

Executive

On 25 July 2006

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

- 1.1 To set out an exception report on the finance and performance monitoring for May 2006 using the new balanced scorecard format.

2. Introduction by Executive Member for Finance (Cllr Toni Mallett)

2.1 I am very concerned at the projected net overspend of £3.2m (0.9%) bringing our traffic light rating to amber. I will be discussing this with the Lead Members concerned with a view to identifying remedial actions to bring this back within budget.

2.2 I am also aware that there is an assessed impact of £750k in older people's services of the withdrawal of funding in respect of jointly funded services by the PCT, which is not included in the current projection.

2.3 Members will need to work together to deliver our priorities in this financial situation.

Introduction by Executive Member for Organisational Development and Performance Management (Cllr Dhiren Basu)

2.4 The balance scorecard shows a positive set of results for May with traffic lights for excellent services showing that for 71% of the indicators, performance is on target or close to the end of year target already. I am also pleased to report that 67% of indicators have maintained or improved performance since the end of last year, further proof that the council is moving in the right direction.

2.5 I will be working closely with colleagues and officers to ensure performance improves in social services and customer services, as those are two areas where we have underperformed in the past two months. However, I am confident that the necessary steps will be taken and that we will begin to see more positive results in the months to come.

3. Recommendations

3.1 To note the report.

3.2 To agree virements set out in section 14.

Report authorised by: Dr Ita O Donovan – Chief Executive

**Contact officers: John Hardy – Head of Finance – Budgeting, Projects and Treasury
Telephone 020 8489 3726**

**Margaret Gallagher – Performance Manager
Telephone 020 8489 2553**

4. Executive Summary

4.1 This report sets out the routine financial and performance monitoring for May 2006 in the new balanced scorecard format. This is the second report in this format and it will evolve and improve as the months go on. The new format makes stronger links between finance and performance and includes unit cost information about services.

4.2 In summary the balanced scorecard shows a positive picture as at May '06 with traffic lights for excellent services showing that for 42 measures (55%) of indicators, performance is on target and for 12 additional measures (16%) performance is close to the end of year target even at this early stage in the year. The customer focus perspective shows that 20 of the 30 measures performance targets are being met or close to being met. Financial health is also sound with 13 of the 29 measures achieving green status and a further 8 achieving amber status meaning that for 72% of indicators performance levels are improving or being maintained at an acceptable level. Our organisational development /capacity perspective shows that for 11 of the 12 measures 91.6% performance has improved or is being sustained. In addition 67% of indicators have maintained or improved performance since the end of last year.

4.3 In summary the revenue budget shows a projected net overspend of £3.2m and this is 0.9% compared to the approved net budget. Therefore this is rated amber as the variation is between 0.5% and 1%. The overspend is mainly due to pressures in Social Services budgets (£1.2m), Children's Services £1.9m (including asylum seekers), likely shortfall of £0.8m in agreed procurement savings and £0.3m in Environment. This is partially offset by a £1m under spend on homelessness.

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

5.1 None

6. Local Government (Access to Information) Act 1985

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

Budget management papers
Service PI returns including unit cost data

7. Background

- 7.1 This is the regular finance and performance monitoring report for May 2006. It is based on the financial monitoring reports prepared for the budget management meetings held on 28 and 30 June 2006 for period 2 and the service submission of the basket of performance indicators that have been agreed for 2006/07.
- 7.2 From April '06 the reporting is in the form of a balanced scorecard. The scorecard looks at performance across four dimensions: service excellence, financial health, customer focus and organisational development. The scorecard consists of corporate and service performance measures.
- 7.3 The report includes routine monitoring of unit costs so that performance and costs reflect activity enabling us to make judgements around whether we deliver value for money services.
- 7.4 For 2006/07 the indicators contained within the balanced scorecard include key threshold indicators used in the Council's Comprehensive Performance Assessment (CPA) and those which reflect the Council's priorities including some key local indicators for the Council. The main changes to the indicators monitored are the addition of a number of financial health, resident perception and organisational health indicators.
- 7.5 Performance data is shown in Appendix 1. Progress continues to be tracked on a monthly and year to date position against the target using a traffic light annotation where:
- green: = target achieved / performance better than planned
 - amber: = just below target
 - red: = target not achieved / below expectation

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

8. Service Positions on Delivering Service Excellence

8.1 Children

- 8.1.1 The revenue budget is forecast to overspend by £1.9m. This is due to a £0.5m projected overspend in the SEN placement budget, £0.5m projected overspend on the Looked After Children (LAC) budget and a potential asylum seekers overspend of £0.9m.
- 8.1.2 The SEN placements budget was overspent in 2005/06 due to higher numbers than available in the budget and the forecast this year is substantially due to the full year effect of this overspend although there is a small increase in the number day placements (3 in number). There is also a rise in the amount of additional support provided to Special Schools from this budget due to the medical needs of the particular children. The overspend is being actively considered as part of the Director's review of this particular budget. The Service Manager is looking, as part of this review, for efficiencies and economies of scale and the forecast does include potential placements. It is likely that the forecast overspend will come down over the next few months as the measures are implemented. This budget also may have to rely on underspends elsewhere to achieve balance which have yet to be identified.
- 8.1.3 In relation to the LAC shortfall, the Children's Service is striving to contain the inherent pressures carried over from last year while delivering the overall commissioning strategy. It may be necessary that pressures arising will need to be contained by under spending on non-commissioning areas and managers have been made aware of the need to restrict spending on other areas wherever possible. Two young people with very complex needs have been placed already this year in external placements costing over £4K per week. In addition it should be noted that several new placements have also had to be made which are likely to continue throughout the year. The reduced availability of beds at the internal residential units due to a fire is another temporary factor contributing to pressures. Repairs are now completed and steps will be taken to increase the occupancy level as soon as possible. Currently client numbers are 394, which is about 8 above the budget plan at period 2.
- 8.1.4 The asylum position has worsened since that reported last month with the gross shortfall increasing from £2.5m to £3m. This is largely covered by a contingency and assumed special case grant claims for 2004/5 and 2005/6 although this leaves a net overspend of £0.9m. This shortfall relates to both Children's Services and Social Services asylum seekers costs. A special grant submission will be made for 2006/07 and if successful would reduce this forecast shortfall. The increase in costs is largely due to rising numbers in the care leaver 18+ cases and the recent increase in the referrals of UASC. The position remains a serious concern for the financial strategy. The Leader has twice written to the Home Office Minister and recently received a second letter from the National Asylum Seeker Service (NASS). The Council is currently considering its position following this latest response. It is understood that the London Borough of Hillingdon are considering a judicial review in respect of their Asylum costs and funding for the 18+ cases.
- 8.1.5 Although the capital budget is currently projected to underspend by £18.5m, this is almost entirely made up of BSF and 6th Form Centre notional figures

which were based on very early forecasts of spend. This report includes a request for virement which will align the budget more appropriately with spend. With regard to other projects, the service is currently working on a revision to the three year programme which will take account of slippage and other factors. A revised three year programme taking account of this will be reported to the Executive.

Performance highlights for Children's services are as follows.

- 8.1.6 All 7 statements of need excluding exceptions prepared in May were issued in the 18 week timescale. When exceptions are included 7 out of 9 (77.8%) statements were issued within 18 weeks in May, short of the 88% target although the year to date position is still on track. This is a good start to the year with performance on both parts of the indicator continuing to exceed target.
- 8.1.7 As at May '06 11.1% of 16-19 year olds were not in Education, Employment or Training (NEETs) against a target of 12.9% for 2006/07. Good progress is being made in this area with plans to reduce NEETs to the national target level of 8.5%.
- 8.1.8 As at May '06, 11.1% of children have had three or more placements exceeding our 13% target. This performance places us in the best performance banding.
- 8.1.9 All 36 reviews of children on the register due in May were completed in timescale. (BV162).
- 8.1.10 There were three adoptions in May '06 and although it is not possible to accurately forecast the number of adoptions at this early stage of the year, it is expected that Haringey will achieve its target of 23 adoptions for the year. Achievement of this underpins the financial savings approved as part of the budget strategy.

8.2 Adults' & Older People's Social Care, Housing

- 8.2.1 I reported at period 1 notification from the PCT of the withdrawal of funding in respect of jointly funded services. At this point, the impact of direct funding has been assessed as £750k in older people's services, although the position for Adults continues to be monitored. Processes have been put in place to identify clients who are eligible under the NHS Continuing Care criteria to try to mitigate against some of these losses and these will be monitored through the year. Currently this is not included in the projection and consideration will need to be given to the actions the Council should take in this respect.
- 8.2.2 In addition to this loss of funding, the overspend in Adult Services reported in period 1 has increased from £0.6m to £1.2m. The increase is mainly in residential care services commissioned in mental health where the numbers of clients supported by the service is 106 compared to budgeted numbers of 71. Of the £1.2m overspend in Adults, £0.8m is in respect of mental health. The balance of the overspend is shared equally across learning disabilities and physical disabilities where there continue to be demand pressures experienced by the service.

- 8.2.3 The long term management action for mental health is the reconfiguration of supporting people services for mental health service users in order to develop more high support services with a focus on active rehabilitation and recovery. The service is also working towards extra care supported housing schemes to support older clients.
- 8.2.4 The Social Services budgets continue to be under severe pressure because of both demand pressures and reductions in services in the Health sector. The PCT's strategic plans to achieve further efficiencies in 2006/07 will continue to have knock on effects for Social Services. The key features of the plan are:
- To reduce the demand for acute hospital admissions by changes in patient pathways and investment in primary care and community services
 - Reductions in the use of in-patient services with respect to mental health services with an assumption that more patients are enabled to live in the community. Whilst we should support this approach, it would need to be accompanied by appropriate resources transferring to community services (health or social care). However, we understand that there will be no such transfer.
 - Savings in primary care services from general management savings, improving contracting and commissioning.
 - Further savings proposed in services to Adults and Older People's Services mainly through the rationalisation of wards at Greentrees and rationalisation of outpatient services through a review of the eligibility criteria for these services.
 - Planned reductions in early years and schools services and family planning services
- 8.2.5 Under these circumstances, it is almost inevitable that a proportion of the population who would have been supported in the Health sector will need to access social care services for support. This will also impact on Children's Services.
- 8.2.6 At this time, the projected overspend in Social Services is £1.2m. Management action is being taken to try to ensure that these pressures do not result in any additional overspend and include, reviews of jointly funded expenditure, a freeze on vacant posts and reducing agency staff where there would be minimal impact on front line services.
- 8.2.7 Social Services capital is projected to spend at budget.
- 8.2.8 The performance appendix reports the latest performance figures on some key indicators in Adults' and Older People's services. This shows that:
- 91.7% of items of equipment were delivered in 7 working days in May exceeding the 88% target set for 2006/07. This level of performance places Haringey in the top 'very good' banding.
 - 124 adults and older people per 100,000 population were in receipt of a direct payment as at May '06 slightly short of the 127 target for the month. This is a cumulative figure and the target to be achieved by 31 March '07 is 150. This level of performance places Haringey in the second top 'good' performance banding.

- In the year to May there were 19 admissions scaled up to 37 per 10,000 Older people aged 65 or over admitted on a permanent basis to residential / nursing care. Current performance places Haringey in the top banding for this indicator. This is a new definition which counts individuals admitted on one or more occasions on a permanent basis to residential or nursing care beds funded in part by councils, rather than admissions. The revised indicator will ensure that those admitted on a temporary basis but becoming permanent placements are included and that transfers from one permanent placement to another are excluded. Our target for 2006/07 has been set at 70 admissions per 10,000 Older people aged 65+ which if we remain below this level will place us in the top performance banding.

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

- *Acceptable waiting times for assessment- new older clients aged 65+(BV195)*
This indicator is the average of the percentage of clients where time from first contact to contact with the client is less than or equal to 48 hours and the percentage where time from first contact to completion of assessment is less than or equal to 4 weeks. In May for 53% of older clients, the time from first contact to contact with the client was less than or equal to 48 hours and for 41.8% their assessments were completed within 4 weeks. The average of these is 47.4% falling below the new key threshold levels for this year of 60% and 70% respectively.
- *Carers receiving a carer's break or specific carer's service (PAF C62)*
3% of Carers for Adults and Older People received a carer's break or specific carer's service in the year to May '06 as a proportion of all Adult clients receiving a community based service. The Commission for Social Care Inspectorate have recently released bandings for this measure based on values reported by councils in 2004/05. We revised our target for 2006/07 to 12% in line with the top banding and national target.
- *Adults and older clients receiving a review as a percentage of those receiving a service (BV55).*
The service are now reporting 42% of adults and older clients receiving a review falling well short of the reduced 60% target for 2006/07.

8.2.10 There is a projected improvement on the homelessness general fund budget of around £1m in addition to the approved budget. This is a financial consequence of the successful programme of private sector lease procurement and movement of families from short-term bed and breakfast accommodation and the favourable grant position on these cases.

8.2.11 The level and cost of repairs in the HRA are being carefully monitored following pressures in this area last year.

8.2.12 The unit cost per private sector leased dwelling was calculated at £852.43 in May against a target of £842.24 for the year. The 2006/07 target was set based on the distribution of size of units in stock as at the end of March. The distribution of units is now different and will vary from month to month

depending on the units handed back and the units being procured as part of the overall housing strategy.

Performance issues in Housing are as follows:

- 8.2.13 BV183a and BV183b measure the average length of stay in weeks that a household at the point of leaving temporary accommodation have spent in bed and breakfast or hostel accommodation, respectively. The indicators only measure households with children or pregnant women, who have spent time in accommodation where facilities are shared with other people.
- 8.2.14 The definition for these indicators was amended in 2005/06 to exclude tenants' historical stays in bed & breakfast prior to April 2004. This was the date from which the Homelessness (Suitability of Accommodation) England order 2003 took effect.
- 8.2.15 The average length of stay in bed & breakfast accommodation, under this definition is reported as zero weeks as we no longer use this form of accommodation for families.
- 8.2.16 The definition for the average length of stay in hostels changed in May '06 to exclude Hostel provision ending prior to April '04. When the new definition is applied performance in May '06 increased to 81 weeks against a target of 35 weeks.
- 8.2.17 BV213 records households who have been prevented from becoming homeless. In May 27 per 1,000 households approached the local authority's housing advice service and had their situation resolved. When scaled up, this level of performance falls short of our target of 400 for 2006/07. We are due to include the work undertaken by partnership organisations, which will improve performance considerably in this area.
- 8.2.18 The average re-let time of local authority dwellings was 38 days in May against a target of 27 days. A large number of properties used by Older People's Services with long void periods increased the overall number of days and reduced both April's and May's performance, which is now being actively addressed. This will be monitored closely to assess any impact on the rent income target.

Rent Collection

- 8.2.19 Rent collected as at May 06 (BV66a) is projected at 95.98% of rent due for the year against a target of 97.5%. However, it should be noted that the Income Collection Teams have only been in place since the 8th May and have spent the last month settling into their new roles; reviewing their patch lists; sorting out some IT housekeeping issues; reviewing outstanding casework and identifying the priority cases. This work was largely completed on 2nd June and the teams are now in a position to agree individual targets and start detailed monitoring exercises against these. It is expected that a focus on this activity will lead to improved performance and we fully expect to meet the collection rate target by year end.

8.2.20 The percentage of tenants with more than seven weeks rent arrears increased to 14.22% in May remaining short of our target of 10% for 2006/07. Our initial analysis shows that 60% of tenants are in arrears, but that 47% of these owe less than £100. Housing Benefit is in payment in full or in part to 71% of tenants. A key part of our strategy therefore is to prevent small arrears accruing in the first place and to stop these escalating. This is in line with Government's thinking and best practice, wherein there is less emphasis on legal action (hence our target at 66c to reduce the numbers of Notices of Seeking Possession served) and early face to face intervention (hence our target at 66b to reduce the number of tenants who owe more than 7 weeks arrears).

Repairs

8.2.21 Reported performance has dipped for a number of reasons in May mainly due to the implementation of a new work allocation system TASK. Action is being taken to resolve these issues and weekly performance monitoring taking place. It is anticipated that the service will be delivering the targets by July

8.2.22 In May 94.5% of appointments were made and kept based on data taken from our IT system. Further training for HBS management is expected to address the shortfall in reported performance against the 99% target set for 2006/07.

8.2.23 The average time to complete non-urgent responsive repairs was 16.9 days in May against a target of 14 days. These figures include private contractors without any exclusions for planned maintenance.

8.2.24 The percentage of urgent repairs completed within Government time limits at 93.4% in May fell slightly short of the 97% target.

8.3 Environment Services

8.3.1 The overall revenue budget shows a projected overspend of £265k. £200k is in respect of potential additional costs regarding the recycling labour contract and £65k is due to issues in the partial non-achievement of agreed efficiency savings in the waste management contract. Capital is projected to spend at budget.

8.3.2 Members have recently approved an 18 month pilot scheme providing two different types of recycling collection services from housing estates in the east of the Borough, serving the equivalent of 6,000 households. The net cost of the pilot is estimated to be £150k, phased £55k in 06/07 and £95k in 07/08. The cost will be met from the one-off service development contingency agreed in the 2006/07 budget. A virement request is submitted to transfer this sum to the Recycling budget.

8.3.3 Parking income recovery target is 61% and actual performance to May was at this level.

8.3.4 The cost of household waste collection per tonne at £83 is slightly above the budget target of £82 for 2006/07. This is due to issues in the achievement of agreed efficiency savings in the waste management contract.

Performance highlights in Environment are:

- 8.3.5 20.4% of household waste was recycled or composted in May '06 against a target of 22% for 2006/07.
- 8.3.6 Waste Minimisation performance in May was outside the CPA upper threshold and performance has slipped outside the London top quartile. There was a large increase in the tonnage of waste collected in May the reasons for which are being investigated. Waste minimisation initiatives such as home composting and real nappies are already in place. Others are being considered for this year including a push for residents to sign up to mail preference schemes and subject to a successful bid to WRAP, the introduction of a traffic light labelling scheme for households who recycle.
- 8.3.7 Waste collections missed per 100,000 at 121 in May '06 was inside our target of 130 although a slight increase on the number recorded for April.
- 8.3.8 45 out of 48 minor planning applications (93.8%) were determined in 8 weeks in May exceeding our 83% target and beating the government target.
- 8.3.9 There were 104,536 visits to our sports and leisure centres in May '06, seasonally adjusted this equates to 1,148,567 visits. May performance is up 6% against target and the accumulative position is 2% above target.
- 8.3.10 The average number of days to repair streetlights was just over 1.5 days in May well below the target of 3.5 days. The reduced average length of time to repair faults relating to power supply handled by our District Network Operator (DNO) - currently EDF – at 3.7 days in the year to May exceeds the target of 20 days. EDF have provided a dedicated fault repair team to Haringey and we have seen a big improvement in performance.

8.4 Finance

- 8.4.1 The revenue budget has some pressures and variations that the directorate are trying to contain within the approved budget. The main budget pressure is in Property Services regarding a potential £189k under-achievement of commercial rent income particularly in Technopark. Number of vacant units has recently grown and the service is carrying out marketing to attract new tenants. There are no capital budget variations reported at this stage.

Council Tax and Business Rates

- 8.4.2 93% of Council tax has been collected in May against a 93.75% target. Performance has remained constant in the first couple of months.
- 8.4.3 The collection of business rates in May '06 at 99.4% exceeded the set target.

Invoice payments

- 8.4.4 81.9% of invoices were paid in 30 days in May and 85% in the year to date against a 92% target set for the year. This is being monitored carefully with services to further improve performance to meet the target.

Benefits

- 8.4.5 The average speed of processing a new claim increased to 56 days in May. Performance has been extremely disappointing in the first couple of months. A review of the reason for this drop is being undertaken and the blocks in the process are being identified with process improvements being implemented. A fuller picture will emerge when further information is available.
- 8.4.6 Performance on the amount of Housing Benefit overpayments recovered at 59% against a 60% target is encouraging and on target to meet the annual performance standard.

8.5 Chief Executive's

- 8.5.1 As reported last month there are no revenue and capital budget variations reported at this stage.
- 8.5.2 There were 191,132 visits to our libraries in May '06 equating to just over 9.5 visits per head of population in a year exceeding our target for 2005/06 of 9 visits per head.

9 Customer Focus

- 9.1 Within the customer focus dimension we have included a number of residents' perceptions as measured by our annual resident's survey. The measures that are monitored give a good indication as to how perceptions about the council are changing. They include whether resident's think Haringey is a better place to live than a year ago, whether we are doing a good job, whether we listen to, involve and keep residents informed and whether resident's perceive that we are efficient and well run and offer value for money.
- 9.2 Performance trends on the majority of these perception measures are improving. 64% of residents think we do a good job and 63% feel the Council keeps them informed.
- 9.3 Some additional service perception measures may be introduced to the scorecard in the coming months. Environment directorate intends to collect resident satisfaction data in all the areas currently included in the CPA service assessment and to report this information in the scorecard. It is expected that they will be able to include the first set of data in the autumn and that it will subsequently be reported two to three times a year.
- 9.4 In addition performance on complaints handling is regularly monitored. April and May saw a disappointing start to the year. In May 117 (71%) of complaints at stage 1 (local resolution) were responded to within the new tighter 10 working day timescale against a target of 80%. For the more complex service

investigation stage, 12 out of 23 (52%) of complaints were resolved within the 25 working day timescale both falling short of the target.

- 9.5 In April and May seven stage 3 complaints (independent review) were received and all were completed in the new 20 working day timescale.
- 9.6 Of the 289 Members enquiries cases closed in May 06 225 (78%) were handled within the 10 working day timescale falling short of the 90% target.
- 9.7 59% of Freedom of Information (Fol) requests were actioned within the 20 day timescale in May against a target of 70%.
- 9.8 79.7% of Council wide calls were answered within 15 seconds in May, exceeding the target of 77%.
- 9.9 There has been a temporary blip in our Customer Services performance. Members have already received a report on the reasons and a Recovery action plan which is now being implemented to improve performance in this area.

10 Organisational Development/ Capacity

- 10.1 Under the organisational development arm of our balanced scorecard we have included a number of Investor in People indicators as measured by our staff survey. The recent staff survey results will soon be analysed and fed into our scorecard to evaluate whether we have made progress in the areas we were targeting and to ensure we continue to maintain high standards of capacity so that our staff have the skills to deliver the business of the council.
- 10.2 Current performance on the percentage of staff who understand Haringey's aims and objectives (85%) and how the work they do helps Haringey achieve these (88%) is extremely good. This is the result of much effort to ensure that the Council's vision and priorities are communicated and form a strong discussion thread between the business plans, individual appraisals and workplans.
- 10.3 The percentage of permanent staff that have a written work plan or performance appraisal that sets out priorities and tasks for the year at 77% compares well against other organisations of a similar size and complexity. Changes to the Performance Appraisal framework and better use of the manager's desktop with SAP will allow better monitoring and subsequently targeting of areas of under-performance.

Sickness

- 10.4 The average number of working days lost to sickness per full time equivalent employee in May '06 is 8.2 days per annum inside our 8.8 day target. This will be closely monitored during the year to ensure the target is met for the year.

11 Performance Summary

- 11.1 In summary the balanced scorecard shows a positive picture as at May '06 with traffic lights for excellent services showing that for 71% of indicators, performance is on target or close to the end of year target even at this early

stage in the year. The customer focus perspective shows that for 20 of the 30 measures performance targets are being met or close to being met. Financial health is also sound with 13 of the 29 measures achieving green status and a further 8 achieving amber status meaning for 72% of indicators performance levels are improving or being maintained at an acceptable level. Our organisational development /capacity perspective shows that for 11 of the 12 measures 91.6% performance has improved or is being sustained. In addition 67% of indicators have maintained or improved performance since the end of last year.

12 Summary - Budget Monitoring

13.1 Overall revenue budget monitoring shows a projected net overspend of £3.2m and this is 0.9% compared to the approved net budget. Therefore this is rated amber as this variation is between 0.5% and 1%.

13.2 The aggregate revenue projected position in 2006/07 is as shown in the following table.

General Fund revenue	Approved Budget	Projected variation
	£m	£m
Children (including asylum seekers)	215.0	1.9
Social Services	54.1	1.2
Housing	(1.7)	(1.0)
Environment	48.6	0.3
Finance	7.3	0
Chief Executive's	18.8	0
Non-service revenue	24.4	0.8
Total	366.5	3.2

13.3 As reported last month the variation in Non Service Revenue is in relation to the delayed achievement of procurement savings. There is a likely shortfall of £0.8m in the £1m agreed procurement savings this year. Various new procurement review projects have been initiated and in addition spend analysis reports are being completed by each service to review for other potential efficiency projects. Energy procurement has been reviewed and savings are possible from the 1st October contract renewal date although savings will be influenced by market volatility and need to be carefully quantified.

13.4 The aggregate capital projected position in 2006/07 is as shown in the following table. Although the capital budget is currently projected to underspend by £18.5m, this is almost entirely made up of BSF and 6th Form Centre notional figures which were based on very early forecasts of spend. This report includes a request for virement which will align the budget more appropriately with spend. With regard to other Children's projects, the service is currently working on a revision to the three year programme which will take account of slippage and other factors. A revised three year programme taking account of this will be reported to the Executive in due course.

Capital	Approved Budget	Spend to date	Projected variation
	£m	£m	£m
Children	54.9	3.3	(18.5)
Social Services	5.7	0.1	0
Housing – General Fund	2.6	0.1	0
Housing – HRA	18.1	0.2	0
Environment	15.8	1.2	0
Finance	4.0	0.6	0
Chief Executive	12.8	0.3	0
Total	114.0	5.8	(18.5)

14. Financial administration

14.1 Financial regulations require proposed budget changes to be approved by Executive. These are shown in the table below. These changes fall into one of two categories:

- budget virements, where it is proposed that budget provision is to be transferred between one service budget and another. Explanations are provided where this is the case;
- Increases or decreases in budget, generally where notification has been received in-year of a change in the level of external funding such as grants or supplementary credit approval.

14.2 Under the Constitution, certain virements are key decisions. Key decisions are:

- for revenue, any virement which results in change in a directorate cash limit of more than £250,000; and
- for capital, any virement which results in the change of a programme area of more than £250,000.

Key decisions are highlighted by an asterisk in the table.

14.3 The following table sets out the proposed changes. Each entry in the table refers to a detailed entry in the appendices, which show the budgets that it is proposed to change. There are two figures shown in each line of the table and the detailed sheets. The first amount column relates to changes in the current year's budgets and the second to changes in future years' budgets (full year). Differences between the two occur when, for example, the budget variation required relates to an immediate but not ongoing need or where the variation takes effect for a part of the current year but will be in effect for the whole of future years.

14.4 Proposed virements are set out in the following table:

Period	Service	Key	Amount current year (£'000)	Full year Amount (£'000)	Description
2	Chief Executive, Finance	Rev*	800	800	Transfer of Agency Resource Centre savings target budget from Procurement to Human Resources.
2	Chief Executive	Rev	60	86	Adjustment of national training strategy grant and HR development strategy grant to reflect approvals.
2	Chief Executive	Rev	30	30	Transfer of Ordnance Survey maintenance budget from Legal to IT.
2	Environment	Rev	55		18 month pilot for recycling from housing estates. Total cost of pilot is £150k, £55k in 06/07 and £95k in 07/08. To be met centrally from service development/contingency.
2	Environment	Cap*	2,000		ODPM approved Community Infrastructure Fund monies for Haringey Heartlands Spine Road project.
2	Environment	Cap*	1,800		2006/07 ODPM approved Growth Areas Fund monies for Hornsey Mortuary project (£300k), Markfield Recreation Ground project (£500k) and Tottenham Hale project (£1m).
2	Environment	Cap	109		Coldfall Wood HLF (£73k) and Section 106 funding (£36k).
2	Environment	Cap*	639		Additional TFL funding for Bridge works (£377k), Wood Green Bus Station carriageway reconstruction (£36k) and Route 29 articulated buses (£226k).
2	Environment	Cap*	308		Additional funding from TFL for London Cycle Network.
2	Children's	Cap*	336		Computers for Pupils. This is a new Standards Fund Capital Grant from the DfES for the provision of computers and Internet access for disadvantaged children.
2	Children's	Cap*	384		This is a S.106 allocation for the purchase of land adjacent to Tetherdown Primary School. Authority to use this fund for the purchase of land is Contained in Section 11.1 of the Executive report of 22 February 2005; item 19 of the agenda refers.
2	Children's	Cap*	400		This is additional NRF funding requested at the end of last financial year to supplement the Bruce Grove Youth Centre project. It is to fund the cost of installing the ICT suite which was not previously budgeted for.
2	Children's	Cap*	-5,360		Sixth Form Centre: revised in line with latest spend profile
2	Children's	Cap*	-12,091		Other BSF Programs: revised in line with latest spend profile
2	Children's	Cap*	205		Contribution to the settlement of £1.050m in respect of PFI construction variations and various other commercial issues.

2	Children's	Cap*	-205		Reduction in the Modernisation (Primary) budget, which is sustainable in 2006/07, to fund the PFI contribution above.
---	------------	------	------	--	---

15. Recommendations

15.1 To note the report.

15.2 To agree the virements set out in section 14.

16. Legal Comments

16.1 There are no legal implications.

17. Use of Appendices

Appendix i. May balanced scorecard/ Performance summary