



Haringey Council

Agenda item:

Cabinet

26 April 2011

Report Title. **The Council's Performance: February 2011 (Period 11)**

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 February 2011.
- 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 to see that the Council has exceeded its annual target for the number of social care clients receiving self-directed support. Importantly this progress is also echoed in the positive feedback received from our service users and carers. It is also encouraging that our ambition to become London's greenest borough continues with improved recycling rates and cleaner streets.

2.2. I am disappointed that the number of carers that are receiving a review and needs assessment falls short of what we expect, and look forward to seeing further progress in this area. I would also like to see improvements in the Council's response to public complaints, for which our targets are not currently being met.

2.3. Introduction by Cabinet Member for Finance & Sustainability (Cllr Joe Goldberg)

2.4. I draw attention to section 15 and to Appendix 2 which show that there has been an £0.9m reduction in the projected overspend for the year which is now down to £1.5m. This reduction is from a high of over £10m earlier in the financial year when the government announced its in-year cuts in funding. There is, of course, now a limited period within which the overspend can be eliminated however, the continuing downward trend encourages me to believe that we will be closer to having balanced the budget by the year end.

2.5. There remain though real concerns about the level of demand for some key services which highlights the need for us to reduce our unit costs in those areas through improved efficiencies and procurement. The number of Looked After Children went back up again in February and demand for both adult and housing services remains high. These will doubtless be areas of concern throughout 2011-12 as the economic climate continues to have a significant impact on both the Council's finances and those of our residents.

2.6. Again I should highlight in paragraph 7.3 that the outturn figure assumes the use of £1.7m unallocated ABG grant without which the overall financial position this year would be worse. Directors must continue to push to bring the year end figure down and to effectively manage unit costs as, with the pressure facing Council budgets in 2011/12 and beyond, we can not afford to incur any budget over spends.

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 virement set out in this report in accordance with financial regulations.
- 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 To ensure that Members are kept informed about service and financial performance against the priorities and targets set.

6 Summary (Performance)

6.1 Paragraph 14 and Appendix 1 of this report provide a summary of performance for this reporting period. Of the 38 key service indicators monitored 26 have improved since 2009/10; one is the same and seven 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.

- The annual target of 30% for social care clients receiving self directed support has been met a month early. Excellent progress has been made in this area over the past few months.
- The time taken to process benefit claims reduced by a further day to 18 days in February, 1 day short of the 17 day target but significantly better than this time last year (28 days).
- Council tax due and received in the year so far exceeds target at 92.5%. The increase in collection reflects work undertaken in respect of data cleansing and the pro-active chasing of debt through available channels such as phone calls and visits.
- An improvement in call centre performance in February with 88% of calls answered in 30 seconds and the year to date position now meeting the target.
- The number of most serious violent crimes has reduced by 28.1% compared with the same period last year.
- Recycling and cleanliness targets continue to be exceeded including the cleanliness of our parks.

6.2 Areas where targets are not being met include:

- Carers receiving needs assessment or review and a specific carer's service, or advice and information at 18.3% remain below target. An action plan to improve both the recording of services for this indicator and services to Carers is in place.
- Average re-let times for local authority dwellings was 33.9 days in February but the direction of travel is positive. The year to date position is 36.3 days and

remains above the 25 day target.

- A reduction of 242 households in temporary accommodation since March but the rate of reduction has slowed and there remain more households in temporary accommodation than planned for this point in the year.

7 Chief Financial Officer Comments

7.1 There is a projected net over-spend at the year end of £1.5m based on the position as at the end of February, a reduction from the £2.4m reported last period. The main reason for this movement is a further increase in the Non-Service Revenue (NSR) under-spend.

7.2 Although there has been no increase in the projected over-spend in Children and Young Peoples' Services (CYPS) the budget position for Looked after Children (LAC) has worsened, with increases in numbers of both LAC and unaccompanied minors. These additional costs have been offset by additional income and savings in other budget areas however, in the next financial year these options will be severely limited. As indicated last month, the LAC unit costs will therefore need to be reduced going forward to ensure that the spend does not exceed the 2011-12 budget provision.

7.3 Within the Council's revenue budget as a whole, the underlying areas of pressure remain unchanged and are caused by 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. The year end projection still assumes that £1.7m of unallocated ABG is used to offset the position.

7.4 As highlighted in previous reports, given the challenging 2011/12 grant 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 and it is positive to note a reduction in the Urban Environment (UE) forecast during this period.

7.5 The Council's Non-Service Revenue (NSR) budget has increased the forecast under-spend for the year by £0.5m to £3.5m. This is made up of a £1.0m uncommitted general contingency; £2.0m reduction debt financing costs as a result of the use of internal cash balances instead of external borrowing, and additionally this period, a reduction in the projected outstanding single status liability.

7.6 The dedicated schools budget (DSB) element of the overall CYPS budget is projected to spend at budget.

7.7 The forecast revenue outturn for the Housing Revenue Account (HRA) is now an under-spend of £0.8m which is an increase of £0.3m compared to that reported

last period.

7.8 The projected capital year end variance, based on the February position, is an under-spend of £19.7m compared to the £17.7m reported last period. The detail is set out in section 15.

8 Head of Legal Services Comments

8.1 There are no specific legal implications in this report.

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 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 details the indicators where performance is not meeting the target.

11.2 Appendix 1a February performance for top service outcomes (not attached) http://www.haringey.gov.uk/index/council/performance_and_finance/council_performance/performance-reports/council_scorecards_2010_11.htm

11.3 Appendix 2. Financial tables. 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.

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 February report for 2010/11, covering the period April 2010 to the end of February 2011, 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 11.

- 13.2 We have revised our approach to performance reporting so that we focus on a smaller number of indicators (38) that reflect the council's priorities. These are detailed in appendix 1a which can be accessed via this link:

http://www.haringey.gov.uk/index/council/performance_and_finance/council_performance/performance-reports/council_scorecards_2010_11.htm

14. Performance Highlights

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

- 14.1 30% of adult social care clients are receiving self directed support – this remains higher than the profiled target of 27.5% for this period and the annual target has now been met. In addition the first ever National Personal Budget Survey for which Haringey is one of 10 demonstrator sites has revealed some positive outcomes. Although the survey is still in its early stages over 300 surveys have been sent to both personal budget holders and their carers and of those who returned their questionnaires 74% of service users said that their personal budget had “Made things better or a lot better”.
- 14.2 Call centre performance improved in February to 88% telephone calls answered in 30 seconds and the year to date performance at 70% is now meeting the target. There has been an improving trend in call answering over recent months and performance is significantly better than at this time last year (23 percentage points better than the figure reported in February 2010).
- 14.3 28.5% of household waste has been reused, recycled or composted in the year to February exceeding the 27% target set for 2010/11. Recycling tonnage has remained at a consistent level 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.
- 14.4 In the year to February 3.4% of streets were recorded as having unacceptable levels of litter, better than the 10% target.
- 14.5 There have been 6,694 serious acquisitive crimes in the year to the end of February, 107 fewer crimes when compared with the same period last year.
- 14.6 There have been 307 serious violent crimes in the period April to February, 28.1% fewer when compared with the same period last year and exceeding the 4% reduction target.
- 14.7 In the rolling year to February 8.25 days were lost due to sickness absence per full time equivalent member of staff, bettering the 8.5 day target for the second consecutive month.

Areas where targets are not currently being met include:

- 14.8 In the year April to February 1,571 public complaints (stage 1) have been received across the council and 90% of these have been dealt with in the 10 day timescale, the target is 93%. There has been a slight decline in performance since November with monthly performance dipping below 90%, 85% in February.
- 14.9 18.3% 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 (22.6%). The service are confident that work in progress should enable them to meet the target by the end of the financial year.
- 14.10 At the end of February, the average time taken to process new claims and change events is 23 days for the year to date (18 days in February) against a 17 day target. Despite the ever increasing caseload (currently at the highest point that it has ever been), the Service has managed to ensure that performance against this indicator continues to steadily improve despite the unprecedented demand for assistance which the service is receiving. Further improvement in performance is also predicted for March. We continue to monitor demand and have developed further control reports which allow us to make informed decisions on the allocation of resources. The continual promotion of e-benefits and our close working partnership with Customer Services will continue to be key to performance improvement in this area. We continue to monitor demand and have developed further control reports which allow us to make informed decisions on the allocation of resources. The continual promotion of e-benefits and our close working partnership with Customer Services will continue to be key to performance improvement in this area.
- 14.11 E-benefits continues to be a resounding success both in terms of performance and customer perception. Benefit claims submitted through e-benefits are currently paid within 15 days (target 32 days) and 88% of all e-benefit claims are paid within the 32 day target. The take up of e-benefits has continued to increase and Customer Services now issue 91% less paper forms than they did before e-benefits was introduced, making a value for money saving for the service in terms of design, printing and paper cost.
- 14.12 In February performance improved to 73.9% of children's social care initial assessments carried out in 10 working days and 65% of core assessments completed in 35 days both against a 70% target. The year to date positions are 66.2% and 60.5% respectively. There has been an increased level of court work and efforts to complete older core assessments with a Head of Service audit and review of assessments older than 40 days. The focus continues to be on providing high quality and analytical work and the assessment process continues to form part of a regular programme of audits of quality of practice
- 14.13 Although the number of households in Temporary Accommodation reduced by 253 during the year, the rate of reduction started to slow in August 2010 and the Council's use of Temporary Accommodation has remained fairly constant since January 2011. This was due, in the main, to the severe shortage of

affordable private rented accommodation in Haringey and neighbouring boroughs. This has reduced the Council's ability to prevent homelessness and rehouse Temporary Accommodation residents in the private rented sector. Proposed changes to Local Housing Allowance (LHA) rates have also had an adverse effect on housing supply and landlord confidence

- 14.14 The average re-let time for local authority dwellings was 33.9 days in February, for the year to date it is 36.3 days. This is an amalgamation of relet times 45.6 days for supported housing and 28.5 days for general needs. There is a positive direction of travel on this measure but performance remains below the target of 25 days.

15. Finance

- 15.1 There is a projected net over-spend at the year end of £1.5m based on the position as at the end of February, a reduction from the £2.4m reported last period. The main reason for this movement is a further increase in the Non-Service Revenue (NSR) under-spend. An analysis of the main variations within each directorate is set out in the following paragraphs.
- 15.2 Adults are continuing to experience high client numbers, but are mitigating much of this pressure with a vacancy factor against all non-statutory positions: to date this has been a successful strategy. The year-end forecast has worsened slightly this period and there is now a projected over-spend of £0.1m, largely caused by cost pressures within Mental Health. NHS Haringey has reviewed funding for a number of service users which has resulted in a reduction in Health contributions to packages primarily in Mental Health services. The impact in the current financial year is a funding reduction of approximately £1.2m.
- 15.3 The estimated outturn for the Children and Young People's Service remains at £7.7m above budget as reported last period. Both the numbers of Looked after Children (LAC) and unaccompanied minors increased during February by eleven and 5 respectively. However, the service continue to maximise grant and other income which has enabled the projection to remain at the P10 figure.
- 15.4 The Urban Environment directorate has reduced the year end forecast again this month and it now stands at £0.3m over spent compared to the £0.7m reported in January. The main change has been within Safer & Stronger Communities as spend in Neighbourhood Management is effectively frozen ahead of the disestablishment of the unit. There have also been efficiencies within Front Line Services and Planning, Regeneration and Economy.
- 15.5 The February year end forecast for Corporate Resources remains as an under-spend of £0.5m. There has been little overall change with the cost pressures continuing to be the high levels of service demand and problems in dealing with backlog claims in the early part of the year within the Benefits and Local Taxation

service, and under achievement of commercial rent income due to low occupancy at Technopark. The restrictions on discretionary spend and recruitment along with other interim savings are still forecast to both offset the pressures being felt and also to deliver the under-spend reported.

- 15.6 The forecast outturn under-spend for the three Chief Executive directorates (Policy, Performance, Partnerships & Communications (PPP&C), People & Organisational Development (POD) and the Chief Executives (CE)) has increased by £0.1m during February and now shows a combined under spend of £0.8m. The under-spend is mainly due to the impact of the restrictions on discretionary spend.
- 15.7 During February the year end forecast for Non-service revenue (NSR), which largely consists of budgets for capital financing costs, levies and contingencies, has changed by £0.5m and now stands at an under-spend of £3.5m. This figure is made up of the uncommitted £1.0m general contingency built into the 2010/11 budget and an under-spend of £2.0m against the debt financing costs due to the use of internal cash balances in lieu of borrowing. However, additionally this period, there is a £0.5m reduction in the forecast single status liability. The Alexandra Palace and Park Trust continues to work to maximise the profit generated by APTL and keep discretionary expenditure to a minimum although the delay to the re-opening of the ice rink has inevitably had an impact on income levels and the year end forecast over-spend is now likely to exceed the £100k previously reported.
- 15.8 The under-spend in respect to the 2010/11 unallocated Area Based Grant reported previously is still being used to help offset the net over-spend in other service areas. As discussed in previous reports, Directors are still expected to work at bringing forecast over-spends down as it would be more beneficial to have recourse to this sum to smooth the transition into 2011/12.
- 15.9 The RAG status of agreed 2010/11 revenue savings and investments is shown in Appendix 2 and has not changed this period. Only 2% (£0.140m) 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

- 15.10 The Treasury Management activity in 2010/11 continues to be compliant with the Treasury Management Strategy Statement agreed in February 2010. Following the repayment of maturing debt in October, the level of cash balances dropped, and in February averaged £21m. Investments have been limited to AAA rated money market funds and an instant access account to ensure sufficient liquidity is maintained. These accounts pay an interest rate equivalent to one month fixed term deposits but have the advantage of instant access. Due to the significant use of money market funds, the average long term credit rating of the portfolio has been maintained at AA+.

15.11 £50m of Council debt has matured this financial year which had in part been refinanced through £20m of new borrowing in August 2010. Due to the significant difference between short term investment interest rates and long term borrowing rates, the Council had continued to finance the balance through the use of internal cash balances. However, the Council's cash flow position became such that it was necessary to undertake further longer term borrowing of £27m during February 2011 albeit at very competitive rates of interest. Officers will continue to monitor the position closely in consultation with the Council's treasury management advisers.

Capital

15.12 The aggregate capital programme position for 2010/11 is as shown in Appendix 2 and at Period 11 is forecasting an under-spend of £19.7m, an increase of £2.0m from the £17.7m under-spend reported in period 10. The change is not due to any one large variation but is spread across most directorates. The detail behind the figures is set out by Directorate in the following paragraphs

15.13 The Adults, Culture and Community Services forecast under-spend has increased from £1.4m to £1.8m. The variance is still principally due to slippage on the Broadwater Farm Community Centre, Muswell Hill Library and the Lordship Recreation projects.

15.14 The projected under-spend on the Urban Environment general fund capital programme remains at £2.8m in P11. This is largely in relation to the Marsh Lane project which is on hold until the options to fill the funding gap are reviewed. In the interim the site is being advertised for rental. The HRA capital programme is now forecasting a small under-spend of £0.7m spread across a variety of projects.

15.15 The Corporate Resources Period 11 forecast remains largely unchanged with an under-spend of £5.3m. As outlined last period, some £1.9m of this relates to the IT programme where approximately £0.9m budget remains unallocated and a further £1.0m is due to the profiling of payments on key projects which will result in the actual expenditure falling into the next financial year. The Hornsey Town Hall project continues to forecast slippage of £0.8m against budget caused by the time needed to assess the optimum overall proposal for the site. The Accommodation Strategy programme has been forecasting sizeable slippage this year as the programme was put on hold whilst a comprehensive review was undertaken as a result of the downturn in the property market and the anticipated changes to staff structure. Following Cabinet approval of the revised plan in December 2010 a virement to re-phase £2.7m of the budget into 2011/12 has been proposed which will be reflected in P12 figures.

15.16 The Non-BSF programme is now projecting an overall reduction against planned budget for the year of £1.5m. This is a £0.3m increase over last period and is largely due to a more accurate forecast as a number of Primary Capital Programme projects near completion. As highlighted last period, the main reason

for the overall under-spend is the re-profiling of the cash flow for the Broadwater Farm Integrated Learning Campus scheme: with the movement of £1.7m of expenditure into the next financial year. However the project remains on schedule overall with good progress being made on site.

15.17 The BSF capital programme overall continues to forecast a balanced position although some further re-profiling of expenditure into 2011/12 has been made this month. This is largely due to recent approved use of programme contingency requiring profiling into future years. Expenditure on all school construction projects is on target for the year, with 10 of the 12 school projects now completed and closed.

15.18 The target level of in year receipts from asset disposals is £2m. The actual usable receipts generated to date against this target are £6.392m. The current forecast for this year based on latest progress on remaining disposals is approximately £6.6m, slightly above the figure reported last month of £6.2m. A number of the usable receipts generated are already ring-fenced by Members for specific purposes and will therefore not be available to generally supplement the capital programme. The forecast excess receipts result from the identification of additional properties considered surplus to requirement and recommended for disposal in this financial year and also actions to bring forward some disposals planned for 2011/12 to 2010/11.

Virements

15.19 There is one request for virement approval of £2.7m relating to the Corporate Resources capital budget for the accommodation strategy as detailed in paragraph 15.15 above.