

Chair:
Councillor Clare Kober

Deputy Chair:
Councillor Lorna Reith

INTRODUCTION

- 1.1 This report covers matters considered by the Cabinet at our meeting on 26 January 2010. For ease of reference the Report is divided into the Cabinet portfolios.
- 1.2 We trust that this report will be helpful to Members in their representative role and facilitate a fruitful dialogue between the Cabinet and all groups of Councillors. These reports are a welcome opportunity for the Cabinet on a regular basis to present the priorities and achievements of the Cabinet to Council colleagues for consideration and comment. The Cabinet values and encourages the input of fellow members.

ITEM FOR DISCUSSION

Resources

2. FINANCIAL PLANNING - 2010/11 TO 2012/13

- 2.1 Following our meetings on 21 July and 17 November 2009 we reported to the Council on 19 October 2009 and 18 January 2010 respectively on the key financial planning issues facing the Council and followed the agreed process for the detailed consideration of the Cabinet's business and financial planning process
- 2.2 At our meeting on 26 January 2009 we considered a report which set out the medium term financial strategy for the three year period 2010/11 – 2012/13 which would be reviewed on an annual basis. The budget for 2010/11 will be the last to be agreed by the current administration. As we reported to the Council in October, the initial financial planning report identified a new budget gap of £17.1 million over the three year period in addition to the £5.7 million of savings still to be identified. The business planning process this year had aimed to ensure there was a balanced budget for 2010/11 as well as reviewing the pre agreed savings totalling £9.2 million.
- 2.3 The report proposed a budget package for recommendation to the Council. We noted that the proposed budget was based on a Council Tax freeze for 2010/11 and that the medium term plan showed a significant estimated budget gap for 2011/12 onwards, a challenge for which a strategic approach was set out. The report also proposed a balanced budget for the schools element of children's services within the ring-fenced dedicated schools grant (DSG) and a balanced budget for the Housing Revenue Account (HRA) based on an average rent increase of 1.3%. A capital programme was proposed based on the existing policy framework for capital expenditure and the treasury management strategy and policy set out had been considered by the General Purposes Committee and was recommended for approval, subject to further scrutiny by the Audit Committee on 1 February 2010.
- 2.2 The report we considered on 26 January (attached at Appendix 1) proposed a budget package for the period 2010/11 to 2012/13 and was in 12 sections:
 - government support

- changes and variations
- strategic approach
- consultation
- savings options
- investment options
- the children's service budget within the dedicated schools grant
- the housing revenue account budget
- the capital programme
- the treasury management strategy
- council tax; and
- key risk factors.

The report was supported by various appendices as follows:

- appendix A set out the gross budget trail
- appendix B tracked the resource shortfall over the planning period
- appendix C was the budget report of Overview and Scrutiny Committee and the Cabinet response
- appendix D set out proposed investments
- appendix E set out proposed efficiency savings
- appendix F was the proposed budget for children's services within the dedicated schools grant (DSG)
- appendix G was the housing revenue account budget
- appendices H, I and J related to the capital programme
- appendix K was the treasury management statement.

2.3 The report proposed a General Fund budget requirement of £416.587 million, subject to the decisions of precepting and levying authorities and the consequences for Council Tax levels. We report that we adopted the recommendations contained in the report which we refer to the Council for discussion and agreement noting that the final decision on the budget and Council Tax for 2008/9 would be made by the Council at the meeting on 22 February 2010.

ITEMS OF REPORT

Resources

3. ANNUAL AUDIT LETTER 2008/09

3.1 We received a presentation from Mr. Paul Dossett of Grant Thornton (the Council's external auditors) and considered a report on the Annual Audit and Inspection Letter. We noted that the Letter summarised the conclusions and significant issues arising out of the work for the Council in the preceding year. It included information from the audit of the Council's accounts, the Use of Resources Assessment and the certification of claims and returns.

3.2 During the course of his presentation Mr. Dossett highlighted the key conclusions from the 2008/09 audit which were as follows -

- An unqualified opinion of the Council's 2008/09 accounts had been issued by the required deadline. The Council had engaged in the accounts audit in a very positive and responsive fashion.
 - Although the Council had performed well overall in the new use of resources assessment, the value for money conclusion had contained an 'except for' qualification in respect of the Council's use of data, based on a number of weaknesses identified with the Council's data quality.
 - The review of the Council's treasury management arrangements had demonstrated that the Council had put sound arrangements in place and, following its exposure from the Icelandic banking crisis, had taken decisive action to deal with the nationally and locally identified areas for improvement.
- 3.3 We were also advised that the audit had also highlighted the following key areas where the Council should take action in 2009/10 -
- The Council should continue its preparations for the introduction of accounting under International Financial Reporting Standards including by ensuring that asset valuation procedures were sufficiently robust and accounting for fixed assets was further strengthened.
 - The Council should address, as a matter of priority, the identified weaknesses in data quality, including the child protection and housing and council tax services in order to achieve an 'adequate' assessment in future.
- 3.4 With regard to the question of International Financial Reporting Standards, we were pleased to note that while the Audit Commission had briefed that many local authorities were struggling with their implementation Haringey was more advanced than most with their preparations and the good working arrangements between the Council's officers and Grant Thornton in this respect was emphasised.
- 3.5 We also noted that the auditors' findings had been reported previously to the General Purposes Committee and to the Audit Committee and actions agreed in response. The Audit Committee was responsible for monitoring the implementation and progress of the detailed actions which were summarised in the report. The report also outlined how the Council was addressing the key issues raised by the external assessment process and confirmed that the external auditors had also agreed the substance of the detailed actions.
- 3.6 We report that we received the Annual Audit Letter for 2008/09 and endorsed the Council's response to it.

Leisure, Culture and Lifelong Learning

4. AQUATICS DEVELOPMENT PLAN

- 4.1 We considered a report which advised us that swimming and other aquatic based activity was the most popular sport within the borough and that the most unmet demand from people who wanted to learn to swim. We were also advised that swimming pools required a significant subsidy in order to operate and it was important that they had the maximum benefit they could on people's health outcomes.
- 4.2 The purpose of the report was to seek to ensure a sustainable plan was in place for people who wanted to learn to swim. To this end officers were seeking to identify key partner's with whom the Council could work to increase access and opportunity and to ensure that investments within the Sports and Leisure Improvement Programme were targeted to benefit long term development of aquatic activity. Consideration was also given to the options for the continuation of the free swimming offer beyond March 2011.
- 4.3 The executive summary of the Aquatics Development Plan which was appended to the report set out 5 overall aims, namely:
- i. **Growth and Retention:** - To grow the number of people who can swim and to ensure that there are suitable and sufficient activities accessible to all people within the diverse communities in Haringey.
 - ii. **Raising Standards:** - To create safe, friendly, welcoming, high quality opportunities within which to learn to swim and to participate regularly.
 - iii. **Developing better swimmers:** - To create clear pathways for swimmers and those wishing to learn to swim to improve the standard of swimming across the borough. Raising the confidence of swimmers to take up other aquatic based activity.
 - iv. **Workforce Development:** - To recruit and develop a suitably qualified and diverse pool of coaches, swimming teachers, lifeguards, volunteers and champions within Haringey.
 - v. **Facilities development:** - To develop the offer available at the three key pools within the schools network areas and identify the deficit of pool water space in the borough so to inform future community infrastructure planning.
- 4.4 The key outputs and outcomes from the Plan were cited as -
- To modernise the 'learn to swim' programme in line with the ASA National Plan for Teaching.
 - To adopt the Swim21 standard as the quality mark for swimming and aquatic provision within the Borough.
 - To ensure there are clear development pathways within a range of aquatic disciplines for all who wish to participate
 - To develop the staff and volunteers involved in swimming to ensure they are suitably qualified and have clear terms of engagement.
 - To maximise the use of existing swimming pool provision in the Borough whilst clearly identifying the need for further swimming pool provisions in the future.
- 4.5 During the course of our deliberations we welcomed the inclusion of schools swimming pools in the Plan and noted that discussions were continuing including about extending public use of the pool at Northumberland Park School. In approving the Aquatics

Development Plan as submitted, we were pleased to note that the new water treatment system at Tottenham Green Leisure Centre had resulted in economies in water, chemical and energy usage and also in the reduction of carbon emissions. Also, that a number of other local authorities had expressed interest in the regenerative filtration system and had visited the Centre.

Enforcement and Safer Communities

5. DRAFT REPLACEMENT LONDON PLAN, DRAFT LONDON ECONOMIC DEVELOPMENT STRATEGY, AND THE MAYOR'S DRAFT TRANSPORT STRATEGY

- 5.1 The Council will be aware that the Mayor of London published three major draft policy documents for consultation in October 2009 and had sought views on them from the Boroughs, public agencies and all stakeholders. The Plans in question were -
- Draft Replacement London Plan (LP)
 - Draft Economic Development Strategy (EDS)
 - Mayor's Draft Transport Strategy (MTS)
- 5.2 Following the publication of these strategies, the London Development Agency's (LDA) draft Investment Strategy was published in December. This had set out the broad investment priorities for 2010-2013 with the intention of supporting the delivery of outcomes identified in the replacement LP, draft MTS and draft EDS.
- 5.3 We considered a report which set out the Council's response to all three draft strategies, the proposed response to the LDA's Investment Strategy having been incorporated into the responses to the draft replacement LP, draft MTS and draft EDS.
- 5.4 We report that we approved the key comments proposed which were set out in the body of the report and in four Appendices and in so doing we thanked the Cabinet Member for Enforcement and Safer Communities together with the other members of the LDF Members Advisory Group for their efforts in ensuring that a corporate response was made to these three strategies.

Leader

6. APPOINTMENT OF REPRESENTATIVES TO SERVE ON THE HARINGEY STRATEGIC PARTNERSHIP THEME BOARDS

- 6.1 We report that we appointed Councillor Bevan to serve on the HSP Better Places Partnership Board and the HSP Enterprise Board for the remainder of the 2009/10 municipal year following the resignation of the Cabinet Member for Environment and Conservation.

7. THE COUNCIL'S PERFORMANCE: NOVEMBER 2009 (PERIOD 8)

- 7.1 We considered a report which presented on an exception basis financial and performance information for the year to November 2009, asked us to agree proposed budget virements in accordance with financial regulations.
- 7.2 We noted that overall performance on the monthly basket of indicators showed that of the 76 indicators 47% were on target with a further 16% close to target and 28% not currently achieving target. For the remaining 7 indicators (9%) data or targets were not available and their status could not be allocated.
- 7.3 The overall revenue budget monitoring, based on the November position, showed a reduction in the service forecast overspend by £0.1 million. The service forecast overspend figure was made up of pressures across a number of Directorates, the detail of which was set out in the report, with the greatest pressure remaining within the Children and Young People Service. There were a number of compensatory savings from within the non service revenue budget which helped to reduce the general fund outturn figure down including a £1 million contribution from the general contingency, a £1.5 million saving on the inflation budget plus a forecast saving of £0.6 million on energy costs since the Council moved onto a new energy contract. This gave an overall outturn figure of a net £1.7 million above budget. Officers would continue to monitor the position closely to assess the impact of the measures being put in place to reduce costs wherever possible.
- 7.4 We noted that the Treasury Management Strategy Statement (TMSS) and Investment Strategy 2010/11 to 2012/13 and the Treasury Management 3rd Quarter Performance update for the period ended 31 December 2009 had been submitted to the General Purposes Committee and, in accordance with changes set out in the revised CIPFA Code of Practice on Treasury Management 2009, the TMSS would be scrutinised by the Audit Committee prior to its approval by us and the full Council. We also noted that the adoption by the Council of the Revised CIPFA Code of Practice on Treasury Management 2009 would necessitate changes to the Council's Constitution which would be the subject of a report by the Constitution Review Working Group to the full Council for adoption.
- 7.5 The aggregate capital projected position in 2009/10 was to under spend by £10.9 million which equated to 6% of the approved budget. We noted that a significant proportion of the current year's capital programme was funded from receipts generated as part of the Council's disposal programme. The target level of receipts assumed in 2009/10 was £9.1 million but, as previously reported, the projected actual receipt total was short of the target, currently forecast at £4.46 million an increase of £130,000 on last month due mainly to usable right to buy receipts which had picked up slightly compared to the early part of the year. The overall shortfall was mainly as a result of very difficult property market conditions currently prevailing and impacting on valuations and hence the deferral of some disposals into later years. As previously reported, it is proposed to partly mitigate the shortfall by the use of brought forward Department for Children, Schools and Families non-ring fenced capital funding of £2.283 million offered by the Government in 2009/10 to help maintain the capital programme at existing levels. This would be repaid to the Children and Young Peoples Service for schools use in 2012/13.
- 7.6 Under the Constitution, certain virements are key decisions. Key decisions are:

- For revenue, any virement which results in change in a directorate cash limit of more than £250,000; and
- For capital, any virement which results in the change of a programme area of more than £250,000.

Key decisions are highlighted by an asterisk in the table.

7.7 The following table sets out the proposed changes. There are two figures shown in each line of the table. The first amount column relates to changes in the current year's budgets and the second to changes in future years' budgets (full year). Differences between the two occur when, for example, the budget variation required relates to an immediate but not ongoing need or where the variation takes effect for a part of the current year but will be in effect for the whole of future years. Proposed virements are set out in the following table –

Revenue Virements						
Period	Service	Key	Amount current year (£'000)	Full year Amount (£'000)	Reason for budget changes	Description
P8	CYP	Rev*	1,236	1,236	Corrective Budget Realignment	Re-allocation of budget from corporate overhead codes to appropriate GL codes
P9	AC	Rev*	1,500	1,500	Corrective Budget Realignment	Allocation of 2009/10 agreed investments to the Learning Disabilities Commissioning budget.
P9	PP	Rev*	251		2009/10 allocations	Grant funding from Home Office, Youth offending Service & Department of Health
P9	UE	Rev*	890		Corrective Budget Realignment	Re-allocation of ABG & LDA grant budget to appropriate GL codes to accurately reflect expenditure
P9	UE	Rev*	1,214		Corrective Budget Realignment	Re-allocation of ABG & LDA grant budget to appropriate GL codes to accurately reflect expenditure
P9	UE	Rev*	351		Corrective Budget Realignment	Re-allocation of ABG & LDA grant budget to appropriate GL codes to accurately reflect expenditure
P9	UE	Rev*	316		Corrective Budget Realignment	Re-allocation of ABG & LDA grant budget to appropriate GL codes to accurately reflect expenditure
P9	AC	Rev*	715	715	2009/10 allocations	Release of centrally held budget to meet inflation cost pressures in residential home placements within Adults, Culture & Community Services
Capital Virements						
Period	Service	Key	Amount current year (£'000)	Full year Amount (£'000)	Reason for budget changes	Description
P9	AC	Cap	150		2009/10 allocations	Sustainable Investment Fund loan agreed for Water Filtration project at Tottenham Green Leisure Centre
P9	AC	Cap	110		2009/10 allocations	Funding from London Development Agency & Heritage Lottery Fund for Lordship Recreation Ground

8. DELEGATED DECISIONS AND SIGNIFICANT ACTIONS

8.1 We were informed of the following significant action taken by a Director under delegated powers -

Director of Adult, Culture and Community Services

Recreation/Parks (Arboriculture and Allotments) – Enhancement of Existing Posts.

Safeguarding and Strategic Services – Recruitment of Independent Safeguarding Board Chair

Director of Children and Young People

Building Schools for the Future – Park View Academy (Food Tech Design and Installation).

Bruce Grove Youth Centre (Improvements to External Areas)

ICT Services Contract for Haringey Sixth Form Centre - Extension

Director of Corporate Resources

Hornsey Central Depot – Approval to the provision of professional advice to the Council for the successful negotiation and delivery of the site in accordance with Council objectives.

Disposal of Aneurin Bevan House and 46-50 Tredegar Road N11 – Approval to the disposal of the freehold interest of these properties.

Heywood Managed Service (Pensions) – Approval to the award of the contract.
Recreation/Parks (Arboriculture and Allotments) – Enhancement of Existing Posts.

Wood Green Library – Approval to the award of the contract for the replacement of the ceiling and lighting.

Note by the Head of Local Democracy & Member Services

2008/09 - 2010/11 LOCAL AREA AGREEMENT YEAR 2 REFRESH

The Cabinet reported to the Council at the meeting on 31 March 2008 on the requirement contained in the Local Government and Public Involvement in Health Act 2007 that local strategic partnerships have new Local Area Agreements in place by June 2008. These were to include up to 35 improvement targets negotiated with the Government. On consideration of our report the Council noted and endorsed the 2008/09 – 2010/11 Local Area Agreement for submission to and negotiation with the Government Office for London.

At its meeting on 23 February 2010 the Cabinet will consider a report by the Assistant Chief Executive (Policy, Performance Partnerships and Communication) the purpose of which is to advise that Haringey's Local Area Agreement is subject to annual review. The review process focuses on delivery but it also provides an opportunity to refresh certain targets. The Cabinet is to be recommended to approve the refreshed (Year 2) 2008/09-2010/11 Local Area Agreement for local adoption and submission to Government Office for London by the deadline of 12 March 2010 and subsequent Ministerial sign off in late March. For Government purposes, the 'refresh' is concerned with designated indicators (the 35 improvement indicators).

The Cabinet will be recommended to consider the following proposed changes to the targets within the LAA:

Revision of targets for the economic indicators which were 'frozen' last year as a result of the economic downturn. These include:

- NI 116 - Proportion of children in poverty;
- NI 153 - Working age people claiming out of work benefits;
- NI 154 – Net additional homes provided; and
- NI 171 – New business registration rate.

Setting of targets for the two nationally deferred indicators:

- NI 125 Achieving independence for older people
- NI 149 Adults in contact with secondary mental health services

Removal of NI 112 Teenage conception rate from the overall reward calculation.

Technical revisions to targets where data was confirmed post ministerial approval in April 2009; including six place survey targets and two other targets:

Place survey targets

- NI 1 - People from different back grounds who get on well together;
- NI 4 - People who feel they influence decisions locally;
- NI 6 - Participation in volunteering;
- NI 21 - Dealing with local concerns about Anti Social Behaviour;
- NI 119 - Self reported measure of peoples health/ wellbeing;
- NI 140 - Fair treatment by local services;

Other targets

- NI 15 – Serious violent crime rate;
- NI 186 - Per capita CO2 omissions.

Setting of local targets for NI 175 – Access to services and facilities by public transport; and the removal of the two local skills targets from the final year of the LAA.

Inclusion of attainment targets for 2010/11. These will be confirmed by the Department of Children, Schools and Families post Ministerial sign off.

Because of the need to submit the final refreshed LAA to Government Office for London by 12 March the Cabinet is to be recommended to authorise the Leader (who is also Chair

of the Haringey Strategic Partnership) to agree any final revisions required by Government Office for London after the report has been approved by the Cabinet and the HSP Performance Management Group. As the Council noted and endorsed the initial 2008/09 – 2010/11 Local Area Agreement they are now asked to endorse the proposed delegation to the Leader of the Council of authority to agree the final refreshed version of the LAA.

WE RECOMMEND

That authority to agree the final refreshed version of the Local Area Agreement for submission to the Government Office for London post approval by the Cabinet including any final revisions required by Government Office for London be delegated to the Leader of the Council.