



**Haringey** Council

**Overview and Scrutiny**

**26 October 2009**

Report Title. **Performance Update to August 2009: Local Area Agreement and Sustainable Community Strategy Outcomes**

Report of **The Assistant Chief Executive, Policy, Performance, Partnerships and Communications 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: **Information**

### **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 provide an overview of performance against our Local Area Agreement under the Sustainable Community Strategy Outcomes.
- 1.3. To note 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. I draw attention to section 14 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 Sustainable Community Strategy outcomes. It includes an overview of progress against Haringey's Local Area Agreement targets.

### **4. Recommendations**

4.1. To note the report and the progress being made.

4.2. To note the council 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. Chief Financial Officer Comments**

6.1. 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.

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

6.3. The net revenue projection with respect to the Housing Revenue Account (HRA) is to achieve a budgeted surplus.

6.4. The aggregate capital projected position in 2009/10 is to 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).

## **7. Head of Legal Services Comments**

7.1. 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.

## **8. Equalities & Community Cohesion Comments**

8.1. Equalities are a central thread throughout the Council's performance and many of the indicators have equalities implications

## **9. Consultation**

9.1. Throughout the year the report will show the results of consultation with residents, service users and staff.

## **10. Use of appendices /Tables and photographs**

10.1. Appendix 1 Exception reporting indicators not meeting target

10.2. Appendix 2 Financial tables

10.3. These links provide access to the full scorecards for both the Haringey Strategic Partnership and the Council.

[http://www.haringey.gov.uk/hsp\\_scorecard\\_quarter\\_1.pdf](http://www.haringey.gov.uk/hsp_scorecard_quarter_1.pdf)

[http://www.haringey.gov.uk/august\\_2009\\_corporate\\_scorecard.pdf](http://www.haringey.gov.uk/august_2009_corporate_scorecard.pdf)

## **11. Local Government (Access to Information) Act 1985**

11.1. Budget management papers

11.2. Service PI returns

## 12. Background

- 12.1 This report covers the latest performance information to August 2009. It details performance for Haringey's Local Area Agreement and shows progress against agreed targets for 2009/10. Financial information is based on the council budget monitoring reports prepared for the budget and performance review meetings for period 5.
- 12.2 Appendix 1 details exception performance, where indicators are not meeting target. The full scorecards for the Haringey Strategic Partnership Council and the can be accessed on the Haringey website (see links in section 10) and include details of all indicators under the relevant priority or outcome. This report summarises performance under the Sustainable Community Strategy Outcomes.
- 12.3 Appendix 2 shows the aggregate projected positions for revenue and capital, proposed budget changes (virements) in accordance with financial regulations, and the Red, Amber Green (RAG) status of planned savings and planned investments.

## 13. Overall Progress

- 13.1 The table below shows the status of Haringey's 35 improvement targets and 10 mandatory educational attainment and early years indicators included in the current Local Area Agreement.

Summary for 35 LAA Indicators and 10 Mandatory Indicators			
Details	Status based on 2008/09 data	Status based on August 2009/10	Total
Number of indicators that are off target	7 (15.6%)	12 (26.7%)	Red
Number of indicators that are just off target	3 (6.7%)	3 (6.7%)	Amber
Number of indicators that are on target	20 (44.4%)	11 (24.4%)	Green
Number of indicators where data not yet available Baseline Year/ No Target/ Not Measured	7 (15.6%) 8 (17.7%)	19 (42.3%)	

- 13.2 Progress on the 13 stretch targets agreed for 2007 to 2010 is positive with seven on track to be achieved, four off target and two awaiting data for 2009/10.

## Key Performance Messages

### People at the heart of change

- ❖ With the exception of graffiti, provisional results for litter, detritus and fly posting exceed the targets set for 2009/10 (NI 195).

- ❖ Assessments of our parks and open spaces carried out in July resulted in 14 parks achieving/retaining green flag status, exceeding our stretch target of 12.
- ❖ Forecast data for net additional homes provided indicates that there will be 433 additional homes in 2009/10 against a target of 1602 (NI 154).

### **An environmentally sustainable future**

- ❖ It is unlikely that the recycling target of 32% will be achieved in 2009/10. 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 (NI 192).

### **Economic vitality and prosperity shared by all**

- ❖ The NEET (16-18 year olds Not in Employment, Education or Training) level has stabilised at a level below the 2010 stretch target of 10.4% (NI 117)
- ❖ The proportion of 'Not knowns' (these are the young people whose status in respect of being in education, employment or training is not known) as at August is 3.6%, below last August's at 8.3% and the rolling year target of 9.9%.
- ❖ Preliminary information for educational attainment and DCSF value-added measures shows that Haringey pupils are making good progress from KS2 to GCSE.
- ❖ In 'Achievement of 5 or more A\*-C grades at GCSE (incl. English and Maths)', Haringey is now 5.6 percentage points below the national rate, a significant improvement from 13.4 percentage points below the national target in 2003

### **Safer for all**

- ❖ 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 (NI 15).
- ❖ Performance on children's initial assessments has improved from 11.9% in June to 25.9% carried out in 7 days from referral, in August, this remains below the 53% target (NI59).
- ❖ 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 (NI60).
- ❖ The number of repeat victims of domestic violence has reduced to 122 as at September '09 (12 month rolling year) against a target of 156.
- ❖ Significant partnership activity and investment is achieving results in serious acquisitive crime with a rate of 14.7 per 1,000 population (3,317 recorded offences (NI 16)).
- ❖ The increase in personal robberies has reduced to just over 0.5% when compared with the same period last year. This is one of our stretch targets.
- ❖ The latest provisional figures (2008/09) for Hospital admissions for Alcohol Related Harm indicate that we have missed the target by 51 cases (NI39).

### **Healthier people with a better quality of life**

- ❖ Based on data available prevalence of breast-feeding is below target although this may be due to delays in receiving the data from GPs due to swine flu (NI53).
- ❖ Percentage change in under-18 conceptions – Quarter 4 of 2007/08 shows a 16.5% reduction from the 1998 baseline. The reduction continued into the first quarter of 2008/09. This reverses the trend rather than slowing the rate of increase. Performance remains below the 2009/10 target of -18.1% (NI 112)
- ❖ The target for Chlamydia screening/tests for under 25 year olds is being met. (NI 113).
- ❖ Targets for the number of 4-week smoking quitters who attended NHS Stop Smoking Services and the number of smoking quitters in the N17 area (stretch target) have been met.
- ❖ 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, this figure remains comparatively high (NI 131).

### **People and customer focused**

- ❖ Haringey residents are more likely to feel empowered in decision making. 40.3% felt they could influence decisions in Haringey placing us fourth highest in London well above both the National average of 29% and 35% in London.(NI 4)

Exception reports have been provided (Appendix 1) for areas where targets are not being achieved and detail an explanation of the performance, current activities, best practice, emerging risks and equality impact as well as a note of when and where performance has been discussed. These areas include:

- Affordable homes and Net additional homes
- Recycling
- Number of people on job seekers allowance helped into sustained work
- Serious violent crime
- Initial and core assessments for children's social care
- Under 18 Conception rate

## **14. Finance**

14.1 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.

- 14.2 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.
- 14.3 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.
- 14.4 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.
- 14.5 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.
- 14.6 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.
- 14.7 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.
- 14.8 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.
- 14.9 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.

- 14.10 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 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**

- 14.11 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).
- 14.12 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**

- 14.13 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).
- 14.14 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.



- 14.15 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.
- 14.16 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.
- 14.17 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.**

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