



London Borough of Haringey

Use of Resources 2008/09

28 October 2009

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1 Key messages

1.1 Context

Under the Audit Commission's Code of Audit Practice we are required to reach a conclusion on whether the London Borough of Haringey ('the Council') has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources ('VFM conclusion'). This report presents the results of our value for money and Use of Resources work in 2008/09. We have separately issued our Annual Report to those Charged with Governance (ISA260). The key messages from both of these reports will be summarised in the Annual Audit Letter.

We described in our Audit Plan (May 2008) the areas of audit work that provide us with the assurance that contributes to our annual VFM conclusion. This report sets out our findings from these pieces of work:

- our assessment of the Council's Use of Resources ('UoR'), using the three themes within the Audit Commission's new assessment framework themes and Key Lines of Enquiry ('KLoE')
- specific work on locally identified audit risks, which contribute to our VFM conclusion by feeding into our UoR assessment scores
- risk-based spot check work to assess the quality of data underlying a small sample of key performance indicators.

In 2009, the Audit Commission introduced a new framework and methodology for UoR assessments across local government, police forces, fire authorities and primary care trusts. The new framework emphasises **outcomes** over **processes**, and brings new areas into the assessment such as environmental and workforce management. The new assessment presents a more robust challenge than the old framework, based on different scoring criteria. It should be noted, therefore, that changes from prior year scores do not necessarily reflect an objective change in performance. Further detail about the new framework and the link to Comprehensive Area Assessment (CAA) are set out in Appendix B.

1.2 Key messages

The Council's UoR scores in the three themes are summarised in the table below. A score of 1 indicates inadequate performance, 2 represents adequate performance, 3 is performing well and a score of 4 indicates excellent performance. For a full explanation of scoring criteria, please see Appendix C.

Table 1: UoR scores

Theme	2009 score
1 Managing finances	3
2 Governing the business	2
3 Managing resources	3

We have assessed the Council as performing well in the areas of managing finances and managing resources. The managing finances assessment reflects particular strengths in the areas of integrated financial and service planning, financial reporting and stakeholder consultation. The overall score of 3 for managing resources is largely attributable to the underlying score of 3 for managing natural resources, which is an area of strength for Haringey.

We have assessed the Council as performing adequately in all areas of the "governing the business" theme, with the exception of a score of 1 for "use of data". This reflects the findings of the joint area review, the Ofsted review of safeguarding children and mixed results within our data quality spot-checking work.

For this, we took into account the work of the various inspectorates, we reviewed 6 performance indicators, undertook a general review of data quality management arrangements for adult social services and completed the mandatory data quality review of housing and council tax benefit payments. We identified significant data quality concerns in relation to housing and council tax benefits and NI 59 (timescale for Children's social care initial assessments) which was one of four safeguarding children indicators reviewed. We have also made a number of recommendations relating to less significant weaknesses in other performance indicators. See section 5, KLoE 2.2 for more details.

1.3 High-priority actions

As a priority, the Council needs to ensure that it:

- continues to demonstrate improving outcomes driven by investment in strategic priorities, thus retaining its "performing well" assessment for managing finances;
- is able to clearly articulate and quantify the financial and non-financial benefits arising from all areas of the Haringey forward and core efficiency programmes. This includes showing how service review and analysis activity, such as that undertaken for the benefits service in 2008/09 and planned for corporate support functions in 2009/10, is leading to the targeted levels of improvement;
- can demonstrate that commissioning and data quality arrangements with regard to inter-agency child protection practice are improving in line with the action plan submitted to Ofsted in response to the joint area review;
- is addressing identified weaknesses in data quality management and reporting in relation to child protection, in line with its existing action plan, in particular reducing the need for manual checking and manipulation in performance reporting; and
- continues to develop data quality checking mechanisms for housing and council tax benefit claims in order to minimise the high level of errors associated with incorrect dates, over and under-payments and incorrect payment of single person allowance.

These recommendations are set out alongside medium and low-priority recommendations in Appendix A.

1.4 Next steps

We will continue to work with the Council during the year to help prepare for the 2009/10 Use of Resources assessment. For further details on next year's assessment, please see Appendix D.

The recommendations arising from our review are set out in Appendix A for agreement. We would like to take the opportunity to remind the Audit Committee of the need to monitor implementation of the agreed action plan.

1.5 Use of this report

This report has been prepared solely for use by the Council to discharge our responsibilities under the Audit Commission Code of Audit Practice and relevant auditing standards and should not be used for any other purpose. No responsibility is assumed by us to any other person.

This report includes only those matters that have come to our attention as a result of performance of the audit. An audit of Use of Resources is not designed to identify all matters that may be relevant to those charged with governance. Accordingly the audit does not ordinarily identify all such matters.

1.6 Acknowledgements

We would like to record our appreciation for the co-operation and assistance provided to us by the Council's management and officers during the course of our audit, in particular for the help and support provided by the Head of Corporate Finance and the Use of Resources Project Officer.

Grant Thornton UK LLP
28 October 2009

2 Detailed findings

2.1 Introduction

In carrying out our audit work we comply with the statutory requirements governing our duties, set out in the Audit Commission Act 1998, in accordance with the Code of Audit Practice (the Code). The Code requires us to issue a conclusion on whether the London Borough of Haringey ('the Council') has proper arrangements in place for securing economy, efficiency and effectiveness in the use of its resources ('VFM conclusion'). The UoR assessment forms the backbone of this process. The UoR Key Lines of Enquiry ('KLoEs') are prescribed by the Audit Commission and applied at all councils, police forces, fire authorities and NHS PCTs.

2.2 Approach to the audit

The assessment was carried out between April and August 2009 and was specifically related to the 2008/09 financial year. We reviewed the Council's arrangements against the KLoE framework prescribed by the Audit Commission. Our work was based on review of the Council's voluntary self-evaluation and supporting evidence, meetings with senior management and officers.

2.3 2008/09 UoR assessment

The 2008/09 KLoE and theme scores are shown in the table below.

Table 2: UoR theme and KLoE scores

Theme / KLoE		Score
Theme 1 - Managing finances		3
1.1	Financial planning	3
1.2	Understanding costs	2
1.3	Financial reporting	3
Theme 2 - Governing the business		2
2.1	Commissioning and procurement	2
2.2	Use of data	1
2.3	Good governance	2
2.4	Internal control	2
Theme 3 - Other resources		3
3.1	Environmental management	3*
3.2	Asset management	2
3.3	Workforce management	N/A**

*Some KLoEs have an overriding impact on theme scores - see Appendix C for more details of scoring criteria and arrangements.

**Different KLoEs are specified for assessment each year and across types of organisation. See Appendix D for details.

2.4 2008/09 VFM conclusion

Under the Code of Audit Practice (the Code), auditors have a responsibility to conclude whether the audited body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. This conclusion is the value for money (VFM) conclusion. Section 3 of the Code sets out the scope of these arrangements and the way in which auditors will undertake their work.

Auditors inform and limit their VFM conclusion by reference to relevant criteria. These criteria cover particular areas of audited bodies' arrangements, specified by the Commission under the Code. From 2008/09, the KLoE for the scored use of resources assessment also form the criteria for the VFM conclusion. The Commission will specify each year which of the use of resources KLoE will form the relevant criteria for the VFM conclusion at each type of audited body.

Auditors address a 'yes' or 'no' question for each criterion – that is the audited body either has proper arrangements or it does not. In most cases, a 'no' judgement will be equivalent to level 1 performance for the use of resources assessment, and a 'yes' judgement will be equivalent to level 2 performance or above. Criteria with a 'no' judgement will automatically apply in the following year regardless of whether or not they are specified.

For bodies subject to a scored use of resources assessment for CAA, the KLoE forming the relevant criteria for the 2008/09 and 2009/10 VFM conclusion are those specified at Appendix D.

On the basis of the KLoE scores assessed in 2008/09 for the London Borough of Haringey, our conclusion is that the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, **except for producing relevant and reliable data and information to support decision making and manage performance.**

2.5 Recommendations

The key findings in each of the KLoEs, and areas for improvement, are set out in the sections 4-6. Our recommendations focus on KLoEs that were assessed at levels 1 or 2, or areas within an overall level 3 score, where we identified some scope for improvement. Whilst not covered by specific recommendations, as a general principle the Council will be able to achieve an improved assessment score through a combination of the following:

- demonstrating strong outcomes for the community and VFM improvements across the scope of the KLoE
- showing innovation or recognised best practice
- demonstrating effective partnership working leading to improved outcomes
- showing strong performance and value for money compared with others.

3 Identifying outcomes, outputs and achievements

3.1 Identifying outputs, outcomes and achievements

In order to score level 3 or above in the new UoR assessment framework, organisations were required to show that processes are **effective** and having the **intended impact**. This is an important shift in emphasis from the previous framework, within which organisations could achieve top scores by demonstrating excellent processes. The table below gives generalised examples of the types of outcome that have led to higher scores.

Table 3: Illustrative examples of outcomes, outputs and achievements by KLoE

	Outcome	Output	Achievement
1.1	Investment in priorities leads to improved performance	Savings targets met, performance reward grant achieved	Positive external assessment
1.2	Improved relationship between costs and performance	Service reviews completed identifying opportunities	Development of effective corporate efficiency programme
1.3	Healthy financial position	Improved financial skills	Early close of accounts, clean audit
2.1	Improved service performance at lower cost	Completed commissioning / procurement exercises	Innovative approach to joint commissioning External recognition for procurement
2.2	Better-informed decisions and robust data to stakeholders	Improved internal performance reporting	Finding and fixing problems with own or partner data
2.3	Flexibility and responsiveness whilst maintaining focus	All members trained in ethical behaviour	Achieving a more balanced political process
2.4	Risks identified and mitigated, frauds recovered	Development and review of risk registers	Development of effective partnership risk framework
3.1	Reducing emissions and water consumption	Training of environmental champions	Enrolment in carbon reduction programme
3.2	Improving condition of assets	Income from disposal of unwanted assets	Better office accommodation
3.3	Meeting skills gaps, improving staff satisfaction	Reducing turnover and sickness absence	Investors in people accreditation

Note; these examples are for illustration only and do not cover all areas of each KLoE. Refer to section 2 for KLoE headings.

Based on the experience of our auditors in the first year of the new UoR assessment, and our understanding of the framework as it will be applied next year, we would suggest that the following common sense principles are taken into account when seeking to identify outcomes:

- organisations should not have to identify new outcomes for the purposes of UoR assessment. These should be identified and captured through existing management activity; organisations should understand how their processes help them to achieve their priorities
- outcomes and outputs should be measurable where possible, but if this is not the case then a qualitative description of the improvement is still useful
- there may not be a one-to-one relationship between processes and outcomes - there may be a small number of outcomes that arise as the net effect of a processes across a KLoE area
- Councils should discuss any issues of interpretation with their auditors before investing time and effort in voluntary self-evaluation.

3.2 Engagement in the assessment process

The Council engaged effectively with the assessment process this year. Our early discussions with senior officers helped the Council to prepare a high-quality and focussed self-evaluation, and a comprehensive pack of supporting evidence. We undertook a series of awareness-raising workshops with groups of officers from across the Council, which were positively regarded by the Council and Grant Thornton. Our subsequent workshops on KLoEs 1.2, 2.1, 2.2 and 3.1 were well attended and useful.

For the 2009/10 assessment, we anticipate a less time-intensive process for the Council. The assessment is likely to focus on the following areas in particular:

- identifying new outcomes for 2009/10 and evidence that outcomes from 2008/09 have been sustained
- areas in which the Council feels that substantial improvements have been made to processes and procedures
- areas in which new audit risks have been identified
- the workforce management KLoE (3.3), which will be assessed at the Council for the first time.

3.3 Our approach to ensuring consistency

In line with the Audit Commission's move to Comprehensive Area Assessment, the new use of resources framework has been designed to provide more flexibility to recognise local issues, priorities and achievements. This has given auditors more freedom to establish the individual story of each organisation, rather than applying a rigid best practice template. To support this, both the Audit Commission and Grant Thornton have put in place new arrangements for ensuring that judgements and scores are reached in a fair and consistent way.

The Audit Commission has:

- provided extensive guidance and training
- introduced an area-based challenge process bringing together auditors within each region to discuss and challenge indicative scores
- increased the visibility of comparative scores and commentary for auditors
- undertaken a detailed final quality assurance process including statistical analysis across suppliers, regions and types of organisation.

Grant Thornton has:

- provided internal training and guidance
- developed a network of regional leads to oversee the audit process nationally
- undertaken a number of internal consistency and challenge sessions, comparing our clients to each other and with their regional neighbours
- undertaken detailed review and quality control of scores and conclusions.

The Audit Commission is carrying out further work to learn from the first year of the new assessment and seek to further develop the review and quality assessment process for 2010 and beyond.

4 Managing Finances

Theme summary

We have assessed theme 1 at level 3. The Council's strong performance in the areas of financial planning and financial management counterbalances some still developing outcomes from the Council's work on understanding and managing costs. The Council has strong integrated financial and service planning, and responded effectively to the Icelandic banking crisis. From this stable financial platform, strong outcomes are being delivered in some key service areas, including educational attendance and attainment.

The Council has good corporate arrangements for setting and controlling cost levels, and a number of initiatives aimed at improving understanding and management of costs. The benefit of these has yet to be fully felt in most cases. Delivery of efficiency gains is steady; the Council ranks 18th out of 33 London Boroughs for reported 2008/09 efficiency savings under National Indicator 179.

Financial reporting is good, with a high level of integration between presentation of financial, performance, risk and human resources information. Reports to the public are of a high quality and include information on the Council's environmental impact. The 2008/09 audit of the accounts progressed well and we issued an unqualified opinion prior to the statutory deadline.

KLoE 1.1 - Does the organisation plan its finances effectively to deliver its strategic priorities and secure sound financial health?

1.1.1 - Integrated financial and service planning

The Council remains strong at integrating financial planning with strategic and service planning processes on a medium to long term basis, with an established, bottom up service and financial planning process which includes member scrutiny.

The Council was caught up in the Icelandic banking crisis, with £37m of investments, but was not one of the 7 subsequently named in the Audit Commission report. The Council responded by commissioning PwC to carry out a review and has implemented the recommendations from this and the Audit Commission national report. The Council's General Purposes committee is charged with ongoing scrutiny of this area, reviewing advisor provision and ensuring that investing is now only made in UK institutions. Our recent work on the Audit Commission treasury management workbook verifies that the Council has responded appropriately to the issue.

The budget and Medium Term Financial Strategy ('MTFS') demonstrate investment in priority areas and the Council has evidenced that this has led to improved outcomes in key areas, for example:

- educational attainment improving at faster than the national rate. In particular, The 19% gap between Haringey and national attainment for 5+ GCSEs at grade A*-C has reduced to 5.6%. Haringey is ranked 4th out of 148 local authorities by the government for value added scores which measure progress at the end of Key Stage 2 to Key Stage 4

- the strategic investment programme of renewal and refurbishment of leisure centres has led to a 12% increase in perception/satisfaction of leisure centres and an annual increased use of leisure centres by 440,000 visits per year. This also led to the reduction in subsidy per user visit from £2.30 to £1.80
- the customer service transformation project has led to improved customer speed of access, improved answering rates, reduced costs, improved staffing skills and performance
- good progress on crime (7% reduction in 2008/09) and fear of crime (17% reduction since 2004) from investment in partnership working with the police.

1.1.2 - Engaging stakeholders in financial planning

The Council effectively engages the local community in the financial planning process, including through the continued use of participatory budgeting, where the Council's "Making the Difference" initiative has been recognised nationally as good practice. Various methods of communication are used including business briefings as part of the budget setting process, consultation with residents groups and youth groups around financial and service strategies, residents surveys and financial planning discussions with the Haringey Strategic Partnership. A key recent message is that residents would support seeing slightly higher rises in Council Tax, provided that core services were maintained, and the Council will consider this in formulating its financial strategy from 2011 onwards.

1.1.3 - Financial stability

The Council reported a £0.75m revenue surplus at March 2009 and has set a balanced budget for 2009/10 and for the period of the current MTFs. The Council maintains a healthy level of reserves and has begun its preparations for the anticipated funding reductions from 2011. Officers in all departments have already been tasked to plan for such scenarios as part of routine business planning processes.

1.1.4 - Setting balanced budgets

The Council has well established budget setting processes that involve ownership from budget holders and finance training is provided to officers and members. The Council's strong track record on achieving budgets on a service by service basis is evidence of the outcome from this. We have first hand evidence, from discussions at Audit Committee, General Purposes Committee and other fora, of Members challenging on finances (e.g. exploring and understanding the risks to the Council's finances of not submitting claims and returns on time and potentially not identifying potential funding streams) and, recently, understanding the scale of the financial management challenge ahead.

Recommendation 1 - Demonstrating service outcomes across the Council's activities

In order to retain and build upon its "performing well" assessment for KLOE 1.1, the Council will need to demonstrate that investment in strategic priorities continues to lead to improved outcomes in these areas. It should be able to do this through its existing performance management and

corporate planning activities.

KLoE 1.2 - Does the organisation have a sound understanding of its costs and performance and achieve efficiencies in its activities?

The Council has adequate arrangements in place in this area. There are clear corporate mechanisms for setting and reviewing and controlling the costs associated with services, and in some areas there are examples of work to improve understanding of the links between costs, activity and performance, although in most cases the Council has yet to realise the full benefits of these. Whole-life costing approaches have been followed in some areas and an approach to mainstreaming their use is in place. Unit costs are part of the decision-making toolkit for some services, especially social care. The Council has met its efficiency and savings targets through its core savings approach and the Haringey Forward programme.

1.2.1 - Understanding costs

Overall resource limits and cost parameters are set out by the MTFS and expressed in budgets. The MTFS is modelled on the basis of a range of possible scenarios, and linked to an analysis of demographic shifts and the likely impact on service demand. Cost and performance information are reviewed and challenged alongside each other through a range of mechanisms. At a corporate level, a small selection of unit costs are reviewed within the budget monitoring process, and are reported in the context of relevant performance information.

At service level, use is made of nationally available unit cost datasets from, for example, Ofsted, CSCI and DEFRA. Some specific-service initiatives are developing a better understanding of cost behaviour and links to activity, for example the best value review of benefits and local taxation (reported November 2008) and a series of cost analyses undertaken by Environmental Services. The Council's approach to whole-life costing continues to develop, but does not yet appear to be mainstreamed into option appraisal and project management approaches.

1.2.2 - Decision-making

There are a number of examples of how an understanding of cost information feeds into planning, decision-making and commissioning. For example, investment in schools is linked to an analysis of deprivation, and adult social services undertake detailed monthly analysis of commissioning costs and performance, and the projected impacts on service levels based on activity and unit costs. There is evidence of routine use and monitoring of unit costs across the range of social care services.

Presentation of reports is appropriate to the target audience, with detailed information considered at service level, and summarised graphical reports at senior corporate and Haringey Strategic Partnership (HSP) level. Cost variances are analysed and responded to effectively through the budget monitoring process (see 1.3)

1.2.3 - Achieving efficiency

Efficiency opportunities are fed into the MTFS, with each proposal supported by an impact and risk analysis. Proposals and targets undergo a rigorous challenge process before finalisation. In-year agreed savings are monitored monthly through the budget reports and pre-agreed savings for future

years are revisited annually as part of the budget planning process to ensure they are still achievable, desirable and support the Council's strategic objectives.

Through its core efficiency programme the Council has met Gershon targets and delivered approximately £23million budget reductions over three years, representing just under 10% of net budget. "Haringey Forward," is the Council's main strategic programme focusing on efficiency, with a target of £5million over 3 years. Governance arrangements for this programme are good, with clear programme management and monitoring arrangements. Savings close to the £1m target were achieved in 2008/09. The NI179 performance summary for 2008/09 identifies £10.8million cash-releasing VFM gains. The Council is currently undertaking a review of support functions which has the potential for a major impact on this area next year.

Recommendation 2 - demonstrating outcomes from efficiency and VFM programmes

Ensure that the Council is able to clearly articulate and quantify the financial and non-financial benefits arising from all areas of the Haringey forward and core efficiency programmes. Show that service review and analysis activity, such as that undertaken for the benefits service in 2008/09 and planned for corporate support functions in 2009/10, is leading to the targeted levels of improvement.

Recommendation 3 - Whole-life costing

Whole-life costing techniques are in use in some areas, but the Council should develop clear criteria and procedures for more mainstream use within the corporate project management framework and demonstrate that these are consistently applied.

KLoE 1.3 - Is the organisation's financial reporting timely, reliable and does it meet the needs of internal users, stakeholders and local people?

1.3.1 - 1.3.3 Financial monitoring and reporting

The Council has robust and established systems and procedures for producing good quality financial monitoring and forecasting information, which is used alongside related performance information to support decisions. The outcome of these processes are the Council's sound financial position, as described in 1.1 above, which indicates that budget holders are well supported by financial information, systems and reports. Through our monthly meetings with the Chief Financial Officer (CFO) and review of data it is clear that this information is used effectively to enable the CFO to identify and begin to deal with financial risks in a timely way.

Attendance at Audit Committee and other member fora and witnessing of the discussions there, supports the Council's assertion that members have the service and financial performance information they need. In our Use of Resources report 2008 (December 2008), we reported that the Council performed strongly (1.4) in the relevant KLoE area (KLoE 2.2).

1.3.4 - Accounts that present fairly

The Council produced an initial set of draft 2008/09 accounts on 5 June 2009, which enabled an initial team and technical review of the accounts to take place and be fed back, prior to production and approval of the formal draft accounts. This enabled audit work to begin early and was useful for

the client in getting timely feedback on its accounts. We have submitted this to the Audit Commission as good practice.

Closedown was well managed by the Council this year and there is clear corporate commitment to producing good quality accounts. The Council's accounts were presented fairly and without significant issues or errors. The Council has already engaged effectively in taking forward IFRS with member briefings and a well-resourced project team.

1.3.5 - Preparation of the annual report

The Haringey Annual Report 2007/08 was a relatively brief (20 pages) glossy document that was distributed to households and was made available on the Council's website. The format and content of the report was based on annual consultation. The report set out, in a user friendly way:

- key descriptions of how the Council is working with partners to deliver the community strategy
- how it is achieving its priorities in the 5 priority areas with resident feedback results set against these
- summary performance in the areas of most concern to residents (based on the 2007 survey) with a link to the full analysis of performance in the council plan
- a feedback form on a freepost postcard
- a clear and user friendly carbon statement with link to greenest borough strategy (covers more than carbon - see KLoE 3.1)
- accessible summary financial information.

The annual report was produced and distributed before 30 September as the Council wanted it to be timely. It went some way towards specifying where and on what services money was spent. The annual report, like the Council website and other key published documents, was easily accessible with invitations to request alternative language versions written in 6 non-English languages used in Haringey. Large print, audio tape and Braille versions, plus translation into other languages are also available by returning a freepost form on the back of the annual report. It is our view that the content, format and timing of the annual report is good practice.

5 Governing the business

Theme summary

We have assessed this theme at level 2 overall, although there is a mixture of strengths and weaknesses within this picture. The Council has strengths in the areas of procurement and customer service, but corporate arrangements for commissioning in social care, particularly in partnership with others, has scope for improvement. For use of data, the current assessment score reflects the significant and well-documented data quality and performance issues identified in children's services during 2008/09, which have not yet been fully addressed. The Council has generally good arrangements for good governance and internal control, with member training and development a particular strength. However, there is more to do around improving partnership governance and embedding effective risk management within partnerships.

KLoE 2.1 - Does the organisation commission and procure quality services and supplies, tailored to local needs, to deliver sustainable outcomes and value for money?

The Council is performing well in the areas of procurement and improving customer experience through Information Technology (IT). Our overall score is a 2 as there is scope for improvement in joint strategic commissioning arrangements for social care, and further development of the Council's strategic commissioning framework.

2.1.1 - Clear vision

There are a range of localised commissioning plans and approaches linked to specific areas and needs assessments. The Council has shown that a strategic, corporate approach to commissioning is developing although partnership commissioning in social care can be improved. A vision for the Council and its partners is set out Sustainable Community Strategy and the Council Plan, and all activity is rooted in this. There is a good understanding of local needs feeding into this, with the borough profile and joint strategic needs assessment providing core datasets that inform a range of activity. These have been used to refresh commissioning approaches to older people and the "safer for all" strategy, with further work underway. The recent joint area review and the Council's action plan recognise the need to improve joint commissioning for children and young people.

2.1.2 - Engaging stakeholders

In addition to research and intelligence derived from the borough profile and JSNA, there are a range of localised approaches to involving service users and other stakeholders in the commissioning process.

2.1.3 - Modernisation and service redesign

Delivering "customer focussed" services is one of the Council's five key priorities, and there is a clear approach to achieving this by evaluating and redesigning services, making use of IT where

appropriate. A significant programme of work is now taking place, and the Council's work in implementing a customer relationship management system has attracted external recognition. The Council is also undertaking innovative work on "customer journey mapping", which has been recognised by IDEA as best practice. This work has focussed on delivering savings and efficiency gains alongside service improvements. The percentage of customer interactions completed within targeted timescales has increased from 57% to 78% at the same time as a 9% reduction in staffing and annual budget savings of £495,000.

2.1.4 - Understanding the supply market

Two key work areas have been development of the public realm tender, and adoption of a category management approach. The Council received a commendation for best local government procurement in respect of its approach to category management. Significant savings continue to be derived from the Council's neutral vendor arrangement with Hays for temporary and agency staff. Around a third of Haringey's spending goes to local businesses, and a "trade local" programme supports local businesses in dealing with the Council. Use of local labour is mandated through social inclusion clauses in Building Schools for the Future (BSF) construction contracts.

2.1.5 - Option appraisal

Spending categories have been risk-assessed, and low-risk commodities are generally sourced through shared procurement arrangements. Other key projects include the ongoing development of a shared out of hours service, LINKS, and coroners. A detailed option appraisal methodology was developed to support the work to evaluate the future shape of public realm services. There is a good corporate approach to contract management, and sustainable procurement practices are starting to become embedded following publication of a strategy in May 2008.

2.1.6 - Service review

The "Haringey Forward" programme was put in place in 2008/09 with a VFM work stream. As part of this, service-by-service reviews are being undertaken looking at ways to increase performance and efficiency. Five reviews were completed in October 2008 and identified potential efficiencies. The Council has been able to identify some outcomes arising from reviews in previous years, including a saving of £300k in 2007/08 and a further £200k in 2008/09, due to an earlier VFM review of homecare services which reduced costs by £5 per hour.

Recommendation 4 - Joint commissioning of social care and child protection services

Demonstrate that commissioning arrangements linked to inter-agency child protection practice are improving in line with the action plan submitted to Ofsted, in response to the recent joint area review.

Recommendation 5 - Recommissioning of public realm and development of corporate commissioning framework

- As work continues on the recommissioning and procurement of public realm services, show that this is leading to improved service outcomes and better value for money
- Show that the work undertaken in this area is effectively informing the development of a corporate commissioning framework

KLoE 2.2 - Does the organisation produce relevant and reliable data and information to support decision making and manage performance?

At a corporate level there are adequate arrangements for ensuring that data and information for decision-making are accurate and reliable. However, the assessment score reflects significant data quality failures that were identified during 2008/09 within Children's services. In July 2009 Ofsted published an update on progress in addressing the findings of the Joint Area Review, which reaches the clear conclusion that data quality is not yet adequate in respect of safeguarding children.

We completed a risk-based data quality review in Haringey's adult social care services and found an adequate level of control overall with some localised weaknesses. In addition, we have also undertaken spot-checks of a sample of national indicators within the safeguarding children set, and have found significant data quality issues with one of the four indicators tested, with general weaknesses in systems and reporting consistent with the published findings of the joint area review.

Data quality spot-check results

To support our judgements for KLoE 2.2 we undertook detailed spot-checks of a number of the Council's key performance indicators. Where we identified significant concerns around the quality of the underlying data which would be likely to lead to a material misstatement, we have reported findings to the Audit Commission. Our summary findings are set out in the table below, with further detail at Appendix E.

Table 4 - Data quality spot-check results

PI ref	Description	Significant concerns?	Recommendation
NI 156	No. of households in temporary accommodation	No	<p>Recommendation 6 - Temporary accommodation indicator</p> <p>Ensure that all necessary information is retained at year-end to allow recalculation of the performance indicator</p> <p>Develop system reports to automatically calculate this indicator and reduce the current level of manual checking and manipulation</p> <p>Ensure that appropriate continuity arrangements are in place for this indicator</p>
PI ref	Description	Significant concerns?	Recommendation
NI 185	Carbon emissions arising from Council operations	No	<p>Recommendation 7 - Carbon Emissions Indicator</p> <p>Reduce manual data manipulation and entry wherever possible by ensuring that data is submitted in a format that can be easily transferred to the DEFRA spreadsheet. Improve arrangements for checking manually inputted data</p>

			where this is not possible. Improve data capture in relation to staff travel in order to more accurately measure this area
NI59	Initial assessments for children's social care carried out within 7 working days of referral	Yes	<p>Recommendation 8 - Improve quality and reporting of social care data</p> <p>The joint area review completed by the Care Quality Commission and Ofsted identified weaknesses in data quality management and reporting in relation to child protection, which are corroborated by our own spot-checking work. The Council should show that it is addressing these areas in line with its existing action plan, in particular reducing the need for manual checking and manipulation in performance reporting.</p>
GEN	General review of data quality management arrangements and controls in Adult Social Services	No	
NI 62	The percentage of children looked after at 31 March with three or more placements during the year.	No	
NI 66	The percentage of children looked after at 31 March with three or more placements during the year.	No	
NI 67	Child protection cases which were reviewed within required timescales	No	

Housing and council tax benefits

In reaching conclusions for KLoE 2.2, we also considered the results of the data quality aspects of our work on housing benefits. The management arrangements the Council has in place for Benefits data was assessed and found to be operating satisfactorily. However, of our sample of 80 cases tested in detail, errors were identified within 19 cases, falling into three main categories:

1. Incorrect start dates

- The start dates used on several cases were incorrect. For instance, forms were received from one claimant allowing them to claim benefits from the date they moved into a property, but they were not paid until the following Monday.
- It was expected by the Council that errors would occur with the start dates, as the issue was identified in the 2007/08 BEN01 return. New procedures put in place to reduce the likelihood of similar problems occurring were introduced towards the end of the year. The issue of start dates being incorrect should be significantly reduced in 2009/10.

2. Underpayments and overpayments

- These arose for a number of reasons, including incorrect start dates mentioned above. Also, income and child benefit details were not processed correctly in some cases.
- It was anticipated by the Council that these types of errors would occur leading to under or overpayments, simply due to human error. New procedures have been introduced to address errors of this type on a more proactive basis.

3. Single person discount.

- In 8 of the 20 council tax cases tested, single person discount had not been applied in cases where the claimant had not specifically claimed for this, but were eligible.
- This issue was not anticipated by the Council, and the service is currently checking all benefits cases to assess the extent of errors.

The weaknesses identified within our data quality spot-checks, alongside failures identified by other inspectorates, have led to an overall score of 1 for the "use of data" KLoE.

Recommendation 9 - Housing and council tax benefits data quality

Continue to develop data quality checking mechanisms in order to minimise the level of errors associated with incorrect dates, over and under-payments and incorrect payment of single person allowance .

KLoE 2.3 - Does the organisation promote and demonstrate the principles and values of good governance?

2.3.1 - Good governance

The Council meets basic requirements in this area. The constitution sets out a clear governance framework and responsibilities within this, and is subject to ongoing review by a constitution working group. In 2008/09 the Council formally adopted a Local Code of Corporate Governance (LCCG) which drew together all its existing strategies and policies and aligned them with the requirements of the CIPFA/SOLACE corporate governance model. Aligned to the principles of

this new framework, in 2008/09 the Council reviewed key aspects of its constitution and refreshed member role profiles.

We looked at the Council's policies and arrangements for both members' and senior officers' allowances and expenses. We found the allowances and expenses claimed to be reasonable, and the system in place at the Council to be adequately robust. The Council has no specific plans at present to review its arrangements in the light of the lessons learnt from the parliamentary cases. However, as no weaknesses have been identified this is not considered an issue. The Council produces an Annual Governance Statement, which assesses the level of compliance with the governance framework. A protocol for member / officer relationships is in place.

There are good arrangements in place to meet the training and development needs of senior officers. Haringey has a member learning and development strategy, and was the first council in London to adopt the Member Learning and Development Charter. Member development is supported by the use of personal development plans. Attendance at member training events could be improved, but is acceptable. A set of management standards and an upward appraisal framework were adopted in 2008/09, and the Council's top managers (approximately 400) have been involved with this. Evaluation showed that the majority of managers found this to be a useful exercise.

2.3.2 - Focus on purpose and vision

A clear vision is set out in the Council's sustainable community strategy and corporate plan, and there are effective mechanisms for imprinting the key aspects of this onto financial and service planning, commissioning, and key strategic programmes. The Council's service performance information suggests that delivery of key services continued uninterrupted during the challenging and disruptive events of the last year. Whilst aspects of governance were found wanting in respect of Children's Services we do not consider it to be indicative of Council services more widely and recognise that the Council took action to address issues and to learn from others by setting up a Quality Outcomes Board, consisting of senior officers and members from other London councils. In addition, a new Deputy Chief Executive has been employed to ensure that areas of weakness are given sustained management oversight and review.

2.3.3 - Ethical behaviour

We conducted a review of probity and propriety during 2008, and found that the Council has effective arrangements in place to set expectations in this area and encourage compliance. Our best-practice recommendations focussed on the need to ensure that members are effectively trained and to address some challenges around governance for partnerships. The Council has good arrangements in place to ensure ethical behaviour.

2.3.4 - Partnership governance

The Local Strategic Partnership (LSP) has also recently adopted a refreshed code of governance. There is a clear action plan for implementing this and regular meetings between officers responsible for the governance arrangements within key partners. A compact agreement is in place with a range of voluntary and community sector organisations. It is not clear, however, that the Council has sought to systematically identify all of its significant partnerships outside of the LSP and reach a view on the adequacy of governance arrangements in place for each. This is something that we will need to discuss with the Council for next year's review.

Recommendation 10 - Corporate governance

Show that the new corporate governance framework is fully embedded and is providing effective, integrated oversight of corporate governance issues, leading to strengthened arrangements. Show that the first annual review of the Local Code of Corporate Governance is effective in driving improvements.

Recommendation 11 - Partnership governance

Develop a clear definition of what constitutes a significant partnership and ensure that there is a clear view of partnerships to which this applies, and an assessment of the quality of governance arrangements in place for each. Show that this exercise is driving improvements to governance and risk management within partnerships. This exercise should cover significant partnerships both within and outside the Local Strategic Partnership framework.

KLoE 2.4 - Does the organisation manage its risks and maintain a sound system of internal control?**2.4.1 - Risk management**

Effective risk management arrangements are in place for the Council, and risk management in partnerships is developing. A new corporate risk management strategy was implemented for 2008/09, building on existing arrangements, with the objective of further embedding risk management and promoting ownership and management of risks across all areas of operational activity. All business units with the Council have an operational risk register. Risk management approaches are mainstreamed into strategic, financial and business planning, as well as project and programme management through a standard corporate toolkit.

The Council is in the process of improving operational management of risks through use of the Covalent performance management system. The risk management strategy acknowledges the potential for positive impacts from risks, but in order to achieve level 3 the Council will need to demonstrate that effective risk and opportunity management is helping to deliver complex, innovative projects. In 2008/09, the Haringey Strategic Partnership put in place a formal risk management process, approved in July 2008 and requiring all thematic partnerships to develop risk registers, which was achieved during the remainder of the financial year. In order to achieve level 3, the Council will need to further demonstrate that this process is having an impact in practice, and contributing to better outcomes through partnership working.

2.4.2 - Corporate anti-fraud and corruption

The Council's approach to anti-fraud and corruption is adequate and operates within a clear strategic and policy framework. The anti-fraud strategy is in the process of being updated to reflect the risk of fraud and corruption within key partnerships. Internal audit has provided substantial assurance over existing arrangements, although the report highlights the need to ensure that the level of resource committed to this area is in line with comparable organisations. There are examples of good outcomes within benefits fraud work, and successes have been publicised. Elements of the team's work programme are proactive, informed and targeted through a series of fraud profiles which risk-assess the scope for and impact of fraud in each service. There are several examples of internal communication to raise the profile of the work of the team and ensure that staff are aware of the

whistle blowing policy. The Council participates effectively in the Audit Commission's National Fraud Initiative which is an extensive national data matching exercise. In order to improve its assessment score in this area, the Council will need to demonstrate that it has a comprehensive and risk-based approach to preventative anti-fraud and corruption work, and can demonstrate that members and officers are aware of and engaged in this.

2.4.3 - Internal Control

The Council has adequate arrangements in place in this area. Internal audit work is shared between in-house and external provision, and is fully compliant with the CIPFA code of practice, confirmed through an annual peer assessment exercise. Where relevant we have been able to place reliance on the work of internal audit to support our final accounts work. The Council has a robust process for preparing and reporting the Annual Governance Statement (AGS), to which departments contribute on an annual self-assessment basis. The AGS was subject to a mid-year update. A clear approach to business continuity is in place, overseen by the risk and emergency planning steering group. The Business Continuity Planning (BCP) regime is subject to internal testing and evaluation at service and corporate level. The Council has provided some evidence of developing business continuity arrangements to key partnerships. From our experience of the Audit Committee, we take the view that it provides adequate challenge and control. The Audit Committee has balanced political representation, a clear terms of reference and work plan. Internal audit activity and findings are reported monthly to committee members. The Audit Committee reviewed its own effectiveness in 2007/08, which showed compliance with accepted CIPFA good practice. A number of operational changes were made in 2008/09 as a result of this exercise.

Recommendation 12 - Improving internal control

The Council is currently assessed as adequate in this area. In order to improve its assessment score, we recommend action in the following areas;

- Ensure that effective risk management frameworks are implemented and embedded across all key partnerships within and outside the LSP. Show that, as a result, joint action is being taken to mitigate key risks leading to improved outcomes for the community;
- Undertake an annual review of effectiveness of the Audit Committee, and show that this process is driving improvements to the level of challenge and control;
- Implement more comprehensive and effective procedures for tracking and dealing with issues raised by the audit committee, including implementation of audit recommendations; and
- Demonstrate wider separation between the corporate responsibility for preparing the annual governance statement and audit responsibility for providing assurance on it.

6 Managing other resources

Theme summary

An overall theme score of 3 reflects Haringey's strong performance against the Environmental Resources KLoE. The Council can demonstrate detailed measurement and analysis of energy consumption and emissions in particular, and an overall reduction in emissions from last year leading to significant savings in utility bills. The Council is able to demonstrate the impact of energy-saving initiatives on specific buildings. There are also a range of innovative approaches which are likely to lead to further improved outcomes.

KLoE 3.1 - Is the organisation making effective use of natural resources?

The Council has a clear member-led strategic approach to reducing its environmental impact ("The Greenest Borough Strategy"), which is starting to deliver significant outcomes. There are also examples of innovative work that are likely to secure further improvement. Some of the Council's achievements in this area include the following:

- Targeted carbon reduction campaign, including awareness-raising and introduction of low-carbon technologies. Led to a CO₂ reduction (NI185) of 1,841 tonnes or 7.1% in the 2008/09 financial year against a 2007 calendar baseline of 25,883 tonnes - leading in turn to around £170k saving in bills.
- The sustainable procurement approach is starting to have an impact in practice. An example of how this has changed behaviour is the purchase of more expensive pool covers which are better at retaining heat, leading to reduced energy consumption and emissions.
- A comprehensive energy database is held offsite by a third party. Using this, the Council has been able to show reductions in energy consumption and emissions linked to initiatives within individual buildings. This has also been used to develop unit costs and units of emission (e.g. per employee and per m²) which are regularly reviewed.
- Use of 20 pooled bicycles and 3 pooled electric cars for business use by staff. These have led to decreases in use of private transport & taxis.
- Planned pilot site for first "regenerative filtration" system for leisure pools, which will deliver reduction in water consumption of 70,000m³ per year at one centre, whilst also reducing carbon dioxide emissions by 62,000kg per year. This equates to a saving of £35K per annum, giving a payback period of five years.
- development of a "sustainable investment fund" by Chief Financial Officer which aims to fund sustainability initiatives which will repay themselves over the medium to long term.

There are also examples of the Council working with partners to improve the use of natural resources:

- working with schools to help them monitor and manage their consumption of energy and water using technology. A "sustainable investment fund" specifically for schools has been put in place by the Council.
- joint travel and asset planning with the PCT - building capacity and awareness within the voluntary and community sector to make energy-efficient use of council-leased facilities

Recommendation 13 - Measurement and management of water consumption

Improve current arrangements for measuring and managing the consumption of water across Council offices and facilities. Ideally the Council should be able to demonstrate the same level of control as with energy and fuel consumption, and link water saving initiatives to clear measurement of success.

KLoE 3.2 - Does the organisation manage its assets effectively to help deliver its strategic priorities and service needs?

The council is currently assessed as meeting basic requirements in this area.

3.2.1 - Strategic approach

There is a strategic approach to asset management. The corporate asset management plan (AMP) meets basic requirements, and makes explicit links between property and wider objectives. It encompasses four distinct portfolios - housing stock, schools, service operational buildings, commercial portfolio, all with individual AMPs. The housing AMP was cited as good practice by the housing quality network. A process of ongoing review and challenge is leading to property disposals with £10million generated from asset disposals in 2008/09. A review of the commercial portfolio was undertaken against financial and wider council objectives. Local labour is mandated in contracts linked to the BSF programme.

The Head of Corporate Property Services is the named corporate property officer, who leads cross-departmental officer boards responsible for evaluating asset-related proposals. Asset decisions are sponsored by the Cabinet Member for Resources, who has a specific asset brief. Asset considerations are embedded in financial strategy, business planning and decision-making processes, and there are examples of better services being realised through investment in public facilities.

3.2.2 - Management of assets

There are effective processes in place for management of assets. The Council implemented a new asset management system in 2008/09, which is improving accounting for and managing assets. The Council operates a corporate landlord model and has a single prioritised capital programme for all operational buildings, improving the reactive / planned split. Decent homes improvements are on target. A rationalisation of office portfolio took place 2003/07 and the smart working programme is furthering this. The Haringey sixth form centre has excellent BREEAM rating, and the Council is aiming for second one at Heartlands High School. Condition surveys were undertaken in 2008 for all schools. There is a clear set of performance indicators for corporate property and homes for Haringey.

3.2.3 - Partnership approach to asset management

Arrangements for sharing assets are developing. Most community buildings are already held under lease by community organisations. Hornsey Town Hall is being transferred to a charitable trust, who will take over responsibility for management. This secures the future of a listed building not required by the Council. The Haringey Compact sets out agreements in relation to assets used by partners and there is regular review to ensure that suitable community uses are sustained in transferred assets. Libraries have shared use and are community hubs. Wood Green is one of the busiest libraries in London and houses a wellbeing centre funded by the PCT and a business lounge providing support for SMEs, a connexions centre, learning centre, art gallery and exhibition centre.

Recommendation 14 - demonstrating outcomes from property portfolios

The Council has shown good arrangements for management and shared use of offices and community buildings, but in order to improve its assessment score for asset management the Council will need to show that it is improving outcomes and value for money across the wider elements of its asset portfolio i.e. housing, schools, offices, commercial property and highways.

A Action plan

No.	Recommendation	Priority	Management response	Implementation details
1.	<p>Demonstrating service outcomes across the Council's activities</p> <p>In order to retain and build upon its "performing well" assessment for KLOE 1.1, the Council will need to demonstrate that investment in strategic priorities continues to lead to improved outcomes in these areas. It should be able to do this through its existing performance management and corporate planning activities.</p>	High	<p>Agreed. The Council is committed to achieving the outcomes that are set out in the Council Plan and Sustainable Community Strategy, delivered by each of the business plans and other key Council Strategies e.g. Greentest Borough, the Well Being Strategic Framework.</p> <p>Within the end of year review of the Council Plan we will be able to demonstrate achievement against each of our priorities.</p> <p>Please see the relevant business plans and implementation plans for Council Strategies.</p>	Eve Pelekanos 2010, assessment and ongoing

No.	Recommendation	Priority	Management response	Implementation details
2.	<p>Demonstrating outcomes from efficiency and VFM programmes</p> <p>Ensure that the Council is able to clearly articulate and quantify the financial and non-financial benefits arising from all areas of the Haringey forward and core efficiency programmes. Show that service review and analysis activity, such as that undertaken for the benefits service in 2008/09 and planned for corporate support functions in 2009/10, is leading to the targeted levels of improvement.</p>	High	<p>Agreed. As has been demonstrated during the UoR assessment, the Council is serious about and committed to its efficiency and VFM programmes. However, to assist in improving the Council's ability to clearly articulate and quantify the benefits and outcomes of the programmes, the Council will prepare final outcome reports after the completion of each of the reviews. It is proposed that the first reports will be presented to the VFM Stream Board in February 2010 and will include:-</p> <ul style="list-style-type: none"> – a summary of the outcomes achieved in terms of performance, efficiency and perception; – a clear statement of budget savings made and how they will benefit the Council and consequently residents; – an assessment of lessons learnt that could be taken up elsewhere within the organisation. <p>The Council will also monitor and record outcomes of other VFM reviews through its budget management process and require all member led Scrutiny reviews to prepare similar outcome reports as outlined above.</p>	<p>Kevin Bartle and Catherine Galvin</p> <p>2010 assessment and ongoing</p>

No.	Recommendation	Priority	Management response	Implementation details
3.	<p>Whole-life costing</p> <p>Whole-life costing techniques are in use in some areas, but the Council should develop clear criteria and procedures for more mainstream use within the corporate project management framework and demonstrate that these are consistently applied.</p>	Low	<p>Agreed. The Council will bring together and strengthen its existing approach to Whole Life Costing (WLC) by:</p> <ul style="list-style-type: none"> • Producing a guidance note for staff on the Council's approach to WLC, in order to increase the consideration of sustainability and WLC issues in options appraisals – by 31 Jan 2010 • Updating the Project Management Framework to reflect sustainability and WLC considerations – by 31 Jan 2010 • Communicating this and the new sustainability risk assessments being established by the Sustainable Procurement Manager to Council officers – by 31 Mar 2010. 	<p>Ben Brown, Kevin Bartle and Eve Pelekanos.</p> <p>31 March 2010</p>

No.	Recommendation	Priority	Management response	Implementation details
4.	<p>Joint commissioning of social care and child protection services</p> <p>Demonstrate that commissioning arrangements linked to inter-agency child protection practice are improving in line with the action plan submitted to Ofsted, in response to the recent joint area review.</p>	High	<p>Agreed. The Safeguarding Plan for Haringey sets out the improvements being made to inter-agency child protection practice within the Council and across the partnership. This is supported by appropriate lagging performance indicators. The plan is subject to fortnightly active management at a senior level.</p> <p>Actions specifically relating to commissioning in the new plan are:</p> <ul style="list-style-type: none"> • 1.13 - a commissioning directory will be developed for staff which describes services, criteria and outcomes available. This work is in progress and due to be completed by December 2009. • 2.09 – an integrated approach to commissioning services for children will be developed and resourced across the partnership, based on information arising from the Joint Strategic Needs Assessment. This work is in progress and due to be completed by June 2010. 	<p>Mark Gwynne 30 June 2010</p>

No.	Recommendation	Priority	Management response	Implementation details
5.	<p>Recommissioning of public realm and development of corporate commissioning framework</p> <p>Show that the recommissioning and procurement of public realm services is leading to improved service outcomes and better value for money</p> <p>Show that the work undertaken in this area is effectively informing the development of a corporate commissioning framework</p>	Medium	<p>Agreed. The Council is progressing with the implementation of the commissioning framework by :</p> <ul style="list-style-type: none"> • Developing a clear commissioning statement for application across the council – by end Dec 2009 • Setting up a team of experienced commissioners who would test the agreed commissioning framework in 4 service areas. The team will include the Head of Frontline Services to ensure the lessons from the commissioning of the public realm are applied – by end Dec 2009 	<p>Tim Dauncey and Wayne Longshaw (corporate commissioning)</p> <p>31 December 2009</p>

No.	Recommendation	Priority	Management response	Implementation details
6.	<p>NI 156 - temporary accommodation</p> <p>Ensure that all necessary information is retained at year-end to allow recalculation of the performance indicator</p> <p>Develop system reports to automatically calculate this indicator and reduce the current level of manual checking and manipulation</p> <p>Ensure that appropriate continuity arrangements are in place for this indicator</p>	Medium	<p>Agreed. All necessary information will be available for audit at year end as part of the Self Assessment Form and will be quality assured by the Corporate Performance Team by 31 Mar 2010.</p> <p>The Housing Information Team has amended the report so that it automatically excludes data that is not consistent with the definitions of this PI. In doing so, this will reduce manual extracting and manipulation of data. The new report has been in place since October 2009 and the Corporate Performance Team will test it by 31 Dec 2009.</p> <p>A performance analyst from the Corporate Performance Team is now working with closely with the Strategic Housing Performance Officer to ensure continuity for this indicator. Automating the production of the report will also contribute and this is expected to be completed by 31 Dec 2009.</p>	<p>Eve Pelekanos and Phil Harris</p> <p>31 March 2010</p>

No.	Recommendation	Priority	Management response	Implementation details
7.	<p>NI185 - Carbon emissions from council operations</p> <p>Reduce manual data manipulation and entry wherever possible by ensuring that data is submitted in a format that can be easily transferred to the DEFRA spreadsheet. Improve arrangements for checking manually inputted data where this is not possible.</p> <p>Improve data capture in relation to staff travel in order to more accurately measure this area</p>	Low	<p>Agreed. An action plan has been developed to improve data quality with regard to NI 185 – Percentage CO₂ reduction from LA operations and NI 194 – Percentage reduction in NOx and primary PM10 emissions through local authority's estate and operations. Actions include:</p> <ul style="list-style-type: none"> • Increasing the number of Council sites that are monitored and administered through the corporate energy & sustainability team – by 31 Jan 2010 • Reforming the travel claim process and SAP finance system to record specific journey details to calculate the carbon footprint of business travel – by 31 March 2010 • Increase the integrity of data by installing pulse enabled meter reading technology across more sites – by 31 March 2010 • Requesting that each contracted service provider submits a carbon footprint of Council associated emissions at the year end – by 31 March 2010 	Ben Brown 31 March 2010

No.	Recommendation	Priority	Management response	Implementation details
8.	<p>Improve quality and reporting of social care data The recent joint area review completed by the Care Quality Commission and Ofsted identify weaknesses in data quality management and reporting in relation to child protection, which are corroborated by our own spot-checking work. The Council should show that it is addressing these areas in line with its existing action plan, in particular reducing the need for manual checking and manipulation in performance reporting.</p>	High	<p>Agreed. The Council is continuing with the implementation and embedding of its Data Quality Strategy and action plan. Some key actions taken are:</p> <ul style="list-style-type: none"> • Working with Capital Ambition, a series of data quality workshops are being run to raise awareness throughout the council and familiarise managers with the Data Quality strategy and improve confidence and skills for producing and using accurate and reliable data. • Training on Covalent has taken place for 89 staff, including the JAR team. • The Corporate Performance Team continues to audit the safeguarding indicators, to assess the systems in place, the accuracy of the numbers and calculations reported, and the processing of the data in Framework I to arrive at the indicator values. • The annual programme of audits on the National Indicator set is ongoing with focus on high risk areas. All National Indicators should be completed by the end of March 2010. 	<p>Eve Pelekanos 31 May 2010 and ongoing</p>
			<p>Children's Services have developed and are implementing a quality assurance framework for case files and for systems supporting data collation. As a result:</p> <ul style="list-style-type: none"> • Up to 111 audits of case files (quality practice audits) take place monthly by directors and other service managers. 	

No.	Recommendation	Priority Management response	Implementation details
8. (cont.)		<ul style="list-style-type: none"> • Work to identify missing or incorrect data in Framework I is ongoing. • Audit results are reported monthly to the Performance Management Group for action. <p>The FWi Support Team and the ICS Project Team are driving forward changes that will significantly improve practice, process and recording for all staff in CYPS. Included in the planned action for the next couple of months are:</p> <ul style="list-style-type: none"> • Reviewing Child in Need process, workflow and exemplars – by end May 2010 • Developing FWi functionality to easily identify case status i.e. open / closed – by end March 2010 • Extending FWi access within CYPS (by end May 2010) as well as to partner agencies (ongoing) • Extensive data cleansing across all service areas - ongoing <p>Adults, Culture and Community Services: has a Quality Assurance framework and operational practices to ensure robust data is produced, these include;</p> <ul style="list-style-type: none"> • Services carry out monthly audits on a random sample supplied by the performance team. • The Director meets with one social worker monthly to go through a selected case file. This is being extended to include the Assistant Director for Adults. 	

No.	Recommendation	Priority	Management response	Implementation details
8. (cont.)			<ul style="list-style-type: none"> • The care/support plan has been changed to be more outcome focussed and there are training sessions for operational staff • Monthly 'performance clinic' meetings with services go through all national and some local indicators. • The safeguarding workflow on Frameworkki includes a self audit • All open safeguarding cases are reported to Assistant Directors monthly • The joint performance dashboard goes to the Well-Being Partnership Board and exception reports are presented for indicators that are red. <p>In the home care service there is a QA observation programme and training has been provided to home carers as a result.</p>	

No.	Recommendation	Priority	Management response	Implementation details
9.	<p>Housing and council tax benefits</p> <p>Continue to develop data quality checking mechanisms in order to minimise the level of errors associated with incorrect dates, over and under-payments and incorrect payment of single person allowance .</p>	High	<p>Agreed. The service has developed a quality improvement plan to ensure that causes of error and any common error patterns are identified and appropriate remedial action taken. Actions so far include:</p> <ul style="list-style-type: none"> • The formation of a dedicated Quality Assurance Team and the implementation of a Performance Management and Quality Assurance System (PMQS). The team will carry out focussed checks on various areas of work or general quality checks across the board (e.g. Start dates, incomes used etc) as directed by the manager, and assist in the identification of any key risks to our subsidy claim (such as manual adjustments, backdating, coding of tenures, rent officer decisions etc). The PMQS system, has allowed the service to develop an effective quality feedback loop. The QA team are now efficiently monitoring accuracy and focussing attention on known areas of weakness as well as analysing individual performance to identify specific training needs. • An enhanced reporting software tool allows the service to record in detail whether errors made are financial, non-financial or procedural, pinpointing at which stage of assessment the error occurred; analyse performance over varying periods to ensure improvements are being made where required; report more accurately on quality performance levels. 	<p>Ian Biggadike 28 February 2010</p>

No.	Recommendation	Priority	Management response	Implementation details
9. (cont.)			<ul style="list-style-type: none"> A monthly meeting takes place between the manager of the QA team and various managers in BLT to discuss the findings of the quality checks and to agree remedial action where necessary. <p>The service has also invested in a Training Needs Analysis module which will be used to test new staff and regularly re test existing staff to ensure that quality and accuracy is maintained</p> <p>The Corporate Performance Team will undertake an independent assessment of the effectiveness of the above systems by 28 Feb 2010.</p>	
10.	<p>Integrated corporate governance</p> <p>Show that the new corporate governance framework is fully embedded and is providing effective, integrated oversight of corporate governance issues, leading to strengthened arrangements. Show that the first annual review of the Local code of Corporate Governance is effective in driving improvements.</p>	Medium	<p>Agreed. The key governance officer group will produce a half-year update report on the AGS for CEMB in December 2009. This report will incorporate the issues raised in the recommendation and any further actions identified as a result.</p> <p>A review of LCCG will be undertaken in 2009/10 to assess the outcomes realised from establishing the LCCG.</p> <p>Regular meetings of key governance officers will continue during 2009/10 to ensure implementation of AGS action plan.</p>	<p>Anne Woods</p> <p>In time for 2009/10 AGS</p>

No.	Recommendation	Priority	Management response	Implementation details
11.	<p>Applying the principles of good governance to partnerships</p> <p>Develop a clear definition of what constitutes a significant partnership and ensure that there is a clear view of partnerships to which this applies, and an assessment of the quality of governance arrangements in place for each. Show that this exercise is driving improvements to governance and risk management within partnerships. This exercise should cover significant partnerships both within and outside the Local Strategic Partnership framework.</p>	Medium	Agreed. The Council will develop a definition of significant partnerships by January 2010 and assess the governance arrangements for each by March 2010. This will provide assurance that governance arrangements are appropriate to the particular partnership.	Eve Pelekanos, Anne Woods and Mary Connolly (for the HSP). 31 March 2010

No.	Recommendation	Priority	Management response	Implementation details
12.	<p>Improving internal control</p> <p>We recommend action in the following areas;</p> <ul style="list-style-type: none"> • ensure that effective risk management frameworks are implemented and embedded across all key partnerships within and outside the LSP; • Undertake an annual review of effectiveness of the Audit Committee, and show that this process is driving improvements; • Implement more comprehensive and effective procedures for tracking and dealing with issues raised by the audit committee, including implementation of audit recommendations; and • Demonstrate wider separation between the corporate responsibility for preparing the annual governance statement and audit responsibility for providing assurance on it. 	Medium	<p>All agreed.</p> <ul style="list-style-type: none"> • The HSP's risk management framework has already been agreed and implemented. For each risk arising, actions to manage the risk will be identified and implemented. Moving forward, risk will be linked with performance management, for example through ongoing reporting arrangements. Where other significant partnerships are identified through recommendation 11, risk management arrangements will be reviewed. By the end of the 2009/10 financial year: <ul style="list-style-type: none"> - A revised HSP report format will be drafted to link performance and risk with actions / outcomes – by 31 Dec 2009 - HSP risk registers will be loaded onto Covalent – by 31 Dec 2009 - Risk management arrangements in significant partnerships (non-LSP) will be reviewed and strengthened where required – by 31 March 2010 	<p>Anne Woods, Eve Pelekanos and Mary Connolly (for HSP)</p> <p>31 March 2010</p>

No.	Recommendation	Priority	Management response	Implementation details
12. (cont.)			<ul style="list-style-type: none"> • The last review of the effectiveness of the Audit Committee was undertaken in 2007/08. We will undertake a further review in 2009/10 and ensure that this is an annual process from 2010/11. • From 2009/10 a formal monitoring and tracking process has been implemented to ensure that all recommendations and issues raised by the Audit Committee have been appropriately completed. This process is co-ordinated by the Committee Section and progress monitored and agreed with the Chair of the Audit Committee. Details of progress and actions are circulated to Audit Committee members prior to each meeting. • The regular meeting programme of corporate officers from Audit, Legal Services and Member Services who produce the AGS will be reviewed to ensure this point is addressed. 	

No.	Recommendation	Priority	Management response	Implementation details
13.	<p>Measurement and management of water consumption</p> <p>Improve current arrangements for measuring and managing the consumption of water across Council offices and facilities. Ideally the Council should be able to demonstrate the same level of control as with energy and fuel consumption, and link water saving initiatives to clear measurement of success.</p>	Medium	<p>Agreed. The Council is currently developing a Water Strategy for Haringey, in support of the Greenest Borough Strategy, which will:</p> <ul style="list-style-type: none"> - Deliver a behaviour change programme to residents, including promotion of water metering - Provide subsidised water-saving devices for those residents <p>These projects will be implemented for the whole borough, and directed at Homes for Haringey residents through a partnership.</p> <p>In support of this, the Council will put in place a corporate action plan targeting the water consumption of the portfolio of offices, leisure centres, parks and open spaces. This action plan will encompass the following actions:</p> <ul style="list-style-type: none"> • Continue centralisation of accounts throughout the current financial year, for a more streamlined and cost-effective method of monitoring water usage. During this process, current baseline data will be obtained in order to create future targets. 	Tom Hemming For 2010 assessment and ongoing

No.	Recommendation	Priority	Management response	Implementation details
13. (cont.)			<ul style="list-style-type: none"> • Conduct water-use audits of council offices to assess requirement for retro-fitting or replacement of taps, toilets, urinals and showers to meet water efficiency targets. • Deliver a behaviour change initiative for council employees, related to water use, through the Council's existing Green Champions programme. • Continue projects to improve water management within leisure centres: <ul style="list-style-type: none"> ○ Promote improved swimming pool water filtration technologies that reduce water wastage ○ Assess requirement to retro-fit or replace water appliances. • Work through the Parks Climate Change Plan to conduct water-use audits of parks and open spaces. Assess feasibility of proposed water saving measures: <ul style="list-style-type: none"> ○ Increased manual watering ○ Installation of water butts ○ Use of boreholes in parks. 	

No.	Recommendation	Priority	Management response	Implementation details
14.	<p>Demonstrating outcomes from asset portfolios</p> <p>The Council has shown good arrangements for management and shared use of offices and community buildings, but in order to improve its assessment score for asset management the Council will need to show that it is improving outcomes and value for money across the wider elements of its asset portfolio i.e. housing, schools, offices, commercial property and highways.</p>	Medium	<p>An officer has been given responsibility as part of the Leaders of the Future programme to drive improvements in this area. This will include reviewing the relationship between the corporate and service AMPs, to ensure that the AMPs contribute to Council priorities and there is consistent delivery of outcomes through asset management. Other boroughs will be visited to benchmark performance and identify opportunities for improvement. Recommendations will be made by the end of December 2009.</p> <p>The work programme of the new Capital & Asset Strategy Board is in development and membership to include partners will be considered in the medium term.</p>	<p>Dinesh Kotecha and Anita Hunt</p> <p>For 2010 assessment and ongoing</p>

B CAA and the new Use of Resources Framework

The Old UoR Regime

Local authorities' Use of Resources (UoR) has been assessed by external auditors under the Comprehensive Performance Assessment (CPA) regime since 2005. Until 2008, this took the form of an assessment in each of the following 5 areas;

- Financial Reporting
- Financial Management
- Financial Standing
- Internal Control
- Value for Money

Authorities received an overall UoR score, and a score for each area as set out below;

Score	Key
1	Below minimum requirements - performing inadequately
2	At only minimum requirements - performing adequately
3	Consistently above minimum requirements - performing well
4	Well above minimum requirements - performing strongly

This score directly influenced each organisation's overall CPA score and had a significant impact on external perception and reputation.

The move to Comprehensive Area Assessment

The CPA regime provided an effective roadmap and stimulus for improvement, which helped many authorities to move in the right direction, focusing on externally validated strengths and weaknesses. This was reflected by a national picture of gradually improving scores and assessment results from 2005/08, and improving services to the public.

However, in order to build on the success of CPA, the Audit Commission recognised the need to:

- Ask "how well are people served by their local public services?" rather than "how well are people served by their Councils?"
- Focus on outcomes for an area, not just on individual organisations
- Consider local priorities rather than apply a "one-size fits all" approach
- Consider whether performance is likely to improve in the future, rather than how it has improved in the past
- Place less importance on compliance and rules to reflect local differences

In late 2007 the Audit Commission began to consult on a new framework for comprehensive area assessment (CAA), of which an updated UoR assessment would be a key component. The CAA framework that emerged focuses on *areas* rather than the *organisations* within them, and holds local partners jointly to account for their impact on the things that matter to the area as a whole. The CAA asks three key questions:

- How well do local priorities express community needs and aspirations?
- How well are the outcomes and improvements needed being delivered?
- What are the prospects for future improvement?

The CAA does not give an overall score, as was the case for CPA. However, there will be green flags given for innovative or exceptional performance and red flags given to indicate concerns about outcomes and performance.

CAA - key changes

CPA	CAA
Local government focus	All sectors and partners
Institution based	Area based
One size fits all	Focus on local priorities
Performance	Outcomes and perceptions
Collaboration between regulators	Joint assessment
Cyclical inspection	Continuous assessment, proportionate inspection
Focus on past performance	Focus on future improvement

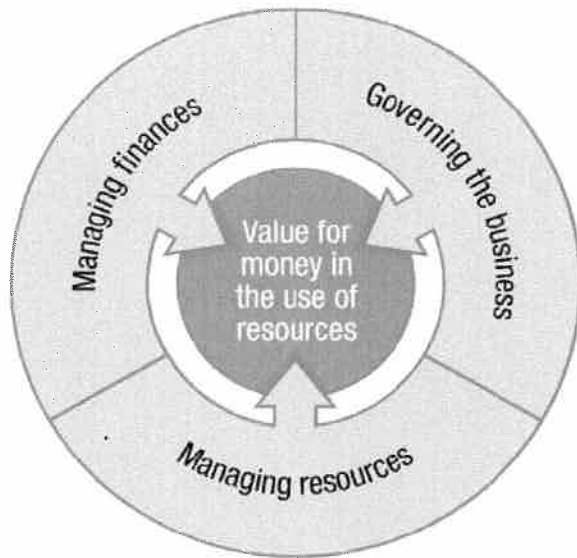
Source:- Audit Commission

Use of Resources under CAA

Alongside the area assessment, CAA will include organisational assessments for key public sector organisations including councils, primary care trusts (PCTs), police forces and fire authorities. Each organisational assessment consists of two components; an assessment of how effectively the organisation is addressing its own priorities, called "managing performance" for councils, and an updated UoR assessment will be applied similarly across the different types of organisation.

The new UoR framework under CAA applies from 2008/09. The diagram below shows the overall approach to the revised UoR framework. There are three themes replacing the five areas included in the old framework, and a number of key lines of enquiry (KLoEs) within each theme.

Use of Resources under CAA (source: the Audit Commission)



The individual KLoEs for each theme are detailed in the main body of this document. Scoring criteria are set out in appendix C.

C Scoring criteria and rules

The table below summarises the criteria used to reach scored judgements for each KLoE.

Level 2 Performs adequately	Level 3 Performs well	Level 4 Performs excellently
Arrangements consistent with established professional practice and guidance, meet statutory requirements and operate effectively.	Implemented effective arrangements that are: <ul style="list-style-type: none"> ➤ forward looking and proactive in identifying and developing opportunities for improvement; and ➤ include more sophisticated measuring and assessment techniques. 	Demonstrating innovation or best practice .
Arrangements sufficient to address the KLoE.	Outputs and outcomes demonstrate arrangements which are effective and have the intended impact , and show evidence of effective partnership working .	Demonstrating strong outcomes for the community including through partnership working .
Arrangements achieve minimum acceptable levels of performance .	Evidence of performing consistently above minimum acceptable levels and achieving VFM .	Evidence of performing well above minimum acceptable levels and achieving excellent VFM .

Theme scores are derived from a numerical average of the KLoE scores within that theme. In some cases such as theme 3 when only 2 KLoEs are assessed, the average of KLoE scores could result in a number ending in .5. In such cases the following rules apply in 2008/09:

- For theme 2, if the average KLoE score ends in 0.5, then the theme score will be rounded up or down to the score for KLoE 2.2. Examples - KLoE scores of 3,2,3,2 = theme score of 2. KLoE scores of 2,3,3,2 = theme score of 3.
- For theme 3, if the average KLoE score ends in 0.5, then the theme score will be rounded up or down to the score for KLoE 3.1. Examples - KLoE scores of 3,2 = theme score of 3. KLoE scores of 2,3 = theme score of 2.

The Audit Commission document at the link below details the overall approach to UoR framework and full details of scoring methodology.

<http://www.audit-commission.gov.uk/SiteCollectionDocuments/Downloads/uorframework2008updatefeb09.pdf>

In addition the Commission published auditor guidance for the UoR framework. This is available at the link below. This provides details of the specific KLoEs and expected indicators for levels of performance;

<http://www.audit-commission.gov.uk/localgov/audit/UoR/Pages/guidance.aspx>

D KLoEs specified for assessment in 2008/09 and 2009/10

Some KLoEs are assessed on a rotating basis. The table below summarises the KLoEs that were assessed and formed the basis for the VFM conclusion in 2008/09:

		Single tier or county council	Districts	NHS PCTs
Theme 1 - Managing finances				
1.1	Financial planning	Y	Y	Y
1.2	Understanding costs	Y	Y	Y
1.3	Financial reporting	Y	Y	Y
Theme 2 - Governing the business				
2.1	Commissioning & procurement	Y	Y	WCC
2.2	Use of data	Y	Y	Y
2.3	Good governance	Y	Y	Y
2.4	Internal control	Y	Y	Y
Theme 3 - Other resources				
3.1	Environmental management	Y	N	N
3.2	Asset management	Y	N	Y*
3.3	Workforce management	N	Y	Y

For the 2009/10 assessment, the following KLoEs will be assessed and will form the basis for the VFM conclusion. Scores achieved in 2008/09 will continue to apply for 2009/10 for those KLoEs not being assessed in year 2:

		Single tier or county council	Districts	NHS PCTs
Theme 1 - Managing finances				
1.1	Financial planning	Y	Y	Y
1.2	Understanding costs	Y	Y	Y
1.3	Financial reporting	Y	Y	Y
Theme 2 - Governing the business				
2.1	Commissioning & procurement	Y	Y	WCC
2.2	Use of data	Y	Y	Y
2.3	Good governance	Y	Y	Y
2.4	Internal control	Y	Y	Y
Theme 3 - Other resources				
3.1	Environmental management	N	Y	Y
3.2	Asset management	Y	N	N
3.3	Workforce management	Y	N	Y

*only assessed at PCTs with a significant asset base.

E Data quality spot-checks: detailed findings

Performance Indicator	Significant concerns?
NI156 - No. of households in temporary accommodation	No
Summary of findings	
Underlying data is fundamentally sound, but there are three main issues to highlight;	
<p>(1) Audit trail From a sample of 20 OHMS records picked for testing; one paper file didn't contain appropriate supporting evidence and three paper files couldn't be located. Also, we couldn't re-perform the calculation because a key spreadsheet (the "bad data list") had not been retained from year-end.</p> <p>(2) Calculation method There is a lot of fairly complex data handling and manipulation required to calculate the indicator. This takes a significant amount of officer time and increases the possibility of errors occurring. Ideally we would like to see proper, automatic reports developed.</p> <p>(3) Continuity Only one officer currently knows how to go through the data manipulation process in order to calculate this indicator. He has written a procedure note but it would be unrealistic for someone else to pick this up from scratch at the moment.</p>	
Recommendation 6 - Temporary accommodation indicator	
<ul style="list-style-type: none"> • Ensure that all necessary information is retained at year-end to allow recalculation of the performance indicator • Develop system reports to automatically calculate this indicator and reduce the current level of manual checking and manipulation • Ensure that appropriate continuity arrangements are in place for this indicator 	

Performance Indicator	Significant concerns?
NI185 - Carbon emissions arising from Council operations	No
Summary of findings	
This is a new indicator and our judgement is that the Council has gone through a robust process and arrived at a reasonably accurate figure based on the resources and data available to it. However there remain some issues that the Council will need to consider;	
<ul style="list-style-type: none"> • We identified one example of a mis-keyed figure, so the Council should consider improving checking arrangements for manual entry; 	

- Only around 0.4% by number of non-mileage travel claims are currently included, although this figure includes all air travel on Council business. Data capture within SAP and through taxi contractors should be improved to allow more accurate assessment of business travel; and
- Energy and gas usage data should be refreshed as close as possible to the end of the reporting period to minimise the impact of subsequent adjustments, reconciliations and rebates on SIGMA

Recommendation 7 - Carbon Emissions Indicator

- Reduce manual data manipulation and entry wherever possible by ensuring that data is submitted in a format that can be easily transferred to the DEFRA spreadsheet. Improve arrangements for checking manually inputted data where this is not possible.
- Improve data capture in relation to staff travel in order to more accurately measure this area

Performance Indicator	Significant concerns?
General review of data quality management arrangements and controls in Adult Social Services	No
Summary of findings	
<p>We found that system access and change controls are in place, and a good control environment overall. However, we identified at the time of our review a number of weaknesses in system controls including:</p> <ul style="list-style-type: none"> • Framework-i does not have an audit trail record for case note amendments processed by those with system administrator ("FWADMIN") access. • During a recent period of temporary additional allocations of FWADMIN roles, temporary access permissions were not promptly removed when no longer required. • Some of the procedure documents provided to us do not appear to be up to date and do not fully reflect current control arrangements, as we understand them to be operating at this time. • Our review of a sample of changes to case files indicate that the Council needs to take steps to better ensure that data placed on case files is of sufficient quality to minimize the amount of corrective action subsequently required ("right first time"). See recommendation below. 	

Performance Indicator	Significant concerns?
NI59 - Initial assessments for children's social care carried out within 7 working days of referral	Yes
Summary of findings	
<p>For NI 59 the authority has reported quality concerns in terms of completeness and reliability of initial assessments document records. An internal audit of this PI by the corporate Policy and Performance team has identified practice quality issues in the completeness of some initial assessments. We did not find any practice quality issues that were evident from the case files reviewed, however we did identify one error relating to a potential wrong inclusion in the numerator/dominator, relating to the completeness of the initial assessment. The report indicated that one was completed however the assessment was abandoned. See recommendation X below.</p>	

Performance Indicator	Significant concerns?
NI 62 - The percentage of children looked after at 31 March with three or more placements during the year.	No
NI 66 - The percentage of children looked after at 31 March with three or more placements during the year.	
NI 67 - Child protection cases which were reviewed within required timescales	
Summary of findings	
<p>Overall the data reported complies with the Audit Commission's data quality criteria. The service acknowledges the need to improve system report structures and parameters in order to minimise the time taken to produce and verify reports, and the manual interventions involved. This will free up significant amounts of officer time and further enhance confidence in the data reported.</p>	
Recommendation 8 - Improve quality and reporting of social care data	
<p>The recent joint area review completed by the Care Quality Commission and Ofsted identify weaknesses in data quality management and reporting in relation to child protection, which are corroborated by our own spot-checking work. The Council should show that it is addressing these areas in line with its existing action plan, in particular reducing the need for manual checking and manipulation in performance reporting.</p>	



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