

Report title: **Finance & Performance – September 2005**

Report of: **The Chief Executive and 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 September 2005.

2. Introduction by Executive Member for Finance (Cllr Richard Milner)

- 2.1 The table at 10.1 shows the overall revenue position for each of the services and indicates the emerging pressures for September 2005, amounting to a variation of around £2.3m (around 0.7% of the total revenue budget).
- 2.2 While this remains a manageable position within an appropriate tolerance zone, we must look to reduce any variation against plan. I have identified the key sources for the variance below and have sought to identify the remedial actions in place.
- 2.3 As reported last month, Social Services is working to resolve the significant financial pressures in the adults and older peoples services which may require further discussions with our partners in the NHS. Environment Services the parking income target remains behind plan but with encouraging signs of progress in September against the run of the previous months. Non-Revenue Services continue to carry its underperformance on the procurement savings targets.
- 2.4 Additionally, the HRA continues to show cost pressures in repairs for reasons outlined in last month's report. Options have been agreed by members on how the budget pressures can be contained within the available resources without significant impact on service performance and are expected to reduce the net overall overspend to £500k
- 2.5 With regard to the capital position, pressures on the BSF programme, Tech Refresh and CCTV implementation are driving the projected variance of £0.6m and we continue to work to resolve these and will update members on progress in the next monthly report.

2.6 Members have also requested that this report picks out the highlights of council performance and I have some of these at 8.6.5 onward.

Introduction by Executive Member for Organisational Development and Performance (Cllr Takki Sulaiman)

2.7 Haringey is striving to improve its performance for the benefit of the people of the borough. This report shows continuing good progress against many challenging targets set by ourselves and the government. There are also areas where we must try harder and this report sets out some of the measures being taken.

3. Recommendations

3.1 To note the report.

To agree virements set out in section 11.

Report authorised by: Max Caller – Interim Chief Executive

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4. Executive Summary

4.1 This report sets out the routine financial and performance monitoring for September 2005.

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

7. Background

- 7.1 This is the regular finance and performance monitoring report for September 2005. It is based on the financial monitoring reports prepared for the budget management meetings held on 21 October 2005 for period 6 and the service submission of the basket of performance indicators that we are using for 2005/06.
- 7.2 For 2005/6 the indicators contained within the Appendix 1 for the traffic light report include key threshold indicators used in the Council's Comprehensive Performance Assessment (CPA) and those included in Haringey's Local Public Service Agreement (LPSA) as well as some key local indicators for the Council.
- 7.3 Performance data is shown in full in Appendix 1. Progress is tracked on the 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 would 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

8.1 Children

- 8.1.1 The overall revenue position shows a marginal projected overspend of £0.1m. Within this overall position there are a number of over-spending budgets where action is required to resolve the on-going position.
- 8.1.2 The looked after children commissioning budget remains an area of concern. The number of children looked after is 407 compared to the budget figure of 390, although a lower unit cost results in a projected underspend of £154k. The budget for additional young people over 18, however, shows a projected overspend of £346k due to significantly higher unit costs. The overall projected overspend is therefore £192k. The commissioning strategy for future years assumes that net savings will be delivered and this remains key to the Council's overall financial strategy.
- 8.1.3 The asylum position remains as previously reported, that is a gross shortfall of £3.4m to be covered by a contingency and assumed special case grant claims for 2004/5 and 2005/6. The position remains a serious concern for the financial strategy and the Leader has written to the relevant Home Office Minister.
- 8.1.4 The £0.8m shortfall in respect of BSF costs remains an issue and action is required to contain this within Children's Service resources.

- 8.1.5 Performance highlights for Children's services are as follows.
- 8.1.6 Performance on both parts of the indicator on issuing statements of special educational needs is on target. Where exceptions under the Code of Practice are included 49 out of 58 statements were issued within the 18-week timescale in the year to August. For part a, which excludes exceptions, all xx statements issued in the year to September were in time.
- 8.1.7 Care leavers engaged in employment, education and training at the age of 19 is an LPSA measure. Our target for 2005/06 is that 65% of these young people are in employment, education or training. Excellent progress has been made in this area with all the children who turned 19 in September in education, training or employment on their 19th birthday. Performance in the year to date at 74% is exceeding the LPSA target of 65% for 2005/06.
- 8.1.8 All reviews of children on the register due so far were completed. (BV162). Excellent performance has been sustained in this area.
- 8.1.9 There have been 6 adoptions in the year to September '05. The target for 2005/06 is 20 adoptions.

8.2 Social Services

- 8.2.1 As reported last month it is recognised that there are significant financial pressures within Adults and Older People's services that will need to be managed carefully.
- 8.2.2 In Adults there are increased costs in physical disabilities where there is growth in the number of clients receiving a service (294 to 346) where revised NHS criteria means that less people qualify for NHS funding. The projected overspend in Older People is mainly as a result of a higher number of weeks being commissioned above the commissioning strategy assumptions.
- 8.2.3 The net projected overspend is currently £0.6m.
- 8.2.4 Further work will be done to identify ways of containing this cost. This underlying pressure is a risk to the existing financial strategy. The position for future years will require careful review in the budget process, particularly in the light of efficiency savings required by government in the supporting people programme.
- 8.2.5 The performance appendix reports the latest performance figures on some key indicators in Adults and Older People's services. This shows that:
- 3073 out of 3795 (81%) items of equipment have been delivered in 7 working days in the year to September with an excellent performance of 93% in the month of September. Performance now exceeds the 80% target.
 - There have been 2 new supported admissions to residential / nursing care in September. The indicator is calculated per 10,000 population aged over 65 and equates to a value of 51.4 for the year, placing us inside the Department of Health "Good" performance banding range. Our LPSA target to be in the banding of between 70 and 100 admissions per 10,000 population. However in order to promote independence, the objective of the Community Care Strategy

has been to reduce supported admissions and current performance is very close to the target set for 2005/06.

- Our performance on clients receiving a statement of need remains on the 95% target. Recent work to identify all clients requiring a statement of need has led to this improvement in performance.
- 18.2% of carers for Adults and Older People have received a carer's break or specific carer's service in the last year. This compares with a target of 25% set for the year.

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

- *Adults and older clients receiving a review as a percentage of those receiving a service.*
64% of clients received a review against a target of 75% (BV55). Although the new Framework i report is capturing the data more accurately and the figures show improvement, performance is still well below the target.
- *Acceptable waiting times for assessment- new older clients aged 65+*
This indicator is the average of the percentage of clients where time from first contact to beginning of assessment is less than 48 hours and the percentage where time from first contact to completion of assessment is less than or equal to 4 weeks. Performance on this key threshold indicator at 65% although improved from the August position is still below the 70% target.

8.3 Housing

8.3.1 As reported last month, there is potentially a further improvement on the homelessness general fund budget of around £2m in addition to the approved budget changes already implemented. 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 increasing total numbers of these in the current year.

8.3.2 As reported last month, in the HRA there are pressures on repairs spending mainly due to an increase in demand and therefore increases in the volume of general repairs delivered by the HHBS service. The potential overspend could be in the region of £2m. Options have been prepared on how the budget pressures can be contained within the overall resources available without any significant impact on service performance and these were considered at a Member working group and will now be implemented. These actions will reduce the net overall overspend in 2005/06 to £500k.

8.3.3 Performance issues in Housing are as follows:

Homelessness Assessments

8.3.4 In September '05, decisions on homelessness applications were issued in 33 days for 98.9% of cases, exceeding the 92% target.

- 8.3.5 BV183a and BV183b measure the average length of stay in weeks that a household at the point of permanent rehousing 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.
- 8.3.6 Since 2004, we no longer place any such households in shared facility accommodation for long periods. The definition for this indicator has recently been amended to exclude tenant's 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.
- 8.3.7 The average length of stay in bed & breakfast accommodation, under this new definition is expected to fall dramatically from last year's outturn. The reports to calculate this are currently being finalised.
- 8.3.8 The average length of stay in hostels, in September '05 increased to 153 weeks well above the 40 week target. The year to date position is 59 weeks.

Average Re-let Times

- 8.3.9 The average re-let time of local authority dwellings increased to 31 days in September, outside both the local target of 29 days and our LPSA target of 25 days. There were high levels of staff shortage within the lettings team in September compromising the outputs of this indicator. The year to date position is 32.7 days.

Rent Collection

- 8.3.10 Rent collected to the end of September (BV 66a) dipped and is projected at 96.7% of rent due for the year, against a target of 97.8%.
- 8.3.11 The percentage of tenants with more than seven weeks rent arrears at 13% is also above our target of 8%.

Repairs

- 8.3.12 An appointment was made and kept for 97% of responsive repair jobs in September which although falls short of the 99% target is within the London top quartile. Reports from Optitime will not now be available until February '06 therefore a manual validation exercise will be undertaken as current figures calculated using customer care cards are unreliable.

8.4 Environment Services

- 8.4.1 A shortfall of £400k was reported last month against the parking income target for 2005/06 based on income performance for the first 5 months. The shortfall is still projected at this level this month. However, there are encouraging signs that the position may improve as income for September held up well and exceeded the monthly target. The position is being kept under close review and further actions are being investigated in order to recover the projected

shortfall. The income recovery rate for parking charges is now at 57%, which meets the target.

- 8.4.2 A number of other budget pressures have also been identified by Business Units but the Directorate is committed to managing these within its approved cash limit for the year.
- 8.4.3 There is a projected underspend on capital of £650k due to slippage on the CCTV project.
- 8.4.4 Performance highlights in Environment are:
- 8.4.5 Household waste recycled or composted in September '05 passed 20% with total tonnage reaching an all time high. This exceeds the 18% target for the fifth month running.
- 8.4.6 Waste Minimisation- Performance in September and the year to date remains within the London top quartile although still above the target. New minimisation schemes are planned.
- 8.4.7 Waste collections missed per 100,000 reduced further to 116 in September '05, inside the LPSA target of 130 for the second month this year. This has been achieved through a combination of contract monitoring, practical on-street remedial measures. If this level of performance is sustained, we should hit our LPSA target.
- 8.4.8 98.2% of Zone 1 streets were of an acceptable standard of cleanliness in September against a 95% target. Performance continues to be above the target and it is expected that this level of achievement should be sustained.
- 8.4.9 44 out of 58 minor planning applications (76%) were determined in 8 weeks in September falling slightly short of our 78% target although still beating the government target. In addition all but one of the twenty one major applications processed in the year so far were determined within 13 weeks.
- 8.4.10 Parks Cleanliness index improved to 83.5 in September beating the target of 80 for 2005/06. The year to date figure at 79 is just short of the target.
- 8.4.11 Incidents of dumped rubbish reported to the Call Centre have reduced this year and are below our target placing the Council in a strong position to meet its LPSA target.
- 8.4.12 The average number of days to repair streetlights at 1.5 days for the year is well below the target of 3.5 days. However the average length of time to repair faults relating to power supply handled by our District Network Operator (DNO)- currently EDF was 29.7 days in September and 24.5 days in the year to date against a target of 10 days. This continues to be disappointing but the performance of DNOs is an issue across London and OFGEM are reviewing all DNOs across the UK because performance has been an on-going problem for many years.

8.5 Finance

- 8.5.1 As reported last month, the continuing drive to improve performance in Benefits and Local Taxation in the context of an on-going recruitment programme has resulted in a significant level of agency staff. Additional costs are projected with a best case scenario of £0.2m and a worst case of £0.6m. After carrying out a review of all budget areas within Finance it is now expected that this additional cost can be contained within the overall budget of the department.

Council Tax and Business Rates

- 8.5.2 93.3% of Council tax due was collected in the year to September '05 just short of the 93.5% target set for 2005/06. Performance has remained steady over the last three months with an improvement over the same period last year. Enforcement processes have been reviewed and to ensure that the annual target is reached the service is concentrating on improving the collation of key information from customers after a liability order has been obtained.
- 8.5.3 99.3% of business rates due were collected in September, exceeding the 99% target level. The position in the year to date is 98.9%. The collection rate will continue to be closely monitored to ensure the annual target is achieved.

Invoice payments

- 8.5.4 88.7% of invoices were paid in 30 days in September and 89.4% in the year to date, close to the 90% target for 2005/06. Three way matching is generally working well for those purchasing groups (particularly as experience is gained) that have so far been moved to this process - with more being added every week.

8.6 Chief Executive's

- 8.6.1 As reported last month, a budget pressure identified to date is that Local Land Charges income is projected to be below target. The projected shortfall has increased from £133k to £158k since last month in light of reduced activity in the housing market and further losses of business to private sector personal search agencies. Measures to reduce the impact of this are currently being pursued.
- 8.6.2 As reported last month, there is also a budget pressure that has been identified in respect of Broadwater Farm Community Centre. An options appraisal is being undertaken regarding use of the building. A budget is being drawn up to run the centre effectively in the short term – this will be in excess of the previous grant payment budget and could be as much as £250k. Work is being undertaken to minimise this figure. Proposals are also being developed around the use of the centre in the longer term that could include accessing regeneration grants. This issue has been included in the business planning process.

- 8.6.3 Other budgets within Chief Executives Service are being reviewed such that the overspends can be contained in overall terms. In particular there may be some flexibility in Strategy arising from vacancies in the first half of this year.
- 8.6.4 As reported last month, on capital there is potential slippage and subsequently additional costs on the Tech Refresh project. The roll-out of PC replacement is now well underway and while good progress is being made some niggles are being experienced which have been highlighted in the risk monitoring process. An overspend of £0.5m is currently projected.

Performance highlights are:

Public Complaints

- 8.6.5 In the year to September 781 or 80% of complaints at stage 1 (local resolution) were dealt with within the 15 working day timescale against a target of 80%. For the more complex service investigation stage, 15 out of 23 (65%) complaints were resolved within timescale in September and 71% in the year to date, both below the 80% target.
- 8.6.6 The use of the CRM system, implemented in May 2005, to log Freedom of Information (FOI) requests is still bedding in. Data cleansing was recently carried out on the CRM system and as a result performance data has been amended with a year to date position of 64% against a target of 90%. However September's performance with 77% of replies in timescale was an improvement on previous months.

Sickness

- 8.6.7 The average number of working days lost to sickness per full time equivalent employee in September '05 increased to 8.2 days per annum but the year to date position, including late reported sickness, of 8.7 days is only just below the target of 8.8 days.

Access Services

- 8.6.8 68% of callers to Customer Service Centres were seen within 15 minutes in September. The year to date position is also 68% falling just short of the 70% target set for 2005/6.
- 8.6.9 There have been 1,103,818 visits to our libraries in the year to September '05, the equivalent of 9.8 visits per head of population in a year. The target for 2005/06 is 9 visits per head.

9. Performance Summary

- 9.1 In summary the traffic lights for the year to date position as at September '05 show that for 76% of indicators, performance is on target or close to the end of year target. In addition 81% of indicators have maintained or improved performance since the end of last year.

10. Summary - Budget Monitoring

10.1 The aggregate revenue projected position in 2005/6 is as shown in the following table. The variation shown under non-service revenue relates to the likely non-achievement of part of the budgeted savings in relation to the Programme Board and specifically the Procurement savings. There is a target of £1 million in respect of Procurement savings in 2005/06 and to date only £200k from the renewal of the Insurance contract is likely.

General Fund revenue	Approved Budget	Projected variation
	£m	£m
Children	202.1	0.1
Social Services	51.7	0.6
Housing	(0.2)	0
Environment	48.9	0.4
Finance	12.9	0
Chief Executive	19.0	0.4
Non-service revenue	11.5	0.8
Total	345.9	2.3

10.2 As reported last month, in the HRA there are pressures on repairs spending mainly due to an increase in demand and therefore increases in the volume of general repairs delivered by the HHBS service. The potential overspend could be in the region of £0.5m.

10.3 The aggregate capital projected position in 2005/06 is as shown in the following table. There is a pressure on the BSF programme within Children's Services of the order of £0.8m. The CCTV project in Environment is projected to slip by £0.7m. There is also potential slippage and subsequently additional costs on the Tech Refresh project within Chief Executive's Service.

Capital	Approved Budget	Spend to date	Projected variation
	£m	£m	£m
Children	40.0	18.3	0.8
Social Services	4.7	0.5	0
Housing – General Fund	4.4	1.1	0
Housing – HRA	23.5	8.3	0
Environment	21.5	4.8	(0.7)
Finance	7.3	2.0	0
Chief Executive	17.4	4.3	0.5
Total	118.8	39.3	0.6

11. Financial administration

11.1 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.

11.2 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.

11.3 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.

11.4 Proposed virements are set out in the following table:

Period	Service	Key	Amount current year (£'000)	Full year Amount (£'000)	Description
6	Social Services	Cap	154		Allocation of Mental Health SCE [R] 2005/06 grant.
6	Chief Executive	Rev*	417		DAAT funding £177k, LDA sub regional partnership engagement programme £240k
6	Chief Executive	Rev	24		GOL Building Safer Communities adjustment £121k(-), ODPM Beacon grant for getting closer to communities £67k, SRB grant for improving the public realm in Northumberland Park £30k, NDC grant for Black Arts in Seven Sisters £20k, SRB grant for Northumberland Park Aspire summer programme £23k, Youth Offending Service adjustment £5k
6	Finance	Rev	22		Programme evaluations: SRB grant for JUNP £10k and West Green £12k.

6	Chief Executive	Rev*	(755)	(755)	Neighbourhoods – SRB budgets removed that were added to base in previous years as on-going.
6	Chief Executive	Rev*	285		Removal/grant reduction of Laurel Health Centre NDC income.
6	Chief Executive	Rev	143	(45)	IRT grant no longer receivable £47k(-), Arts Council – North London sub-regional arts partnership grant £10k, ODPM Local enterprise growth initiative grant £100k, LDA employment ULV framework developing beneficiary consultancies grant £25k, other grants £55k.
6	Environment	Cap*	290		TFL funding for Dukes avenue area.
6	Environment	Cap	138		TFL funding for Priory road bus lane £16k, Local safety schemes £87k, W4 re-routing £10k, Heartland regeneration £25k.
6	Environment	Rev*	150	300	Parking Shop merger with Cashiers.
6	Education	Rev*	751		New allocation of DfES Standards Fund grant.
6	Chief Executive	Rev	100	100	Assumed annual spend for CRB checks.
6	Chief Executive	Rev*	400		Drugs Intervention programme c/f from 2004/05.
6	Chief Executive	Rev	223		Resettlement & aftercare provision.
6	Chief Executive	Rev	20		Heritage economic regeneration funded scheme at Hornsey High Street.
6	Chief Executive	Cap	245		Heritage economic regeneration funded schemes £220k, Conservation area partnership scheme £25k.
6	Chief Executive	Cap*	(1,756)		UCCG profile between years amended.
6	Chief Executive	Cap*	3,000		Unsupported borrowing for IT refresh project.

12. Recommendations

12.1 To note the report.

12.2 To agree the virements set out in section 11.

13. Legal Comments

13.1 There are no legal implications.

14. Use of Appendices

Appendix i. September Performance summary

Appendix ii September Telephone answering performance