

Report title: **Finance & Performance – October 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 October 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 £2.5m (less than 1% of the total revenue budget).
- 2.2 While this continues to be 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 The three key service areas showing variance against budget continue to work to manage this down and bring their positions back into balance. Non-Revenue Services continues 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.

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

2.6 Haringey is now recognised as an improving borough as the recent awarding of two stars for our Social Services department demonstrates.

2.7 This report highlights strong improvement in a wide range of service areas from recycling to street cleanliness to delivery of equipment within seven days to the reletting of empty properties within timescale.

2.8 There are still areas for improvement which are receiving support from managers in the improvement and performance service.

2.9 Further evidence about the borough's progress will be received from the Audit Commission on 15th December and will help place Haringey's performance in comparative context as will as shape our plans for the future.

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 October 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 October 2005. It is based on the financial monitoring reports prepared for the budget management meetings held on 18 November 2005 for period 7 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 £0.3m. However, 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 results in a projected overspend of £432k. The department has undertaken to review its procedures to ensure that the process is sufficiently robust in terms of decision making. 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 GCSE results continue to improve with 50% of students now gaining five or more A to C grades exceeding the target of 42%. This is 6% up on 2004 performance and a record for the borough.
- 8.1.7 The latest average points scores of Black African and Black Caribbean pupils at key stage 2 at 25.9 and 25.8 although showing improvement both fall short of our LPSA targets. However it is the attainment results next year that will count towards these LPSA targets.
- 8.1.8 Performance on both parts of the indicator on issuing statements of special educational needs continues to exceed target. Where exceptions under the Code of Practice are included 68 out of 81 (84%) statements were issued within the 18-week timescale in the year to October. For part a, which excludes exceptions, all 68 statements issued in the year to October were in time.
- 8.1.9 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 71% of the children who have turned 19 this year in education, training or employment on their 19th birthday. This exceeds our LPSA target of 65% for 2005/06.
- 8.1.10 All reviews of children on the register due so far were completed. (BV162). Excellent performance has been sustained in this area.
- 8.1.11 There have been 8 adoptions in the year to October '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 and that the projected net overspend of £0.6m remains.
- 8.2.2 In Adults there are increased costs in physical disabilities and there is growth in the number of clients receiving a service (294 to 346) and where revised NHS criteria means that less people qualify for NHS funding.
- 8.2.3 The projected overspend in Older People is mainly as a result of a higher number of weeks being commissioned above the commissioning strategy assumptions. 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 expected efficiency savings of 5% required by government in the supporting people programme.
- 8.2.4 The performance appendix reports the latest performance figures on some key indicators in Adults and Older People's services. This shows that:
- 90% of items of equipment were delivered in 7 working days in October despite the entire telephone network at St. George's estate being out for two

days. Performance in the year to date now exceeds the 80% target and this is likely to increase to 85% if performance at current levels is sustained.

- There have been 53 supported admissions per 10,000 population aged over 65 to residential / nursing care in the year to October. This places us inside the Department of Health “Good” performance banding range. Our LPSA target is 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.

8.2.5 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.*
66% 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 66% although a slight improvement on previous months is still below the 70% target.
- 18% 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.

8.3 Housing

8.3.1 As reported previously, 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 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 has reduced to £1.9m this month. 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 £300k.

8.3.3 Performance issues in Housing are as follows:

Homelessness Assessments

- 8.3.4 In October '05, decisions on homelessness applications were issued in 33 days for 95% 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 reported as zero weeks.
- 8.3.8 The average length of stay in hostels, in October '05 decreased to 59 weeks with the year to date position at 61.5 weeks still above the 40 week target.

Average Re-let Times

- 8.3.9 The average re-let time of local authority dwellings reduced significantly to 26 days in October, inside our local target of 29 days but still short of our LPSA target of 25 days. High levels of staff shortage within the lettings team in September compromised outputs on this indicator. The year to date position is 32 days.

Rent Collection

- 8.3.10 Rent collected to the end of October (BV 66a) is projected at 96.7% of rent due for the year, against a target of 97.8%. All cases over £250 are being reviewed to ensure that every effort is being made to maximise income so that the target is met by year end.
- 8.3.11 The percentage of tenants with more than seven weeks rent arrears at 13% remains above our target of 8%.

Repairs

- 8.3.12 October's performance on appointments made and kept was disappointing with only 90% compliance according to data taken from our IT system. Analysis is being undertaken to determine why performance is not at the expected 99% target level.

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 6 months. The shortfall is projected to reduce to £350k this month reflecting improvement over the last few months. This is as a result of a number of actions implemented during the summer. The income recovery rate for parking charges is now at 58%, which exceeds the target by 1%, and it is anticipated that this can be improved further during the remainder of the year.
- 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 As reported last month, there is a projected underspend on capital of £650k due to slippage on the CCTV project. A number of other schemes have low expenditure to date but it is envisaged that these will be completed and spent by the year end.
- 8.4.4 Performance highlights in Environment are:
- 8.4.5 Household waste recycled or composted in October increased further to 21%. This exceeds the 18% target for the seventh month running ensuring that our statutory target for the year will be met.
- 8.4.6 Waste Minimisation- Performance in October and the year to date remains within the London top quartile although still above the challenging target. Further improvements may be forthcoming in the New Year with the advent of a new home-composting scheme.
- 8.4.7 Waste collections missed per 100,000 at 120 in October '05 were inside our LPSA target of 130 for the third month running. If this newly improved performance is sustained, we should hit our LPSA target.
- 8.4.8 98.9% of Zone 1 streets were of an acceptable standard of cleanliness in October against a 95% target. Performance continues to be above the target. This performance aligns with the improved results from the first tranche of ENCAMs independent cleanliness survey (BV199). This showed that 23% of our relevant land had significant deposits of litter and detritus compared with 32% in 2004/05. This level of performance moves us out of the bottom quartile.
- 8.4.9 284 out of 350 minor planning applications (81%) were determined in 8 weeks in the year to October exceeding our 78% target and beating the government target. In addition all but two of the twenty seven major applications processed in the year so far were determined within 13 weeks.
- 8.4.10 Parks Cleanliness index at 82.3 in October exceeded the target of 80. There has been a general improvement in scores throughout the borough despite some fluctuations in score at some sites. Overall the yearly cumulative score has increased to 79.35 with Chestnuts Park and Hartington Park still scoring low. Most other parks are recovering from their drop in score over the

summer. Coldfall, Wood Green Common and Woodside Park are to be specifically targeted.

- 8.4.11 The average number of days to repair streetlights increased to 3 days in October but the position 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 17.8 days in October and 22.5 days in the year to date against a target of 10 days. EDF have been asked to review their method of reporting and actioning these repairs but it is unlikely that the target will be met.
- 8.4.12 There have been 25 people killed or seriously injured in the period January to May this year. The previously reported numbers have been revised by Transport for London (TfL). June and July data have not yet been provided by TfL. Although performance to-date looks good against the target set for this year, it must be noted that data is only up to May. Therefore, predictions must be treated with extreme caution particularly as informal information from the police suggests KSIs have been occurring from June 2005. The CPA uses three year rolling averages to reduce the effect of unrepresentative fluctuations: the 3 year rolling average KSIs figure at May 05 was just over, 156 placing us within the lower (worst) threshold.

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 of around £0.5m. 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 October '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. The service has worked with Customer Services to improve the enforcement processes with a focus on improving the collation of key information from customers after a liability order has been obtained.
- 8.5.3 99.1% of business rates due were collected in October, 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 90.7% of invoices were paid in 30 days in October exceeding the 90% target for the first time this year and 98.9% in the year to date.

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 £158k to £173k 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 and a saving of £50k has been identified so far which will reduce the projected net overspend to £123k.
- 8.6.2 As reported last month, there is also a budget pressure that has been identified in respect of Broadwater Farm Community Centre. Members have resolved in principle to continue in-house operation through 2006/07 and have noted that there will, in consequence, be an overspend of £282k in the current year, and a sum of £282k included in the budget package for 2006/07.
- 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 October 925 (80%) of complaints at stage 1 (local resolution) were responded to within the 15 working day timescale against a target of 80%. For the more complex service investigation stage, 13 out of 15 (87%) of complaints were resolved within timescale in October exceeding target for the month. There is still an underlying problem with Finance and the Directorate complaints team are looking for a solution. The year to date position at 73% means that in order to hit target by the end of the year, performance would need to average nearly 90% for the remaining months.
- 8.6.6 Excellent performance on stage 3 complaints (independent review) has been sustained with all of the 14 complaints received in the year so far, reviewed and responded to within the 25 working day timescale.
- 8.6.7 64% of Freedom of Information (FOI) requests have been actioned within the 20 day timescale in the year so far against a target of 90%. A bid for resources has been submitted as part of the Pre Business Planning review process.

Sickness

- 8.6.8 The average number of working days lost to sickness per full time equivalent employee in October '05 increased to 9.1 days per annum. The year to date position, including late reported sickness, of 8.9 days is now above the target of 8.8 days.

Access Services

- 8.6.9 67% of callers to Customer Service Centres were seen within 15 minutes in October. The year to date position is 68% falling short of the 70% target set for 2005/6. In order to improve the performance at the Customer Service Centres, we propose moving staff between the call centre and the Wood Green Customer Service Centre. This will commence following the rollout of Tech Refresh in Customer Services, planned for early December. It is expected that the target will be achieved by year end.
- 8.6.10 There have been 1,306,430 visits to our libraries in the year to October '05, the equivalent of almost 10 visits per head of population in a year. Visits in October increased to 10.8 visits per head. 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 October '05 show that for 75% of indicators, performance is on target or close to the end of year target. In addition 76% 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 this year.

General Fund revenue	Approved Budget	Projected variation
	£m	£m
Children	202.0	0.3
Social Services	51.7	0.6
Housing	(0.2)	0
Environment	48.9	0.4
Finance	12.9	0
Chief Executive	18.1	0.4
Non-service revenue	12.5	0.8
Total	345.9	2.5

- 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 net potential overspend is estimated to be £0.3m.
- 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 are also 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	21.0	0.8
Social Services	4.7	0.7	0
Housing – General Fund	4.4	1.4	0
Housing – HRA	23.5	10.0	0
Environment	21.6	6.1	(0.7)
Finance	7.3	2.0	0
Chief Executive	19.3	5.2	0.5
Total	120.8	46.4	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
7	Chief Executives	Rev	34		BCSF funding for YOS salaries
7	Environment	Rev*	321	321	Increase of parking income target
7	Children	Rev	185	185	Transfer of 4 staff from Business Support & Development to Delivery & Performance
7	Social Services	Rev*	879	879	Correction of Mental Health commissioning budget to eliminate double counting of internal recharges
7	Social Services	Rev	80	80	Adjustment to Mental Health client budgets in line with lower income
7	Children	Rev	107		New DfES Standards fund grant for school meals
7	Chief Executives	Rev	25		New SRB grant for West green memorial garden
7	Chief Executives	Cap	75		New SRB grant for West green memorial garden
7	Chief Executives	Rev*	350	350	Transfer of People Network from CIT to Libraries
7	Chief Executives, Children	Rev	60	60	Transfer of resources from Children to Customer Services for 3 posts plus running costs
7	Chief Executives, Finance	Rev*	259	259	Transfer of resources to fund the Secretariat
7	Chief Executives, Finance	Rev	50	50	Incorporation of circular funding agreed for Haringey Racial Equality Council
7	Chief Executives	Cap*	741		New NDC resources for Environmental community chest (£51k), Capital project feasibility fund (£240k), The bridge renewal area (£300k) and Changing places – phase 3 (£150k)
7	Chief Executives	Rev	23		New NDC resources for advice promoting health
7	Finance	Rev	30		New SRB funding for Broadwater Farm learning centre co-ordination
7	All Services	Rev	53	53	Transfer of resources to CIT to fund the additional costs of further IT equipment/services
7	Environment	Cap	11		New TFL funding for Archway Road anti-suicide bridge measures
7	Environment	Rev	118		New DEFRA funding for household incentives scheme
7	Environment	Cap	20		New TFL funding for cycle training

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. October Performance summary

Appendix ii October Telephone answering performance