

Agenda item:

Cabinet		20 April 2010
Report Title. The Council's Performance: February 2010 (Period 11)		
Report of The Chief Executive and Chief Financial Officer		
Signed :		
Contact Officer : Eve Pelekanos/ Margaret Gallagher- Policy and Performance Telephone 020 8489 2508/2971 Kevin Bartle – Corporate Finance Telephone 020 8489 3743		
Wards(s) affected: All	Report for: Key Decision	
<p>1. Purpose of the report</p> <p>1.1. To report on an exception basis financial and performance information for the year to February 2010.</p>		
<p>2. Introduction by Cabinet Member for Performance Management (Cllr Claire Kober)</p> <p>2.1. I am pleased to see that we are continuing to reduce the number of families living in temporary accommodation in line with the ambitious targets we have set. I hope that this will continue over the coming months.</p> <p>2.2. The percentage of children's initial assessments completed within timescale has been maintained since January however, I hope that the measures we have in place will ensure that this number continues to rise over the coming months.</p>		

2.3. I am delighted that 23.8% of social care clients in Haringey receive self directed support, which exceeds the target of 22.9%. This work is part of the individual budgets pilot which we hope will help the council review how we fund social care in line with changing national policy.

2.4. Introduction by Cabinet Member for Resources (Cllr Bob Harris)

2.5. I draw attention to the finance section and to Appendix 2; I am pleased to note the improvement, albeit marginal, in the estimated revenue outturn position. Clearly the emphasis now moves to closing the Council's accounts promptly and working towards the production of the audited statement of accounts.

2.6. I should like to emphasise as we move into 2010/11 the need to maintain budgetary control against the resources allocated through the Council's budget setting process and against the Council's approved budget.

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.

4. Recommendations

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

5. Reason for recommendations

5.1. To ensure that Members are kept informed about service and financial performance against the priorities and targets set.

6. Summary (Performance)

6.1. Overall performance on the monthly basket of indicators shows that of the 75 indicators, 51% are on target with a further 13% close to target and 27% not currently achieving target (For the remaining 7 indicators 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 February 2010.

7. Chief Financial Officer Comments

7.1. The overall general fund revenue budget, based on the February position now stands at a £1.95m over spend; a small improvement of £0.15m against the previous months forecast outturn position. The estimated year end figure is based on £5.65m service directorate over spend being offset by savings of £3.70m within Non-service revenue (NSR).

7.2. The Dedicated Schools Budget (DSB) element of the overall Children & Young

People's Service budget continues to be projected to spend at budget.

7.3. The net revenue projection in respect of the Housing Revenue Account (HRA) is a small surplus of £0.30m which represents a small reduction from the last period.

7.4. The projected capital position for 2009/10 is an under spend of £24.50m which equates to 12% of the approved budget. This represents an increase in under spend over last month of £2.80m the details of which are set out within section 16.

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.

10. Consultation

10.1. The Council consults widely on its budget proposals with residents, businesses, service users and other interested parties.

11. Use of appendices /Tables and photographs

11.1. **Appendix 1: Exception reports** for areas of under performance as at February, 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** show the projected outturn position against revenue and capital budgets, and the Red, Amber Green (RAG) status of planned savings and investments.

11.3. The full scorecard can be accessed at:

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 11.

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. These are included in the quarterly reports throughout the year.

14. Performance Overview

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

Table 1.		
Progress against the indicators reported monthly	Latest status based on YTD February 2010	
Number of indicators that are on target	38	Green
Number of indicators that are just off target	10	Amber
Number of indicators that are off target	20	Red
Number of indicators with data not yet available/no target set	7	

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 percentage of household waste recycled was 25.49% in February. This is below the 32% LAA stretch target for 2009/10 but external changes to the system for calculating the recycling rate from 2008/09 have resulted in the reported rate being 5% lower than it would have been on the former system.

The target for 2010/11 has been set at 35% but will be dependent on agreement being reached with North London Waste on the Inter-Authority Agreement (NI192).

A Better Haringey: Cleaner, Greener and Safer

- 15.4 Children's initial assessments carried out in 7 days from referral improved from 26% in November to 41.4% in January and this level has been sustained at 41.5% in February. This remains below the 53% target (NI 59). Progress towards the targets remains slower than anticipated but analysis of the trends shows a continuing upward movement and management actions are in place to ensure potential blockages to further progress are addressed
- 15.5 The percentage of core assessments carried out in 35 working days of commencement increased to 57.9% in February, still below the 63% target but the highest achievement in the year so far except for September (NI 60).
- 15.6 There have been 437 violent crimes in the year to February against a target of 367 for that period, a 14.4% increase or 55 more offences when compared with the same period last year. Much work has been carried out by the partnership and the worrying increase in gang related crime has now been reduced considerably (NI15).
- 15.7 We have achieved our LAA stretch target on personal robbery and targets are being exceeded generally in other acquisitive crime areas including a 5.7% reduction in residential burglaries.
- 15.8 Performance on cleanliness targets has been good with targets exceeded in all areas. December and January's performance was affected by adverse weather conditions but our street cleansing contractor has worked hard to bring roads back up to an acceptable standard. In February just 3% of roads were classified as having unacceptable levels of litter.

A Thriving Haringey

- 15.9 The NEET (16-18 year olds Not in Education, Training or Employment) in February is 287 or 6.7% of the cohort. There has been significant improvement in this area including achievement of the 2009/10 LAA stretch target.
- 15.10 Visits to our sports and leisure centres increased in February but remain below the targeted level. However, the number of active card members continues to increase, visits to our museums are exceeding target and visits to our libraries are just short of the target.

A Caring Haringey

- 15.11 23.8% of social care clients receive self directed support, exceeding the 22.9% target set for 2009/10. The Individual Budgets pilot is on-going in Physical Disabilities, Learning Disabilities and Older People service areas and the number of service users receiving their services through personal budgets is expected to increase (NI 130).
- 15.12 Delayed transfers of care from hospital decreased further to 13.8 per hundred thousand population in February. Although this remains comparatively high and

above target, actions put in place to improve performance in this area are now starting to show dividend (NI 131).

- 15.13 There have been 23 adoptions in the year to February and the service anticipates obtaining another two before the end of the year. A number of unexpected legal complexities caused delay in the court processes and hence the target of 28 adoptions orders for 09/10 is unlikely to be met.

Driving change, improving quality

- 15.14 Performance on processing major planning applications has dipped in 2009/10. There was 1 major application determined in February and this was not completed in the 13 week timescale. In the year so far there have been 16 major applications and only 10 (62.5%) have been completed in the stated timescale. Although this still exceeds the 60% target set, it is below the levels achieved in 2008/09 and the average for London.
- 15.15 The number of households in temporary accommodation has continued to reduce and stands at 3,633 at the end of February just 1 household short of the 3,632 target for February. This represents a reduction of 915 homeless households during this financial year. The target for 31st March 2010 is to be below 3,552 homeless households in temporary accommodation (NI156).
- 15.16 Average relet times for local authority dwellings let in the financial year have reduced to a provisional 39.1 days in February against a 2009/10 target of 27 days. In 09/10 this is an average of 17 voids ready for let against an average of 15 in 2008/09.
- 15.17 91.74% of council tax due has been received in the year to February against a target of 93.25%. A review of 7500 accounts for single person discount has increased the collectable debit and impacted on the collection percentage.
- 15.18 Collection of business rates (NNDR) at 94.6% has fallen in February, as a result of the continuing effects of the recession on small businesses, despite continued efforts of the team to focus on current year collection and debt reduction.
- 15.19 In February 63.28% of undisputed invoices were paid in 10 days, below the 75% target. 119,252 invoices for commercial goods and services have been issued in the year to February 2010 and a higher proportion, 92.27% are paid within 30 days.
- 15.20 The average time taken to process new benefits claims and change events reduced to 28 days in February, and the year to date position at 27 days has seen a five day improvement since last month although is still short of the 17 day target set for 2009/10. E-benefits is now live in all Customer Service Centres and the Contact Centre and current performance on e-benefit claims is 7 days.
- 15.21 The number of working days lost to sickness increased to 9.32 days in the rolling year to February against a target of 8.5 days for 2009/10. Management actions to control sickness absence have been identified and are being monitored.

- 15.22 The timely handling of Stage 1 complaints improved to 94% in February exceeding the 93% target. Performance on handling the more complex Stage 2 remains short of target with 85% in time in the year to February but all twelve stage 2 cases were responded to in time in February.
- 15.23 In February 90% of calls presented in the Call Centre were answered achieving target and performance improved to 65% of calls answered within 30 seconds against a 70% target.

16. Finance

- 16.1 The overall general fund revenue budget monitoring, based on the February data, shows an improvement in the net outturn variance of £0.15m giving a general fund net outturn of £1.95m above budget. The change is due to movement in the CYPS directorate as outlined below. The other directorate forecasts remain as reported at period 10 with service forecast over spends of £5.65m being offset by £3.70m forecast under spend within the Non Service Revenue (NSR) accounts. Directors continue to work within the constraints of a freeze on non-essential discretionary spends and tight control of agency staff usage.
- 16.2 In Adults, Culture and Community Services the projected overspend remains at £0.50m as reported previously. The key pressures remain within Adult services although the past month has seen a reduction of 9 in client numbers and any new placements are not expected to have a material effect. There remains a shortfall in the income budgets within Recreation Services including under achieved income at Finsbury Park and a reduction in income at cemeteries and the crematorium.
- 16.3 In the Children and Young People's Service the projected year end position has shown a marginal improvement and now stands at £3.85m. Overall across the Directorate the pressure remains within Children & Families and specifically children in need and safeguarding where the cost of additional client numbers cannot be contained within budgets despite additional resources being allocated during the 2009/10 budget process. Since P10 a further 6 children have been taken into care and the number currently stands at 520. Management action in this area is focussed on three specific strands namely; routes into care, placement costs and routes out of care.
- 16.4 The Urban Environment directorate is forecasting a year end overspend of £1.30m. The main pressure relates to the project to reduce temporary accommodation ahead of the new subsidy regime, which will be in place from 1 April 2010. Although a large number of Assured Short-Hold Tenancies have been provided, the cost has been higher than originally expected. In the last month projected expenditure on responsive road maintenance has also increased following the spell of poor weather and the pressures relating to reduced income levels in planning, parking and trade waste remain.

- 16.5 The HRA budget is now projecting a surplus of £0.30m; the key drivers remain reduced energy costs and an increased surplus on rent income, although there is a budget pressure around gas maintenance.
- 16.6 Corporate Resources have managed to reduce their year end forecast over spend to £0.20m this month; this is a £0.10m improvement from previous projections. The budget pressures remain largely unchanged and are in large part due to the difficult economic climate which is showing in the under achievement of income within the Council's commercial portfolio, plus higher client volumes particularly within Benefits & Local Taxation and Customer Services. To mitigate these additional costs, the Directorate has identified cost savings in other areas.
- 16.7 For Period 11, Policy, Performance, Partnerships & Communications (PPP&C) and People & Organisational Development (POD) are each projecting a small under spend of £0.10m as reported last period. The under spends have arisen from a variety of factors the most significant of which are the redesign of corporate development programmes, receipt of additional external grant income and delayed recruitment following the spending freeze.
- 16.8 The year end forecast for Non-service revenue (NSR), which largely consists of budgets for levies and contingencies, remains at an under spend of £3.70m as reported last period. The underlying reasons for the under spend are £1m non-utilised general contingency, a £1.50m saving on the inflation budget, savings of £0.60m on energy costs following the move to new rates in October 2009 and a successful one-off VAT reclaim payment of £0.60m received last period. The pressure on budgets within Alexandra Palace Park and Trust continues, largely driven by the impact of the adverse market conditions on income. The trust continues to restrict discretionary and non-essential expenditure however, the year end position remains as a deficit of £2.29m.
- 16.9 The RAG status of agreed 2009/10 revenue savings and investments is shown in Appendix 2 and remain as reported last period 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 the planned increase in commercial income within the Property Services business unit which has not been achieved due to the adverse economic conditions.

Treasury Management

- 16.10 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 was scrutinised by the Audit Committee prior to

its approval by the Council on 22 February 2010. The adoption by the Council of the revised CIPFA Code of Practice on Treasury Management 2009 has also necessitated changes to the Council's Constitution. These changes were approved by both the Constitution Review Working Group and subsequently by the Council.

- 16.11 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 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 £1.30m this financial year. In terms of the recovery of Icelandic deposits, the latest estimate is an impairment of £6.2m to be charged to the Council's accounts. This assumes a recovery of 83.3% of the total capital sum invested in all Council Icelandic investments. As reported last month, the Council was successful in its application to capitalise impairments resulting from these deposits which means that Haringey can finance this sum over a period of 20 years from 2009/10.

Capital

- 16.12 The aggregate capital programme position in 2009/10 is as shown in Appendix 2 and is projected to underspend by £24.5m which equates to 12% of the approved budget, an increase of £2.80m since last period. The explanations for this variance are set out by Directorate in the following paragraphs.
- 16.13 The forecast year end under spend within the Adults, Culture and Community Services has seen a small increase this period to £4.34m mainly due to some additional slippage on Muswell Hill & Fairfield recreation grounds. The bulk of the overall under spend relates to a deferral of the sale of land adjacent to Muswell Hill Library 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 the 2010/11 financial year; external grant funding for the tennis courts 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. These have all been reported previously.
- 16.14 The underspend forecast by the Director of Urban Environment remains at £3.4m against General Fund capital schemes. An under spend is forecast against the re-provision of the Hornsey recycling centre (£0.3m) where any facilities will be built in future years. Investment on developing the new site at Marsh Lane (£1.2m) remains behind the original budget profile as do a number of small schemes funded by Growth Area Funds (GAF) monies; all will be fully spent although not in this financial year. The HRA capital programme overall is

forecasting an over spend mainly due to high volumes of work relating to boiler replacements and cost of fire protection works.

- 16.15 The Corporate Resources year end forecast under spend has increased slightly this month to £1.70m. The increase is due to a few projects within IT, B< and Property which were expected to spend in the last quarter of the year now slipping into 2010/11. Full spend is still expected and should be achieved in April or May for the property projects.
- 16.16 Within Children's Services the 2009/10 BSF planned expenditure is now showing an under spend of £13.90m, compared to the previously reported under spend of £12.20m. This variance consists of a £1.10m projected under spend related to construction site delays associated with the exceptional winter weather and re-establishing a programme that meets the operational needs of schools, a £1.10m reduction in estimated spending from contingencies, £0.60m increased spending on the ICT MSP contract associated with reappraisal of delivery of ICT equipment for schools and £0.10m under spend relating to re-profiling of Programme Management costs to ensure that management resources are available to deliver the entirety of the BSF Programme. The projected under spend on project and programme contingency previously reported remains and will be committed in due course once associated risks have been mitigated. 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 progress on the 12 construction sites and is not expected to materially affect final project delivery dates for individual schools.
- 16.17 The non-BSF CYPS capital programme is now forecast to under spend by £2.0m, an increase of £0.90m over last period. The increase has mainly been seen within Early Years, Community and Access projects which is now showing as £0.70m under budget and has been caused by time taken to develop procedures for approving and supplying equipment. The other areas of under spend remain the Coleridge school expansion (£0.23m), and general contingency for the primary capital programme not expected to be required this financial year (£0.50m).
- 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 £9.10m and the latest forecast of in year receipts as at period 11 stands at £4.70m. The expected sale of Aneurin Bevan House, which was highlighted as a risk last period, has now completed providing greater certainty to the final year end figure.
- 16.19 The overall shortfall against the target 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 £2.28m (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 net projected shortfall.

Virements

16.20 There are no virements proposed in this period.