



Agenda item:

**Cabinet**

**13 October 2009**

Report Title. **The Council's Performance: July and August 2009 (Period 4 and 5)**

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

Signed :

Contact Officer : **Eve Pelekanos/ Margaret Gallagher- Policy and Performance**  
**Telephone 020 8489 2508/2971**  
**Kevin Bartle – Corporate Finance**  
**Telephone 020 8489 3743**

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 August 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 delighted that the Tidy Britain group's external assessment of street and environmental cleanliness for litter, detritus, graffiti and fly posting confirms the good performance across the borough. This is a top priority for Cabinet and something I hope to see continue during the coming months. I also welcome the

performance of young people not in education, training or employment. The improvement in initial assessments completed in 7 days is a small but welcome step in the right direction. It will be important for this to continue in the coming months and at the same time see improvements in the quality of practice. It is disappointing to see the dip in performance on core assessments this is another area where both performance and the quality of practice needs to improve.

### **Introduction by Cabinet Member for Resources (Cllr Bob Harris)**

2.2.1 I draw attention to section 16 and to Appendix 2 of the report and note the net forecast overspend on the General Fund of £1.5m. I continue to 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 links 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 recommendations**

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 of this report provides a summary of performance for the year to August 2009. Some highlights against targets set are:

- Tidy Britain group external assessment of street and environmental cleanliness for litter, detritus, graffiti and fly posting confirms the good performance previously reported.
- The percentage of young people Not in education, training or employment in July is 7.7 exceeding our stretch target of 10.4%.
- Visits to our museums and libraries continue to exceed target.

6.2. Areas where targets are not currently being met are:

- Levels of recorded offences of serious violent crime and knife crime rates are higher than targets set.
- Children's social care initial assessments improved slightly in August but core assessments completed in time reduced and both remain below target.
- Household waste sent for recycling remains below the 32% target.
- Average time for processing new benefit claims and change events increased to 43.3 days in August and remains above the 17 day target for 2009/10.
- Average relet times for local authority dwellings declined to 45 days in August against a target of 31 days.

Call centre telephone answering - 82% of calls presented to the call centre answered against a target of 90%

**7. Chief Financial Officer Comments**

7.1. The overall revenue budget monitoring, based on the August position, shows that the general fund is now forecast to spend £1.5m above budget, after taking into account the potential use of £1m of the general contingency, as shown at Appendix 2. and additionally, this month, a further saving of £1.5m due to the lower settlement of the officers' pay. Children and Young People Services (CYPS), Adults, Culture and Community Services (ACCS) and Corporate Resources are each projected to overspend and 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 small budgeted surplus.

7.4. The aggregate capital projected position in 2009/10 is an underspend by £4.4m (2%). The reasons for this projected variation are detailed in the report the majority of which is in ACCS. This projection includes the approved re-phasing of the capital programme in CYPS including Building Schools for the Future (BSF).

**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

## **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 July/August 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

## **13. Background**

13.1 This report covers the regular monthly report for Period 4 and 5, July and August 2009. It details 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 5.

13.2 Appendix 1 details performance against monthly reported indicators all linked to the Council's priorities:





- A Greener Haringey
- A Better Haringey
- A Thriving Haringey
- A Caring Haringey
- Driving change, improving quality

13.3 Six new indicators have been added to Appendix 1 as proxy measures of quality and improvement for safeguarding Children. These are also included in the service dashboard and reported through the various channels in accordance with the council's performance management framework.

- 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 targets are not being met.
- 13.6 A significant number of the new national indicators lend themselves to quarterly or annual monitoring rather than monthly. These will be included in the quarterly reports throughout the year.

#### 14. Use of Traffic Lights

- 14.1 Progress on performance indicators continues to be tracked on a monthly/quarterly and year to date position against the 2009/10 targets using a traffic light (RAG) 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. A Greener Haringey

- 15.2 **NI 192: Percentage of household waste sent for reuse, recycling and composting.** As reported previously, it is unlikely that the 32% target will be achieved in 2009/10 and there is a risk that the 35% target for 2010/11 (as set out in North London Joint Waste Strategy) may not be achieved. There is an ongoing drive to increase recycling participation and performance with a detailed action plan in place aimed at improving performance in future years as well. A number of actions in the plan classified as high priority, including a large scale intensive door-knocking campaign to raise participation, are programmed to begin from October to coincide with the expansion in the range of materials that all residents will be able to recycle as a result of NLWA's new arrangements for processing recycling.

## Priority 2. A Better Haringey: Cleaner, Greener and Safer

- 15.3 **NI 195 Street and Environmental Cleanliness.** Further to reporting the good performance of our local monitoring of street and environmental cleanliness last month, I am pleased to report that the first tranche report from the independent Tidy Britain Group confirms the good performance across all areas including litter and detritus. With the exception of graffiti, provisional results for litter, detritus and fly posting exceed the targets set for 2009/10. Although these results are provisional they found 6% of land with significant deposits of litter, detritus 14%, graffiti 4% and fly posting 1%.
- 15.4 **NI 28: Knife crime.** In the financial year to August 2009, knife crime has increased when compared with the same period last year. There were 239 incidents of knife crime against a target of 213 in the first five months of the year, a 6.2% increase. Some of this increase can be attributed to a change of categorisation to include where a knife is intimidated or perceived. The business intelligence unit and the community safety team analysed 175 knife crime offences (reported 1/4/09-7/7/09) and found that no injury was sustained in 69% of offences.
- 15.5 **NI 15: Violent crime.** There have been 215 violent crimes in the year to August against a target of 148 for that period, a 39.6% increase on the same period last year. This is an LAA improvement target with an aim to reduce serious violent crime by 4% in 2009/10. A Partnership problem solving group has been set up to examine and address violent incidents linked to rival gangs: An engagement project is being developed by members of Black Independent Advisory Group aimed at ring leaders of gangs and their parents.
- 15.6 There are also plans to expand multi-disciplinary gang's team (staff from Youth Inclusion Programme and Police Community Action Team) on the basis of other borough's good practice. This should help to address the serious youth violence target where there has also been a large increase in offences. Mediation and priority interventions are underway with identified young people and their families at highest risk and sophisticated mapping tools are being used to target interventions. Cross- disciplinary works are also underway to mitigate the impact of the recession and provide places for those Not in Education, Employment or Training (NEETs) especially those in the 18-24 age group.
- 15.7 **NI59 and NI60: The percentage of initial and core assessments for children's social care carried out within the timescale.** Performance on *initial* assessments has improved from 11.9% in June to 25.9% carried out in 7 days from referral, in August, although this remains below the 53% target. The percentage of *core* assessments carried out in 35 working days of commencement improved in July to 49.3% but reduced again to 31.9% in August, below the 63% target. Recent trends are beginning to show cautious improvement and the service state that they are on track to hit the assessment targets by end of December '09.

- 15.8 There continues to be a high volume of cases referred to the service - 50% more than the previous two years- and this together with continued difficulties recruiting suitably qualified staff has impacted on performance. 6 newly qualified social workers (NQSW) have joined the referral and assessment team service and have started taking cases and 2 other permanent social workers are due to join the team this month, with 2 places remaining. The service is working with the Police to construct a more integrated approach to referrals and a document setting out thresholds and criteria to clarify the circumstances in which a child should be referred for assessment has been drawn up.

### **Priority 3. A Thriving Haringey**

- 15.9 **NI 117: % of 16 to 18 year olds who are not in education, employment or training (NEET).** The number of young people not in education, training or employment in August is 2280 (NEET) or 8.4% of the cohort. Performance for the same month last year was 9.5% but has been below 9% for every month since. Evidence for the last twelve months shows that the NEET level has stabilised at a level below the 2010 stretch target of 10.4%.
- 15.10 The proportion of 'Not knowns' as at August is 3.6%. This is significantly below last August's at 8.3% and the rolling year target of 9.9%. It is a condition of our Local Area Agreement for this stretch target, that the 'Not knowns' do not exceed 9.9%.
- 15.11 **Libraries and Museums** are continuing to be busy with the equivalent of 9.2 library visits per resident each year and 2.5 museum visits in the year to August, both exceeding set targets. However **sports and leisure centre usage** dipped in August although active card membership at 18,933 remains well above the target.

### **Key Priority 4. A Caring Haringey**

- 15.12 **NI 132: % of social care assessment which occur within 4 weeks (all adults).** Performance on this indicator dipped to 88.7% in August, below the 95% target and our 2008/09 outturn of 96.1%. However although this dip is of concern, according to published figures for 08/09, it remains within the top quartile range for London and in 08/09 Haringey was ranked 3<sup>rd</sup> in the country. Of the 934 assessments carried out, 828 were completed in 28 days. All Assessments that miss the 28 day target are scrutinised with Service Managers monthly at Performance Callover. The Performance Team are now producing a weekly list of all assessments approaching the 28 day mark to forewarn team managers so that they can ensure that assessments are completed in time.
- 15.13 **NI 131: Delayed transfers of care.** Delayed transfers of care from hospital remained at 14.4 per hundred thousand population for July and August 2009 having reduced from 16.1 in May 2009. Although this figure remains comparatively high and above the target of 9, the trend is one of improvement.

15.14 Linked to this is performance on **NI125 Achieving independence for older people through rehabilitation /intermediate care** where provisional figures are below target (74% against 80% target). The indicator measures clients discharged from hospital and still living at home 3 months after discharge. Performance may have been affected by the service failing to contact some clients within 3 days of the 91 day (3 month) limit. The service is working actively with NHS partners to reduce delays and the service performance team are monitoring both these areas monthly to ensure robust recording and action.

#### **Priority 5. Driving change, improving quality**

15.15 **Working days lost to sickness.** The number of working days lost to sickness increased slightly to 8.97 in the rolling year to August against a target of 8.5 days for 2009/10. The figure for the financial year to date is below the target at 7.93 days. The rolling year figure includes long term sickness the lower year to date figure suggests that some of these cases have been resolved and will show improvement in future months.

15.16 **Council Tax Collection.** 92.3% of council tax due has been received in the year to August against a target of 93.25%. Whilst efforts continue to improve collection, the effects of the recession continue to impact on performance. There has been a noted increase in correspondence received this year of approximately 5000 items and this identifies difficulties in taxpayers meeting their commitments to pay council tax. To address this, changes have been made to the recovery guidelines to ensure more effective payment arrangements are being agreed including extending terms but with the focus on taxpayers keeping up to date with current year instalments. Publicity in respect of council tax is scheduled to run from November to February (via Haringey People) and will refer not only to the effects of recovery for non-payment but the assistance that can be provided by way of council tax benefit and revised arrangements.

15.17 **BV 212: Average relet times for local authority dwellings let in the financial year (calendar days).** Performance has declined to a provisional 45 days in August against a 2009/10 target of 31 days. Performance in the year to date at 37.6 days remains above target. The increase in the average day's re-let time in August seems to relate to supported housing units (96.3 days in August) as opposed to general needs where the average re-let days reduced in August. Following an independent review of Haringey's Voids processes, a project plan was produced and is now being implemented and new streamlined processes are expected to deliver improvements by the end of December.

15.18 **NI 181: Time taken to process Housing Benefit/Council Tax Benefit new claims and change events (days).** The average time taken to process new benefits claims and change events increased to 43.3 days in August and remains above the combined 17 day target set for 2009/10. The increase in housing and council tax benefit caseload, particularly the amount of change of circumstances being notified since the recession began has severely impacted



on processing times. August's performance was particularly affected as a backlog of older work was cleared.

15.19 BLT has processed 11% more claims in the first 5 months of 09/10 compared with the same period last year. The more complex Private Tenant claims have increased by 15%, as have claims from self-employed and low earners. Economic conditions have placed other additional burdens on the service particularly as a consequence of increased customer enquiries. Overall workloads have increased by 10% in comparison to the same period last year. However, reported changes of circumstances have increased by 70%. This, combined with an increased focus on quality output has affected processing times, resulting in increased backlogs of work. Measures are in place to increase capacity to process work by training and up-grading admin staff to perform additional duties and purchasing additional external support. The impact of these additional measures will be seen in September and October as the backlog clears.

15.20 **Call Centre calls answered.** The Council introduced a new number for most council services in April 2009 and an increase in call volumes was encountered which has impacted on performance in recent months. However, although in June and July performance improved it dipped again in August to 82% of calls presented to the call centre answered against a target of 90% and 52% of calls answered in 30 seconds against a target of 70%. The drop in performance relates to a combination of factors: high volume of calls for Council Tax following recovery activity, continued high levels of avoidable contact, delivery of essential training for all staff, and reduced capacity due to leave and high turnover of temporary staff. A number of measures have been put in place to improve the speed of telephone answering and reduce abandonment rates, including management action to drive up productivity, the transfer of tasks from the Contact Centre to the Customer Services Centres to increase capacity, the closer alignment of shift patterns to known peaks of demand and changes to the automated messages to keep customers informed of maximum wait times.

15.21 **NI 14 Reducing avoidable contact and minimising the proportion of customer contact that is of low or no value to the customer.** Avoidable contact for August was 20.2% against a target of 16%, an improvement on the 22% figure reported in recent months. The key areas driving avoidable contact relate to Change of Circumstances, New Claims, Parking Penalty Charge Notice tickets and payments including Council Tax. Customer Services have continued to liaise with Directorates and are working to identify process improvements to reduce 'avoidable contact'.

## 16. Finance

16.1 The overall revenue budget monitoring, based on the August position, shows a forecast gross spend of £4m above budget. This is partially off set by a £1m contribution from the general contingency and a reduced call on the inflation

budget of £1.5m following the settlement of the pay award at a lower sum than planned. As shown in Appendix 2, this results in a net forecast of £1.5m above budget. The position will be closely monitored during the remainder of the financial year to confirm whether the contingency will need to be fully applied as Directors continue to implement measures to reduce costs wherever possible.

- 16.2 In Adults, Culture and Community Services the projected overspend remains at £0.5m as reported last month. This largely relates to Older People's Services and Mental Health care purchasing where client numbers and average unit costs have increased. There are other cost pressures in Adult Social Care and Recreation that are being managed within the overall budget position with the Director introducing actions to reduce spend wherever possible. These will be closely monitored as the year progresses.
- 16.3 In Children and Young People's Service there is a projected overspend of £3m. This relates to the looked after children (LAC) placement budget and associated legal costs. 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 unit costs. The number of children in care has increased significantly in the past year, however this appears to be remaining stable in the last few months at between 460 and 470.
- 16.4 The Director has identified a number of actions which target specific issues associated with reducing expenditure on LAC. These actions have been focussed on three discrete areas: routes into care, placement costs and routes out of care as were reported in detail to the Cabinet on 8 September 2009.
- 16.5 Urban Environment is currently projected to spend at budget although there are some considerable cost pressures particularly in Planning, Regeneration and Economy that the directorate are currently seeking to contain within the approved budget. These are largely because of income shortfalls and some compensatory savings are being identified.
- 16.6 The Housing Revenue Account is projected to achieve the small budgeted surplus. A loss of interest earnings in the cash balance is being offset by additional rent income arising from a reduced number of right to buy sales.
- 16.7 Corporate Resources are projecting an overspend of £0.5m, which mainly relates to Property Services where rent on the commercial portfolio is still falling and a shortfall of £0.75m is currently projected. Without a significant change in the short term economic position it is not likely that this income will be achieved. This projected overspend is offset by £0.25m projected underspends in other areas within the directorate and further cost reduction actions are being investigated.
- 16.8 Policy, Performance, Partnerships & Communications (PPP&C) and People & Organisational Development (POD) are projected to spend at budget. The forecast also assumes that the target for efficiencies of the Haringey Forward programme are achieved as currently projected.

- 16.9 Non-service revenue (NSR) is made up mainly of capital financing and budgets for levies and contingency. This is showing an underspend to reflect the possible use of £1m of the general contingency as a contribution towards the total general fund overspend and an underspend of £1.5m to reflect the lower than predicted pay award. As previously reported there is a small budget overspend relating to Alexandra Palace Park and Trust of £0.3m. 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; however the latest budget management report given to the Alexandra Palace Park and Trust Board indicates that they are finding it increasingly challenging to contain the Trust's deficit within the reported figure.
- 16.10 The RAG status of savings and investments is shown in Appendix 2. Planned savings classified as red are mainly in Urban Environment where a number of savings are unlikely to be achieved and alternative measures 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 second detailed quarterly report on Treasury Management activities will be submitted to the General Purposes Committee on 22 October 2009 and reports the activities for the second quarter of the year. Ongoing consideration is given in the report to the Council's investments and borrowings, which may result in a recommendation to Council for a revision to the Treasury Management Strategy Statement (TMSS).
- 16.12 Members received formal training on treasury management on 8 September and further training sessions will be provided although the content and format of that is under review.

### **Capital**

- 16.13 The aggregate capital projected position in 2009/10 is as shown in Appendix 2 and is projected to underspend by £4.4m (2%) which relates to Adults, Culture and Community Services (£3.5m) and Urban Environment (£0.9m).
- 16.14 Capital projects within Adult, Culture and Community Services are reporting a full year projection of £3.5m underspend this period. The main variances previously reported are that the sale of land adjacent to Muswell Hill Library has been postponed until 2010/11, thus the project has been delayed; whilst work continues at Wood Green Cemetery, the feasibility study for Enfield Cemetery has been delayed and tendering is likely to be completed towards the end of 2009/10 with main work to commence from 2010/11, the projected underspend

on the project of £1.4m will be required in future financial years. The main additions this month result from a delay in receiving confirmation of funding from the Tennis Foundation that will require the rephasing of £0.6m of the Tennis Court Refurbishment into future years; and the rephasing into future years of £1m of the Sports and Leisure Improvement Programme.

- 16.15 Cabinet on 8 September 2009 agreed the report of the Director, Children and Young People's Service on the CYPS Capital Programme. This will result in a rephasing of the Service's programme in September (Period 6) that will bring budgets into line with projections with no predicted variations. Appendix 2 reflects this balanced position.
- 16.16 The Director of Urban Environment reports that three heritage schemes, totalling £0.4m, included in this year's programme will not now go ahead in the current year. In addition, the reprovision of Hornsey Recycling Centre will need to be rephased giving an underspend of £0.5m.
- 16.17 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. The latest forecast of in year receipts as at period 5 has been revised slightly downwards to £4.28m compared to £4.33m last month, a variation of £50k. The overall shortfall is mainly as a result of very difficult property market conditions currently prevailing and impacting on valuations and hence the deferral of some disposals into later years. As reported last month, it is proposed to partly mitigate the shortfall by the use of brought forward DCSF non-ring fenced capital funding of £2.283m offered by the government in 2009/10 to help maintain the capital programme at existing levels. This will be repaid for school use in 2010/11. Other options, including restricting expenditure on some capital receipts funded projects, are being currently explored as well as assessing if there is any slippage on existing schemes that may assist in balancing resources this year. The position is being kept under constant review and Members will be kept informed in future reports.

#### **Virements.**

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