

Agenda item:

<b>Cabinet</b>		<b>23 February 2010</b>
<p>Report Title. <b>The Council's Performance: December 2009 (Period 9) / Quarter 3 2009</b></p>		
<p>Report of <b>The Chief Executive and Chief Financial Officer</b></p> <p>Signed :</p>		
<p>Contact Officer : <b>Eve Pelekanos/ Margaret Gallagher- Policy and Performance</b>  <b>Telephone 020 8489 2508/2971</b>  <b>Kevin Bartle – Corporate Finance</b>  <b>Telephone 020 8489 3743</b></p>		
<p>Wards(s) affected: <b>All</b></p>	<p>Report for: <b>Key Decision</b></p>	
<p><b>1. Purpose of the report</b></p> <p>1.1. To report on an exception basis financial and performance information for the year to December 2009.</p> <p>1.2. To agree the budget virements in accordance with financial regulations.</p> <p>1.3. To provide an update on progress against current Council Plan actions for the year to the end of December 2009</p>		
<p><b>2. Introduction by Cabinet Member for Performance Management (Cllr Claire Kober)</b></p> <p>2.1. I am very pleased with the improvements highlighted in this report. We have the</p>		

fifth highest level of carbon reduction in London which puts us in a great position to achieve the 40% reduction agreed earlier this year. I am also delighted that Haringey's libraries are some of the best used libraries in the Country.

2.2. I am concerned about the rising levels of gun and knife crime highlighted in this report and we are working hard along with the Police to reduce this rate. We are also striving to continue to reduce the amount of families in temporary and emergency accommodation, significant progress has been made but the hard work must continue.

2.3. Adverse weather conditions and an increase in the number of Children and Families supported by the Council have put pressure on budgets. Nevertheless, the Children and Young Peoples Service have made significant improvements in the time taken for initial assessments and are focusing on meeting the targets for core assessments whilst ensuring that they are of a high standard we recognise that this is an area in which we must continue to improve.

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

2.4. I draw attention to the finance section and to Appendix 2 of the report and note that the net overspend forecast at Period 9 has increased by £0.4m. This increase is as a result of the adverse weather affecting parking income and increasing highway's costs as well as further increases to looked after children. I urge Directors to continue to take action to contain pressures and am pleased to note that an embargo on discretionary spend and tight control of agency use has been implemented.

### **3. State links with Council Plan Priorities and actions and /or other Strategies:**

3.1. This report sets out performance against a number of indicators that measure progress against the Council priorities and the Local Area Agreement targets.

3.2. As this is a quarterly report it provides an update on progress against Council Plan actions and key projects under the five Council priorities.

### **4. Recommendations**

4.1. To note the report and the progress being made against Council's priorities.

4.2. To agree the budget changes (virements) set out in Appendix 2.

### **5. Reason for recommendations**

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

### **6. Summary (Performance)**

- 6.1. Overall performance on the monthly basket of indicators shows that of the 76 indicators, 62% are on or close to target and 30% not currently achieving target (For the remaining 6 indicators (8%) data or targets are unavailable therefore status cannot be allocated at this time).
- 6.2. Paragraph 15 of this report provides a summary of performance for the year to December 2009.
- 6.3. Council Plan update summary: Directorates are asked to provide an update every quarter of progress against actions in their Directorate Plans that form the 2009-10 Council Plan. Of 154 actions in the Council Plan, 35 are now reported as complete and 104 are on target. Minor issues are reported for 15 actions. No major issues have been reported for this quarter. Details of key achievements and issues reported are contained in Appendix 3.

## **7. Chief Financial Officer Comments**

- 7.1. The overall general fund revenue budget, based on the December position shows a small increase in the forecast over spend of £0.4m to £2.1m above budget. This is largely due to further increased client numbers in the Children and Young People's Service (CYPS) maintaining pressures against their budget. There are also additional costs arising in Urban Environment (UE) as a result of the adverse weather conditions. The budget pressures continue to be partially offset by compensatory savings within Non Service Revenue (NSR) and People & Organisational Development (POD). A spending freeze on non-essential discretionary items and a review of agency staff commitments is in place in the final quarter and this should reduce the net over spend by the year end.
- 7.2. The dedicated schools budget (DSB) in the Children & Young People's Service is projected to spend on target.
- 7.3. The net revenue projection with respect to the Housing Revenue Account (HRA) is to achieve an overall budget surplus of £1.2m as reported previously. This is £0.6m above the budgeted figure. The main reason for this is the result of energy price reductions and an increased surplus on rental income.
- 7.4. The aggregate capital projected position for 2009/10 is an under spend of £18.7m (10%), an increase over last period of £7.8m mainly as a result of some variations on the Building Schools for the Future programme. The detailed reasons for this projected variation are outlined later in the report with the majority of the remainder of the under spends being within the Children & Young People's Service and Adults, Culture and Community Services.

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

- 8.1. There are no specific legal implications in this report, but there is likely to be a need for legal advice in future on certain of the specific projects mentioned.

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

9.1. Equalities are a central thread throughout the Council's performance and many of the indicators have equalities implications. Equality impact is considered alongside performance by services.

9.2. This report provides an update on progress with projects and activities in the Council Plan, many of which have an impact on different sections of our community. Successful delivery of these projects will improve the services we provide to all sections of our community.

## **10. Consultation**

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

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

11.1. **Appendix 1: Exception reports** for areas of under performance as at December, shows in detail indicators where targets are not being met along with an explanation of the performance, current activities, and best practice.

11.2. **Appendix 2: Financial tables** shows the aggregate projected positions for revenue and capital, proposed budget changes (virements) for approval in accordance with financial regulations, and the Red, Amber Green (RAG) status of planned savings and planned investments.

11.3. **Appendix 3 Council Plan Update** on Business Actions

11.4. The full scorecard can be accessed at:

[http://www.haringey.gov.uk/index/council/performance\\_and\\_finance/council\\_inspectio ns/performance-reports.htm](http://www.haringey.gov.uk/index/council/performance_and_finance/council_inspectio ns/performance-reports.htm)

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

12.1. Budget management papers

12.2. Service PI returns including unit cost data

## **13. Background**

13.1 This report details an update on the Council's performance against agreed targets for 2009/10. Financial and performance information is based on the financial monitoring reports prepared for the budget and performance review meetings for period 9.

13.2 The full scorecard details performance against monthly reported indicators all linked to the Council's priorities:

- A Greener Haringey

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

13.3 Six indicators are shown in the full scorecard as proxy measures of quality and improvement for safeguarding children. These are reported on the scorecard under the 'Better Haringey' priority. They are also included in the service dashboard and reported through the various channels in accordance with the council's performance management framework.

13.4 A significant number of the new national indicators lend themselves to quarterly or annual monitoring rather than monthly. Those where quarterly values are available are included in this report.

## 14. Performance Overview

14.1 The table below shows overall progress against the monthly basket of indicators.

<b>Table 1.</b>		
<b>Progress against the indicators reported monthly</b>	<b>Latest status based on YTD December 2009</b>	
Number of indicators that are on target	35	<b>Green</b>
Number of indicators that are just off target	12	<b>Amber</b>
Number of indicators that are off target	23	<b>Red</b>
Number of indicators where data not yet available/no target set	6	

14.2 The table above shows a fairly positive picture in terms of achievement against targets set. In addition, an analysis of performance comparing figures as at December '09 with figures from December '08 showed that where a like for like comparison could be made, for 57% of indicators performance has improved.

14.3 Good progress is being made against our current Local Area Agreement. Of the 35 designated improvement targets where data is available to assess progress (19 indicators) 63% (12 indicators) are on track to achieve targets for 2009/10. A number of the remaining indicators, whilst not currently achieving target are showing improving trends. In addition 5 of the 10 attainment indicator targets that also form part of the LAA have achieved or were close to achieving target. For 4 of the 5 where targets were not achieved, performance has improved from 08 or been maintained.

14.4 Progress on the 13 stretch targets agreed for 2007 to 2010 is positive with ten on track to be achieved and three off target. Further detail on those where targets are not being met is provided in the exception reports.

## **15. Key Performance Messages**

- 15.1 The following are performance highlights grouped by Council priority extracted from the full scorecard. Progress against Local Area Agreement (LAA) targets, particularly those where the Council is the lead agency, is highlighted.
- 15.2 Exception reports (Appendix 1) have been provided for the areas where targets are not currently being met.

### **A Greener Haringey**

- 15.3 The latest data (2007) from DEFRA on CO2 emissions shows a 0.2 tonne reduction per 1000 population from 2005 to 2007 and overall a 37.7 tonne reduction from the baseline, the fifth highest reduction in London. This puts us on track to achieve our 7.4% reduction in 2009 and 11% reduction over the three years of the LAA. (NI186).
- 15.4 24.82% of household waste has been recycled in the year to December, short of our 32% target for 2009/10. (NI192).

### **A Better Haringey: Cleaner, Greener and Safer**

- 15.5 There have been 369 violent crimes in the year to December against a target of 297 for that period, a 19.4% increase on the same period last year. This is an LAA improvement target with an aim to reduce serious violent crime by 4% in 2009/10 (NI15).
- 15.6 Gun crime remains significantly above target with 126 offences in the year so far, an increase of 48.2% on the same period last year but knife crime has reduced by 5.9%.
- 15.7 Children's initial assessments carried out in 7 days from referral have improved from 26% to 34.9% in December. This remains below the 53% target (NI 59).
- 15.8 The percentage of core assessments carried out in 35 working days of commencement was 45.4% in December, below the 63% target (NI 60). The lower percentage of both initials and core assessments in timescale is due to ensuring that the quality of assessments completed is to a high standard and clear the outstanding case load.
- 15.9 Repeat victimisation of domestic violence and the proportion of incidents that result in sanction detection are both bettering the agreed stretch targets.
- 15.10 Independent ENCAMS Tranche 2 results covering the period August to November confirm improvements in the cleanliness of highways. Cleanliness targets continue to be exceeded in all areas.

### **A Thriving Haringey**

- 15.11 Interim results for Use of Public Libraries measuring the percentage of adults who have used public libraries in the last 12 months- 57.8% place Haringey as the best in London and in the top 1% of all Local Authorities in England. The

final assessment for this indicator using data collected between October '09 and October '10 will be released in December 2010.

- 15.12 There has been a significant improvement in the change in under-18 conceptions although the target in terms of percentage change has not yet been achieved. The rate per 1000 girls aged 15-17 at Quarter 3 2008 is 50.2 with 44 conceptions (compared to Q3 2007 which was 65.2 per 1000). The rolling quarterly average is now down to 56.8 per 1000 and shows 5.9 % decrease (compared to the 1998 base rate of 62.7 per 1000).
- 15.13 The NEET (16-18 year olds Not in Education, Training or Employment) in December is 288 or 6.7% of the cohort, bettering the 10.4% stretch target. The condition attached to this stretch target around the proportion of the cohort with a 'not known' status is also being met so it is anticipated that the full reward grant of just over £700k will be received for this improvement.
- 15.14 Sports and Leisure usage and Active Card Membership are both exceeding targets.
- 15.15 The Healthy Schools stretch target has been achieved, another stretch target where the reward grant will be payable in full.

#### **A Caring Haringey**

- 15.16 The percentage of vulnerable people achieving independent living and those supported to maintain independent living are both exceeding target and bettering the 08/09 London average (NI141 and NI142).
- 15.17 3,938 people are supported to live independently through social services as at December '09, well above the target and the London average (NI136).
- 15.18 For 89.5% of cases, social care packages following assessment were delivered in 4 weeks, a slight increase on previous reported performance but short of the 93% target (NI 133).
- 15.19 Delayed transfers of care from hospital reduced slightly at 14.5 per hundred thousand population in December. Performance in this area continues to be a challenge and although performance is an improvement on the same period last year it remains comparatively high and above the target of 9 (NI 131).
- 15.20 18% of carers receive needs assessment or review and a specific carer's service, exceeding target and good performance has been maintained on self-directed support for social care clients (NI130 and NI 135).

#### **Driving change, improving quality**

- 15.21 The number of households in temporary accommodation has continued to reduce and stands at 3,800 at the end of December. However the reduction rate has slowed for the past month and a half but challenging targets have been set to ensure we meet the 2,603 target by the end of 2010 (NI156). The financial risks are being closely monitored as part of the reduction project.
- 15.22 92.3% of council tax due has been received in the year to December against a target of 93.25%.

- 15.23 92.6% of invoices for goods and services were paid by the authority in 30 days, exceeding the 91% target set for 2009/10. However performance in 10 days dipped in December to 68% having exceeded the 75% target for the previous 3 months.
- 15.24 Unit costs for homecare, visits to libraries and visits to leisure centres are all on track to be achieved.
- 15.25 The average time taken to process new benefits claims and change events reduced to 30 days in December, a 15 day improvement from the high in September but still missing the 17 day target set for 2009/10.
- 15.26 Average relet times for local authority dwellings let in the financial year have reduced slightly to 50.4 days in December (44.4 days in the year to date) against a 2009/10 target of 27 days. The general needs average re-let time increased to 40.6 days in December and supported housing reduced to 79.9 days.
- 15.27 The number of working days lost to sickness improved slightly at 8.97 in the rolling year to December against a target of 8.5 days for 2009/10.
- 15.28 The timely handling of Stage 1 complaints improved to 96% in December and achieved green status for the second time this year. Stage 2 complaints remain 5% short of target with 80% dealt with in the 25 day timescale.
- 15.29 In December 91% of calls presented in the Call Centre were answered against a 90% target and performance improved to 64% within 30 seconds although still short of the 70% target.

## **16. Finance**

- 16.1 The overall general fund revenue budget monitoring, based on the December position shows an increase in the service forecast overspend by £0.4m compared to last period. The factors behind this increase are set out in the following paragraphs but the highest pressure remains within CYPS. As highlighted last period, some compensatory savings are forecast from within the non service revenue budget which helps to reduce the overall net general fund outturn variance; £1m contribution from the general contingency, a £1.5m saving on the inflation budget plus a forecast saving of £0.6m on energy costs since the Council has moved onto the new energy contract. This gives an overall outturn figure of a net £2.1m above budget. Further measures to bring the budget back on line have been introduced and include a freeze on non-essential discretionary spend and a review of agency staff usage.
- 16.2 In Adults, Culture and Community Services the projected overspend remains at £0.5m as reported previously. The key pressure is still within Adult services where the impact of 34 additional clients during 2008/09 and a further 45 since April this year is creating a significant impact on budgets. There remains a shortfall in income budgets within Recreation services including under achieved income at Finsbury Park and a reduction in income at cemeteries and crematorium.



- 16.3 In the Children and Young People's Service the projected year end position has worsened slightly and now stands at an over spend of £3.7m. The main area for over spend remains looked after children (LAC) which, despite the additional resources allocated during the 2009/10 budget process, is under pressure to operate within the agreed resource. Progress has been made in implementing a range of actions targeted at reducing the cost pressures in this area however, these have been offset by the effect of the continued increase in numbers of 16-17 year olds arising from the Southwark Judgement. The past month has seen a further increase of 19 children being placed into care, and of these, 7 relate to clients aged 16+. Since the beginning of the financial year the numbers of LAC has increased by 41 which is also putting significant pressure on the legal budget, contributing to the forecast over spend. The Director continues to focus management activity on reducing expenditure in LAC and agreement has been reached to direct under spent DSG resource to fund some of the safeguarding costs.
- 16.4 The Urban Environment directorate is forecasting a year end overspend of £0.8m. Although efficiencies have been identified since last month the overall forecast has deteriorated due to two main factors. First, the severe weather conditions have resulted in increased spend mainly related to gritting as well as reduced income from parking. Second, the provision of assured short hold tenancies has been higher than originally budgeted for and, although this is assisting in reducing temporary accommodation, it is a cost pressure that is difficult to contain at this time.
- 16.5 The project to reduce emergency accommodation, which had additional resources of £2.2m agreed by Cabinet in July 2009, is delivering a reduction in numbers but not at the pace required (see 15.21). The strategy in the final quarter is moving to one of cost reduction and includes actions such as negotiating new rents at local housing allowance rates with all the major landlords to ensure any budget impact after 1 April 2010 from the new subsidy regime is minimised. The financial risks are also highlighted in the recent budget reports.
- 16.6 The HRA budget projection is showing a surplus of £0.6m above the budgeted figure; the key drivers are reduced energy costs and an increased surplus on rent income.
- 16.7 Corporate Resources have this period reduced the forecast year end position to £0.3m over budget. The main pressure remains under achievement of income within the commercial portfolio as reported previously, plus the impact of the recession which is creating higher case loads particularly within Benefits & Local Taxation. These pressures will in part be offset by cost savings in other areas of the Directorate and work continues to identify measures to bring this figure down further by the year-end.

- 16.8 Policy, Performance, Partnerships & Communications (PPP&C) continue to forecast a balanced outturn position and People & Organisational Development (POD) are forecasting a small under spend of £0.1m largely due to delayed recruitment and redesigning one of the corporate development programmes. The overall general fund revenue forecast in Appendix 2 also assumes that the targeted efficiencies within the Haringey Forward programme are achieved.
- 16.9 Non-service revenue (NSR), which largely consists of budgets for levies and contingencies, is still forecasting a year end under spend of £3.1m. This is due to the lower than budgeted pay award, unallocated contingency and projected savings on energy costs following the move to a new contract in October. The pressure on budgets within Alexandra Palace Park and Trust continues and, although a request has been made to restrict discretionary and non-essential expenditure, the year end position reported to the Board on 12 January 2010 increases the deficit by a further £0.123m to £2.29m. The underlying driver remains the impact of the adverse market conditions on income.
- 16.10 The RAG status of agreed 2009/10 revenue savings and investments is shown in Appendix 2 and remain as per period 8 with the majority of the 'red' classified savings within Urban Environment caused by delays in revising street cleansing contracts and pressures on realising trade waste income benefits; the balance in Corporate Resources relates to planned increased commercial income within the Property Services business unit which is under achieving.

### **Treasury Management**

- 16.11 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 was considered by the General Purposes Committee on 12 January 2010. In accordance with changes set out in the Revised CIPFA Code of Practice on Treasury Management 2009, the TMSS has been scrutinised by the Audit Committee prior to its approval by the Council which is due on 22 February 2010. The adoption by the Council of the Revised CIPFA Code of Practice on Treasury Management 2009 will also necessitate changes to the Council's Constitution which will be approved by the Constitution Review Working Group and recommended to the full Council for adoption.
- 16.12 The Council continues to adopt a restricted lending list to those UK institutions covered by the government's Credit Guarantee Scheme (CGS), the government's Debt Management Office and approved AAA rated Money Market Funds. Existing Treasury Management practices continue to concentrate on the security of the Council's investments and this impacts, along with the current bank base rate, on returns. Investment income has a projected outturn of £1.3m this financial year. In terms of recovery of Icelandic deposits, an improved position has been reported by the Heritable Bank (UK) administrators and their

base case return has been increased from 80p to 85p. This equates to an additional £1m for Haringey.

## Capital

- 16.13 The aggregate capital projected position in 2009/10 is as shown in Appendix 2 and is projected to underspend by £18.7m which equates to 10% of the approved budget and has increased by £7.8m since last period. The explanations for this variance are set out by Directorate in the following paragraphs. The main variation this month is in respect of Building Schools for the Future (BSF).
- 16.14 There has been a small increase in the forecast year end under spend within Adults, Culture and Community Services to £3.7m due to delays in receiving confirmation of planned external investment. The key projects showing under spends remain as follows. The sale of land adjacent to Muswell Hill Library has been deferred until 2010/11 impacting on the proposed capital spend; feasibility work is still taking place on the Enfield cemetery project which pushes the majority of spend into next financial year; external grant funding for the tennis court refurbishment has yet to be confirmed again delaying start on the scheme and planned investment in the Sport and Leisure programme has been deferred until 2010/11 in order to lever in additional external funding for a more comprehensive investment package.
- 16.15 The Director of Urban Environment is now forecasting an under spend of £1.8m, a slight increase over the last period. An under spend is still forecast against the re-provision of the Hornsey recycling centre (£0.3m) although the under spend has reduced from last period as the land has now been acquired. Investment on developing the new site at Marsh Lane (£0.8m) remains behind the original plans as do a number of small schemes funded by GAF; all will be fully spent although not in this financial year. The HRA capital programme overall is now only forecasting a small over spend of £0.2m mainly due to high volumes of work relating to boiler replacements. Expenditure of £0.5m in this financial year on essential fire protection works following recent fires in tower blocks will be recommended to Cabinet for approval to be funded from reserves. Further work will be required in 2010/11 although the final sum has yet to be agreed.
- 16.16 Corporate Resources is showing a forecast under spend of £1.4m. This is a combination of under spends across a range of property projects and IT. Sound business cases are required before IT projects are committed and the progress on these may impact on the year end position.
- 16.17 The 2009/10 BSF planned expenditure is now showing a year-end under spend of £11.4m, compared to the previously reported under spend of £5.9m. The additional under spend is made up of the newly reported £3.9m under spend for the ICT MSP contract with the supplier reflecting changes in the timing of the move from interim to full service to better meet schools' current operational

needs; £1.0m projected under spend related to construction site delays and £0.8m under spend relating to professional fees for Furniture, Fittings and Equipment being later than planned. The projected under spend on project and programme contingency reported previously remains and will be committed in due course. It should be noted that the BSF Programme is currently projected to be completed within its agreed whole life budget totals. The projected under spend in 2009/10 relates to revised spending profiles and is not expected to materially affect final project delivery dates for individual schools. The non-BSF CYPS capital programme is forecast to under spend by £0.7m largely caused by slippage on the Early Years Quality and Access project (£0.4m) and Coleridge school expansion (£0.23m).

16.18 A significant proportion of the 2009/10 capital programme is funded by the generation of capital receipts from the Council's disposal programme. The target level of receipts assumed for this financial year is £9.1m. The latest forecast of in year receipts as at period 9 have again been revised slightly upwards to £4.55m compared to £4.46m last month, an increase of £90k. The increase is mainly in respect of usable right to buy receipts which have picked up slightly compared to the early part of the year.

16.19 The overall shortfall is mainly as a result of very difficult property market conditions currently prevailing and impacting on valuations and hence the deferral of some disposals into later years. Measures to mitigate the shortfall have been previously reported and include the use of DCSF non-ring fenced capital funding of £2.283m (which will be repaid to CYPS for schools use in 2012/13), some genuine under spend now emerging against capital receipts projects and utilising any flexibility within the capital financing reserve towards meeting the projected shortfall.

#### **Virements.**

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