



London Borough of Haringey

Value for Money 2009/10

22 October 2010

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1 Executive Summary

Background and purpose of the report

- 1.1 Under the Audit Commission's Code of Audit Practice we are required to reach a conclusion on whether the London Borough of Haringey ('the Council') has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources ('VFM conclusion'). On the basis of the work completed we issued an **unqualified** Value for Money conclusion on 27 September 2010.
- 1.2 We described in our Audit Plan (December 2009) the areas of audit work that provide us with the assurance that contributes to our annual VFM conclusion. This report sets out our findings from these pieces of work:
- our assessment of the Council's Use of Resources ('UoR'), using the three themes within the Audit Commission's assessment framework themes and Key Lines of Enquiry ('KLoE')
 - specific work on locally identified audit risks, which contribute to our VFM conclusion by feeding into our UoR assessment scores.

This report sets out our findings from these pieces of work to arrive at the unqualified conclusion.

Key findings and action required by the Council

- 1.3 The wider requirements of the Use of Resources (UoR) assessment have recently been abolished and will not be formally scored for this year. However, we set out in this report discussions of each theme and areas for improvement based on the work we had completed at the time the arrangements ceased.
- 1.4 The headline findings are as follows:
- prior to the abolition of the scored UoR assessment we shared our indicative assessment scores with the Council and fed back our assessment that the Council had improved its management arrangements in a number of areas, including data quality (previously assessed as "inadequate"), commissioning and procurement and asset management
 - the Council demonstrated strong and robust arrangements for the management of its workforce
 - there remains scope for the Council to demonstrate a more widespread understanding of costs and outcomes across its functions.

- 1.5 The key actions for the Council, relevant to the areas covered by our audit, are as follows:
- since the conclusion of our review there have been significant changes announced in relation to government grant allocations and future funding and there is significant pressure on the public sector and local government in particular, to generate efficiencies and operate within reduced resources. The Council will need to ensure that the impact of these and the requirement to find savings beyond those that had been anticipated and planned for as part of the MTFS are taken into account in all future financial planning.
 - The Council needs to address some significant in year challenges and robustly profile the impact of these in future financial plans.
 - The Council should ensure a continued focus on the production of its first set of IFRS compliant accounts in 2010/11 including ensuring that it mitigates against potential risks of the implementation project going off track.
 - The Council should ensure that it continues to emphasise the importance of data quality to prevent any relaxation in compliance and a potential return to an "inadequate" assessment.

Way forward

- 1.6 As the Use of Resources framework has now been abolished the weaknesses identified will not be followed up specifically through an assessment process. The Council should look to develop action plans on those weaknesses that link directly with corporate priorities.
- 1.7 Given the scale of the pressures facing public bodies in the current economic climate, the Commission has reviewed its work programme for 2010/11 onwards. As part of this exercise, the Commission has been discussing possible options for a new approach to local value for money (VFM) audit work with key national stakeholders. From 2010/11 we will therefore apply a new, more targeted and better value approach to our local VFM audit work. This will be based on a reduced number of reporting criteria specified by the Commission, concentrating on:
- securing financial resilience
 - prioritising resources within tighter budgets.
- 1.8 We will determine a local programme of VFM audit work based on our audit risk assessment, informed by these criteria and our statutory responsibilities. Given the nature of the financial challenges ahead we expect to drill down in detail into the Council's MTFS and the robustness of high value/high impact savings plans. We will no longer make annual scored judgments relating to our local VFM audit work. Instead we will report the results of all the local VFM audit work and the key messages for the audited body in our annual report to those charged with governance and in a clear and accessible annual audit letter.

Acknowledgements

- 1.9 We would like to record our appreciation for the co-operation and assistance provided to us by the Council's management and officers during the course of our audit.

Use of this report

- 1.10 This report has been prepared solely for use by the Council to discharge our responsibilities under the Audit Commission Code of Audit Practice and relevant auditing standards and should not be used for any other purpose. No responsibility is assumed by us to any other person.
- 1.11 This report includes only those matters that have come to our attention as a result of performance of the audit. An audit of Use of Resources is not designed to identify all matters that may be relevant to those charged with governance. Accordingly the audit does not ordinarily identify all such matters.

Grant Thornton UK LLP
22 October 2010

2 Scope of our work

Introduction

- 2.1 In carrying out our audit work we comply with the statutory requirements governing our duties, set out in the Audit Commission Act 1998, in accordance with the Code of Audit Practice (the Code). The Code requires us to issue a conclusion on whether the London Borough of Haringey ('the Council') has proper arrangements in place for securing economy, efficiency and effectiveness in the use of its resources ('VFM conclusion').
- 2.2 Our VFM conclusion is informed by our use of resources work which, in Councils, is based on the Audit Commission Use of Resources (UoR) assessment. However, prior to conclusion of our work the new Coalition Government abolished the Comprehensive Area Assessment (CAA), which included the requirement for a scored UoR assessment.
- 2.3 Notwithstanding this, although we are not able to report scores for 2009/10 it is important to provide feedback on the work that we have completed to date. We set out below improvements identified since the previous year and assessed where there are opportunities to address areas of weakness.

Approach to the audit

- 2.4 The assessment was carried out between December 2009 and May 2010. We reviewed the Council's arrangements against nine KLoEs within the three UoR themes prescribed by the Audit Commission. Our work was based on review of written evidence and meetings with senior management and officers.
- 2.5 The key findings in each of the themes, and areas for improvement, are set out in the remaining sections of this report.

3 Managing finances

- 3.1 The managing finances assessment covers the following areas:
- planning finances to deliver priorities and sound financial health
 - sound understanding of costs and performance / achieving efficiencies
 - timely and reliable financial reporting and meeting stakeholder needs.

Planning finances to deliver priorities and sound financial health

- 3.2 The Council's short and medium term service and financial planning arrangements remained robust in 2009/10 and the Council provided a number of examples of outcomes resulting from this, most notably around educational attainment, many Local Area Agreement stretch targets and targets delivered in partnership (e.g. infant mortality).
- 3.3 Recent inspection reports on children's services provide evidence of a positive outcome from the Council's efforts to improve in a weak area. Engagement with the public and other stakeholders remains strong and developing this year. The Council remains strong on managing spending with some good examples of how known financial pressures have been dealt with in year.
- 3.4 The current economic climate has placed significant pressure on the public sector and local government in particular, to generate efficiencies and operate within reduced resources. The Council's medium term financial plan agreed in February 2010 indicated a balanced position over the period but included assumptions surrounding council tax rises, the formula grant, pay and price inflation as well as area and specific grants which are now subject to considerable change. Additionally the plan included £32m of planned efficiency savings of which £20m had still to be identified.
- 3.5 The Council is currently planning for the significant spending cuts anticipated as part of the central government's comprehensive spending review in October 2010. These spending cuts have been incorporated into the Council's revised budget and medium term financial strategy with a gap of £7.5m being forecast for 2010/11, rising to approximately £60m by March 2014. In order to address this budget gap the Council is developing an efficiency and savings programme which will also look at transformational change within the Council. This programme is currently being further developed and will be incorporated into the budget setting process for 2011/12 in February 2011.

Sound understanding of costs and performance/achieving efficiencies

- 3.6 The Council's overall arrangements for understanding costs remain satisfactory, as evidenced by the Council's robust financial planning, financial position and management of some in year issues requiring cost analysis, such as temporary accommodation. The Council has delivered the target 3% efficiencies over the last 3 years, including through schemes such as Smart Working.
- 3.7 However, a thorough understanding of transaction, unit and whole life costs is not yet sufficiently widespread and a bank of demonstrable service and efficiency outcomes achieved as a consequence this understanding is not yet apparent. An example of this arose from discussions we had during the year on CCTV, where the Council could not readily articulate the value in terms of quantifiable outcomes from its annual investment.
- 3.8 The evidence suggests that much of the Council's activity on efficiency schemes is work in progress with many identified efficiency savings still to be delivered. Implementation of the Council's recession strategy should provide more evidence around understanding costs and acting to address the local challenges.

Timely and reliable financial reporting and meeting stakeholder needs

- 3.9 Based on our updated review of service and financial reports we confirmed that arrangements for internal financial reporting remain as strong as last year. The outcome for the Council at the end of 2009/10 was a continued good financial position in the short to medium term, supported by a healthy reserves position despite the extreme pressures resulting from mandatory extra spend in children's services.
- 3.10 The Council managed an effective closedown process and worked with us to ensure a more rapid completion of the audit than in previous years. The Council produced its draft 2009/10 accounts in advance of the 30 June 2010 deadline and presented them to the General Purposes Committee on 28 June 2010. As in previous years, the working papers were timely and of a good standard and we worked collaboratively with officers to ensure a smooth audit process. We identified and agreed with management some areas where there was scope to further improve its arrangements, particularly around asset valuation and accounting (included in our agreed accounts audit action plan).
- 3.11 In terms of content, language and presentation, the annual report 2008/09 was as strong as the 2007/08 version but the report was published later than in the previous year (January 2010). The annual report for 2009/10 is due to be published in at the end of October 2010. There is scope for the Council to produce its annual report earlier, as it did in 2007/08.
- 3.12 We are continuing to work with management as preparations for IFRS continue and have had positive meetings with officers during the year to review the good progress being made to date. We have agreed with management that we will perform a review of the restated 31 March 2010 balance sheet, under IFRS, by 31 December 2010.

4 Governing the business

4.1 Governing the business theme considers four areas:

- commission and procure quality services tailored to local need
- produce relevant and reliable data and information to support decision making and manage performance
- promotion and demonstrating the principles and values of good governance
- managing risks and maintaining a sound system of internal control.

Commission and procure quality services tailored to local need

4.2 The Council has developed a strategic, corporate approach to commissioning and has a wide range of localised commissioning plans and approaches that are linked to specific areas and needs assessments and which sets out the vision for the Council and its partners. There is a good understanding of local needs which together with the joint strategic needs assessment (JSNA) and borough profile, provide core datasets that inform a range of activity. A Children and Young People's Plan Needs Assessment, containing sections on safeguarding and vulnerable children was completed during the year, whereby NHS Haringey and the Council's Children and Young People's Service drafted a joint commissioning framework for the Haringey Children's Trust.

4.3 There are a range of localised approaches to involving service users and other stakeholders in the commissioning process. These include the Temporary Accommodation User Forum where residents have an input into how services are delivered, the carers support group who sit on strategic forums such as the Drug and Alcohol Board and Young Peoples Task Group and the Local Involvement Networks, which have further developed their role during the last year and participate in discussions and decision making through representation on various Boards.

4.4 The Council has been recognised nationally for its customer service and working in close partnership with the Pension Service has identified £1.1m of new entitlements to State Pensions, Pension Credits and Attendance Allowance. The Council's action plan recognised the need to improve joint commissioning for children and young people, resulting in changes to Framework-I for Children's Services and addressed key concerns such as a reduction in administrative tasks. In addition, an NHS pilot project has been linked to Framework-I providing hospital staff access which allows them to investigate whether children have a protection plan or are known to the Children's Service.

- 4.5 The Council received a commendation for best local government procurement in respect of its approach to category management and various procurement projects have achieved savings in excess of £6m between 2006 and 2009. Significant savings continue to be derived from the Council's neutral vendor arrangement with Hays for temporary and agency staff. Working in partnership with the Domiciliary Care sector, the Council is shifting the emphasis of provision from public sector frameworks to endorsed catalogues, whereby qualifying residents will be able to purchase assisted living services from a priced catalogue provided by Domiciliary Care suppliers.
- 4.6 The Council procures goods and services strategically, using a range of methods and partners, while at the same time supporting national and local agendas and alignment with the Council's overall vision. Spending categories are risk-assessed and low-risk commodities are generally sourced through shared procurement arrangements. The Council and its Corporate Procurement Unit manage the London Energy Project, which was a winner of the Procurement Innovation and Initiative in the Government Opportunities Awards 2009 and has also been given formal delegated authority to act on behalf of 31 out of 33 London Authorities.
- 4.7 The Council is an acknowledged leader in the field of sustainability and was awarded the Carbon Trust Standard in 2009. At the time of our assessment savings of £570k had been made and carbon emissions reduced by 1,103 tonnes. The Council has developed tools to mitigate the negative environmental and socio-economic impacts of select contracts, for example, an Environmental Design Options tool is used a standardised reporting tool for the BSF, Primary Capital Programmes and future major and minor frameworks contract to quantify the carbon impact of building works.

Produce quality data and information to support decision making

- 4.8 The Council was assessed as inadequate on data quality (DQ) in 2008/09 due to two main weaknesses - data within the Children's Service as highlighted in the Joint Area Review of safeguarding after Baby Peter, and data quality issues revealed in the Benefits service as a result of the our audit work.
- 4.9 For 2009/10, DQ management arrangements work at a corporate level was reported to the Audit Committee quarterly and member scrutiny of DQ at has been robust. A rolling programme of ongoing performance data audits has occurred across services - 52 audits were completed in the year to December 2009. Outcomes of the audits were reported to the monthly finance and performance review meetings attended by Directors and the Chief Executive. The Council has developed a revised DQ strategy clearly setting out roles and responsibilities of officers. A series of workshops for managers and staff, attended by 150 officers, have been held to emphasis the importance of DQ.

- 4.10 The performance management element of the Covalent information system is fully operational and has been producing performance reports for over a year. Health partners have been given access to Covalent and trained so that they can now input performance information directly into Covalent and provide commentary on associated actions being taken to improve performance. The Haringey Strategic Partnership performance framework has been reviewed and changed to allow for a layered approach to managing and reporting. The newly formed HSP Business Group will have responsibility for challenging the robustness of partnership data.
- 4.11 Adult Social Services and Children's Services have put in place Quality Assurance frameworks and operational practices to ensure data is robust with sample audits and selected case file checking. An audit of referrals, initial and core assessment indicators covering data from April - Sept 2009 was completed, with a sample of 300 cases reviewed. This identified improvements in the quality of assessments and timeliness improvements as the year has progressed.
- 4.12 The Council received positive feedback in the JAR safeguarding follow-up report in February 2010 and further positive feedback from the unannounced inspection in September 2010. The reports found that there have been significant improvements in case recording, quality assurance and performance management processes. Improvements have been made to Framework-I, the electronic recording and information system, which are significantly improving the efficiency and effectiveness of key elements of child protection practice. Independent audits from an external consultant have been commissioned by a members' panel since shortly after the death of Baby Peter to provide an additional check on the integrity of data that councillors receive from all sources.
- 4.13 In benefits a new quality control and performance software has been developed and implemented, aimed at ensuring that identified errors are fed back to assessors and corrected. A Quality Compliance Team has been formed to carry out DQ checks of assessments. Workshops have been held with staff and team leaders to understand accuracy issues and identify solutions. There is ongoing testing of identified risk areas; i.e. new claim start dates, single persons discount and earned income calculations. There is focussed ongoing training and development activity for benefits staff. We would however caution that this is a significant project to achieve cultural change and that arrangements will need to be regularly assessed to ensure arrangements are measured against the best and improved outcomes are reflected in the certification of the Benefits Subsidy claim.
- 4.14 The Internal Audit report on Data Quality issued in April 2010 looked at three national indicators (NIs) and provided substantial assurance. Our follow-up of 2008/09 non-children's NI spot checks found good progress against the recommendations raised and our further spot-check work on children's indicators in June 2010 revealed no significant issues.
- 4.15 Overall, we obtained sufficient assurance from our review of the Council's new management arrangements, follow-up of prior year reported issues and reviews of inspection reports to enable us to conclude that for 2009/10, the Council's DQ arrangements were adequate, which allowed us to issue an unqualified VFM conclusion.

Promote and demonstrate principles and values of good governance

- 4.16 The Local Code of Corporate Governance (LCCG) has been effective in driving improvements and ownership of governance issues and arrangements across the Council. Monitored work programmes for key officers ensure that key statutory processes and good governance arrangements are completed, awareness is raised and monitoring of the AGS action plan at senior level ensures completion of actions.
- 4.17 There are effective links between the Annual Governance Statement, LCCG and UoR submission which has minimised duplication in the collection of information and improved the Council's use of data. There are good arrangements in place to meet the training and development needs of senior officers. The Member Learning and Development Working Group overview the Member development and learning programme and linked projects such as Working at the Political Interface sessions for officers, Safeguarding Children and Corporate Parenting Training, whilst promoting the opportunities offered by the personal development plans to Members.
- 4.18 A clear vision is set out in the Council's sustainable community strategy and corporate plan, and there are effective mechanisms for imprinting the key aspects of this onto financial service planning, commissioning and key strategic programmes. The Council's service performance information suggests that delivery of key services continued uninterrupted during the challenging events of 2008/09.
- 4.19 The Council has good arrangements in place to ensure ethical behaviour. In 2008 we conducted a review of probity and propriety and found that the Council has effective arrangements in place to set expectations in this area and encourage compliance. Our best practice recommendations focused on the need to ensure that members are effectively trained and that challenges around governance for partnerships were addressed and our follow up work noted good progress made.
- 4.20 During 2009/10 the Council and its partners developed and agreed the Haringey Strategic Partnership (HSP) which has strengthened governance arrangements and put in place strategic, efficient structures. This includes establishing the Business Group and clear roles and responsibilities for performance management, which ensures accountability at all levels of the partnership. The HSP also uses Covalent for performance reporting.
- 4.21 The Council has identified all of its significant partnerships outside the HSP. As well as adopting sound governance principles, partnerships are required to conform to the appropriate procurement and contractual arrangements required by Council policy.
- 4.22 The Council's work on Councillor Call for Action is regarded as best practice and the Council presented to a number of national and regional conferences on their arrangements. Two senior managers within the Corporate Governance Division were appointed to national positions as the Chair of the Association of Democratic Services Officers and the Chair of the Association of Electoral Administrators. The Council continues to provide specific training for members of Scrutiny Panels and a runs a specific annual induction process for scrutiny chairs & vice-chairs.

4.23 The Council has strong processes in place for ensuring engagement with its residents and stakeholders as a whole. There is evidence of engagement with hard to reach groups which has resulted in strong outcomes as a result of effective partnership working: For instance, Working with voluntary groups such as the Hanlon Centre the Council has been able to engage directly with young black men to actively seek their views on what matters most to them in their local area. The Council also held events for both Somali and Turkish women to discuss issues of importance to them and this resulted in the Hanlon Centre being designated as a 'reporting' centre for hate crime in the area.

4.24 An independent review of the Council's governance arrangements is nearing completion. The objectives of the review have been:

- to promote engagement with local people and ensure that decisions are taken as close to people as possible
- to facilitate the community leadership role of members and enable all members to influence the council's policies and services
- to improve the council's performance and support its 'One Borough' aspirations
- to achieve these objectives at less cost.

4.25 The review has focussed in particular on:

- arrangements for full council;
- role of the Mayoralty
- development of overview and scrutiny
- scope for extending the role of area assemblies
- role and function of council committees.

4.26 Once the results of the review have been reported, the Council will agree an action plan to take forward any recommendations. As part of our 2010/11 audit we will consider how the Council is taking forward implementation of the action plan.

Manage risks and maintain a sound system of internal control

4.27 The Council has improved operational management of risk through the use of the Covalent performance management system, which as resulted in directorates taking ownership of risk and risk management and their responses to changing circumstances such as the recession. Internal audit also routinely tests risk register completion.

- 4.28 The HSP risk management strategy has been fully implemented and all Thematic Boards now have risk registers which are monitored via officer and Board meetings. A quarterly review of compliance with the strategy is completed via query reports, which in January 2010 showed that Covalent had been fully utilised and risk management across all directorates and partnerships was almost fully complied with. The Council put in place new emergency contracts of insurance overnight following a court decision that the London Authorities Mutual Ltd, of which the Council is a member, was rendered ultra vires thereby invalidating all insurance contracts.
- 4.29 The Council participates effectively in the Audit Commission's National Fraud Initiative and, its approach to anti-fraud and corruption is adequate and operates within a clear strategic and policy framework. The anti-fraud strategy has been updated to reflect the risk of fraud and corruption within key partnerships and internal audit has provided substantial assurance over existing arrangements. There are examples of good outcomes within benefits fraud work, and successes have been publicised.
- 4.30 Elements of the team's work programme are proactive, informed and targeted through a series of fraud profiles which risk-assess the scope for and impact of fraud in each service. There are several examples of internal communication to raise the profile of the work of the team and ensure that staff are aware of the whistle blowing policy. The Council is currently in the process of integrating its anti-fraud teams with the aim of improving the focus on corporate risks and carrying out more proactive anti-fraud work.
- 4.31 The Council's Organisational Development and Learning service carried out an independent review of the performance and effectiveness of the internal audit service. The review identified areas of good practice and satisfaction with outcomes on disciplinary issues and reported positive feedback on the service as a whole. A peer review on the effectiveness of internal audit was also completed by London Borough of Havering and full compliance against the CIPFA Code of Practice was achieved. Our own work confirmed these findings.
- 4.32 The Council has a robust process for preparing and reporting the Annual Governance Statement (AGS), to which departments contribute on an annual self-assessment basis, challenged by the Head of Internal Audit. The AGS is signed off by the Chief Executive and Leader, after it has been produced by a group of officers including the Head of Internal Audit, Head of Legal Services and the Director of Corporate Resources. The Head of Internal Audit presents the AGS to the Audit Committee and deals with any questions. Whilst we acknowledge that this is common practice in local government, as the Head of Internal Audit is required to provide an opinion on the AGS, we suggest that it would be better governance if the AGS was presented by someone from outside of audit.
- 4.33 A clear approach to business continuity is in place, overseen by the risk and emergency planning steering group. The Business Continuity Planning (BCP) regime is subject to internal testing and evaluation at service and corporate level. The Audit Committee provides adequate challenge and control and has a balanced political representation, clear terms of reference and work plan.

5 Managing resources

5.1 Governing the business theme considers three areas:

- making effective use of natural resources
- managing assets effectively to deliver strategic priorities
- managing the workforce effectively to achieve strategic priorities

Understanding and quantifying the use of natural resources

5.2 The KLoE was not assessed this year at councils but, as referred to elsewhere in this report, the Council has well established arrangements for managing the use of natural resources.

Manage assets effectively to deliver strategic priorities

5.3 In 2008-09 we recommended that the Council needed to demonstrate outcomes and value for money from assets, over and above the use of offices and community buildings.

5.4 The Council has responded by providing 12 detailed case studies, covering many service areas, covering "Introduction>Need>What we did>Outcomes." These cover tangible outcomes in areas such as further education, housing, libraries, parks and community safety, e.g.

- Haringey Sixth Form Centre was built to deal with identified need in the east of the borough (highlighted by OFSTED). Since opening in 2007, the Council has experienced improved outcomes including on people not in employment, education or training (halved from 06-07 to 09-10), numbers staying on to sixth form (74% of 2008 increase in students being at the centre), A level and level 2 attainment (4.3% and 12% annual increases respectively to 2009).
- Haringey Community Transport was set up in 2007 as a social enterprise part funded by the Council to deliver flexible, accessible low cost minibus transport to the Voluntary and Community Sector (VCS). This has achieved outcomes including widespread use by VCS, 90%+ satisfaction scores against 80% targets, the Council being among the best in London on NI175 Access to services by public transport, top quartile in London on NI7 Environment for a thriving third sector.
- Street lighting investment. Place surveys showed crime and fear of crime to be key concerns for Haringey residents, particularly after dark. The Council has been able to show that investment in street lighting of £1m pa from 2006-2008 and £2m in 2009-10 has reduced the fear of crime and actual crime in the certain areas (including Kings Avenue, Fortis Green, West Green and Downhills Park) where the new lighting has been installed.

- 5.5 The Council demonstrated themes of partnership working, VFM, improving access to services and sustainability through the 12 case studies providing strong evidence of outcomes from the strategic use of its different classes of assets across a number of service areas, to address a number of key priorities.
- 5.6 Working with partners to jointly use assets continues to develop from good individual examples to a more strategic approach being taken forward by the HSP. Using assets to help VCS and the community to achieve their aims is clearly evident in the Council's approach.
- 5.7 Overall, the Council has provided a volume of clear evidence that it focuses on using the asset base to help deliver sustainable social, environmental and economic outcomes for local communities, across a range of services and strategic priorities. This was the key issue preventing the Council from achieving a better assessment result last year, and we have concluded that this has been addressed in 2009/10.

Manage workforce effectively to achieve strategic priorities

- 5.8 We assessed workforce management at the Council for this first time this year. This included carrying out our detailed assessment and feedback to management early in the year to assist in identifying areas where we would require additional information to support the Council's ambition of receiving a strong assessment result.
- 5.9 The Council was Winner of the Public Sector People Managers Association award for Human Capital Management in 2009. Average sickness levels reduced from 10 days in 2007 to 8.9 days in March 2009. This is below the average of 9.4 days from London Councils 2008/09 benchmarking data. Also, average absence levels were 8.7 days in June 2009, below the average of 8.9 days for the London Boroughs benchmarking club. There is evidence that the reduction is due to management driving the change. This is an area of focus for the Council which is continuing to take action to reduce sickness absence.
- 5.10 The Council's Leadership Programme won a National Training Award in 2009 and achieved reaccreditation against a more challenging Investors in People standard in November 2007.
- 5.11 The average number of agency staff employed per month decreased from 642 in 2007/08 to 623 in 2008/09. This represents 14% of the total workforce and is less than the average 15.6% from London Councils. Additional data from the London Boroughs benchmarking club shows the Council, at June 2009, to be below the 14.7% average and there is further evidence that the reduction is down to management actions.
- 5.12 At June 2009 the Council's overall turnover rate was 12.2%, which compares to the London Borough average. Since the Baby Peter case, the Council has considerably reduced social care staff turnover rates by remodelling team structures and ensuring a robust system of professional supervision is in place for social workers. Adult Social Care turnover has reduced from 12.9% in December 2008 to 9.8% in December 2009. Children & Families Social care turnover has reduced from 19.7% in March 2009 to 15.4% in March 2010.

- 5.13 This and the above statistics are an achievement in the context of the significant risks to the morale and loyalty of the Council's workforce arising from the difficult circumstances of the past 2 years.
- 5.14 Based on the evidence from our 2009/10 assessment, equal pay negotiations were a good example of well managed change. Unions were involved from start which has limited the impact on the Council, with Haringey being in the half of London Boroughs that have reached agreement or unilaterally implemented single status changes in the last 3 years.
- 5.15 The Council's organisational development team has several 'change managers' and a project management approach to change. The SMART working programme aims to maximise the use of Council office space and create a work environment that enables staff to better serve residents. At the time of our assessment more than 400 staff had relocated. The programme is expected to realise £1.4 million annual savings for the Council. Change teams obtain regular feedback from staff and 80% of those surveyed said that support given prior to move was 'excellent' or 'good'.
- 5.16 The Council has a thorough understanding of its employment profile:
- 48.7% of staff are BME (borough profile 34.4% BME)
 - 73.8% of employees are female (borough profile 49.9% women)
 - 5% of the workforce are disabled increased from 4.6% in 2007/08
 - in 2009, of the top 5% earners 20% are BME staff (increase from 18% in 2007 but still below profile).
- 5.17 The Council won three national WOW! customer service awards in 2009, including best authority. The Council also won awards at the National Customer Service Awards in 2007, 2008 and 2009.
- 5.18 Overall, we considered that the Council had strong arrangements for the effective management of its workforce.
- 5.19 The Council is aware of a number of significant challenges in the area of workforce management arising from the significant changes impacting on local government and the rest of the public sector from current and future funding reductions and changes in the respective responsibilities of public sector and VCS organisations.

A Action Plan

This action plan includes recommendations intended to assist the Council in improving its performance in key areas of its activity. Our priority system grades the most significant recommendations as High priority (on a scale of High to Low).

| Ref. | Recommendation | Priority | Management response | Implementation details |
|------|--|----------|---|--|
| 3.5 | In 2010/11, the Council will need to work hard to finalise and implement efficiency and savings programme (which will also look at transformational change within the Council) to ensure that it is best placed to deal with significant current and future funding pressures. This will include the need to clearly identify which activities provide the best value for money to the local population, based on a more widespread understanding of costs and outcomes. | High | <p>The Haringey Efficiency and Savings Programme (HESP) is being finalised to incorporate current resource allocation. The programme includes a number of work streams through which the Council will manage the necessary changes. Value for money is central to the HESP and will be central to everything we do, set against the context of values and policies set by Members with a focus on vulnerable members of the community.</p> <p>We continue to update our needs analyses which are used to inform commissioning and procurement activity.</p> | <p>2010 to 2012</p> <p>Director of Corporate Resources</p> |

| Ref. | Recommendation | Priority | Management response | Implementation details |
|----------------|--|----------|--|---|
| 3.11 | The Council should produce its annual report earlier, as it did in 2007/08. | Medium | Agreed | August 2011 Head of Communications |
| 3.12 | The Council should ensure a continued focus on the production of its first set of IFRS compliant accounts in 2010/11 including ensuring that it mitigates against potential risks of the implementation project going off track. | Medium | Agreed | March 2011 Deputy CFO |
| 4.13 - 4.15 | <p>The Council should ensure that it continues to emphasise the importance of data quality to prevent any relaxation in compliance and a potential return to an "inadequate" assessment.</p> <p>The Council should ensure a continued focus on dealing with identified areas for improvement arising from any spot-check work (for example reducing the level of manual intervention required to process system data for reporting purposes, a common but non-critical theme in our findings).</p> | Medium | The Council continues to focus on data quality with its ongoing programme of data quality audits and the implementation of the Data Quality Strategy. The proposed new structure for Performance Management and the Business Intelligence functions will further strengthen the Council's data quality arrangements. | Ongoing Head of Performance Management |

| Ref. | Recommendation | Priority | Management response | Implementation details |
|------|---|----------|--|--|
| 4.32 | The Council should ensure that its AGS is presented to Members by someone from outside of audit, in line with best practice, so that the Head of Internal Audit can clearly demonstrate her independence when providing her opinion on the AGS. | Medium | The Council's Head of Legal Services and Director of Corporate Resources present the draft Annual Governance Statement to the Chief Executive's Management Board for review and approval. We will ensure that an officer other than the Head of Audit and Risk Management present the AGS to the Audit Committee for approval. | For 2010/11 AGS approval processes. Director of Corporate Resources |



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