

Executive

On 21 March 2006

Report title: **Finance & Performance – January 2006**Report of: **The Chief Executive and Director of Finance****Ward(s) affected:** All**Report for:** Key Decision**1. Purpose**

- 1.1 To set out an exception report on the finance and performance monitoring for January 2006.

2. Introduction by Executive Member for Finance (Cllr Richard Milner)

- 2.1 Council tax collection rose to 93% in January, taking us to an overall collection rate of 92.9% for the year to date. This is a tremendous recovery after the problems caused to the system by the fire at Hemel Hempstead in December. This report highlights the steps officers are taking to ensure we meet our end of year target.
- 2.2 Business rate collection increased to 100% in January and we are now achieving our 99% target.
- 2.3 To achieve our invoice payment target, 95% of invoices will need to be paid in timescale between now and the end of the year.
- 2.4 We remain above target for processing new claims despite system down time caused by the Hemel Hempstead fire.

Introduction by Executive Member for Organisational Development and Performance Management (Cllr Takki Sulaiman)

- 2.5 This report highlights continued good performance in a wide range of services from Children's Service's further improvements on the stability of looked after children, to Housing's continued high percentage of urgent repairs completed within government time limits, to Environmental Services' near-perfect performance in the cleanliness of Zone 1 streets.
- 2.6 This report also highlights improvements in a wide range of service areas including the Chief Executive's Service's improvement in the average number of working days lost to

sickness per full time equivalent employee, and Housing's improvement of the average re-let time of local authority dwellings.

2.7 There remain areas which need improvement, such as Children Services' short-fall of the targeted 20 adoptions for the year 2005/06, which are receiving support from managers.

3. Recommendations

3.1 To note the report.

3.2 To agree virements set out in section 11.

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4. Executive Summary

4.1 This report sets out the routine financial and performance monitoring for January 2006.

5. Reasons for any change in policy or for new policy development (if applicable)

5.1 None

6. Local Government (Access to Information) Act 1985

The following background papers were used in the preparation of this report:

Budget management papers
Service PI returns

7. Background

- 7.1 This is the regular finance and performance monitoring report for January 2005. It is based on the financial monitoring reports prepared for the budget management meetings held on 17, 20 and 24 February 2006 for period 10 and the service submission of the basket of performance indicators that we are using for 2005/06.
- 7.2 For 2005/06 the indicators contained within Appendix 1 for the traffic light report include key threshold indicators used in the Council's Comprehensive Performance Assessment (CPA) and those included in Haringey's Local Public Service Agreement (LPSA) as well as some key local indicators for the Council.
- 7.3 Performance data is shown in full in Appendix 1. Progress is tracked on the monthly and year to date position against the target using a traffic light annotation where:
- green: = target achieved / performance better than planned
 - amber: = just below target
 - red: = target not achieved / below expectation

In addition, trend arrows depict progress since the last financial year, so whilst an indicator may receive a red traffic light for not achieving target, it would show an upward trend arrow if performance had improved on the previous year's outturn. Between them, the lights and arrows indicate current progress and predict the likely annual position.

8. Service Positions

8.1 Children

- 8.1.1 The overall revenue budget now shows a projected underspend of £400k. Part of this is a projected underspend on Standards Fund of £155k and this will be requested as a carry forward at the year end. There continues to be a number of overspending budgets within this net position and actions are in place as part of future years budget proposals to manage this within the approved cash limits.
- 8.1.2 One of the overspending areas is the commissioning budget for looked after children. The number of children is now 393 compared to the budget figure of 390 resulting in a projected overspend in the region of £40k. The department has reviewed its procedures to ensure that the process is sufficiently robust in terms of decision making. The commissioning strategy for future years assumes that net savings will be delivered as part of revised budget proposals. A further related area is the special educational needs placement budget, which is projected to overspend by £366k. A detailed review of this area has been commissioned with a view to reducing the costs of this service.
- 8.1.3 The asylum position remains broadly as previously reported, that is a gross shortfall of £2.9m to be covered by a contingency and assumed special case grant claims for 2004/5 and 2005/6. The position remains a serious concern

for the financial strategy. The Leader wrote to the Home Office Minister and received a response from the National Asylum Seeker Service (NASS) that did not deal satisfactorily with the issues raised. The Leader has written back expressing the Council's concerns.

- 8.1.4 There is a projected capital underspend of £3.2 million. This mainly relates to the 6th form centre construction where an underspend of £3.8 million is projected this year. This is partially offset by £0.8 million of other BSF costs.
- 8.1.5 Performance highlights for Children's services are as follows.
- 8.1.6 All 19 statements of need excluding exceptions prepared in January were issued in the 18 week timescale. When exceptions are included 95 out of 112 (85%) statements in the year so far have been issued within 18 weeks. Performance on both parts of the indicator continues to exceed target.
- 8.1.7 Performance on stability of placements for looked after children has improved further as at January '06. 11.5% of children have had three or more placements in the year down from 14.7% in 2004/05. This performance places us in the best performance banding.
- 8.1.8 All reviews of children on the register due so far this year, with the exception of 1 review were completed in timescale. (BV162). Excellent performance has been sustained in this area.
- 8.1.9 There have been 13 adoptions in the year to January '06. The target for 2005/06 is 20 adoptions and this is key to delivering the financial savings from the commissioning budget for looked after children.

8.2 Social Services

- 8.2.1 As reported last month it is recognised that there are significant financial pressures within Adults' and Older People's services. The projected net overspend is £0.1m taking account of the formal budget virement of £0.6m from contingency as agreed last month. Management action is being taken to try to ensure that these pressures do not result in any additional overspend and include a freeze on vacant posts and reducing agency staff where there would be minimal impact on front line services.
- 8.2.2 As previously reported, in Adults' there are increased costs in physical disabilities partially as a result of growth in the number of clients receiving a service (294 to 346) and where revised NHS criteria means that fewer people qualify for NHS funding.
- 8.2.3 As previously reported the pressure in Older People's is mainly as a result of the impact of the community care strategy. The most significant reason for this is the delay on the sale of Cooperscroft and Trentfield residential homes (as a result of the judicial review) which has resulted in a higher number of beds having to be re-provided on the open market. Together with a rise in external market prices and an increase in the type of care package as people are re-assessed within the moves has resulted in an overall overspend.
- 8.2.4 The performance appendix reports the latest performance figures on some key indicators in Adults' and Older People's services. This shows that:

- 97% of items of equipment were delivered in 7 working days in January, exceeding the original 80% target.
- In the year to January there were 131 supported admissions or 74.9 per 10,000 population aged over 65 to residential / nursing care in the year. This places us inside the Department of Health “Good” performance banding range. Our LPSA target is to be in the banding of between 70 and 100 admissions per 10,000 population.
- *Acceptable waiting times for assessment- new older clients aged 65+(BV195)*
This indicator is the average of the percentage of clients where time from first contact to beginning of assessment is less than 48 hours and the percentage where time from first contact to completion of assessment is less than or equal to 4 weeks. In January for 61.6% of older clients, the time from first contact to the beginning of their assessment was less than 48 hours and for 57.8% their assessments were completed within 4 weeks. The average of these is 59.7% falling below the target of 70%.

8.2.5 Some areas where we need to improve our performance in Adults' and Older People's services are:

- *Adults and older clients receiving a review as a percentage of those receiving a service.*
The service are now reporting 49% of adults and older clients receiving a review falling well short of the 75% target (BV55). Previously reported figures were much higher.
- 14% of Carers for Adults and Older People received a carer's break or specific carer's service in the last year against a target of 25% set for 2005/06. This indicator was introduced mid year and was unbanded for 2004/05. The Commission for Social Care Inspectorate have now released bandings for this measure based on values reported by councils in 2004/05. Haringey's performance is within the top banding and assessed as very good.

8.3 Housing

8.3.1 As reported previously, there is a projected improvement on the homelessness general fund budget of around £2m in addition to the approved budget. This is a financial consequence of the successful programme of private sector lease procurement and movement of families from short-term bed and breakfast accommodation and the increasing total numbers of these in the current year.

8.3.2 In the HRA there are pressures on repairs spending mainly due to an increase in demand and therefore increases in the volume of general repairs delivered by the HHBS service. The potential overspend is £2.0m. Options have been prepared on how the budget pressures can be contained within the overall resources available without any significant impact on service performance and these were considered at a Member working group and will now be implemented. These actions will reduce the net overall overspend in 2005/06 to £300k.

8.3.3 The assumptions on rent income include the projected shortfall in collection performance, offset by a reduction in the number of houses sold under the right to buy scheme this year.

8.3.4 Performance issues in Housing are as follows:

Homelessness Assessments

8.3.5 In January '05, decisions on homelessness applications issued in 33 days reduced to 59.9% of cases, falling short of the 92% target. The year to date position at 89.2% now also falls short of the target set for 05/06.

8.3.6 BV183a and BV183b measure the average length of stay in weeks that a household at the point of permanent re-housing have spent in bed and breakfast or hostel accommodation, respectively. The indicators only measure households with children or pregnant women, who have spent time in accommodation where facilities are shared with other people.

8.3.7 Since 2004, we no longer place any such households in shared facility accommodation for long periods. The definition for this indicator has recently been amended to exclude tenants' historical stays in bed & breakfast prior to April 2004. This was the date from which the Homelessness (Suitability of Accommodation) England order 2003 took effect.

8.3.8 The average length of stay in bed & breakfast accommodation, under this new definition is reported as zero weeks.

8.3.9 The average length of stay in hostels, in January '06 increased slightly to 71 weeks with the year to date position at 68 weeks above the 40 week target. Improved performance is expected in this area with better inter-departmental working now in place to ensure current tenants in temporary accommodation stay a maximum of 40 weeks.

Average Re-let Times

8.3.10 The average re-let time of local authority dwellings improved to 23.75 days in January, inside both our local target of 29 days and our LPSA target of 25 days. The year to date position at 31.5 days however is still short of both targets.

Rent Collection

8.3.11 Rent collected to the end of January (BV 66a) is projected at 96.8% of rent due for the year, against a target of 97.8%.

8.3.12 The percentage of tenants with more than seven weeks rent arrears at 14.2% remains above our target of 8%.

Repairs

8.3.13 In January 93% of appointments were made and kept based on data taken from our IT system. Since October reported performance has been based on Optitime reports rather than customer satisfaction data. The report rules need

to be rewritten to take into account cases that are reported as failures but are not i.e. where appointments are kept but follow up works are required. This is being addressed.

8.3.14 The average time to complete non-urgent responsive repairs according to the old BVPI definition was 15 days in January and 17.3 days in the year to date against a target of 10 days. These figures include private contractors without any exclusions for planned maintenance, which is a change from previous years explaining the deterioration in reported performance. There is an issue about capturing contractor completion data without established IT links so the service are reliant on manual input based on contractor notification of completion.

8.3.15 The percentage of urgent repairs completed within Government time limits at 98.6% continue to exceed the 97% target.

8.4 Environment Services

8.4.1 The previously reported parking income shortfall of £350k has been covered by the formal virement agreed last month from contingency. The income recovery rate for parking charges is currently at 60%, which exceeds the target by 3%.

8.4.2 A number of other budget pressures have also been identified by Business Units but the Directorate is committed to managing these within its approved cash limit for the year.

8.4.3 There is a projected underspend on capital of £1.5m that is mainly due to slippage on the CCTV project of £750k, Parks first impressions project of £500k, Finsbury Park HLF scheme of £250k and Lordship recreation project of £210k. A number of other schemes have low expenditure to date but it is envisaged that these will be completed and spent by the year end. This net position includes a £280k projected overspend on the Leisure Centres refurbishment scheme due to significant structural and materials defects at Park Road that will be funded by additional unsupported borrowing. The table below shows the impact on the affordability of the scheme compared to the April profile and shows that the additional spend can be covered.

	Yr1	Yr2	Yr3	Yr4	Yr5	Yr6	Yr7	Yr8	Yr9	Yr10	Total
Capital Investment											
Original	2760	714	420	0	0	452	0	0	0	0	4346
Revised	3040	594	342	0	0	392	0	0	0	0	4368
Variation	280	-120	-78	0	0	-60	0	0	0	0	22
Revised Revenue Impact / Affordability											
Net annual impact	46	-4	-37	-37	-37	13	13	13	13	13	-4
Cumulative	46	42	5	-32	-69	-56	-43	-30	-17	-4	-4

8.4.4 Performance highlights in Environment are:

8.4.5 January showed an increase in tonnage from the Reuse and Recycling Centres and also a rise in dry recyclables collected on the commingled rounds. Household waste recycled or composted in January at 20% exceeds the 18% target for the tenth month running ensuring that our statutory target for the year will be met.

8.4.6 Waste Minimisation performance in January was just outside the CPA upper threshold and the year to date performance remains within the London top quartile although still above our challenging target. It is anticipated that the new home-composting waste minimisation schemes full effect will be realised next year.

8.4.7 Waste collections missed per 100,000 at 120 in January '06 was inside our LPSA target of 130 for the sixth month running. Performance in the year to date is just short of the LPSA target but if the improved level of performance is sustained for the remaining two months of the year, we should just hit our LPSA target.

8.4.8 99% of Zone 1 streets were of an acceptable standard of cleanliness in January against a 95% target. Performance continues to be above the target.

8.4.9 395 out of 485 minor planning applications (81.4%) were determined in 8 weeks in the year to January exceeding our 78% target and beating the government target. In addition all but five of the thirty nine major applications processed in the year so far were determined within 13 weeks.

8.4.10 The Parks Cleanliness index at 84.7 in January exceeded the target of 80 for the fifth month in succession. There has been continual improvement with 10 sites having little or no litter and only three parks scoring below 70 compared to twelve last year February. The yearly cumulative score has increased to 80.5.

8.4.11 The average number of days to repair streetlights was 2.09 days in January and 1.87 days in the year to date, both well below the target of 3.5 days. However, the average length of time to repair faults relating to power supply handled by our District Network Operator (DNO) - currently EDF – at 22 days remains above the target of 10 days. EDF have set a ten day target within their customer charter and Haringey will be raising the issue about their failure to meet this target. In the meantime a benchmarking exercise has been undertaken to see how other authorities perform on this measure. Haringey's performance is not out of the ordinary with the average number of days reported ranging from 9.8 days to 35 days.

8.4.12 There have been 61 people killed or seriously injured in the period January to September 2005. Scaled up, this equates to 81 in the full calendar year, against our LPSA target of 145. Although performance to-date looks good against the target set for this year, it must be noted that data is only up to September {latest available from TfL} and predictions must be treated with caution. The CPA uses a three year rolling average to reduce the effect of unrepresentative fluctuations: at September 05 this was 144 and so was out of the lower threshold.

8.5 Finance

- 8.5.1 As reported previously, the continuing drive to improve performance in Benefits and Local Taxation in the context of an on-going recruitment programme has resulted in levels of agency staff remaining at a significant level. There are also additional costs of around £150k arising from the fire at Hemel Hempstead where a backlog in housing benefit cases needed to be dealt with. Additional costs are projected of around £0.8m. After carrying out a review of all budget areas within Finance it is expected that £0.6m can be contained within the overall budget of the department.

Council Tax and Business Rates

- 8.5.2 Council tax collected in January increased to 93% after a fall in December as a result of the lack of computer system availability after the Hemel fire. Plans are in place to ensure that backlogs created are cleared at the earliest opportunity. 92.9% of Council tax due has been collected in the year to January '06 against a target of 93.5% for 2005/06. To ensure that the annual target is reached there is a focus on improving the collation of key information from customers after a liability order has been obtained.
- 8.5.3 As with Council tax the collection of business rates increased to in excess of 100% in January putting this indicator back into a favourable position. The position in the year to date is now 99% achieving target. The collection rate will continue to be closely monitored to ensure the end of year target is achieved.

Invoice payments

- 8.5.4 83% of invoices were paid in 30 days in January. The sharp downturn in the borough's performance for January is directly related to the implementation of SRM. Many invoices were delayed while procurers attempted to place their orders and encountered difficulties adjusting to the new system for goods receipting. The position in the year to date is that 89% of invoices have been paid in 30 days so in order to hit our 90% target for the year, we need to pay 95% of invoices in timescale for the remaining months of the year.

Benefits

- 8.5.5 The average speed of processing a new claim increased to 45 days in January. This is a direct result of system downtime caused by the Hemel fire. The performance in the year to date remains above target and is in line with an excellent score in the benefit performance standards.
- 8.5.6 The average speed of processing a change in circumstance was 41 days in January against a target of 18 days. This was the result of the Department for Works and Pensions introducing a revised calculation for this indicator. Work is being undertaken to estimate a revised annual position and the target will require amending.

8.6 Chief Executive's

- 8.6.1 As agreed last month formal budget virements have been made from contingency to fund the following overspending areas. £0.1m has been vired to balance the Local Land Charges income budget, £0.3m for Broadwater Farm Community Centre (BWFCC), and £400k for transition to the new management arrangements.
- 8.6.2 Other budgets within Chief Executive's Services are being reviewed such that the overspends can be contained in overall terms. In particular there may be some flexibility in Strategy arising from vacancies in the first half of this year.
- 8.6.3 As reported previously, a decision on re-phasing of the roll-out means that there are additional capital costs of £0.5 million on the Tech Refresh project. The programme is now largely complete. In addition the E. Care project is projected to overspend by £200k and this will be contained within the e-government money via year end flexibility/slippage.

Performance highlights are:

Public Complaints

- 8.6.4 In the year to January 1,182 (79%) of complaints at stage 1 (local resolution) were responded to within the 15 working day timescale against a target of 80%. For the more complex service investigation stage, 124 out of 177 (70%) of complaints were resolved within timescale in the year to January falling short of the target. Action is being taken to address poor performance in Housing and Finance.
- 8.6.5 The three stage 3 complaints (independent review) completed in January included the first late response of the year. Good performance has been sustained with 27 of the 28 (96%) complaints received in the year so far, reviewed and responded to within the 25 working day timescale, exceeding the 90% target.
- 8.6.6 72% of Freedom of Information (Fol) requests were actioned within the 20 day timescale in January. This information is better than previous submissions because we have improved data collection and excluded bank holidays from reported performance. Nevertheless the performance is still a concern with only 66% of requests processed in time in the year so far against a target of 90%.

Sickness

- 8.6.7 The average number of working days lost to sickness per full time equivalent employee in January '06 decreased to 9.3 days per annum. The year to date position of 10.4 days, including late reported sickness, is now above the target of 8.8 days and places us in the lower quartiles both nationally (11.1 days bottom quartile) and for London (9.74 days) authorities.

Access Services

- 8.6.8 47% of callers to Customer Service Centres in January were seen within 15 minutes. This was due to high levels of sickness experienced in January and increased customer contact for Council Tax and Benefit enquiries at the centres. The increased demand was due to delayed debt recovery action as a result of the Hemel Hempsted fire causing much higher levels of demand than expected. The year to date position is 66% and falls short of the 70% target but additional hours are being applied and it is hoped that the position can be recovered.
- 8.6.9 In January call centre telephone calls answered in 15 seconds reduced to 40.5%. Performance was affected by IT instability and the effects of the Hemel Hempstead fire. Performance in the year to date at 64% of calls answered in 15 seconds remains short of our 70% target. It is unlikely that the target will be achieved.
- 8.6.10 The number of visits to our libraries increased in January '06. There were 181,613 visits, the equivalent of 9.7 visits per head of population in a year. Visits in the year to January equate to 9.8 visits per head comfortably exceeding our target for 2005/06 of 9 visits per head.

9. Performance Summary

- 9.1 In summary the traffic lights for the year to date position as at January '06 show that for 62% of indicators, performance is on target or close to the end of year target. In addition 72% of indicators have maintained or improved performance since the end of last year.

10. Summary - Budget Monitoring

- 10.1 The aggregate revenue projected position in 2005/06 is as shown in the following table. The variation previously shown under non-service revenue that relates to the likely non-achievement of part of the budgeted savings in relation to the Programme Board and specifically the Procurement savings has been eliminated by the formal virement agreed last month in the sum of £0.8m from contingency. This relates to the target of £1 million in respect of Procurement savings in 2005/06 and to date only £200k from the renewal of the Insurance contract is likely this year. The non-service revenue income budget for interest earned on investments is projected to have a shortfall of £200k because short term interest rates tend to track base rate and this rate is 0.25% lower than it was at the start of the year.

General Fund revenue	Approved Budget	Projected variation
	£m	£m
Children	202.0	(0.4)
Social Services	52.6	0.1
Housing	(0.2)	(2.0)
Environment	49.3	0
Finance	13.6	0.2
Chief Executive's	19.6	0

Non-service revenue	9.0	0.2
Total	345.9	(1.9)

The above table takes account of the formal budget virement that was approved last month to fund the overspending areas for 2005/06. This was met from the £4 million contingency agreed at Executive on 14 June 2005.

- 10.2 As reported last month, in the HRA there are pressures on repairs spending mainly due to an increase in demand and therefore increases in the volume of general repairs delivered by the HHBS service. These are offset by other identified savings and the net potential overspend is estimated to be £0.3m.
- 10.3 The aggregate capital projected position in 2005/06 is as shown in the following table. Net underspend on Children is projected at £3.2 million. This mainly relates to the 6th form centre construction where an underspend of £3.8 million is projected this year. This is partially offset by £0.8 million of other BSF costs. A number of projects in Environment are projected to slip that total £1.5m net of a £280k projected overspend on the Leisure Centres refurbishment scheme that will be funded by additional borrowing. There are also additional costs on the Tech Refresh project within Chief Executive's Service as a result of the decision to re-phase. In addition the e care project is projected to overspend and this will be contained within the e-government money via year end flexibility/slippage.

Capital	Approved Budget	Spend to date	Projected variation
	£m	£m	£m
Children	43.6	27.0	(3.2)
Social Services	4.7	1.5	0
Housing – General Fund	4.4	2.3	0
Housing – HRA	24.5	15.5	0
Environment	22.4	11.9	(1.5)
Finance	6.7	2.5	0
Chief Executive	19.9	8.8	0.5
Total	126.2	69.5	(4.2)

11. Financial administration

- 11.1 Financial regulations require proposed budget changes to be approved by Executive. These are shown in the table below. These changes fall into one of two categories:
- budget virements, where it is proposed that budget provision is to be transferred between one service budget and another. Explanations are provided where this is the case;
 - Increases or decreases in budget, generally where notification has been received in-year of a change in the level of external funding such as grants or supplementary credit approval.
- 11.2 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.

11.3 The following table sets out the proposed changes. Each entry in the table refers to a detailed entry in the appendices, which show the budgets that it is proposed to change. There are two figures shown in each line of the table and the detailed sheets. 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.

11.4 Proposed virements are set out in the following table:

Period	Service	Key	Amount current year (£'000)	Full year Amount (£'000)	Description
10	Chief Exec / Environment	Rev	5	21	Updating Scoping for Recreation Services.
10	Chief Exec	Rev	22		NDC funding for Mobile Youth Work £10k. SRB funding for West Green end of year celebration £12k.
10	Chief Exec	Cap	160		NDC funding for Chestnut Pavilion £60k and Mobile Youth Work £100k.
10	Environment	Cap	104		Additional TFL funding for Bus Priority Network
10	Environment	Cap	59		Additional TFL funding for Principle Road reconstruction
10	Environment	Cap	173		Additional TFL funding for Safer Routes to School
10	Environment / Chief Exec	Cap	50		Haringey Passage investment funding allocated to Parks. Client role is with Neighbourhood Management.
10	Environment / Chief Exec	Rev	50		"
10	Environment / Children's	Rev	71		NRF Building a 21st Century Youth Development Service RCCO
10	Chief Exec	Rev	29		£13k Youth Offending Service income and £16k YJB Prevention funding.

12. Recommendations

12.1 To note the report.

12.2 To agree the virements set out in section 11.

13. Legal Comments

13.1 There are no legal implications.

14. Use of Appendices

Appendix i. January Performance summary

Appendix ii January Telephone answering performance