/capital underspends	250
Allocation from non ring fenced GAF3 bids	206
Total	516

- 17.18 As previously reported, 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 three match funding confirmation for the Tottenham scheme is awaited although preliminary works have begun.
- 17.19 As reported previously, one of the Urban Environment variations is against 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 a decision. It is unlikely that a decision will be obtained this financial year and therefore a £0.7m underspend on this budget is projected. The Private Sector Housing properties scheme is also projected to underspend by £0.3m, as previously reported, due to the late launch of this scheme.
- 17.20 The HRA capital budget's main variations are in respect of the Decent Homes programme where works have been commissioned above government allocations, however the costs will be funded by leaseholder contributions. The forecast for the programme this year is, therefore, on budget. This position will require a budget virement of £1.991m and formal agreement to this is now requested.
- 17.21 There is a net projected underspend of £2.0m on the rest of the housing programme. £1.3m of this is in respect of the aids and adaptations programme within the Council's own housing stock. Commissioning for this has recently transferred to the Adults, Culture and Community Services Directorate. This transfer of responsibility will align procedures for vulnerable people in the private sector. A number of other smaller underspends are coming through on the HRA capital programme.

- 17.22 In Corporate Resources, Property Services has revised the capital expenditure estimates for Hornsey Town Hall refurbishment resulting in a re-profiling of £0.8 million from this financial year to the next. This is due to two main factors; firstly the requirement for immediate expenditure on the roof repair is less than previously estimated and secondly because the project incorporates a longer period for initial design consultation prior to carrying out detailed and design and planning application work. The ICT capital programme continues to forecast an under spend of £0.4m however, management action is underway to see whether the position can be recovered by bringing forward spend on projects planned for 2009/10.
- 17.23 For Adult, Culture and Community Services the capital programme is currently under spending by £0.3m and budget re-phasing is requested. The contractor delays and insufficient tender applications have caused delays to both the Noel Park project and Leisure Centre refurbishment.
- 17.24 Proposed budget changes (virements) are set out in Appendix 3 for approval in accordance with financial.