



**Haringey** Council

Agenda item:

**CABINET**

**25 January 2011**

Report Title. **The Council's Performance: November 2010 (Period 8)**

Report of **The Chief Executive and the Director of Corporate Resources**

Signed :

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Wards(s) affected: **All**

Report for: **Key Decision**

**1. Purpose of the report (That is, the decision required)**

- 1.1. To report on an exception basis financial and performance information for the year to November 2010.
- 1.2. To agree the budget virements set out in this report in accordance with financial regulations.
- 1.3. To agree the recommendations set out in paragraph 4.

## **2. Introduction by Cabinet Member for Performance Management (Cllr Claire Kober)**

2.1. I am pleased that performance of delayed discharges continues to be amongst the best in London and that in the related area that adult social care clients' receiving self-directed help continues to be above target. It is welcome to note the improvements in call centre performance. Our performance with regards unacceptable levels of litter is something I hope to see continue in future months. Given our current budgetary challenge it will be important that we improve rapidly our performance with regards council tax collection. I am disappointed to see dip in performance in responding to complaints it is vital that as a council we respond swiftly to concerns raised by residents and members.

## **2.2. Introduction by Cabinet Member for Finance & Sustainability (Cllr Joe Goldberg)**

2.3. I draw attention to section 16 and to Appendix 2 of the report and to note the further decrease to the forecast revenue over spend this period. This reduction is to be welcomed, however it has been achieved not from a reduction in service expenditure but from the proposal to apply unallocated grant to the net outturn forecast. Given that the pressures from high service demand within safeguarding and homelessness continue, along with the possible risk from the additional costs from adverse weather, it is even more important that efforts to restrict all non-essential expenditure continue. Any in year over spend will add to the budgetary challenges facing us in 2011/12 and beyond.

2.4. I ask that colleagues continue to support Directors both with in-year restrictions and also in savings proposals for 2011/12 and beyond.

## **3 State link(s) 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 consider the report and the progress being made against the Council's priorities.

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

4.3 To require Directors, where possible, to take necessary action to bring current year spending to within their approved budget.

## **5 Reason for recommendation(s)**

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

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

## **6 Summary (Performance)**

6.1 Paragraph 15 and Appendix 1 of this report provide a summary of performance for this reporting period. Of the 37 key service indicators monitored 25 have improved since 09/10, 8 are worse with no comparison possible for 4 indicators.

Some areas where targets are being met or where there has been an improvement are highlighted below:

6.2 Provisional attainment results for 2010 at Key stage 2 continue to show progress and a closing of the gap with the national average. GCSE results have also improved with 47.5% achieving 5 or more A\*-C grades including English and Maths despite the target not being achieved.

6.3 Performance on processing benefit claims improved further to 20 days in November, 3 days short of the 17 day target. On-going improvement is due to increased productivity, continual improvement of processes and the introduction of e-benefits.

6.4 6.5% of young people are Not in Education, Employment or Training (NEET) as at November 2010. This is 31 less than in November '09 and continues to better the target.

6.5 Significant improvement on call centre performance in November with 93% of calls answered in 30 seconds, exceeding the 70% target.

6.6 The number of most serious violent crimes has reduced by 29.6% compared with the same period last year although improvement has slowed in some types of crime.

6.7 Recycling and cleanliness targets continue to be exceeded including the cleanliness of our parks.

6.8 Children's core assessments completed on time improved to 68% in November, just below the 70% target.

6.9 Continued good performance on adult social care clients receiving self directed support and delayed transfers of care, both exceeding targets set and Haringey's performance on delayed discharges is now amongst the best in London.

Areas where targets are not being met include:

6.10 The proportion of looked after children who have had 3 or more placements is rising at 17.05%.

6.11 Average re-let times for local authority dwellings reduced again in November to 31.9 days (2<sup>nd</sup> best performance of the year) but remain above the target of 25 days. The year to date position is 39.2 days.

6.12 A reduction of 242 households in temporary accommodation since March but the rate of reduction has slowed (16 since last month) and there remain more households in temporary accommodation than planned for this point in the year

(390 more than the profiled target).

## **7 Chief Financial Officer Comments**

7.1 The overall general fund revenue budget, based on the November position, stands at a projected £2.6m above budget, a decrease from the £4.0m reported last period. The main reason for this movement is the proposal to use £1.7m unallocated Area Based Grant (ABG) to offset the underlying service pressures. As discussed in Section 16 of this report it is preferable to not have recourse to this funding to resolve the in year pressure and Directors must continue to press down on costs. The underlying causes of the forecast over spend remain, namely the high level of service demand particularly within Children and Young Peoples' Services (CYPS) along with the increased financial liability due to changes in Housing Benefit Subsidy rules; this period has seen a small increase in CYPS forecast over spend.

7.2 As highlighted in previous reports, given that the council is currently planning for very significant reductions in funding from government, as confirmed in the recent provisional finance settlement, it remains imperative that the in year overspend in 2010/11 is minimised to ensure that no additional pressure is placed on the tight budget position in 2011/12 and beyond. There must be no let up in effort to bring the budget in on target by the year-end.

7.3 The Council's Non-Service Revenue (NSR) budget is maintaining a forecast year-end underspend of £3.0m. This is made up of a £1.0m uncommitted general contingency plus the additional £2.0m under spend reported last period as a result of the use of internal cash balances instead of external borrowing which will reduce debt repayments this year.

7.4 The dedicated schools budget (DSB) element of the overall Children & Young People's (CYP) Service budget is projected to spend at budget.

7.5 The forecast revenue outturn for the Housing Revenue Account (HRA) has shown a small change from last period and is now showing a net under spend of £0.4 m, a movement of £0.1m compared to the £0.3m over spend reported in P7.

7.6 The projected capital year end variance, based on the November position, is an under spend of £9.9m compared to the £9.4m under spend reported last period. The detail is set out in 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.

9.2 This report deals with the way that we manage service outcomes and projects many of which have an impact on different sections of our community. Successful delivery of these projects will improve the services we provide to all sections of our community.

## **10 Consultation**

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

10.2 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. October performance for top service outcomes

11.2 Appendix 2. Financial tables

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

12.1 Budget management papers and HR metrics

12.2 Service PI returns

12.3 Business Plans

## **13. Background**

13.1 This is the November report for 2010/11, covering the period April 2010 to the end of November, detailing the Council's performance against agreed targets for 2010/11. Financial and performance information is based on the financial monitoring reports prepared for the budget and performance review meetings for period 8.

13.2 Appendix 1 details performance against monthly reported indicators.

13.3 We have revised our approach to performance reporting so that we focus on a smaller number of indicators (37) that reflect the council's priorities. Twenty Seven indicators measure service outcomes and the remaining ten are perception measures from the Residents' Survey.

13.4 In addition to progress against the 37 measures the following will be reported throughout the year:

- exceptional performance issues
- financial performance
- quarterly performance relating to projects and programmes
- updated survey information or educational attainment results as they become available

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

## 14. Use of Traffic Lights

- 14.1 Progress on performance indicators continues to be tracked on a monthly and year to date position against the 2010/11 target using a traffic light annotation.
- 14.2 Appendix 1 is a summary of the top performance Indicators (PIs) showing performance for 2009/10 and the year to date position for 2010/11 including some comparative benchmarking information and the RAG status against target where:

☑	Green: On target
△	Amber: Just below target
●	Red: Target not achieved
?	Missing data or target not set

14.3 A direction of travel is also shown which compares the current year to date performance with the 2009/10 outturn. This enables the reader to make judgements about whether performance is improving over time as well as assessing performance against the target set.

## 15. Performance Highlights

### Performance highlights in terms of service outcomes for November are as follows:

- 15.1 25.9% of adult social care clients are receiving self directed support – this remains higher than the profiled target of 20% for this period. The service is focusing on personalised budgets which is a part of this measure and is aiming to exceed 30% by the end of the financial year.
- 15.2 Delayed transfer of care, the latest NHS data shows that some of the delays attributable to Haringey in previous reports have now been revised. This means that our outturn is now better than expected for August, September October and November. The November figure is now 5.2 compared with 14.2 in November 2009. The target for 2010/11 is an outturn of 11.0.

- 15.3 31% of household waste has been reused, recycled or composted in the year to November, almost 3% higher than the October rate. Recycling tonnage has remained at a consistent level during November, however, domestic waste (which is part of the calculation of the recycling rate) has dipped markedly in the last month which has the effect of increasing the recycling rate. Nevertheless the result is the best all year and remains above the 27% local target set for 2010/11. If performance is sustained at this level, it will be approaching the London average.
- 15.4 There has been a significant improvement in call centre telephone calls answered in 30 seconds, 93% in November, 6 percentage points better than October's performance and the best performance of the year so far. The year to date position is recovering from the poor start in the early months of the year and at 66% is just 4% short of the 70% target.
- 15.5 2010 Key Stage 2 assessment in Haringey was affected by the national test boycott. The DFE has published the overall Haringey test results (based on the 20 schools, out of 57, that did the tests). DFE test analysis gives a combined English and maths level 4+ result of 73% (up from 68% in 2009), national results improved by 2% to 74. Since 2006 results in Haringey have improved by 9% compared to a national improvement of 4%.
- 15.6 GCSE results in Haringey have also improved by 1.8% to 47.5% of students achieving 5 or more GCSEs A\*- C including English and maths although the 55% target was not achieved. The aggregated schools target that becomes the Local Authority target was very ambitious. A number of schools made significant improvement in particular Woodside High and Park View. However there was a larger improvement nationally with results improving by 3.3% to 53.1%. Since 2005 results in Haringey have improved by 15.7% compared to a national improvement of 8.8%. The validated results should be available by December/January.
- 15.7 The November 2010 NEET level was 6.5% compared with 7% last November. This equates to 288 young people Not in Education, Employment or Training, 31 less than this time last year. Performance continues to better the target and the level of 'not knows' has also significantly reduced and is better than target.
- 15.8 The Decent Homes Programme has moved into its third year and the level of non-decency continues to reduce. At the end of September 24.65% of homes were classed as non-decent and in quarter 2 there was a rise in the decent home units completed against the number programmed. Homes for Haringey have targeted non-decent homes to reduce to 21% by March 2011.
- 15.9 In November 3% of streets were recorded as having unacceptable levels of litter, better than the 10% target. Parks cleanliness levels were recorded at a similar level and continue to exceed targets set.
- 15.10 There have been an average 8.85 days sickness absence in the rolling year and whilst the trend is reducing, the level remains slightly above the target. Management actions to control sickness absence have been identified and are

being monitored and realistic targets have been set for each business unit to achieve the overall stretching 8.5 days target.

- 15.11 Improvement in dealing with acquisitive crime has continued into 2010/11. There have been 4,719 offences of this nature in the year to the end of November, a 7.5% reduction when compared with the same period last year.
- 15.12 There have been 220 serious violent crimes in the period April to November, 33.9% fewer when compared with the same period last year and exceeding the 4% reduction target.
- 15.13 Whilst still on target the trend suggests that robbery and thefts of motor vehicles could show an increase in future months. The worsening trend is likely to be caused by reduced operational capacity of the police force and partners. Funding for seasonal crime prevention campaigns has been withdrawn. The police and partners are monitoring the situation and responding through the Tactical Tasking and Coordination group and the Haringey Officers Tasking Group. Each Safer Neighbourhood Team has been given a ward profile showing which crimes are an issue in the ward and where/when, giving them the ability to prioritise and tackle specific issues.
- 15.14 In the year April to November 1,282 public complaints (stage 1) have been received across the council and 90% of these have been dealt with in the 10 day timescale. However in November performance fell to 81%, short of the 93% target. There has been a notable dip in performance across complaints and member's enquiries in Urban Environment since the end of the summer and with comparatively high volumes, the impact on the overall council performance is now evident.

**Areas where targets are not currently being met include:**

- 15.15 14.9% of carers have received a review and a needs assessment and a specific service. Whilst there has been continued progress in this area, performance is below the levels achieved by this time last year and remains slightly short of the target set for this period (15.5%).
- 15.16 Of council tax due in the year to November 73.18% was collected falling short of the profiled target of 75% . Incentives continue to address non and late payment by means of enforcement activity but it is essential that recovery of monies outstanding is maximised especially as we enter the last quarter.
- 15.17 At the end of November, the average time taken to process new claims and change events is 25 days for the year to date (20 days in November) against a 17 day target. An improved level of performance has been sustained for the past few months and improvements can be attributed to an increase in staff productivity, a new streamlined claims verification policy and the introduction of e-benefits. E-benefits remains successful with an average time of 13 days to pay a claim and 9 days to process a change event in November. Nevertheless, recent information provided by the DWP show that Haringey has an increasing workload and the 17



day target will be difficult to achieve. The increasing demand is being monitored closely and the service will be working more closely with Customer Services to share resources and attempt to maintain the on-going improvement in this area.

- 15.18 The proportion of looked after children who have had 3 or more placements is on a rising trend at 17.09% in the 12 months to the end of November 2010. 65 children have had 3 or more placements between 1st April and 30th November 2010 (11.1%). Further analysis is being done to understand deterioration in performance in this area and reasons for placement breakdown- this will tie in with the work being done around sufficiency.
- 15.19 In November 61.2% of children's social care initial assessments were carried out in 10 working days missing the 70% target, the year to date position is 66.3%. The focus continues to be on providing high quality and analytical work which does result in some assessments taking over 10 days to complete.
- 15.20 The number of households in temporary accommodation stands at 3,305 a reduction of 16 since last month and 242 since the end of March but short of the profiled target of 2,915. The situation with securing alternative supply in the Private Sector has not improved as Landlords continue to look at alternative markets and options and there have been particular problems in the last quarter. Consequently the rate of reduction has slowed and more households have had to remain in temporary accommodation than planned. Further work is being done with suppliers to establish what will prompt them to increase supply.
- 15.21 The average re-let time for local authority dwellings reduced again in November to 31.9 days, for the year to date it is 39.2 days. Homes for Haringey are primarily responsible for the repairs part of the process and this has seen a significant improvement in performance over the last twelve months. The trend continues to improve on voids overall (54.4 days in November 2009) but the 25 day target has not been achieved in any month this year or last.

## **16. Finance**

- 16.1 The overall general fund revenue budget monitoring, based on November data, is showing a forecast over spend of £2.6m, down from £4m reported last period. During this period there has been on-going improvement in the outturn figures for Adults, Culture and Community (ACCS) and People and Organisational Development (POD), however the forecast over spend for CYPS has marginally increased. It should also be noted that there is a new risk arising from the impact of the adverse weather conditions on the Urban Environment (UE) budget.
- 16.2 When Government announced reductions to the 2010/11 Area Based Grant (ABG) earlier in the year Cabinet took the decision to reduce theme board allocations by more than the real reduction to provide some 'headroom' and in anticipation of further reductions in 2011/12. Consequently there is £1.7m unallocated budget which is now proposed to be used to help offset the in year budget pressure. Directors are still expected to bring forecast overspends down as

it would be more beneficial to have recourse to this sum to smooth the transition into 2011/12.

- 16.3 Adults are continuing to experience high client numbers, but are mitigating much of this pressure with a vacancy factor against all non-statutory positions which has been a successful strategy to date. There has been a small improvement this period in the overall outturn as a result of improved income projections within the Bereavement Service and reduced expenditure on repairs and maintenance within the Parks service. The impact of this is a year-end forecast of £0.1m under spent.
- 16.4 The estimated outturn for the Children and Young People's Service has increased by £0.3m this period and now stands at £7.5m above budget caused by the impact of the on-going high levels of Looked after Children and the associated legal costs. The underlying pressure remains significant at around £12m although the action taken to date has sought to offset this as far as possible by maximising grant income and making in-year savings in other areas in order to reduce the net position as far as possible. The main pressure areas are set out in the following paragraphs.
- 16.5 The factors causing the overspend can be attributed to the high numbers of Looked After Children (LAC) and their associated costs. The overall number of LAC (excluding unaccompanied minors) has fallen slightly again this month (from 566 to 557) which suggests that numbers could be stabilising. However there has been a slight increase in the outturn projection for this area reflecting in particular the need to place three children in expensive residential accommodation, which has more than offset other reductions in placement costs.
- 16.6 Additional staffing costs in the key areas supporting children's safeguarding work (First Response, Safeguarding and Support, Children-in-Care, Leaving Care and the Contact Service) are continuing with the costs of both additional staff and the additional cost of agency staff resulting in a total overspend in the above areas of around £3m. The costs of providing legal advice to Social Workers and in support of court work are currently reporting an overspend of £1.5m.
- 16.7 In addition to the above, families with No Recourse to Public Funds and Asylum Seekers for which grant support from the government is not available, are leading to budget pressures amounting in total to circa £1.6m. Included within this is a further £0.1m pressure arising from the potential dispute over the final settlement of the Unaccompanied Asylum Seeking Children (USAC) 2009/10 grant claim which was highlighted last period.
- 16.8 The Urban Environment directorate is maintaining a forecast year end over spend of £1.0m which is due to the pressure within Housing highlighted in previous reports partly offset by spending reductions elsewhere in the Directorate. The Housing pressure appears to be stabilising, however Members should be aware that there are emerging risks around achieving the year end forecast partly due to the impact on income of the delay in implementing increased parking fees and also

the impact of the adverse weather conditions. The latter is difficult to predict but should we see further significant snow the Council will incur additional costs associated with catch-up costs around refuse and recycling and are also likely to see reduced revenue from parking income.

- 16.9 Corporate Resources continues to work within the restrictions on discretionary spend and recruitment which along with other interim savings are forecast to both offset the pressures being felt within Benefits and Local Taxation from on-going high levels of service demand and within Property over continuing low occupancy at Technopark and also to deliver a year end under spend of £0.47m, a slight increase over last period.
- 16.10 The forecast outturn for the three Chief Executive directorates (Policy, Performance, Partnerships & Communications (PPP&C), People & Organisational Development (POD) and the Chief Executives (CE)) has reduced slightly this period to a £0.65m under spend down from the £0.8m reported in period 7. The change is largely due to shortfalls against income targets within Communications as a consequence of spending restrictions.
- 16.11 The year end forecast for Non-service revenue (NSR), which largely consists of budgets for capital financing costs, levies and contingencies, is being maintained at an under spend of £3.0m. This is made up of the uncommitted £1.0m general contingency built into the 2010/11 budget plus an under spend of £2.0m against the debt interest repayment budgets due to the use of internal cash balances in lieu of borrowing. The Alexandra Palace and Park Trust continues to work to maximise the profit generated by APTL and keep discretionary expenditure to a minimum however, as suggested last period, shortfalls against budgeted income at Alexandra Palace largely arising from delays to the re-opening of the ice rink have led to the Trust Board advising that the amount of additional deficit funding is likely to increase. Accordingly the year end forecast is likely to exceed the previously reported figure of £0.1m, however the Board have agreed to a range of spending reductions aimed at keeping any overspend to a minimum.
- 16.12 As highlighted in previous reports, the Haringey Forward planned 2010/11 savings have been discussed and reviewed in detail and although not all will be fully realised in 2010/11, largely due to the time required to deliver savings associated with restructures, base budgets for 2011/12 will be revised to reflect the savings.
- 16.13 The RAG status of agreed 2010/11 revenue savings and investments is shown in Appendix 2 and has not changed this period. Only 2% (£0.2m) of savings is currently flagged as red and is largely due to under achievement of planned external income; this is factored into the directorate year end forecasts.

## **Treasury Management**

- 16.14 The Treasury Management activity in the first eight months of 2010/11 was compliant with the Treasury Management Strategy Statement agreed in February 2010. Following the repayment of maturing debt, the level of cash balances has dropped to an average of £31m during November. Investments have been made into AAA rated money market funds and an instant access account only to ensure sufficient liquidity is maintained. These accounts pay an interest rate equivalent to one month fixed term deposits, with the advantage of instant access. Due to the significant use of money market funds, the average long term credit rating of the portfolio has increased to AA+.
- 16.15 £50m of Council debt has matured this year and £20m of new borrowing was taken on 31st August as a starting point to refinancing this. Due to the significant difference between short term investment interest rates and long term borrowing rates, the Council is continuing to make use of internal cash balances, rather than taking any further new borrowing until necessary. The Council is continuing to meet its obligations within the current cash balances. However officers are monitoring the position closely, alongside the Council's treasury management advisers, including monitoring of interest rate movements to ensure that further borrowing is taken at an optimal time.

## **Capital**

- 16.16 The aggregate capital programme position for 2010/11 is as shown in Appendix 2 and at Period 8 is now forecasting an underspend of £9.9m, an increase of £0.5m from the £9.4m underspend reported in period 7. The detail is set out by Directorate in the following paragraphs.
- 16.17 Within Adults, Culture and Community Services the projected position at period 8 is now an underspend of £0.9m. This principally relates to two projects: £0.5m for the Muswell Hill Library as funding is dependent on the sale of adjacent land which is not now expected to achieve a sufficient receipt and £0.5m on the Lordship Recreation project as expenditure will need to be rephased into 2011/12.
- 16.18 The Urban Environment general fund capital programme continues to forecast an under spend of £2.1m this financial year. This is largely in relation to Marsh Lane which is on hold until the options to fill the funding gap are reviewed and in the interim the site is being advertised for rental. The HRA capital programme is forecasting a balanced position at year end.
- 16.19 There has been no change to the forecast capital position in Corporate Resources and remains at an under spend of £3.2m. Of this, £2.4m is within the Accommodation Strategy programme as the scope of the original smart working programme has been revised as agreed in a separate report to Cabinet in December; the remainder relates to the Hornsey Town Hall project which is behind profile due to the need to review and consider the optimum delivery model.

- 16.20 Within the non-BSF Children's Capital Programme there has been little change since period 7 and the year end forecast now shows a small over spend of £0.3m compared to £0.1m last period. The underlying reason remains that the Broadwater Farm Inclusive Learning Campus is spending ahead of profile however no overall project variances are expected and the funding can be met by temporarily using grants as yet unapplied.
- 16.21 The BSF capital programme overall continues to forecast a balanced position; however some planned 2010/11 spend has been re-profiled into 2011/12. This is largely around the ICT MSP contract, mainly due to the fact that several schools have chosen to delay spending their "local choice" budgets until later in the contract, and a lower than forecast call against the programme contingency this year.
- 16.22 The target level of in year receipts from asset disposals is £2m. The current forecast for this year remains the same as last month at approximately £6m resulting from the identification of additional properties considered surplus to requirement and now recommended for disposal in this financial year and also actions to bring forward some disposals planned for 2011/12 to 2010/11. A degree of risk is still attached to some of the disposals in the programme which therefore continues to be kept under review and updated accordingly.

### **Virements**

- 16.23 The virements proposed in this period are listed in Appendix 2 in accordance with financial regulations.