

Agenda item:

Cabinet

21 July 2009

Report Title. **The Council's Performance: April – May 2009 (Period 1& 2)**

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

Signed :

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Wards(s) affected: **All**

Report for: **Key Decision**

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

1.1. To report on an exception basis financial and performance information for the year to May 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. Although it is encouraging to see that performance with regards to domestic burglaries and thefts of motor vehicles are both below target, I am disappointed to see the increase in personal robberies and knife crime in the financial year to May '09. This is clearly an area where we have to work closely with partners. As I have said before it is important that we take active steps to improve performance in recycling so I welcome the proposed recycling action plan highlighted in the report. I would also like to see a renewed emphasis during the coming months to see what more can be done to improve performance in processing benefit claims to take us closer to our target. It is great to see usage of our sports and leisure facilities so high, I hope to see this continue during the coming months.

2.2. Introduction by Cabinet Member for Resources (Cllr Bob Harris)

2.3. I draw attention to section 16 and to Appendix 2 of the report and note the forecast overspend on the General Fund of £3m. I urge the relevant Cabinet Members and Service Directors to exercise all appropriate measures to ensure a balanced budget by the year end. 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.

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. 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:

- Burglaries and thefts of motor vehicles below target but violent crime and knife crime rates above target.
- Performance on initial and core assessments for children's social care are below target.
- Sport and leisure usage continues to be better than last year.
- The percentage of young people not in education, training or employment in April is 7.6 against a stretch target of 10.4%.
- Delayed transfers of care at 16.1 per 100,000 population are improved slightly from April but are still significantly above the ambitious target of 9 for 2009/10.
- The number of working days lost to sickness is 8.92 in the rolling year. This is a slight increase from 8.88 days last year.
- Processing of both minor and other planning applications are above targets set for 2009/10.
- Average relet times for local authority dwellings in the year to May is 41.5 days against a target of 31 days.
- Average time for processing new benefit claims and change events increased to 32 days in May against a target of 17 days for 2009/10.
- Call centre telephone answering indicators show a decline in performance levels.

7. Chief Financial Officer Comments

7.1. The overall revenue budget monitoring, based on the May position, shows that the general fund is forecast to spend £3m above budget as shown at Appendix 2. CYPS, ACCS and Corporate Resources are each projected to overspend. 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.

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

7.3. The net revenue projection with respect to the Housing Revenue Account (HRA) is to achieve the budgeted surplus of £0.7m.

7.4. The aggregate capital projected position in 2009/10 is to underspend by £6.3m (3.1%). The reasons for this projected variation are detailed in the report. This excludes the BSF forecast as significant re-profiling will be identified and reported in September.

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 and many of the indicators have equalities implications

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. The Place survey results have been formally released on 23 June. These results have been previously reported to CEMB and Cabinet.

11. Use of appendices /Tables and photographs

11.1. Appendix 1. April/May 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

13. Background

- 13.1 This is the regular monthly report for Period 1 and 2, April and May, detailing the Council's performance against agreed targets for 2009/10. Financial and performance information is based on the financial monitoring reports prepared for the budget and performance review meetings for period 1 & 2.
- 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 2009/10 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 2009/10 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 The following are performance highlights under the Council's priorities from Appendix 1.

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

- 15.2 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 target. Performance for May at 25.7% is below the stretch target of 32% set for 2009/10. The reduction in the NLWA contribution to tonnage and a change in the method of apportioning household and non-household waste have affected the calculation of this indicator.
- 15.3 A Recycling Action Plan has been drawn up to outline a range of measures that are being implemented and planned to meet the challenging target for 2009/10. Key actions are detailed in appendix 3:

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

- 15.4 Domestic burglaries and thefts of motor vehicles are both below target.
- 15.5 Personal robberies have increased, up by 26.8% as has knife crime in the financial year to May '09. There were 199 robberies against a target of 190 and 106 alleged incidents of knife crime against a target of 71.
- 15.6 There have been 83 violent crimes in the year to May against a target of 62. The increase throughout May was directly linked to gang related violence and focused responses are expected to achieve a significant reduction.
- 15.7 The percentage of initial (NI59) and core (NI60) assessments for children's social care carried out in timescale are both below target. This is as a result of an increased focus on quality, ensuring the assessments are completed to a high standard and also the completion of a number of outstanding assessments which were out of timescale. It is anticipated that June performance will also be low as the outstanding work is dealt with but a more accurate measure of future performance should be available by July.

Priority 3. Encouraging lifetime well-being

- 15.8 Active card membership stands at 20,967 including 6,973 clients through the free swim initiative, well ahead of target.
- 15.9 79% of our schools have achieved Healthy School Status as at May '09. This is an LAA stretch target with 85% to be achieved by the end of the year.

Priority 4. Promoting independent living

- 15.10 The number of young people not in education, training or employment in May is 304 (NEET) or 7.7% of the cohort, the performance for the same month last year was 8.4%). Although this is the highest level of NEETs since last September, levels of NEETs do fluctuate seasonally and rise sharply along with the proportion of 'Not knowns' at the end of the academic year. NEET performance is currently better than the LAA stretch target of 10.4% suggesting that this should be achievable provided good performance is maintained between

November and January which are the three months that are counted for this indicator.

- 15.11 Delayed transfers of care from hospital are at 16.1 per hundred thousand population. This figure remains comparatively high. An ambitious target of 9 has been agreed for 2009/10 taking into account non-acute delays. The service is working actively with our NHS partners in order to further reduce delays and move closer to our joint target which will bring Haringey into line with our comparator boroughs.

Priority 5. Delivering quality services

- 15.12 The number of working days lost to sickness is 8.92 in the rolling year to April against a target of 8.5 days for 2009/10. This is a slight increase on the 8.88 days last year.
- 15.13 Processing of minor planning applications (NI157b): In May 23 out of 29 applications (79%) were determined in timescale. This exceeds the 65% target set for 2009/10 and is approaching London top quartile performance.
- 15.14 Average relet times for local authority dwellings let in the financial year (calendar days) (BV 212) was a provisional 44 days in May against a target of 31 days set for 2009/10. The Council and Homes for Haringey continue to work together to improve the management of void properties.
- 15.15 The average time taken to process new benefits claims and change events (NI 181) increased to 32 days in May against a target of 17 days set for 2009/10. Performance has been affected by the continued steep increase in demand for assistance to pay rent and council tax with new claims received in May up by 15% over the same month last year. As such workloads across the whole benefit processing service have increased and the service has had to re-organise and seek additional support through an external remote processing house in order to reduce the backlog of claims. Although the backlog is nearly clear, there will continue to be an impact on this indicator as claims are dealt with and included in the count. However, actions are having an impact and the June figure is reduced to 26 days average. As reported in the budget report to Council in February 2009 the Department of Work and Pensions (DWP) granted local authorities additional ring-fenced funding this year for dealing with higher workloads on benefit claims. For Haringey this was £310k in 2009/10 with a further £200k announced in June. It is proposed to release the £310k to employ additional resources to deal with the increase in new claims and assist in improving performance to the customer in this service.
- 15.16 Performance on call centre telephone answering indicators has declined in recent months with 43% of calls in April and May answered in 30 seconds against a target of 70%. This is attributable to an increase in call volumes due to the introduction of the 'One Number' and also 'avoidable contacts'.

16. Finance

- 16.1 The overall revenue budget monitoring, based on the May position, shows that the general fund is forecast to spend £3m above budget as shown in Appendix 2. There are also some budget pressures detailed below that services are seeking to contain within the approved budget limit.
- 16.2 In Adults, Culture and Community Services there is a projected overspend of £0.5m being reported this month. This largely relates to Mental Health care purchasing where client numbers and average unit costs have increased. There are other emerging budget pressures in Adult Social Care and Recreation that are being investigated and will be reported back later.
- 16.3 In Children and Young People's Service there is a projected overspend of £2m. This relates to the Looked After Children placement budget. Although additional resources were provided for this area in the 2009/10 budget there are still significant pressures as a result of increased number of children being placed in care and increased care costs.
- 16.4 The Council in forming its 2009/10 Budget Strategy recognised the need to address the issues which had been identified in Children's safeguarding by the Joint Area Review. It made available provision for an additional £4.2m which has been earmarked for the actions set out in the agreed JAR Action Plan submitted to the Government in February. This report assumes that these resources will be fully used in delivering the outcomes in the Action Plan. In addition confirmation has been received from the Government about the extent to which they are prepared to support the additional resources and which is consistent with the assumptions made when setting the Council's budget for 2009/10. Therefore the overspend projected above would not be offset by these additional Council resources.
- 16.5 Urban Environment is projected to spend at budget. There are some emerging budget pressures particularly in Planning, Regeneration and Economy that the directorate are currently seeking to contain within the approved budget.
- 16.6 The Housing Revenue Account is projected to achieve the budgeted surplus of £0.7m.
- 16.7 Corporate Resources are projecting to overspend by £0.5m. This relates to Property Services where rent on the commercial portfolio is still falling and a shortfall of £0.7m is currently projected. Without a significant change in the economic position it will not be possible to achieve the budget. This projected overspend is offset by £0.2m by projected underspends in other areas within the directorate.
- 16.8 Policy, Performance, Partnerships & Communications (PPP&C) and People & Organisational Development (POD) are projected to spend at budget. This forecast assumes that the target for efficiencies of the Haringey Forward programme are achieved as currently projected.

- 16.9 Non-service revenue (NSR) is projecting to spend at budget. However, there is a budget pressure relating to Alexandra Palace Park and Trust of circa £0.3m that the Trust has been encouraged to reduce. At the recent Alexandra Palace and Park Board meeting held on 30th June 2009, net savings were identified of £37k that will contribute to reducing this deficit. The Trust has been asked to ensure that discretionary and non-essential expenditure is restricted during 2009/10 to help ensure that the final position is in line with the Council's budget. The position will be carefully monitored but should be contained overall within the NSR budget.
- 16.10 The RAG status of savings and investments is shown in Appendix 2. Planned savings classified as red are mainly in UE where a number of savings are unlikely to be achieved and alternative proposals are being considered. Some of these are not being achieved because of the economic climate, for example in respect of planning and building control fees. The balance classified as red is in Corporate Resources and relates to commercial income in Property Services.

Treasury Management

- 16.11 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; the first report will be considered on 7 July 2009.

Capital

- 16.12 The aggregate capital projected position in 2009/10 is as shown in Appendix 2 and is projected to underspend by £6.3m (3.1%). This projected underspend is in Children & Young People's Service. This largely relates to the Primary Capital programme where there is a need to re-profile some projects included in the original Primary Strategy for Change. In order to commit to priority projects, including Broadwater Farm, Rhodes Avenue and Coleridge, a number of lower priority projects need to be re-profiled into later years, pending confirmation of the levels of funding available post March 2011. A report will be taken to the Cabinet in September which will deal with the CYP capital strategy and budget re-profiling proposals. This report will include the BSF budget where significant re-profiling is required.
- 16.13 A significant proportion of the 2009/10 capital programme is funded by the generation of capital receipts from the Council's disposal programme. The target level of receipts assumed for this financial year is £9.1m. However, the latest forecast of in year receipts has been revised by Corporate Property Services to

£4.33m. The shortfall is mainly as a result of very difficult property market conditions currently prevailing and impacting on valuations and the deferral of some disposals into later years. A review of capital receipts forecasts for 2009/10 is currently underway and a number of options are being explored to mitigate the projected shortfall and to fund the capital programme at approved levels.

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