

Executive

On 21 February 2006

Report title: **Finance & Performance – December 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 December 2005.

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

- 2.1 Performance was impacted by the fire at Hemel Hempstead in December. Council Tax and Business rate collection both fell to 91.5% and 97% respectively. However, steps have been taken to ensure that normal service is resumed and that we meet our annual targets.
- 2.2 To meet our agreed Invoice Payment target 91.1% of invoices will have to be paid on time in the remaining months of the year.
- 2.3 We continue to perform well in processing new benefit claims, and are above target for the year to date.

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

- 2.4 In general, 78% of performance indicators have been achieved or are close to being achieved.
- 2.5 This report highlights continued good performance (on target or exceeding target) in a wide range of services from Housing's continued high percentage of urgent repairs completed within government time limits, to Environmental Services' excellent performance on determining planning applications.
- 2.6 This report also highlights improvements in a wide range of service areas including the rise in the number of items of equipment delivered by Social Services within 7 working

days, Housing's improvement in rent collected of rent due, and the Chief Executive's Service's improvement in the number of member enquires responded to within timescale.

2.7 There remain areas which need improvement, such as Children Services' dealing with complex Children's Act stage 2 complaints, which are receiving support from managers.

3. Recommendations

3.1 To note the report.

3.2 To agree virements set out in section 11.

Report authorised by: Max Caller – Interim Chief Executive

**Contact officers: John Hardy – Head of Finance – Budgeting, Projects and Treasury
Telephone 020 8489 3726**

**Margaret Gallagher – Performance Manager
Telephone 020 8489 2553**

4. Executive Summary

4.1 This report sets out the routine financial and performance monitoring for December 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 December 2005. It is based on the financial monitoring reports prepared for the budget management meetings held on 18 and 20 January 2006 for period 9 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 has improved and now shows a projected underspend of £600k. Part of this is a projected underspend on Standards Fund of £155k and this will be requested as a carry forward at the year end. There continues to be a number of overspending budgets within this net position and actions are in place as part of future years budget proposals to manage this within the approved cash limits.

8.1.2 One of the overspending areas is the commissioning budget for looked after children. The number of children is now 406 compared to the budget figure of 390 resulting in a projected overspend in the region of £130k. The department has reviewed 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 as part of revised budget proposals. A further related area is the special educational needs placement budget, which is projected to overspend by £366k. A detailed review of this area has been commissioned with a view to reducing the costs of this service.

- 8.1.3 The asylum position remains broadly as previously reported, that is a gross shortfall of £2.9m 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. The Leader wrote to the Home Office Minister and received a response from the National Asylum Seeker Service (NASS) that did not deal satisfactorily with the issues raised. The Leader has written back expressing the Council's concerns.
- 8.1.4 There is a projected capital underspend of £2.99 million. This mainly relates to the 6th form centre construction where an underspend of £3.8 million is projected this year. This is partially offset by £0.8 million of other BSF costs.
- 8.1.5 Performance highlights for Children's services are as follows.
- 8.1.6 No statements of needs were issued in December but performance on both parts of the indicator continues to exceed target.
- 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 69% of the children who have turned 19 this year in education, training or employment on their 19th 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 December '05. The target for 2005/06 is 20 adoptions and this is key to delivering the financial savings from the commissioning budget for looked after children.

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. The projected net overspend remains at £0.6m. Management action is being taken to try to ensure that these pressures do not result in any additional overspend and include a freeze on vacant posts and reducing agency staff where there would be minimal impact on front line services.
- 8.2.2 In Adults' there are increased costs in physical disabilities partially as a result of 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 the impact of the community care strategy. The most significant reason for this 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. Together with a rise in external market prices and an increase in the type of care package as people are re-assessed within the moves is resulting in an overall overspend.

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:

- 91% of items of equipment were delivered in 7 working days in December, 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%. This new target is also now being exceeded.
- In the year to December there were 79 supported admissions or 50.16 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.
- *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. In December for 59% of older clients, the time from first contact to the beginning of their assessment was less than 48 hours and for 69.4% their assessments were completed within 4 weeks. The average of these is 64.3% falling below the target of 70%.

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.*
The service are now reporting 42% of adults and older clients receiving a review falling well short of the 75% target (BV55). Previously reported figures were much higher.
- 17% of Carers for Adults and Older People received a carer's break or specific carer's service in the last year against a target of 25% set for 2005/06. This indicator was introduced mid year and previous figures were scaled up to calculate performance. We now have a full years data on which to calculate this indicator and although this figure is lower than previously reported figures, there is no comparative performance data available yet on which to gage our performance. The December figure is a two percentage point increase on that reported for November.

8.3 Housing

8.3.1 As reported previously, there is a projected improvement on the homelessness general fund budget of around £2m in addition to the approved budget. 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 December '05, decisions on homelessness applications issued in 33 days increased slightly to 80.4% of cases, falling short of the 92% target. The year to date position at 94.48% 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 December '05 decreased to 70 weeks with the year to date position at 69 weeks above the 40 week target. 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 fell by 10 days to 26 days in December, inside our local target of 29 days and only just outside our LPSA target of 25 days. However performance in the year to date at 32.4 days falls short of both targets although the service expects to meet the 29 day target by year end.

Rent Collection

- 8.3.11 Rent collected to the end of December (BV 66a) is projected at 96.6% 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. 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 13.9% remains above our target of 8%.

Repairs

- 8.3.13 In December 91% of appointments were made and kept based on 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. This is being addressed.
- 8.3.14 The average time to complete non-urgent responsive repairs according to the old BVPI definition was 14 days in December and 17.5 days in the year to date against a target of 10 days. These figures include private contractors without any exclusions for planned maintenance, which is a change from previous years explaining the deterioration in reported performance. There is an issue about capturing contractor completion data without established IT links so the service are reliant on manual input based on contractor notification of completion.

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 9 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 remains 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. There is also some slippage on the Lordship recreation project of £90k. 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 December at 20.5% exceeds the 18% target for the ninth month running ensuring that our statutory target for the year will be met.
- 8.4.6 Waste Minimisation performance in December was within the CPA upper threshold and the year to date performance remains within the London top quartile although still above our 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 reduced further to 118 in December '05 inside our LPSA target of 130 for the fifth month running. Performance in the year to date is just short of the LPSA target but if the improved level of performance is sustained, we should just hit our LPSA target.
- 8.4.8 98.8% of Zone 1 streets were of an acceptable standard of cleanliness in December 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.
- 8.4.9 361 out of 444 minor planning applications (81%) were determined in 8 weeks in the year to December exceeding our 78% target and beating the government target. In addition all but four of the thirty seven major applications processed in the year so far were determined within 13 weeks.
- 8.4.10 The Parks Cleanliness index at 83.3 in December exceeded the target of 80 for the fourth month in succession. There has been a general improvement in scores on sites across the borough and the yearly cumulative score has increased to 80.1.
- 8.4.11 The average number of days to repair streetlights was 2.2 days in December and 1.8 days in the year to date, both 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 – at 22 days remains above the target of 10 days. Regular monthly monitoring has enabled dialogue with EDF and mechanisms are being put in place to improve performance in this area.
- 8.4.12 There have been 57 people killed or seriously injured in the period January to August 2005. Scaled up, this equates to 84 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 August {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 August 05 this was 145 and so was out of the lower threshold.

8.5 Finance

- 8.5.1 As reported previously, the continuing drive to improve performance in Benefits and Local Taxation in the context of an on-going recruitment programme has resulted in levels of agency staff remaining at a significant level. Additional costs are projected of around £0.6m. 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 Council tax collected in December fell to 91.5% as a result of the lack of computer system availability after the Hemel fire. Plans are in place to ensure that backlogs created are cleared at the earliest opportunity. 92.9% of Council tax due has been collected in the year to December '05 against a target of 93.5% for 2005/06. To ensure that the annual target is reached there is a focus on improving the collation of key information from customers after a liability order has been obtained.
- 8.5.3 As with Council tax the collection of business rates fell to 97% in December. The position in the year to date is now 98.6% against a target of 99%. The collection rate will continue to be closely monitored to ensure the annual target is achieved.

Invoice payments

- 8.5.4 89.4% of invoices were paid in 30 days in December just short of the 90% target. In order to hit our 90% target for the year, we need to pay 91.1% of invoices in timescale for the remaining months of the year.

Benefits

- 8.5.5 The average speed of processing a new claim increased to 42 days in December as a direct result of system downtime caused by the Hemel fire. The performance in the year to date remains above target and is in line with an excellent score in the benefit performance standards.
- 8.5.6 Performance on other benefits performance measures remains on target with the exception of the percentage of new claims outstanding over 50 days. Third quarter performance at 16% was above the 9% target. The service is identifying ways to reduce the length of time it takes for customers to return proofs to enable their claim to be processed. Similar to new claims mobile processing and improve information collation with customers who visit are being implemented.

8.6 Chief Executive's

- 8.6.1 As reported previously, a budget pressure identified to date is that Local Land Charges income is projected to be below target. The projected shortfall is £188k 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 £100k has been identified so far which will reduce the projected net overspend to £88k.

- 8.6.2 Members have resolved in principle to continue in-house operation of Broadwater Farm Community Centre through 2006/07 and have noted that there will, in consequence, be an overspend of £282k in the current year, and a sum 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. There are additional costs of approximately £0.4 million in relation to the transition to the new management arrangements, which will be funded from the contingency budget. This is included in the virement request in Section 11.
- 8.6.4 As reported previously, a decision on re-phasing of the roll-out means that there are additional capital costs of £0.5 million on the Tech Refresh project. The programme is now largely complete.

Performance highlights are:

Public Complaints

- 8.6.5 In the year to December 1182 (79%) 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, 124 out of 168 (74%) of complaints were resolved within timescale in the year to December falling short of the target. Action is being taken to address poor performance in Housing and Finance.
- 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 49% of Freedom of Information (Fol) requests were actioned within the 20 day timescale in December. This information is better than previous submissions because we have improved data collection and excluded bank holidays from reported performance. Nevertheless the performance is still a concern with only 65% of requests processed in time in the year so far against a target of 90%.

Sickness

- 8.6.8 The average number of working days lost to sickness per full time equivalent employee in December '05 increased further to 10.5 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 80% of callers to Customer Service Centres in December were seen within 15 minutes. The year to date position is 68% and falls slightly short of the 70% target. 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. It is expected that the target will be achieved by year end.

8.6.10 In December call centre telephone calls answered in 15 seconds increased to 62.9%. Performance in the year to date at 67% of calls answered in 15 seconds is just short of our 70% target.

8.6.11 The number of visits to our libraries reduced in December '05. There were 156,891 visits, the equivalent of 8.4 visits per head of population in a year. However visits in the year to December equate to 9.8 visits per head comfortably exceeding our target for 2005/06 of 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 78% of indicators, performance is on target or close to the end of year target. In addition 78% 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	(0.6)
Social Services	52.0	0.6
Housing	(0.2)	(2.0)
Environment	49.0	0.4
Finance	12.8	0
Chief Executive's	18.8	0.8
Non-service revenue	11.5	0.8
Total	345.9	(0.0)

It is proposed that a formal budget virement is approved to fund the overspending areas for 2005/06. This will be met from the £4 million contingency agreed at Executive on 14 June 2005. This is included as the first item in the table at paragraph 11.4.

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. Net underspend on Children is projected at £2.99 million. This mainly relates to the 6th form centre construction where an underspend of £3.8 million is projected this year. This is partially offset by £0.8 million of other BSF costs.. 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 as a result of the decision to re-phase.

Capital	Approved Budget	Spend to date	Projected variation
	£m	£m	£m
Children	43.6	24.6	(3.0)
Social Services	4.7	1.2	0
Housing – General Fund	4.4	2.1	0
Housing – HRA	24.5	14.0	0
Environment	22.1	10.2	(0.7)
Finance	6.7	2.3	0
Chief Executive	19.7	7.7	0.5
Total	125.7	62.1	(3.2)

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
9	Chief Executives, Childrens, Environment, Housing, Social Services, NSR	Rev*	2,520		Chief Executives 282 BWFCF 88 Land charges 400 Management 770 NSR 800 Procurement Social Services 600 Adults & O.People Environment 350 Parking Total 2,520 Met from contingency
9	Chief Executives	Rev	81		Skills for Care Training Forum funding.
9	Finance	Rev	7		Additional SRB income re West Green and JUNP.
9	Chief Executives	Rev	231		Additional SRB income re North London Strategic Alliance £138k, Milton Road community activity scheme £30k, Environmental visioning event and action plan £25k, Young people and parents project £10k and various smaller schemes.
9	Chief Executives	Cap	149		Additional SRB income re Finsbury Park Partnership - Green Lanes Bridge £88k. NDC police kiosk slippage £6k and NDC sports & play equipment £55k.
9	Chief Exec /Social Services	Rev*	320		Reallocation of some investment fund monies to Social Services aids & adaptations.
9	Chief Exec	Rev	50		Safer Communities funding for employee seconded to Youth Justice Board.

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. December Performance summary

Appendix ii December Telephone answering performance