




Haringey Council

Agenda item:

Audit Committee		On 30 July 2009
Report Title: Annual Audit and Inspection Letter 2009		
Report of: Chief Executive and Chief Financial Officer		
Signed: 		
Contact Officer: Gerald Almeroth, Chief Financial Officer		
Wards(s) affected: All	Report for: Key decision	
1. Purpose of the report 1.1. To consider the Council's response to the issues set out in the Audit Commission's annual audit and inspection letter.		
2. Introduction by the Leader (for the Cabinet meeting 16 June 2009) 2.1. This report makes clear the areas where the Council needs to focus its efforts during the coming year to address the shortcomings outlined in the JAR inspection at the end of 2008. We have already set in place a range of measures to address the failings made clear in both the Annual Audit and Inspection Letter and JAR. Our JAR action plan approved by partners has also been approved by Ofsted and sets out an ambitious but achievable action plan which we are determined to deliver against. 2.2. Although the overall rating and direction of travel judgement are disappointing the report highlights that the council's performance in all other areas bar children and young people is 3 out of 4 and in culture is 4 out of 4. It is also encouraging to see that our use of resources score is 3 out of 4. Our Corporate assessment/ capacity to improve score of 3 out of 4 should also give confidence that through concerted effort of both the Council and partners our performance in Children and Young People can improve significantly over the coming year.		

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

3.1. The annual audit and inspection letter is part of the formal process of external audit and inspection and provides an independent assessment of the Council's position in terms of progress in meeting its strategic objectives.

4. Recommendations

4.1. To note the audit and inspection letter.

4.2. To note the response and actions as set out in the report agreed by Cabinet on 16 June 2009.

5. Reason for recommendation

5.1. The recommendation provides a response to the issues raised and sets out clear actions in terms of improving the Council's performance in these matters.

6. Other options considered

6.1. The recommended actions are considered to be the best options for the Council to move forward.

7. Summary

7.1. The annual audit and inspection letter presents the external assessment of the Council. The Council is given an overall star rating of 1 with an assessment of not improving adequately. This is primarily derived from the inspection of Children's Services carried out in late 2008. The report also outlines how the Council is addressing the key issues raised by the external assessment process and these were agreed at Cabinet on 16 June 2009.

8. Head of Legal Services Comments

8.1. The report and the recommendations contained within it are in accordance with the statutory framework.

9. Equalities &Community Cohesion Comments

9.1. The audit and inspection process has a strong emphasis on equalities and diversity. The Council has been assessed as performing well in this respect.

10. Consultation

10.1. There is no consultation planned.

11. Service Financial Comments

- 11.1. The resource implications for implementing the actions in this report have been considered as part of the overall financial and business planning process and are included within the previously approved budget.

12. Use of appendices /Tables and photographs

- 12.1. Annual Audit and Inspection Letter 2009 – Audit Commission

13. Local Government (Access to Information) Act 1985

- 13.1. None

14. Background

- 14.1. The Annual Audit and Inspection Letter from the Audit Commission is an important external assessment of the Council's overall position.
- 14.2. The Annual Audit and Inspection Letter is compiled by the Council's relationship manager and the external auditor. It summarises the conclusions and significant issues arising out of the audit and inspection work for the Council in the preceding year and from the audit of the Council's accounts. It includes information from the Direction of Travel statement and from the Comprehensive Performance Assessment (CPA) scorecard.
- 14.3. Cabinet agreed the response and actions as set out in this report on 16 June 2009.

15. Annual Audit and Inspection Letter

- 15.1. The Annual Audit and Inspection Letter reports on the Council's overall CPA score, which reflects the serious problems identified with the Children's Service in November 2008 which (given the additional weighting in the overall scoring this service has) gives the Council an overall star rating of 1 with an assessment of the Council not improving adequately.
- 15.2. Within the CPA scorecard it is recognised that other services are performing well with 3 out of 4 for value for money, environmental services, adult social care, benefits and housing. While the Council is rated as performing strongly (4 out of 4) for libraries, leisure and recreation services.

15.3. The full CPA scores are:

Performance area	Rating
Overall performance	1 star
Financial management and value for money	3 out of 4 rating
Cultural services (libraries, leisure)	4 out of 4 rating
Environmental services	3 out of 4 rating
Adult social care	3 out of 4 rating
Housing	3 out of 4 rating
Benefits services	3 out of 4 rating
Children's services	1 out of 4 rating

15.4. In addition to the overall position the letter covers four separate service inspection areas that were reported in the last year.

15.5. The inspection of the Allocations and Lettings Service in October 2007 (reported in December 2008) where the Council was judged as providing a 'poor', no-star service having promising prospects for improvement. There is considerable focus in the Council on addressing the concerns highlighted in this inspection.

15.6. The inspection of adult social care services were judged to be 'good' on delivering outcomes with 'promising' capacity to improve. This is a two star service. While the assessment of the housing benefit service was that the Council achieved a score of 3 (out of 4).

15.7. Ofsted's annual performance assessment in December 2008 assesses the services for children and young people as being 1 (out of 4). The full scores are as follows:

Performance area	Rating
Enjoying and achieving, including student attainment	3
Making a positive contribution, including young people's participation in decision-making and reducing juvenile-offending rates	2
Achieving economic well-being, including staying-on rates and 16-19 achievement	2
Staying safe, covering child protection and safeguarding	1
Being healthy, including work on child health and teenage pregnancy	1
Capacity to improve	1
Overall effectiveness	1

15.8. Scoring a 1 on safeguarding means the overall score is 1.

- 15.9. The APA judged that in staying safe there has been a serious deterioration in performance and limited impact from services. The specially commissioned joint area review in November 2008 judged safeguarding services including performance management in this area to be inadequate. The APA judged that in enjoying and achieving and economic wellbeing, services were making a greater difference. Impact is evident in terms of: improved outcomes in the Foundation Stage; attainment that is continuing to improve at all key stages; a higher proportion of young people gaining qualifications by age 19; and there is better attendance in schools.
- 15.10. The Council is assessed as delivering value of money and has good financial standing. The Use of Resources score improved from a 2 to a 3 for financial reporting and maintained overall an assessment score of 3 out of 4.
- 15.11. In the area of accounts and governance the comments are generally positive and this is reflected in the important auditor opinions that the accounts for 2007/08 are unqualified and that the value for money conclusion is also unqualified.

Key actions needed

- 15.12. Four areas for key actions have been identified by the Audit Commission and set out below are the actions taken / planned to address these areas:

1. Address the main findings and recommendations made by Ofsted in the Special Joint Area Review.

- 15.13. The Council and its partner agencies have submitted an action plan to government responding to the specific points identified by OFSTED in the JAR but also setting out the framework for a journey that will take 3 years to progress from where the council currently is to being an exemplar. The action plan covers a number of key changes namely:
- closer working between social workers, police officers and health staff;
 - recruiting and developing top quality staff;
 - putting more resources into safeguarding;
 - improving systems and procedures;
 - strengthening the managerial and political supervision of the system, including setting up a Children's Trust, and;
 - a stronger, more robust Local Safeguarding Children Board with independent chairperson.

2. Accelerate the pace of improvement in environment (recycling) and Homelessness.

Recycling

15.14. The Council's Greenest Borough Strategy and Recycling Strategy sets out how we will improve recycling services and performance in the next two years. Key actions include:

- ensure the same high standard of recycling service across the borough, including;
- provision of the full mixed material recycling service (including plastic bottles and cardboard, as well as food and garden waste collections) to final 4000 kerbside properties remaining on the original kerbside service;
- provision of the mixed material recycling service to remaining private blocks of flats (all Council-managed estates were provided with services in 2008/09);
- provision of the mixed material recycling service to flats above shops;
- provision of food waste collections to 10 schools (all schools were provided with the mixed material recycling service in 2008/09);
- participation drive to increase participation in recycling services and the amount recycled, and ensure value for money is achieved from the services provided;
- deliver awareness raising campaigns to reduce waste, increase composting and reduce contamination;
- improve the range and amount of materials recycled or reused through the Reuse & Recycling Centres;
- promote and develop local re-use and waste reduction schemes;
- introduce on-street recycling bins for public places and review the network of bring banks in the borough, and;
- actively engage with local businesses by establishing an environmental information scheme.

Homelessness - Temporary Accommodation (TA)

15.15. In April 2008 there were 5,389 households in TA this has reduced to 4568 as at March 2009 moving towards a target of 2,600 2010/11. A steering group chaired by the Chief Executive oversees the work being undertaken to reduce the number of households in temporary accommodation. Actions include:

- produce a TA Procurement Strategy;
- set up an Registered Social Landlord RSL and Lettings Forum;
- complete an audit of Supported Housing;
- produce in consultation with stakeholders a multi-agency strategy and action plan for tackling rough sleeping in Haringey;
- set up and launch a rent deposit scheme for non-priority homeless;
- develop a Move-On strategy to free up TA, and;

- the London plan for the annual housing provision target for 2007/8 - 2016/17 is 660 - 970 for Haringey. 50% of all new homes should be for social housing.

3. Maintain its sustained focus on addressing staff sickness levels and recruiting key personnel.

- 15.16. The Council has been working hard to improve sickness absence rates over the last two years. Use is made of the best sickness reporting tools in London to help managers monitor and address sickness absence in the council. Regular meetings take place within directorates and at board level to monitor and challenge management action for addressing sickness. These will continue.
- 15.17. In the last two years sickness levels have reduced from 10.1 days in April 2007 to 8.5 days in January 2009. Current sickness levels are comparable or better than many other public sector employers. The figure on which the relationship manager made her assessment was 9.67 – based on December 2007 – so considerable progress has already been made.
- 15.18. The CBI absence and labour turnover survey 2008 identified the local government average sickness absence level at 9.2 days, and the average for public sector organisations with over 5000 staff as 9.7 days. Within London the London Councils sickness absence and turnover survey report 2008 showed average sickness level as 10 days, although this excluded schools staff. Haringey council current average excluding schools staff is 10.1 days.
- 15.19. There are no Haringey specific problems with recruitment or retention across the Council as a whole other than those nationally recognised. The turnover rate is 12.6% which is within the London boroughs rate of 13.7% (2007). The level of agency workers covering vacancies is currently at approx 10% of the workforce. This is better than many other London boroughs. A recent London Councils benchmarking survey of 13 boroughs (June 2008) showed the average agency level at 15.9%.
- 15.20. There are some occupations that we have difficulty in recruiting to such as Planners, Occupational Therapists, Transport Engineers, Social Workers - Children & Families, Adults and Youth services, but all other London boroughs experience difficulties in recruiting and retaining these occupations. The London Councils recruitment and retention report May 2007 has regularly, since 2000, listed these occupations in the top 10 of difficult to recruit and retain occupational groups.
- 15.21. Therefore we are not too different and indeed better than many other London boroughs in our ability to resource our workforce.

15.22. Nevertheless, the council will continue to focus on managing and improving sickness levels in the future as well as recruitment and retention.

4. Ensure its Treasury Management strategy continues to form a robust member led process for protecting the Council's financial assets.

15.23. The Cabinet received an independent external review of its treasury management arrangements by Price Waterhouse Coopers in February 2009 making a number of recommendations which were agreed for implementation and have or are being implemented. A separate national report by the Audit Commission was published in March 2009 and the recommendations for local government have been picked up and included in the action plan for this service. The progress in implementing these recommendations will be monitored by the Audit Committee as part of its routine quarterly reporting. Separate quarterly reports on the management of the treasury management function are being considered by the General Purposes Committee.