



Agenda item:

**Cabinet**

**On 21 April 2009**

Report Title. **The Council's Performance: April – February 2009 (Period 11)**

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**

Wards(s) affected: **All**

Report for: **Key Decision**

**1. Purpose of the report**

1.1. To report on an exception basis financial and performance information for the year to February 2009.

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. I am pleased by a number of improvements recognised in this report particularly in areas which attract considerable interest from local people and in services which we have continued to invest in. It is encouraging to see performance on street cleanliness with 89% of streets are of acceptable or better standard in relation to litter, that domestic burglaries continue to be lower than last year and that Active card membership stands at 12,944 well ahead of target. It will be important for the Council to continue to deliver and match residents' ambitions in these areas.

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

2.2. I draw attention to section 16 of the report and to Appendix 2. In terms of the financial position I commend the report to Cabinet.

**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 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.

4.3. To agree the approach in respect of the budget request from Alexandra Park and Palace Board as set out in paragraph 16.11.

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

5.1. The monthly report allows Cabinet to monitor performance against the priorities and budgets.

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

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

6.1. Paragraph 15 and Appendix 1 of this report provide a summary of performance for this reporting period. Areas where targets are not being met are highlighted along with areas of improvement. These are:

- Street cleanliness – 89% of streets are of acceptable or better standard in relation to litter
- 25% of waste recycled against a target of 28%
- Robberies and thefts of motor vehicles are both below target and improved from the same period last year
- Sport and leisure usage continues to be better than last year although below target in some areas
- The percentage of young people not in education, training or employment in February is 6.5. The annual figure calculated as an average for November, December and January is 6.8% against a target of 11.6%. This needs to be balanced with the number of ‘unknowns’ which at the end of the year will be 11.1% missing the target of 9.9%
- The number of social care clients receiving self directed support has now exceeded the target of 210 and stands at 240 per hundred thousand population
- The number of working days lost to sickness is 8.82 in the rolling year. This is a reduction from 9.67 days last year.
- Processing of both minor and major planning applications is below target.
- Average relet times for local authority dwellings is 45 days against a target of 31 days.
- The current economic climate continues to affect collection of council tax and national non domestic rates. The year end targets are now unlikely to be achieved.

## **7. Chief Financial Officer comments**

7.1. The overall revenue budget monitoring, based on the February position, shows

that the general fund is forecast to spend £0.9m above budget as shown in Appendix 2. The main areas of overspend are in Adult Social Care and Children's Services. There are some offsetting underspends in other areas of the Council. Work is being done to try to bring this back in line for the final outturn position.

7.2. The dedicated schools budget (DSB) element of the overall Children & Young People's Service budget is projected to underspend by £1.2m.

7.3. The net revenue projection with respect to the Housing Revenue Account (HRA) is a projected increase of £0.3m over the budgeted surplus of £0.5m.

7.4. The aggregate capital projected position in 2008/09 is to underspend by £14.2m (10.4%). 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. February performance scorecard

11.2. Appendix 2. Financial tables

11.3. Appendix 3 Exception reporting indicators not meeting target

## **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

### **Background**

13.1 This is the regular monthly report for Period 11, February 2008/09, 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 review meetings for period 10.

13.2 Appendix 1 details performance against 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 quality services


13.3 A significant number of the new national indicators lend themselves to quarterly or annual monitoring rather than monthly. These are not shown here but an update is included in the quarterly reports throughout the year.

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.


13.5 Appendix 3 shows in more detail indicators where the targets are not being met.


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

- 14.1 Progress on performance indicators continues to be tracked on a monthly and year to date position against the 2008/09 target using a traffic light annotation and grouped by council priority.
- 14.2 Appendix 1 is a summary of performance Indicators (PIs) showing the monthly and year to date position for 2008/09 including some comparative information and the RAG status against target where:

 = Green: Target achieved / performance better than planned

 =Amber: Just below target (typically a 5% tolerance)

 = Red: Target not achieved / below expectation

 = Unable to calculate status – either missing data or target not set.

## 15. Performance Highlights

15.1 We are in the process of validating the information for the safeguarding children indicators and once the validation is complete data will be included in the May report.

15.2 The following are performance highlights under the Council's priorities from Appendix 1.

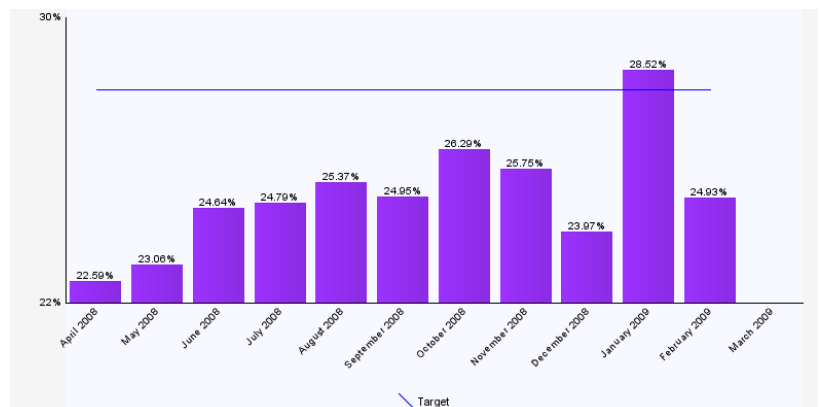
### Priority 1. Making Haringey one of London's greenest boroughs

15.3 Street cleanliness – 89% of streets are of acceptable or better standard in relation to litter

15.4 NI 192 Percentage of household waste sent for reuse, recycling and composting. The indicator is also included in the Council's 2007-2010 Local Area Agreement as a stretch targets. The significant increase in January is attributed to post-Christmas clear up arrangements whereas February's recycling collections have been affected the snow and ice. Over the year as a whole, levels of recycling have reduced due to a reduction in the NLWA contribution to tonnage and a change in the method of apportioning household and non-household waste.

15.5 Actions to increase recycling are set out in the Greenest Borough Strategy. These include:

- Ensuring the same high standard of recycling service provision across the borough.
- Delivering awareness raising campaigns to reduce waste, increase



participation, reduce contamination and increase composting.

- Promoting and developing local re-use and reduction schemes.
- Evaluating and ensuring provision of on-street recycling bins for commuters.
- Actively engaging with local businesses by establishing a 'business recycling campaign'.
- Engaging with local businesses and consumers to reduce the number of plastic bags and packaging used and purchased.
- Evaluating alternatives to landfill/incineration for non-recyclables.

15.6 The volume of residual waste collected per household was ahead of the 50kg target at 42 kg in February, the year to date figure is 552kg almost meeting the 550kg target.

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

15.7 Robberies and thefts of motor vehicles are both below target and improved from the same period last year. There were 921 robberies against a target of 1,262 and 1,001 motor vehicle thefts against a target of 1,116.

15.8 There were 471 incidents of serious knife crime in the year to February compared with a target of 556.

15.9 Domestic burglaries continue to be lower than last year but slightly higher than target with 2,574 in the year to date. As previously reported sophisticated analysis (including geographic and demographic mapping and victim and property profiling) is being used to target prevention measures.

### Priority 3. Encouraging lifetime well-being

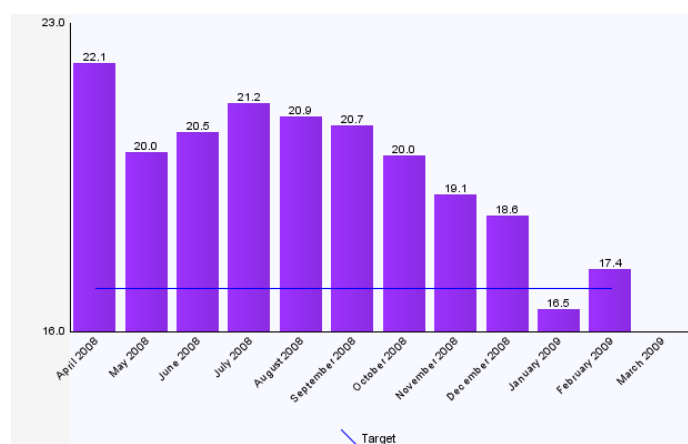
15.10 Active card membership stands at 12,944 well ahead of target.

15.11 Sport and leisure usage has missed the profiled target for the last four months but the year to date position continues to be better than last year.

### Priority 4. Promoting independent living

15.12 The number of social care clients receiving self directed support has exceeded the target of 210 and stands at 240 per hundred thousand population.

15.13 Delayed transfers of care from hospital are at 17.4 per hundred thousand population. Although there has been a reduction over the year the figure is comparatively high. A target of 17 has now been agreed taking into account non-acute delays and a challenging target of 9 proposed for 2009/10.



## **Priority 5. Delivering quality services**

- 15.14 The number of working days lost to sickness is 8.82 in the rolling year. This is a reduction from 9.67 days last year.
- 15.15 Processing of planning applications (NI157a): Major applications. In February, one out of three major applications was determined in timescale. The postponement of Planning Committee due to severe weather led to the two applications going over the target timescale. With the expected small number of decisions due in March it is unlikely that the target will be met for 2008/09. Performance in 2007/08 for Haringey was 79% which compares with a London figure of 72%.
- 15.16 Average relet times for local authority dwellings let in the financial year (calendar days) (BV 212): The February 09 year to date performance is 44.8 days. The Council and Homes for Haringey continue to work together to improve the management of void properties. Actions include:
- reducing the number of empty homes to a sustainable level of approximately 140;
  - ensuring turnaround of void properties available for let (VAVs) within 16 calendar days;
  - letting a minimum of 15 properties per week
  - achieving an overall turnaround time within 27 days on routine void properties.
  - an external review of void management and processes to further develop improvement plans.
- 15.17 The current economic climate continues to affect collection of council tax and business rates (NNDR). The year end targets are now unlikely to be achieved, although recovery efforts continue in all areas including a year end collection plan being in force to ensure all collection activity is maximised. The downturn in collection levels in 2009 has been reflected nationally. Council tax collection rate currently 92.2% (93.92% target), NNDR currently 97.11%, 99% target.

## **16. Finance**

- 16.1 The overall revenue budget monitoring, based on the February position, shows that the general fund is forecast to spend £0.9m above budget as shown in Appendix 2. Actions are being taken on the revenue position to bring it back in line with the approved budget for the final outturn.



- 16.2 In Adults, Culture and Community Services there is a projected overspend of £1.2m being reported this month. The increase this period of £0.7m relates to additional pressures in three areas:
- increased costs of £0.4m from higher demand in care placements and commissioning across most social care services, but mainly Older People, Learning Disabilities and Mental Health;
  - projected increase in costs for residential services of £150k, including higher costs of agency nursing staff in older people's residential homes largely due to difficulties in recruiting permanent nursing staff, and;
  - a reduction in the level of income received by sports centres in relation to casual use, swimming lessons and private hire has been experienced in recent months and is expected to continue (£60k). This is believed to be as a consequence of the current economic climate and will be closely monitored in the coming months.
- 16.3 The projection for the Children and Young People's Service continues to identify an overspending on core funded activities (i.e. activities not funded through the Dedicated Schools Grant). The level of the projected net overspend has reduced to £0.6m. The major element of the higher costs is in respect of the placements budgets for looked after children where the number of children has continued to increase over that assumed in the base budget provision. The Council has submitted an Action Plan to the Government following the recent Joint Area Review (JAR) which is focussed on safeguarding issues for childcare including the number and type of placements used. This includes additional budget provision for the new year.
- 16.4 Those elements funded through the dedicated schools grant are projected to underspend by £1.2m which should, in consultation with the School's Forum, be carried forward into 2009/10 and utilised for activities that fall within the dedicated schools budget.
- 16.5 In Urban Environment the position on Parking Services has improved where the estimated deficit is forecast to reduce from £0.7m, as reported last month to £0.6m. However, there is an additional budget pressure in respect of reduced building control income of £0.2m. It is envisaged that these issues can be contained within the overall budget with no adverse impact on front line service delivery.
- 16.6 The Housing Revenue Account is projected to generate an additional increase of £0.3m over the budgeted surplus of £0.5m.
- 16.7 The position on Corporate Resources continues to show a projected overspend of £0.3m although action to restrict expenditure on non-essential items within the Department is ongoing the impact of this may take a little longer to feed through.

- 16.8 One-off funding to support key corporate projects such as strategic commissioning has been provided by the Policy, Performance, Partnerships & Communications (PPP&C) Directorate and there continues to be a forecast under spend at £0.3m. As previously reported this forecast underspend includes a shortfall against the 2008/09 £1m Haringey Forward savings target of £0.15m and is caused by the delay in the completion of the zero based budgets exercise for Children's' and Young People Service.
- 16.9 Non-service revenue is projecting to underspend by £0.8m. This is due to additional interest earnings projected for this year. As previously reported there is a budget pressure relating to Alexandra Park and Palace Trust, which is offset by NLWA levies not required in 2008/09.
- 16.10 At their meeting on 19 March 2009 the Alexandra Park and Palace Board agreed a draft business plan and budget that formally requests the Council for an additional £0.3m of revenue funding for 2009/10 and an additional £0.3m for capital investment. This is over and above the £1.7m base revenue budget the Council has already approved and the additional revenue partially reflects an expectation of lower trading income in the prevailing economic conditions.
- 16.11 It is recommended that the Trust is requested to carry out a review of their costs to identify some efficiencies for 2009/10 to attempt to stay within the Council's budget provision and that the outcome of this is reported back to Cabinet in June. It is recommended that the requests for capital investment are dealt with at the same time on presentation of individual business cases.
- 16.12 The Trust has also confirmed that a formal letter of claim has been received from the solicitors acting for Firoka. The claim amounts to just over £6m in financial terms. The Trust's legal advisers are considering the letter and will prepare a full response in due course.
- 16.13 The RAG status of savings and investments is shown in Appendix 2. A planned savings classified as red is in respect of the commissioning budget for looked after children and is included in the projected variations in this report.

### **Treasury Management**

- 16.14 The Council formally approved in February 2009 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. Detailed reports on the treasury Management position will be taken to the General Purpose Committee on a quarterly basis.
- 16.15 The administration process for all banks in which Council deposits have been frozen is continuing and progress on this matter will continue to be included in this report as soon as information is available.

16.16 A recent report by the Audit Commission on the national position in terms of the collapsed Iceland banks was published at the end of March 2009. The report has recommendations for central government and CIPFA as well as Local Authorities. The recommendations for local authorities will be picked up as part of the Council's own action plan in regard to this matter.

## **Capital**

16.17 The aggregate capital projected position in 2008/09 is as shown in Appendix 2 and is projected to underspend by £14.2m (10.4%). In net terms Children & Young People are projected to underspend by £3.8m, Urban Environment by £2.4m, Corporate Resources by £1.6m, Adults, Culture & Community by £1.8m and Housing by £4.6m.

16.18 In the Children and Young People's Service a component of the underspend in 2008/09 is in respect of the Building Schools for the Future Programme which is showing a further projected underspend this month of £0.8m. As the earlier construction contracts begin to start work on site, exact timing of initial payments has depended on settling contracts, which has caused some volatility in financial projections; overall however, the programme is projected to spend to budget over the life of the programme and thus represents re-profiling between financial years.

16.19 As reported previously there is also a significant underspend of £1.3m against the Early Years Quality and Access project as the process of evaluating bids and their suitability has resulted in slippage against this scheme. The DCSF has been notified of this delay which is common across several authorities. .

16.20 There is a net projected underspend of £4.6m on the housing capital programme, compared with a net projected underspend of £3.4m reported last month. The increase in the forecast underspend is in relation to the Decent Homes Programme which has slipped slightly due to some delays in approval, occupational therapist involvement and a reduction in the scope of some works. This can be carried forward to 2009/10.

16.21 In Corporate Resources, the increase in the forecast under spend of £0.4m to £1.6m is mainly due to the Property Services programme. The reasons for the increase is the scheme for the provision of public toilets within Libraries which although committed and under way will not be completed until the new financial year together with some unavoidable slippage within the Accommodation Strategy. These are all committed and spend is expected early in 2009/10.

16.22 For Adult, Culture and Community Services the capital programme is currently under spending by £1.8m; an increase of £0.8m. The contractor delays and insufficient tender applications have caused delays to both the Noel Park project, Leisure Centre refurbishment and Lordship Recreation Ground. Belmont

Recreation Ground works are delayed due to problems with waterlogged grounds. Some issues with the Environment Agency have affected progress on the Coombes Croft Library project and this has led this scheme to under spend.

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