

MEETING

BUDGET AND PERFORMANCE OVERVIEW & SCRUTINY COMMITTEE

DATE AND TIME

THURSDAY 25TH NOVEMBER 2010

AT 7:00PM

VENUE

HENDON TOWN HALL, THE BURROUGHS, HENDON NW4 4BG

TO: MEMBERS OF THE COMMITTEE (Quorum 3)

Chairman: Councillor Darrel Yawitch
Vice Chairman: Councillor Mark Shooter

Councillors:

Hugh Rayner	Alan Schneiderman
Brian Salinger	Alison Moore
John Marshall	Julie Johnson
Brian Schama	
Daniel Seal	

Substitute Members:

Eva Greenspan	Ansuya Sodha
Rowan Turner	Alex Brodkin

**You are requested to attend the above meeting for which an agenda is attached.
Aysen Giritli – Acting Democratic Services Manager**

Democratic Services contact: Jeremy Williams 020 8359 2042
Media Relations contact: Chris Palmer 020 8359 7408

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CORPORATE GOVERNANCE DIRECTORATE

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Meeting	Budget & Performance Overview & Scrutiny Committee
Date	25 th November 2010
Subject	Treasury Management Strategy
Report of	Scrutiny office
Summary	This report presents the Treasury Management Strategy report, to be considered at Cabinet Resources Committee on 30 th November 2010, to the Committee for pre-decision Scrutiny.

Officer Contributors	Jeremy Williams Overview & Scrutiny office 020 8359 2042
Status (public or exempt)	Public
Wards Affected	All
Enclosures	Enclosure A – Treasury Management Strategy report and appendix to be considered at Cabinet Resources Committee, 30 th November 2010.

Contact for Further Information: Jeremy Williams
Overview & Scrutiny office
020 8359 2042
jeremy.williams@barnet.gov.uk

1. RECOMMENDATIONS

1.1 That the Committee scrutinise the Treasury Management Strategy and make comments to the Cabinet Resources Committee as appropriate.

2. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

2.1 The Overview and Scrutiny Committees/Sub-Committees must ensure that the work of Scrutiny is reflective of the Council's priorities.

2.2 The three priority outcomes set out in the 2010/13 Corporate Plan are: –

- **Better services with less money**
- **Sharing opportunities, sharing responsibilities**
- **A successful London suburb**

2.3 The Corporate Plan 2010/13 contains the following strategic objectives and performance targets that fall within the remit of the Corporate Governance Directorate and relate to Overview and Scrutiny:

- **Improve council policy and decision making through greater involvement by non-executive members**
- **To improve the effectiveness and transparency of decision-making within the council by ensuring that Overview and Scrutiny in the year 2010/11:**
 - **Considers three decisions prior to being taken by Cabinet; and**
 - **Initiates three items of policy development.**

3. RELEVANT PREVIOUS DECISIONS

3.1 Budget and Performance Overview & Scrutiny Committee, October 27th 2010, Agenda item 8 'Budget and Performance Overview & Scrutiny Committee Work Programme 2010-11'

4. RISK MANAGEMENT ISSUES

4.1 As set out in Enclosure A.

5. EQUALITIES AND DIVERSITY ISSUES

5.1 As set out in Enclosure A.

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

6.1 As set out in Enclosure A.

7. LEGAL ISSUES

7.1 As set out in Enclosure A.

8. CONSTITUTIONAL POWERS

8.1 The scope of Scrutiny committees is contained within Part 2, Article 6 of the constitution; the Terms of Reference of the Scrutiny Committees are in the Overview and Scrutiny Procedure Rules (Part 4 of the constitution).

9. BACKGROUND INFORMATION

9.1 At its meeting of October 27th 2010, the Budget and Performance Overview & Scrutiny Committee requested to conduct pre-decision Scrutiny on the Treasury Management Strategy, prior to it being considered at the Cabinet Resources Committee (CRC) meeting of November 30th 2010.

9.2 The Treasury Management Strategy report to be considered at CRC is attached as enclosure A.

9.3 The Committee are invited to make comments and recommendations on the Strategy to the Cabinet Resources Committee as appropriate.

10. LIST OF BACKGROUND PAPERS

10.1 None.

ENCLOSURE 1

Meeting	Cabinet Resources Committee
Date	30 November 2010
Subject	Treasury Management Strategy
Report of	Cabinet Member for Resources and Performance
Summary	To approve the Treasury Management Strategy including the borrowing strategy, cash management strategy, the duration of investments permissible, the investment counter party list and investment counterparty criteria.

Officer Contributors	Andrew Travers – Deputy Chief Executive and Chief Finance Officer John Hooton – Assistant Director of Strategic Finance
Status (public or exempt)	Public
Wards affected	Not applicable
Enclosures	Appendix – Treasury Management Strategy
For decision by	Cabinet Resources Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	Not applicable

Contact for further information: John Hooton, Assistant Director of Strategic Finance, on 020 8359 2460 or Karen Bannister, Treasury Manager, on 020 8359 7119.

1. RECOMMENDATIONS

- 1.1 That the revised Treasury Management Strategy, including the borrowing and cash management strategies and the investment counterparty criteria, be approved. The key amendments to the strategy are set out in paragraph 9.7, including amendments to the duration of investments and the counterparty list.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Cabinet Resources Committee, 25 March 2008 (Decision item 18) – Treasury Management Business Strategy.
- 2.2 Cabinet, 23 October 2008 (Decision item 12) – Council Deposits in Icelandic Banks.
- 2.3 The Leader of the Council and Cabinet Member for Resources approved under delegated powers (DPR 712) on 5 December 2008 the Treasury Management Strategy 2008/09 – Deposit Counterparty Limits.
- 2.4 Cabinet Resources Committee, 19 January 2009 (Decision item 16) – Treasury Management Strategy.
- 2.5 Cabinet Resources Committee, 30 March 2009 (Decision item 13) – Treasury Management Strategy.
- 2.6 Cabinet Resources Committee, 16 March 2010 (Decision item 9) – Treasury Management Strategy 2010/11.
- 2.7 Special Committee (Constitution Review), 25 March 2010 (Decision item 8) – Amending the Council's Financial Regulations.

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 The Treasury Management Strategy provides a clear framework within which the treasury management activity of the Council can operate and provides a set of policy guidelines to support the achievement of one of the Council's corporate priorities – 'Better Services with Less Money'. The Council is therefore committed to the principles of achieving best value in treasury management, and to employing suitable performance measurement techniques to ensure effective delivery of the Strategy.

4. RISK MANAGEMENT ISSUES

- 4.1 Borrowing and deposit rates are determined by the market and can be volatile at times. This risk is mitigated by monitoring the interest rate market in conjunction with treasury advisors and brokers, and by proactively managing the debt and investment portfolios.
- 4.2 The placement of deposits carries inherent risk with regard to the robustness of the counterparty and therefore the potential loss of the cash deposited. This is mitigated within the Strategy by defining the criteria for placing funds with counterparties to ensure it is commensurate with the risk appetite of the Council.
- 4.3 An update on treasury management activities are made to this Committee on at least a

quarterly basis in order to give Members greater insight into Treasury Management decisions and to report on compliance with the policies agreed by Members.

- 4.4 The Strategy seeks to minimise the cost of borrowing and maximise interest generated on investments but within the confines of a relatively risk adverse approach and thereby avoids exposing the Council to unnecessary financial risks.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 The Council's capital programme and budget is set to ensure that resources are allocated in line with the Council's priorities and equal opportunities legislation, ensuring that there are strong links between the capital budget and the key priority plans for each service. The resulting capital expenditure enables the Council to invest in the long-term future of the Borough to provide benefit to residents. Capital expenditure is funded from a number of sources of which borrowing is one of them. The Council's corporate priorities and their aligned budgets will also support the Council in meeting its public duties.

6. USE OF RESOURCES IMPLICATIONS (FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS)

- 6.1 One of the prime objectives of CIPFA's code of practice on Treasury Management and subsequent Treasury Policy Statements is to ensure that, by using prudent and proper practices, the financial resources of local authorities are protected and best utilised.
- 6.2 Within the annual budget and Council Tax setting process, the Council includes estimates for borrowing and deposit interest levels. The possibility of debt restructure will be kept under constant review in light of the Council's needs and market conditions, including interest rate forecasts.
- 6.3 As interest rates are not expected to rise significantly by the end of 2010/11, there will be a budget pressure in the current year which will be lessened by the slight relaxation of the Investment Strategy. This may negate the need to make further reductions in the interest income budget projections for 2011/12.

7. LEGAL ISSUES

- 7.1 These are addressed within the body of the report.

8. CONSTITUTIONAL POWERS

- 8.1 Part 1, Section 7 (Treasury Management Framework) of the Financial Regulations section of the Council's Constitution states:
- (1) The Council adopts the key recommendations contained in "The Prudential Code for Capital Finance in Local Authorities – Interim Guidance & Notes Supplement" (CIPFA, February 2004), "Treasury Management in the Public Services: Code of Practice" (CIPFA,2001) and any subsequent recommended good practice by CIPFA.

Adherence to Prudential Code

- (2) Cabinet Resources Committee will create and maintain a Treasury Management Policy Statement (TMPS), stating the policies and objectives of its treasury

management activities.

- (3) The Chief Financial Officer will create and maintain suitable Treasury Management Practices (TMPs), setting out the manner in which the Authority will seek to achieve those policies and objectives, and prescribing how it will manage and control these activities.

The content of the policy statement and TMPs will predominantly follow the recommendations contained in Section 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of the organisation. Such amendments will not result in the authority materially deviating from the Code's key recommendations.

- (4) Cabinet Resources Committee will receive reports on its treasury management activities, including an annual strategy and plan in advance of the year, and an annual report after its close in the form prescribed in the TMPs. These reports will incorporate the prudential borrowing limits and performance indicators.
- (5) The Chief Finance Officer has the delegated authority to undertake long term borrowing on behalf of the Authority and will issue a Delegated Powers Report immediately after this power is exercised to inform Members.

This organisation delegates responsibility for the implementation and the monitoring of its treasury management policies and practices to the Executive and the updating of the Treasury Management Practices, and for the execution and administration of treasury management decisions to the Chief Finance Officer, who will act in accordance with the organisation's policy statement and TMPs and CIPFA's Standard of Professional Practices on Treasury Management.

- 8.2 The Treasury Management Strategy 2010/11, set out in Appendix A to this report, fulfils the requirements outlined in paragraph 7.1 of the Financial Regulations of the Council's Constitution.
- 8.3 The Council's Constitution in Part 3, Responsibility for Functions, paragraph 3.6 states the functions of the Cabinet Resources Committee including 'To consider reports on treasury management strategy and activity, including creating and maintaining a Treasury Management Policy Statement'.

9. BACKGROUND INFORMATION

- 9.1 Treasury Management in Local Government is guided by the 2001 revision of the CIPFA Code of Practice on Treasury Management in the Public Services. The Council has adopted the Code and complies with its requirements.
- 9.2 The primary requirement of the Code is the formulation and agreement of a Treasury Policy Statement and practices which set out Council, committee and officer responsibilities, and delegation and reporting arrangements. The statement and accompanying practices were approved by Council on 7 January 2003.
- 9.3 A requirement of the Council's Treasury Policy Statement is the reporting to Cabinet Resources Committee of both the expected treasury activity for the forthcoming financial year (the Annual Treasury Management Strategy Statement) and subsequently the results of the Council's treasury management activities in that year (as part of the Annual Outturn Report). Throughout the year, the Council's prudential indicators have historically been reported regularly to Cabinet Resources Committee in the Monitoring Report and this will continue in 2010/11 to ensure Members are informed of treasury management activity.

- 9.4 The Council's Treasury Management Strategy 2010/11 was approved at Cabinet Resources Committee on 16 March 2010. The TMS 2010/11 was a continuation of the 2009/10 strategy pending the tender and appointment of Treasury Advisors.
- 9.5 The key changes were:
- (i) The introduction of liquidity and security benchmarks, as required by CIPFA Treasury Management Code of Practice.
 - (ii) The removal of references to Money Market Funds; and
 - (iii) The reference to the use of a minimum sovereign rating was amended so that it only applied to non-UK institutions, to reflect the risk of the UK sovereign being downgraded.
- 9.6 The Council's treasury advisors, Arlingclose, have now had an opportunity to undertake a review of the Council's balance sheet and to identify the council's short, medium and long term cash flow requirements. These requirements and there assessment of the short and medium term opportunities have now been incorporated into a revised Medium Term Financial Strategy for 2010/11 which is attached as an appendix to this report.
- 9.7 There are two key changes to the investment strategy namely investment duration and the list of counterparties. The investment strategy has been amended to extend the maximum permissible duration of investments from the current limit of 92 days to 364 days. This brings the strategy in line with that of other local authorities and will enable a higher rate of return on investments.

The counter party list has been amended to include counterparties recommended by Arlingclose, the council's treasury advisors. Arlingclose use a variety of methods to assess a counterparties creditworthiness including: credit ratings, credit default swaps, gross domestic product (GDP), debt as a percentage of GDP, sovereign support mechanisms and share price. This is an expansion on the current counterparty list which is limited to the DMO, Local Authorities, HSBC, Barclays, Lloyds Banking Group and the Royal Bank of Scotland.

- 9.8 It is proposed that the Council adopts the counterparty list of Arlingclose (the Council's treasury advisors) which includes the Debt Management Account Deposit Facility, T-Bills, UK local authorities, UK and non-UK banks and AAA-rated Money Market Funds.

Each institution on the list has a minimum long-term rating of A+ (the highest in the single-A category) from each of the main credit rating agencies, Fitch, Moody's and Standard & Poor's. The creditworthiness criteria on which the list is based also includes a range of indicators and does not rely on credit ratings alone. The UK institutions (7 banks and the Nationwide BS) on the list are those deemed to be systemically important to the UK financial system. The non-UK institutions are the major banks in specific countries with mature banking systems – Australia, Canada, Finland, France, Germany, Netherlands, Switzerland, Sweden, Switzerland and the US - and which have shown relative resilience through the financial crisis. The sovereign states and the banks within them have been selected after careful analysis and monitoring of the national GDP/net debt as a percentage of GDP, share price, credit default swap (where available) and, importantly, the willingness and the capacity of the sovereign state or a strongly-resourced parent to support the institution in case of need.

AAA-rated Money Market Funds are collective investment schemes which invest in a highly diversified range of short-term assets. The principal objectives of MMFs are the preservation of capital and the provision of very high liquidity (same day subscription and withdrawal). The assets in the fund are held in a safe-custody account and belong to the

investors (termed shareholders) in the fund and not to the fund management company.

Also included on the list is the Council's banker, the Co-operative Bank; however as the bank's long-term ratings are below the minimum threshold of A+, investments with the bank will only be made on an operational basis with a maximum maturity of 5 days.

The counterparty list will offer greater diversification and spread of counterparty risk than at present. Further details are outlined in the appendix to this report.

- 9.9 Further borrowing will be needed to fund the Capital Programme as funding internally depletes cash reserves. The decision to undertake further borrowing has been triggered by the need to bring borrowing back in line with our underlying need to borrow, also known as our Capital Financing Requirement (CFR), and to cash-back our Balances and Reserves, which are sums of money that should be available for the Council to call upon in time of need. It is the Council's policy to match the Capital Financing Requirement with borrowing medium term. The Chief Finance Office will make decisions regarding the timings and terms of borrowing in accordance with the TMS. Fortunately the timing of this decision is set against a backdrop of historically low interest rates. The CFR will be subject to continuous review to accurately reflect amendments to the capital program.
- 9.10 Debt Restructuring – It is proposed to restructure some PWLB maturity loans into variable rate and Equal Instalment of Principal (EIP) loans. The decision to restructure has been taken to allow the Council to benefit from the current historically low level of interest rates and in doing so lower the cost of borrowing, generating a revenue gain. PWLB variable interest rates are in the order of just 0.70% compared to our portfolio average interest rate of 4.09%. Additional restructuring may include the use of PWLB EIP borrowing which affords a degree of medium term certainty – 10 year rates being in the order of 2.10%. This decision may however carry a small short term financing cost as the Council will be unable to lend out these sums at the same rate that has been borrowed. Although this will incur a short term cost the long term benefit to the Council far outweighs this cost. Decisions to undertake restructuring opportunities will be made by the Chief Finance Officer in accordance with the TMS.

10. LIST OF BACKGROUND PAPERS

- 10.1 Treasury Management in the Public Services – CIPFA's Code of Practice and Cross-Sectoral notes.
- 10.2 Any person wishing to inspect this background paper should contact Karen Bannister on 020 8359 7119 or Karen.bannister@barnet.gov.uk.

Legal – MM
CFO – JH

Treasury Management Strategy Statement and Investment Strategy 2010/11 to 2012/13

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2. Balance Sheet and Treasury Position
3. Outlook for Interest Rates
4. Borrowing Requirement and Strategy
5. Debt Rescheduling
6. Investment Policy and Strategy
7. Balanced Budget Requirement
8. 2010/11 MRP Statement
9. Reporting
10. Other Items

Appendices

- A. Current and Projected Portfolio Position
- B. Prudential Indicators
- C. Interest Rate Outlook
- D. Specified Investments for use by the Council

1. Background

- 1.1 The Chartered Institute of Public Finance and Accountancy's Code of Practice for Treasury Management in Public Services (the "CIPFA TM Code") requires local authorities to determine the Treasury Management Strategy Statement (TMSS). This statement also incorporates the Investment Strategy as required under the Communities and Local Government (CLG) Investment Guidance. Together, these cover the financing and investment strategy for the forthcoming financial year.

In response to the financial crisis in 2008 and the collapse of the Icelandic banks, CIPFA revised the TM Code and Guidance Notes as well as the Prudential Code in late November 2009. CLG released revised Investment Guidance in April 2010. These changes have been incorporated into the London Borough of Barnet's treasury procedures and practices.

- 1.2 CIPFA has defined Treasury Management as:

"the management of the organisation's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

- 1.3 The Council is responsible for its treasury decisions and activity. No treasury management activity is without risk. The successful identification, monitoring and control of risk is an important and integral element of its treasury management activities. The main risks to the Council's treasury activities are:

- Credit and Counterparty Risk (Security of Investments)
- Liquidity Risk (Inadequate cash resources)
- Market or Interest Rate Risk (Fluctuations in interest rate levels)
- Inflation Risk (Exposure to inflation)
- Refinancing Risk (Impact of debt maturing in future years)
- Legal & Regulatory Risk

- 1.4 The strategy also takes into account the impact of the Council's Revenue Budget and Capital Programme on the Balance Sheet position, the current and projected Treasury position (Appendix A), the Prudential Indicators (Appendix B) and the outlook for interest rates (Appendix C).

- 1.5 The purpose of this Treasury Management Strategy Statement is to approve:
- Treasury Management Strategy for 2010-11 (Borrowing - Section 4, Debt Rescheduling - Section 5, Investments - Section 6)
 - Prudential Indicators – Appendix B (NB - PI No. 6 - The Authorised Limit is a statutory limit)
 - MRP Statement – Section 8
 - Use of Specified and Non-Specified Investments – Appendices D & E

2. Balance Sheet and Treasury Position

2.1 The underlying need to borrow for capital purposes, as measured by the Capital Financing Requirement (CFR), together with Balances and Reserves are the core drivers of Treasury Management Activity. The estimates, based on the current Revenue Budget and Capital Programmes, are set out below:

	31 Mar 10 Actual £m	31 Mar 11 Estimate £m	31 Mar 12 Estimate £m	31 Mar 13 Estimate £m
CFR	246,117	293,168	294,614	293,429
Balances & Reserves	-92,210	-69,984	-69,097	-69,247
Net Balance Sheet Position	153,907	223,184	225,517	224,182

2.2 The Council's level of physical debt and investments is linked to these components of the Balance Sheet. The current portfolio position is set out at Appendix A. Market conditions, interest rate expectations and credit risk considerations will influence the Council's strategy in determining the borrowing and investment activity against the underlying Balance Sheet position.

2.3 As the CFR represents the level of borrowing for capital purposes, and revenue expenditure cannot be financed from borrowing, net physical external borrowing should not exceed the CFR other than for short term cash flow requirements. It is permissible under the Prudential Code to borrow in advance of need up to the level of the estimated CFR over the term of the Prudential Indicators. Where this takes place the cash will form part of its invested sums until the related capital expenditure is incurred. This being the case net borrowing should not exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for the current and next two financial years other than in the short term due to cash flow requirements.

2.4 International Financial Reporting Standards (IFRS) require the estimates for the Capital Financing Requirement and Long Term Liabilities to take into account the Council's Private Finance Initiative (PFI) schemes and Operating leases. Barnet does not have any operating leases at present. This also effects the determination of the Council's Affordable Borrowing Limit and Operational Boundary.

2.5 The Department for Communities and Local Government has recently consulted on proposals to reform the council housing subsidy system. The proposed Self-financing option would require a one-off reallocation of housing debt. As the consultation period has only recently ended and the mechanism for debt transfer has not been determined, the estimates set out in this strategy do not take into account any potential debt transfer that may arise in future years. Should the debt be transferred to the local authority it will be necessary restate the Capital Financing Requirement and the Prudential Indicators for the Operational Boundaries and Authorised Limits.

- 2.6 The estimate for interest payments in 2010/11 is £8.650m and for interest receipts is £0.67m.

3. Outlook for Interest Rates

The economic interest rate outlook provided by the Council's treasury advisor, Arlingclose Ltd, is attached at Appendix C. Financial markets remain reasonably volatile as the structural changes necessary within economies and the banking system evolve. This volatility provides opportunities for active treasury management. The Council will reappraise its strategy from time to time and, if needs be, realign it with evolving market conditions and expectations for future interest rates.

4. Borrowing Requirement and Strategy

- 4.1 The Council's underlying need to borrow for capital purposes is measured by reference to its Capital Financing Requirement (CFR) – see Appendix B. The CFR represents the cumulative capital expenditure of the local authority that has not been financed. To ensure that this expenditure will ultimately be financed, local authorities are required to make a Minimum Revenue Provision for Debt Redemption (MRP) from within the Revenue budget each year.
- 4.2 Capital expenditure not financed from internal resources (i.e. Capital Receipts, Capital Grants and Contributions, Revenue or Reserves) will produce an increase in the CFR (the underlying need to borrow) and in turn produce an increased requirement to charge MRP in the Revenue Account.
- 4.3 Physical external borrowing may be greater or less than the CFR, but in accordance with the Prudential Code, the Council will ensure that net external borrowing does not, except in the short term, exceed the CFR in the preceding year plus the estimates of any additional CFR for the current and next two financial years. The Council's strategy is to match borrowing levels with the CFR in the medium term.

4.4 The cumulative estimate of the maximum long-term borrowing requirement is estimated by comparing the projected CFR with the profile of the current portfolio of external debt and long term liabilities over the same financial horizon, as follows:

	31/03/2010 Actual £m	31/03/2011 Estimate £m	31/03/2012 Estimate £m	31/03/2013 Estimate £m
Capital Financing Requirement	246,117	293,168	294,614	293,429
Less: Existing Profile of Borrowing and Other Long Term Liabilities	-230,359	-224,325	-221,630	-218,992
Cumulative Maximum External Borrowing Requirement	15,758	68,843	72,984	74,437
Balances & Reserves	-92,210	-69,984	-69,097	-69,247
Cumulative Net Borrowing Requirement/Investments	-76,452	-1,141	3,887	5,190

4.5 The Council's strategy is to maintain maximum control over its borrowing activities as well as flexibility on its loans portfolio. Capital expenditure levels, market conditions and interest rate levels will be monitored during the year in order to minimise borrowing costs over the medium to longer term. A prudent and pragmatic approach to borrowing will be maintained to minimise borrowing costs without compromising the longer-term stability of the portfolio, consistent with the Council's Prudential Indicators.

4.6 In conjunction with advice from its treasury advisor, Arlingclose Ltd, the Council will keep under review the following borrowing options:

- PWLB loans
- Borrowing from other local authorities
- Borrowing from institutions such as the European Investment Bank and directly from Commercial Banks
- Borrowing from the Money Markets
- Local authority stock issues
- Structured finance

The outlook for borrowing rates:

4.7 Short-dated gilt yields are forecast to remain lower than medium- and long-dated gilt yields during the rest of the financial year. Short-dated gilts will benefit from expectations of interest rates remaining lower for longer to enable growth to recover.

- 4.8 The differential between investment earnings and debt costs, despite long term borrowing rates being around historically low levels, remains acute and this is expected to remain a feature during 2010/11. The so-called “cost of carry” associated with long term borrowing compared to temporary investment returns means that the appetite for new long term borrowing brings with it additional short-term costs. It is not surprising that the use of internal resources in lieu of borrowing has been the most cost effective means of financing capital expenditure but, at some stage, internal resources will become depleted.
- 4.9 PWLB variable rates remain below 2%. They are expected to stay low as the Bank Rate is maintained at historically low levels to enable the struggling economy to recover sufficiently. Against a backdrop of interest rates remaining lower for longer and a continuation of the cost of carry backdrop, then a passive borrowing strategy, i.e. borrow long term funds as they are required, may remain appropriate. Equally, variable rate funds (that reduce the cost of carry) or EIP (equal instalments of principal) that mitigate the impact are both still active considerations.
- 4.10 Decisions to borrow at low, variable rates of interest, will be taken after considering the absolute level of longer term interest rate equivalents and the extent of variable rate earnings on the Council’s investment balances. When longer term rates move below the cost of variable rate borrowing any strategic exposure to variable interest rates will be reviewed and, if appropriate, reduced.
- 4.11 Notwithstanding the issuance of Circular 147 on 20th October following the CSR announcement which increases the cost of new local authority fixed rate loans to 1% above the cost of the Government’s borrowing, the PWLB remains an attractive source of borrowing, given the transparency and control that its facilities continue to provide. 4.12 The Council has £67.5m loans which are LOBO loans (Lender’s Options Borrower’s Option) of which £7.5m of loans are currently in, or will be in, their call period in FY 2010-11. In the event that the lender exercises the option to change the rate or terms of the loan, the Council will consider the terms being provided and also the repayment of the loan without penalty. The Council may utilise cash resources for repayment or may consider replacing the loan(s) by borrowing from the PWLB or other sources.

5. Debt Rescheduling

- 5.1 The Council will continue to maintain a flexible policy for debt rescheduling. Market volatility and the steep yield curve may provide opportunities for rescheduling debt from time to time. The rationale for rescheduling would be one or more of the following:
- Savings in interest costs with minimal risk
 - Balancing the volatility profile (i.e. the ratio of fixed to variable rate debt) of the debt portfolio
 - Amending the profile of maturing debt to reduce any inherent refinancing risks.
- 5.2 As of the 26th April 2010, PWLB introduced intraday pricing. Prices are set twice daily, and are likely to move to a third daily rate setting by the end of the calendar year. This move has reduced the margins between premature repayment and new borrowing rates, particularly for longer maturities.

- 5.3 Any rescheduling activity will be undertaken within the Council's treasury management policy and strategy. The Council will agree in advance with Arlingclose the strategy and framework within which debt will be repaid/rescheduled if opportunities arise. Thereafter the Council's debt portfolio will be monitored against equivalent interest rates and available refinancing options on a regular basis. As opportunities arise, they will be identified by Arlingclose and discussed with the Council's officers.
- 5.4 All rescheduling activity will comply with the accounting requirements of the local authority SORP and regulatory requirements of the Capital Finance and Accounting Regulations (SI 2007 No 573 as amended by SI 2008/414).
- 5.5 Borrowing and debt rescheduling activity, within the parameters of the TMS, will be decided by the Chief Financial Officer and subsequently reported to the next Cabinet Resources Committee meeting.

6. Investment Policy and Strategy
Background

- 6.1 Guidance from Communities and Local Government on Local Government Investments in England requires that an Annual Investment Strategy (AIS) be set.

Investment Policy

- 6.2 The Council's general policy objective is to invest its surplus funds prudently. The Council's investment priorities are:
- security of the invested capital;
 - liquidity of the invested capital;
 - an optimum yield which is commensurate with security and liquidity.
- The CLG's recent revised Guidance on investments reiterates security and liquidity as the primary objectives of a prudent investment policy. The speculative procedure of borrowing purely in order to invest is unlawful.
- 6.3 Investments are categorised as 'Specified' or 'Non Specified' investments based on the criteria in the CLG Guidance. Potential instruments for the Council's use within its investment strategy are contained in Appendix D.
- 6.4 The Council will continue to maintain a counterparty list based on these criteria and will monitor and update the credit standing of the institutions on a regular basis. This assessment will include credit ratings and other alternative assessments of credit strength as outlined in paragraph 6.12.
- 6.5 The CLG's Draft revisions to its Guidance on local government investments recommend that the strategy should state the authority's policies on investing money borrowed in advance of spending needs. This statement should identify any measures to minimise such investments, including any limits on:
- amounts borrowed and
 - periods between borrowing and expenditure.

The statement should also comment on the management of risks, including the risk of loss of the borrowed capital and the risk associated with interest rate changes.

Limits on the amount borrowed in advance of need are identified in the Cumulative Maximum External Borrowing Requirement for future financial years set out in the table at paragraph 4.4. The risk associated with interest rate changes are based on the Interest Rate forecast at Appendix C and the current cost of carry referred to in section 4 above.

6.6 The Council's current level of investments is presented at Appendix A.

Investment Strategy

6.7 The global financial market storm in 2008 and 2009 has forced investors of public money to reappraise the question of risk versus yield. Income from investments is a key support in the Council's budget. The UK Bank Rate has been maintained at 0.5% since March 2009. **Short-term money market rates are likely to remain at very low levels which will have a significant impact on investment income.** The Council's strategy is geared towards this development whilst adhering to the principal objective of security of invested monies.

6.8 The Deputy Chief Executive, under delegated powers, will undertake the most appropriate form of investments in keeping with the investment objectives, income and risk management requirements and Prudential Indicators. Decisions taken on the core investment portfolio will be reported to the Cabinet Resources Committee meeting.

Investments managed in-house:

6.9 The Council's shorter term cash flow investments are made with reference to the outlook for the UK Bank Rate and money market rates.

6.10 In any period of significant stress in the markets, the default position is for investments to be made with the Debt Management Office.

6.11 The Council will restrict its investment activity to:

- The Debt Management Agency Deposit Facility (The rates of interest from the DMADF are below equivalent money market rates. However, the returns are an acceptable trade-off for the guarantee that the Council's capital is secure)
- AAA-rated Money Market Funds with a Constant Net Asset Value (CNAV). A CNAV money market fund has an unchanging face value and income can be either paid to the investor or used to purchase units in the fund.
- Deposits with other local authorities
- Business reserve accounts and term deposits with institutions who meet the Council's minimum credit rating criteria.

6.12 Conditions in the financial sector have begun to show signs of improvement, albeit with substantial intervention by government authorities. In order to diversify the counterparty list, the use of comparable non-UK Banks for investments is now considered appropriate.

The sovereign states whose banks are to be included are Australia, Canada, Finland, France, Germany, Netherlands, Switzerland and the US. These countries, and the Banks

within them (see Appendix E/F), have been selected after analysis and careful monitoring of:

- Credit Ratings (minimum long-term AA+ for sovereign states and A+ for banks)
- Credit Default Swaps
- GDP; Net Debt as a Percentage of GDP
- Sovereign Support Mechanisms / potential support from a well-resourced parent institution
- Share Price

The Council has also taken into account information on corporate developments and market sentiment towards the counterparties. The Council and its Treasury Advisors, Arlingclose, will continue to analyse and monitor these indicators and credit developments on a regular basis and respond as necessary to ensure security of the capital sums invested. Thus the approved counterparty will be kept under constant review and scrutiny to reflect market conditions.

We do remain in a heightened state of sensitivity to risk. Vigilance is key. This modest expansion of the counterparty list is an incremental step. In order to meet requirements of the revised CIPFA Treasury Management Code, the Council is focusing on a range of indicators (as stated above), not just credit ratings.

Limits for Specified Investments are set out in Appendix E/F.

7. Balanced Budget Requirement

7.1 The Council complies with the provisions of S32 of the Local Government Finance Act 1992 to set a balanced budget.

8. 2010/11 MRP Statement

The Annual MRP Statement is subject to Council approval and may therefore be reported separately to Council instead of being incorporated into the TMSS.

8.1 The Local Authorities (Capital Finance and Accounting)(England)(Amendment) Regulations 2008 (SI 2008/414) place a duty on local authorities to make a prudent provision for debt redemption. Guidance on Minimum Revenue Provision has been issued by the Secretary of State and local authorities are required to “have regard” to such Guidance under section 21(1A) of the Local Government Act 2003.

8.2 The four MRP options available are:

- Option 1: Regulatory Method
- Option 2: CFR Method
- Option 3: Asset Life Method
- Option 4: Depreciation Method

NB This does not preclude other prudent methods.

The 2009 SORP and IFRS may result in PFI schemes and leases being brought on balance sheet. Where this is the case the CFR will increase, which will lead to an increase in the MRP charge to revenue. MRP for these items will match the annual principal repayment for the associated deferred liability.

- 8.3 MRP in 2010/11: Options 1 and 2 may be used only for supported expenditure. Methods of making prudent provision for self financed expenditure include Options 3 and 4 (which may also be used for supported expenditure if the Council chooses).
- 8.4 The MRP Statement was submitted to Council before the start of the 2010/11 financial year. If it is ever proposed to vary the terms of the original MRP Statement during the year, a revised statement should be put to Council at that time.
- 8.5 The Council will apply Option 2 in respect of supported capital expenditure and Option 3 in respect of unsupported capital expenditure. MRP in respect of PFI and leases brought on Balance Sheet under the 2009 SORP and IFRS will match the annual principal repayment for the associated deferred liability.

9. Reporting on the Treasury Outturn

The Deputy Chief Executive will report to the Cabinet Resources Committee on treasury management activity / performance as follows:

- (a) Quarterly against the strategy approved for the year.
- (b) The Council will produce an outturn report on its treasury activity no later than 30th September after the financial year end.
- (c) The Budget Performance Overview and Scrutiny Committee will be responsible for the scrutiny of treasury management activity and practices.

10. Other items

Training

CIPFA's revised Code requires the responsible officer to ensure that all members tasked with treasury management responsibilities, including scrutiny of the treasury management function, receive appropriate training relevant to their needs and understand fully their roles and responsibilities.

The CLG's revised Guidance on local government investments recommend that the Investment Strategy should state what process is adopted for reviewing and addressing the needs of the authority's treasury management staff for training in investment management.

Member Training provided in the 2010/2011 financial year to date:

- Sector: Treasury Management Strategy Training held on 30 June 2010
- Ark Risk: Counter Party Risk Training held on 21 July 2010

Investment Consultants

Following a tender process, Council appointed Arlingclose as their investment consultations with effect from 1 August 2010. Arlingclose offer advice, information and assistance with investments, borrowing, debt restructure, market conditions and compliance with legislation. The services provided by Arlingclose will be reviewed on an informal basis during quarterly meetings with officers.

Publication

The CLG's revised Guidance on local government investments recommend that the initial strategy and any revised strategy should, when approved, be made available to the public free of charge, in print or online.

The Treasury Management Strategy, and all subsequent amendments, is taken to the Cabinet Resources Committee for approval. Minutes of the Cabinet Resources Committee meetings are available to the public on Barnet's website.

APPENDIX A

EXISTING PORTFOLIO PROJECTED FORWARD

	Current Portfolio £m	%	31 Mar 11 Estimate £m	31 Mar 12 Estimate £m	31 Mar 13 Estimate £m
External Borrowing:					
Fixed Rate – PWLB	140,000		139,000	139,000	139,000
Fixed Rate – Market	67,500		67,500	67,500	67,500
Variable Rate – PWLB	-		-	-	-
Variable Rate – Market	-		-	-	-
Existing long-term liabilities	207,500		206,500	206,500	206,500
IFRS long-term liabilities:					
- PFI (2009/10)	5,034		2,695	2,638	2,638
- Operating Leases (2010/11 onwards)	-		-	-	-
Total External Debt	212,534		203,805	203,862	203,862
Investments:					
<i>Managed in-house</i>					
- Deposits and monies on call and Money Market Funds	187,500		137,485	136,313	141,962
Total Investments	187,500		137,485	136,313	141,962
Net Borrowing Position/ (Net Investment position)	25,034		66,320	67,490	61,900

PRUDENTIAL INDICATORS 2010/11 TO 2012/13

1 Background:

There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "CIPFA Prudential Code") when setting and reviewing their Prudential Indicators.

2. Net Borrowing and the Capital Financing Requirement:

This is a key indicator of prudence. In order to ensure that over the medium term net borrowing will only be for a capital purpose, the local authority should ensure that the net external borrowing does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.

The Deputy Chief Executive reports that the authority had no difficulty meeting this requirement in 2009/10, nor are there any difficulties envisaged for future years. This view takes into account current commitments, existing plans and the proposals in the approved budget.

3. Estimates of Capital Expenditure:

3.1 This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council Tax and in the case of the HRA, housing rent levels.

No. 1	Capital Expenditure	2009/10 Actual £m	2010/11 Estimate £m	2011/12 Estimate £m	2012/13 Estimate £m
	Non-HRA	89,206	98,809	13,298	1,500
	HRA*	26,339	24,373	16,569	8,090
	Total	115,545	123,182	29,867	9,590

There will be changes to the expenditure and funding profiles between the figures above and the monitoring report to Cabinet Resource Committee (30 November 2010) and this will have effects on the 2010/11 capital programme. These changes will be covered in the Treasury Management Report to Cabinet Resource Committee.

3.2 Capital expenditure will be financed as follows:

Capital Financing	2009/10 Actual £m	2010/11 Estimate £m	2011/12 Estimate £m	2012/13 Estimate £m
Capital receipts	5,545	13,822	4,653	
Government Grants	45,581	40,091	6,150	
Major Repairs Allowance				

Revenue contributions	16,335	14,119	10,394	6,590
Supported borrowing				
Unsupported borrowing	48,084	55,150	8,670	3,000
Total	115,545	123,182	29,867	9,590

The main programmes / projects funded from unsupported borrowing are expected to be:

Non HRA

- Primary school rebuild and temporary / permanent expansions £18.849m
- Secondary school rebuild project £4.750m
- Special educational need for the education sector £3.060m
- Maintaining and improving the infrastructure of the primary and secondary school estate £4.132m
- Investment in the office accommodation strategy, modernising processes and public buildings £7.087m
- Staffing restructuring / reorganisation £4.500m
- Ensuring transport assets such as roads and footways are well managed and maintained £5.314m
- Housing general fund regeneration & environmental regulation services £0.329m

HRA

- Maintaining the housing stock £7.129m

4. Ratio of Financing Costs to Net Revenue Stream:

4.1 This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet borrowing costs. The definition of financing costs is set out at paragraph 87 of the Prudential Code.

4.2 The ratio is based on costs net of investment income.

No. 2	Ratio of Financing Costs to Net Revenue Stream	2009/10 Actual %	2010/11 Estimate %	2011/12 Estimate %	2012/13 Estimate %
	Non-HRA	2.76	3.73	3.48	2.78
	HRA*	8.37	9.72	9.11	7.39

5. Capital Financing Requirement:

5.1 The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose. The calculation of the CFR is taken from the amounts held in the

Balance Sheet relating to capital expenditure and its financing. It is an aggregation of the amounts shown for Fixed and Intangible assets, the Revaluation Reserve, the Capital Adjustment Account, Government Grants Deferred and any other balances treated as capital expenditure.

No. 3	Capital Financing Requirement	2009/10 Actual £m	2010/11 Estimate £m	2011/12 Estimate £m	2012/13 Estimate £m
	Non-HRA	158,632	198,554	198,225	195,540
	HRA*	87,485	94,614	96,389	97,889
	Total CFR	246,117	293,168	294,614	293,429

5.2 The year-on-year change in the CFR is due to the following

Capital Financing Requirement	2009/10 Actual £m	2010/11 Estimate £m	2011/12 Estimate £m	2012/13 Estimate £m
Balance B/F	198,662	246,117	293,168	294,614
Capital expenditure financed from borrowing (per 3.2)	54,361	55,150	8,670	3,000
Revenue provision for debt Redemption.	-6,906	-8,099	-7,224	-4,185
Other items: <i>(specify)</i>				
Deferred Liability Add : PFI brought on B/S Less : PFI Principal Repayment				
Deferred Liability +Operating Lease brought on B/S -Operating Lease Principal Repayment				
Balance C/F	246,117	293,168	294,614	293,429

6. Actual External Debt:

6.1 This indicator is obtained directly from the Council's balance sheet. It is the closing balance for actual gross borrowing plus other long-term liabilities. This Indicator is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit.

No. 4	Actual External Debt as at 31/03/2010	£m
	Borrowing	214.50
	Other Long-term Liabilities	15.86

	Total	230.36
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7. Incremental Impact of Capital Investment Decisions:

7.1 This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax and Housing Rent levels. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme.

No. 5	Incremental Impact of Capital Investment Decisions	2009/10 Approved £	2010/11 Estimate £	2011/12 Estimate £	2012/13 Estimate £
	Increase in Band D Council Tax	25.92	14.37	2.06	0.45
	Increase in Average Weekly Housing Rents	0	0	0	0

7.2 The increase in Band D council tax/average weekly rents reflects the increases in running costs and/or increases in the provision for Capital Financing Charges of £3.94m to undertake borrowing of £96,338m arising from the proposed capital programme.

8. Authorised Limit and Operational Boundary for External Debt:

8.1 The Council has an integrated treasury management strategy and manages its treasury position in accordance with its approved strategy and practice. Overall borrowing will therefore arise as a consequence of all the financial transactions of the Council and not just those arising from capital spending reflected in the CFR.

8.2 The **Authorised Limit** sets the maximum level of external borrowing on a gross basis (i.e. not net of investments) for the Council. It is measured on a daily basis against all external borrowing items on the Balance Sheet (i.e. long and short term borrowing, overdrawn bank balances and long term liabilities). This Prudential Indicator separately identifies borrowing from other long term liabilities such as finance leases. It is consistent with the Council's existing commitments, its proposals for capital expenditure and financing and its approved treasury management policy statement and practices.

8.3 The Authorised Limit has been set on the estimate of the most likely, prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.

8.4 The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).

No. 6	Authorised Limit for External Debt	2009/10 Approved £m	2010/11 Estimate £m	2010/11 Estimate £m	2011/12 Estimate £m	2012/13 Estimate £m
	Borrowing	251,322	304,735	332,032	329,553	321,008
	Other Long-term Liabilities	50,000	30,859	33,156	32,902	32,671
	Total	301,322	335,594	365,188	362,455	353,679

8.5 The **Operational Boundary** links directly to the Council's estimates of the CFR and estimates of other cashflow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

8.6 The Deputy Chief Executive has delegated authority, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long-term liabilities. Decisions will be based on the outcome of financial option appraisals and best value considerations. Any movement between these separate limits will be reported to the next meeting of the Cabinet Resources Committee.

No. 7	Operational Boundary for External Debt	2009/10 Approved £m	2010/11 Estimate £m	2010/11 Estimate £m	2011/12 Estimate £m	2012/13 Estimate £m
	Borrowing	251,322	304,735	332,032	329,553	321,008
	Other Long-term Liabilities	31,000	15,859	18,156	17,902	17,671
	Total	282,322	320,594	350,188	347,455	338,679

9. Adoption of the CIPFA Treasury Management Code:

9.1 This indicator demonstrates that the Council has adopted the principles of best practice.

No. 8

Adoption of the CIPFA Code of Practice in Treasury Management

The Council approved the adoption of the CIPFA Treasury Management Code at its Cabinet Resources Committee meeting on 17th of March 2010.

The Council has incorporated the changes from the revised CIPFA Code of Practice into its treasury policies, procedures and practices.

10. Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure:

10.1 These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates. This Council calculates these limits on (*select as appropriate*) net principal outstanding sums, (i.e. fixed rate debt net of fixed rate investments // net

interest paid (i.e. interest paid on fixed rate debt net of interest received on fixed rate investments)

- 10.2 The upper limit for variable rate exposure has been set to ensure that the Council is not exposed to interest rate rises which could adversely impact on the revenue budget. The limit allows for the use of variable rate debt to offset exposure to changes in short-term rates on investments

		2009/10 Revised %	2010/11 Estimate %	2010/11 Estimate %	2011/12 Estimate %	2012/13 Estimate %
No. 9	Upper Limit for Fixed Interest Rate Exposure	100%	100%	100%	100%	100%
No. 10	Upper Limit for Variable Interest Rate Exposure	40%	40%	40%	40%	40%

Note: These limits may be expressed as financial amounts or as percentages.

- 10.3 The limits above provide the necessary flexibility within which decisions will be made for drawing down new loans on a fixed or variable rate basis; the decisions will ultimately be determined by expectations of anticipated interest rate movements as set out in the Council's treasury management strategy.
- 10.4 *(if applicable)* As the Council's investments are substantially in excess of its borrowing, these calculations have resulted in a negative figure.

11. Maturity Structure of Fixed Rate borrowing:

- 11.1 This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years.
- 11.2 It is calculated as the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate. The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment.

No 11	Maturity structure of fixed rate borrowing	Lower Limit %	Upper Limit %
	Under 12 months	0	50
	12 months and within 24 months	0	50
	24 months and within 5 years	0	75

	5 years and within 10 years	0	75
	10 years and within 20 years	0	100
	20 years and within 30 years	0	100
	30 years and within 40 years	0	100
	40 years and within 50 years	0	100
	50 years and above	0	100

12. Upper Limit for total principal sums invested over 364 days:

12.1 The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of the Council having to seek early repayment of the sums invested.

No. 12	Upper Limit for total principal sums invested over 364 days	2009/10 Approved £m	2010/11 Estimate £m	2011/12 Estimate £m	2012/13 Estimate £m
		0	30%	30%	30%

Arlingclose's Economic and Interest Rate Forecast

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- **The recovery in growth is likely to be slow, uneven and more “Square root” than “V” shaped.**
- **The path of base rates reflects the fragility of the recovery and the significantly greater fiscal tightening of the emergency budget. With growth and underlying inflation likely to remain subdued, the Bank will stick to its lower for longer stance on policy rates.**
- **Gilts will remain volatile as the growth versus headline inflation debate escalates.**
- **The potential for downgrades to UK sovereign ratings has receded, but the negative outlook (S&P) will remain for now.**

Underlying assumptions:

- The Bank's August Inflation Report as expected showed a downward revision to growth prospects. The Bank had to do this without blaming the Emergency Budget or admitting past errors, which they managed to do by looking fairly bullish in comparison to other commentators, including the Office for Budget Responsibility which forecasted 2011 growth at 2.3%. The 1st estimate of UK Q2 growth (GDP) figure is 1.1%.
- Looming bank regulation, including liquidity and capital requirements, may curb bank lending activity. But FSA regulations should force banks to buy more Gilts which could help slow the rise in yields in 2010/11, a QE by proxy.
- With CPI stubbornly resistant over 3% and 10 year gilt yields at the same level there is little room for further outperformance in the absence of a reduction in the inflation and growth outlook. This is possible but it suggests to us that gilts look expensive at current levels.
- The employment outlook remains uncertain, as unemployment remains near a 16 year high at just over 2.4 Million.
- A high savings ratio combined with a reduction in net consumer credit and weak consumer confidence are consistent with lower consumption and therefore future trend rate of growth despite Q2's strong performance.
- Initial cuts in public spending and tax increases to address the budget deficit have been announced in the emergency budget. Longer term plans will be set out in the October CSR.
- With a stabilisation in the Eurozone after the sovereign debt crisis the Euro has rallied slightly against the pound. But there are continued pressures in the region which will affect the competitiveness of UK exports.
- The US Federal Reserve downgraded its outlook for US growth and kept the size of the financial stimulus constant. Industrial production and growth in the Chinese economy are showing signs of slowing. Both have implications for the global economy.

Specified Investments

Specified Investments identified for use by the Council

Specified Investments will be those that meet the criteria in the CLG Guidance, i.e. the investment

- is sterling denominated
- has a maximum maturity of 1 year
- meets the “high credit quality” as determined by the Council or is made with the UK government or is made with a local authority in England, Wales, Scotland or Northern Ireland or a parish or community council.
- the making of which is not defined as capital expenditure under section 25(1)(d) in SI 2003 No 3146 (i.e. the investment is not loan capital or share capital in a body corporate).

“Specified” Investments identified for the Council’s use are:

- Deposits in the DMO’s Debt Management Account Deposit Facility
- Deposits with UK local authorities
- Deposits with banks and building societies
- *Certificates of deposit with banks and building societies
- *Gilts : (bonds issued by the UK government)
- AAA-rated Money Market Funds with a Constant Net Asset Value (Constant NAV)
- Other Money Market Funds and Collective Investment Schemes– i.e. credit rated funds which meet the definition of a collective investment scheme as defined in SI 2004 No 534, SI 2007 No 573 and SI 2010 No 454.

1. ** Investments in these instruments will be on advice from the Council’s treasury advisor.*
2. *The use of the above instruments by the Council’s fund manager(s) will be by reference to the fund guidelines contained in the agreement between the Council and the individual manager.*

For credit rated counterparties, the minimum criteria will be the short-term/long-term ratings assigned by various agencies which may include Moody’s Investors Services, Standard & Poor’s, Fitch Ratings:

Long-term minimum: A1 (Moody’s) or A+ (S&P) or A+(Fitch)

Short-term minimum: P-1 (Moody’s) or A-1 (S&P) or F1 (Fitch).

The Council will also take into account information on corporate developments of and market sentiment towards investment counterparties.

New specified investments will be made within the following limits:

Instrument	Country	Counterparty	Maximum Limit of Investments %/£m
Term Deposits	UK	DMADF, DMO	No limit
Term Deposits/Call Accounts	UK	Other UK Local Authorities	No limit
Term Deposits/Call Accounts	UK	Cooperative Bank Plc*	No limit
Term Deposits/Call Accounts	UK	Santander UK Plc	15% of total exposure
Term Deposits/Call Accounts	UK	Bank of Scotland/Lloyds TSB	15% of total exposure
Term Deposits/Call Accounts	UK	Barclays Bank Plc	15% of total exposure
Term Deposits/Call Accounts	UK	Clydesdale Bank	15% of total exposure
Term Deposits/Call Accounts	UK	HSBC Bank Plc	15% of total exposure
Term Deposits/Call Accounts	UK	Nationwide Building Society	15% of total exposure
Term Deposits/Call Accounts	UK	Royal Bank of Scotland	15% of total exposure
Term Deposits/Call Accounts	Australia	Australia and NZ Banking Group	15% of total exposure
Term Deposits/Call Accounts	Australia	Commonwealth Bank of Australia	15% of total exposure
Term Deposits/Call Accounts	Australia	National Australia Bank Ltd	15% of total exposure
Term Deposits/Call Accounts	Australia	Westpac Banking Corp	15% of total exposure
Term Deposits/Call Accounts	Canada	Bank of Montreal	15% of total exposure
Term Deposits/Call Accounts	Canada	Bank of Nova Scotia	15% of total exposure
Term Deposits/Call Accounts	Canada	Canadian Imperial Bank of Commerce	15% of total exposure
Term Deposits/Call Accounts	Canada	Royal Bank of Canada	15% of total exposure

Term Deposits/Call Accounts	Canada	Toronto-Dominion Bank	15% of total exposure
Term Deposits/Call Accounts	Finland	Nordea Bank Finland	15% of total exposure
Term Deposits/Call Accounts	France	BNP Paribas	15% of total exposure
Term Deposits/Call Accounts	France	Credit Agricole CIB (Formally Calyon)	15% of total exposure
Term Deposits/Call Accounts	France	Credit Agricole SA	15% of total exposure
Term Deposits/Call Accounts	Germany	Deutsche Bank AG	15% of total exposure
Term Deposits/Call Accounts	Netherlands	Rabobank	15% of total exposure
Term Deposits/Call Accounts	Switzerland	Credit Suisse	15% of total exposure
Term Deposits/Call Accounts	US	JP Morgan	15% of total exposure
Gilts	UK	DMO	No limit
T-Bills	UK	DMO	No limit
Bonds	EU	European Investment Bank/Council of Europe	No limit
AAA rated Money Market Funds	UK/Ireland/ Luxembourg	CNAV MMFs	20% of total exposure
Other MMFs and CIS	UK	Collective Investment Schemes	

NB Any existing deposits outside of the current criteria will be reinvested with the above criteria on maturity.

For Non-UK Banks, a maximum exposure of 25-30% per country will apply, to reduce the risk of over-exposure to any one country.

Money Market Funds investments will be diversified amongst at least two or more funds.

Group Limits - For institutions within a banking group, a 20% total exposure limit will be imposed.

***Coop Bank Plc** – As the Coop Bank is the Council’s banker, although it does not meet the minimum credit criteria of A+ long term, it will still be used for short term liquidity requirements (overnight and weekend investments) and business continuity arrangements.

AGENDA ITEM: 7

Page nos. 33 - 38

Meeting	Budget and Performance Overview and Scrutiny Committee
Date	25 November 2010
Subject	Housing and Homelessness
Report of	Acting Assistant Director of Housing
Summary	This report provides information on the performance of housing and homelessness delivered by the Council's Housing Service against Corporate Plan targets and improvement actions being taken.

Officer Contributors	Andrew Milne, Acting Assistant Director of Housing Paul Shipway, Strategy and Performance Manager
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Status (public or exempt)	Public
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Wards Affected	All
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Enclosures	None
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Contact for Further Information:	Contact for further information: Paul Shipway, Strategy and Performance Manager , 020 8359 4924, paul.shipway@barnet.gov.uk
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1. RECOMMENDATIONS

- 1.1 That the Committee notes the contents of this report and make comments and recommendations as appropriate.**

2. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 The Council's Corporate Plan 2010/13 includes targets for reducing temporary accommodation, providing housing applicants with access to homes in the private rented sector under the corporate objective *sharing opportunities and sharing responsibilities*.
- 2.2 The Corporate Plan also includes a target to reduce homelessness acceptances under the corporate objective *Successful London Suburb*.
- 2.3 The Council's Housing Strategy which was adopted in April 2010 includes targets to reduce homelessness and the use of temporary accommodation.

3. RELEVANT PREVIOUS DECISIONS

- 3.1 Budget and Performance Overview and Scrutiny Committee 1 September 2010 - Decision Item 8 – Committee resolved that at its meeting of November 25th 2010, the Committee consider detailed reports relating to performance in the follow areas:
- Housing and Homelessness
 - Customer Services

4. RISK MANAGEMENT ISSUES

- 4.1 Whilst the proposed caps in Housing Benefit will help to reduce welfare and housing related costs, there is a risk that the Council will not meet its targets to secure sufficient numbers of properties in the private rented sector following reductions to the amount of Local Housing Allowance that can be paid to households receiving benefits. This would also impact on homelessness and the numbers in temporary accommodation.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 Analysis shows that a much higher portion of Black and Minority Ethnic (BME) households become homeless in Barnet than white households. Whilst 32%¹ of the population in Barnet is BME, 58% of those households presenting as homeless and 57% being accepted as homeless are BME.
- 5.2 In addition, our monitoring shows that a 60% of households presenting as homeless are led by women.

¹ Source: Barnet Council Business Intelligence team, GLA (PLP Low) breakdowns applied to ONS population projections supplied by the Subnational Population Projections Unit, ONS: Crown Copyright.

5.3 This means that any increase in homelessness and the use of temporary accommodation is likely to impact more on BME communities and households led by women. Housing options and housing intervention strategies will need to reflect these equalities and diversity impacts.

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

6.1 There is a risk that increases in homelessness and the use of temporary accommodation could increase costs for the Council both in terms of the cost of dealing with homelessness applications and the potential cost of providing temporary accommodation. Early preventative work and advice to people potentially becoming homeless are important to continue minimising the financial, as well as the social impacts of homelessness and temporary accommodation.

7. LEGAL ISSUES

7.1 The statutory duties that local authorities have to homeless people is set out in the Housing Act 1996 (amended by the Homelessness Act 2002).

7.2 Councils must also have regard to the Government's Homelessness Code of Guidance 2006 and a large body of case law when applying homelessness legislation.

8 CONSTITUTIONAL POWERS

8.1 The scope of Scrutiny committees is contained within Part 2, Article 6 of the constitution; the Terms of Reference of the Scrutiny Committees are in the Overview and Scrutiny Procedure Rules (Part 4 of the constitution).

9. BACKGROUND INFORMATION

9.1 The Council's Housing Service, based at Barnet House, provides homelessness prevention and housing advice services to people approaching the Council for help with housing issues.

9.2 Three key performance indicators have been identified in the Corporate Plan to monitor the performance of the Housing Service as follows:

- reduce number of households living in temporary accommodation to 1,944
- 850 homes to be made available in the private rented sector for housing applicants
- Reduce homelessness acceptance to 220 or fewer

9.3 Targets for all three of these performance indicators are not currently being met for a number of reasons. This is due to the continuing uncertainty in the housing market which has delayed work to regenerate the council's largest council estates and led to a reduction in the supply of properties in the private rented sector that are available to the Council. Fortunately three of the priority housing estate projects have or are about to commence, including Grahame Park, Stonegrove, and shortly West Hendon.

Households in Temporary Accommodation

TA Type	2008/2009				2009/10				2010/11	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Regen. stock	873	912	941	959	964	954	938	962	923	924
Nightly Purchased	387	323	245	209	184	166	185	150	174	193
Council Hostels	141	145	138	137	124	149	144	151	157	153
PRS leased by Council	177	193	204	189	184	168	175	192	204	212
PRS leased by HA	838	843	841	825	835	820	791	751	726	665
Other	8	8	6	10	14	8	11	9	8	3
Total Non Regen.	1551	1512	1434	1370	1341	1311	1306	1253	1269	1226
Grand Total	2424	2424	2375	2329	2305	2265	2244	2215	2192	2150

9.4 The above table illustrates how the numbers in temporary accommodation have changed since April 2008 split between households occupying council properties on Barnet's regeneration estates² and those in other forms of temporary accommodation, which comprises mainly properties in the private rented sector and council owned hostels. This shows that the number in regeneration properties has risen slightly in this period from 873 to 924, whilst there has been a significant reduction in the use of other types of temporary accommodation from 1551 to 1226, a fall of 21%.

9.5 This reduction has been achieved largely by making use of direct lettings in the private rented sector to prevent people from becoming homeless and entering temporary accommodation – this is evidenced by the fall in the use of expensive nightly purchased units from 387 to 193 as shown in the table.

9.6 The flexibility that comes with letting regeneration properties on a non secure basis is necessary to support the schemes, which depend on being able to get vacant possession of properties when they are due to be demolished. Although labelled as temporary accommodation, regeneration properties provide homes often available for some years let at low rents which are the same as for similar council properties.

9.7 To help ensure that the Council continues to make effective use of regeneration properties that become empty, an application has been made to the Secretary of State for Communities and Local Government to lease units to Barnet Homes so that they can be let as assured shorthold tenancies; properties let under this arrangement will not be treated as temporary accommodation.

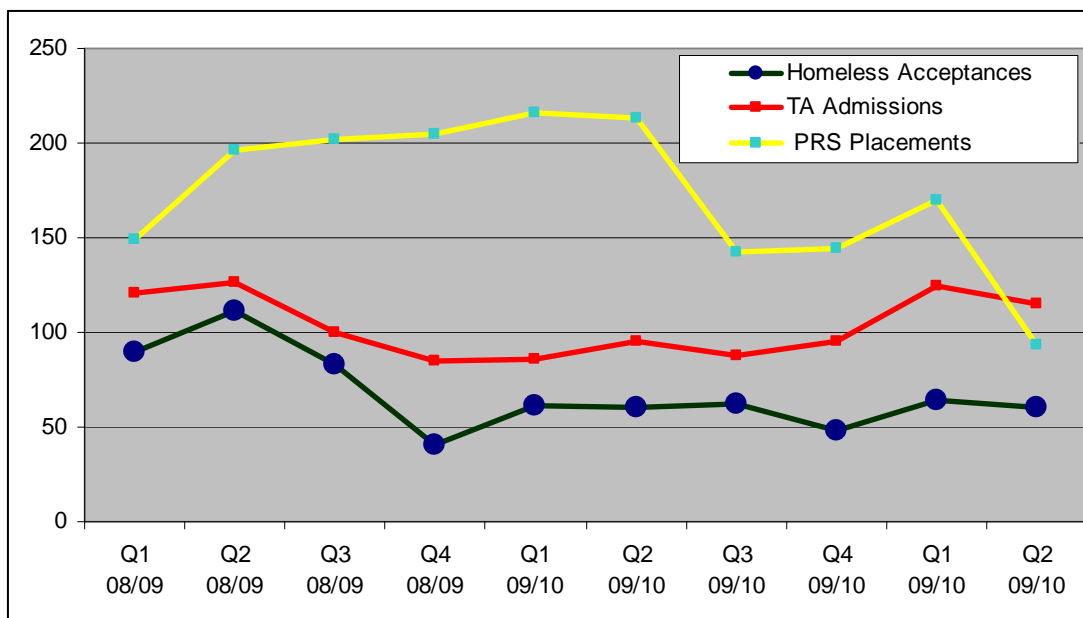
Use of the Private Rented Sector and Homelessness Acceptances

9.8 During the last few years the Council has made effective use of the Private Rented Sector to provide homes for housing applicants. In both 2008/9 and 2009/10, the Council housed more people in the private rented sector than in the combined totals for council and housing association homes as illustrated below.

Lettings via Housing Service	2008/09	2009/10
Council Lets	367	457
Housing Association Lets	298	249
Total Social Housing Lets	665	706
Private Rented Sector Lettings	749	715

² Grahame Park, West Hendon, Stonegrove/Spur Road and Dollis Valley

- 9.9 Providing this access to the private sector has been an important component in preventing homelessness, and has helped to achieve year on year reductions in homeless acceptances from 420 in 2007/8, to 325 in 2008/9 and to only 231 in 2009/10.
- 9.10 This year has seen a reduction in the number of households that we have been able to place in the private rented sector, with only 227 placed so far this year compared to 429 for the same period last year. This reduction has been due to a changing housing market, welfare benefit shifts and the withdrawal of incentive payments to landlords to accept our tenants. This means that it is unlikely that the target to provide 850 homes in the private rented sector this year will be met.
- 9.11 The housing market remains depressed which means that there is more competition for private rented accommodation as people, particularly first time buyers, find it harder to buy homes. It has also become harder for landlords to acquire properties due to tighter lending criteria. Staff have found that in this climate it is harder to procure properties for potential tenants who often are dependant on benefits, a problem which has increased since proposed reductions to housing benefit were announced in the summer.
- 9.12 The reduced number of private sector lettings has started to impact on the Council's ability to prevent homelessness, and the numbers being accepted as homeless has now started to increase, with 124 cases between April and September this year compared with 110 for the previous 6 months. In addition, the number of people being admitted to temporary accommodation has started to increase. These trends are illustrated in the chart below:



Actions

- 9.13 Improving the availability of private sector lettings is key to the Council's plans to minimise homelessness and the use of temporary accommodation, and the Housing Service is taking a number of actions to this end, including:
- Liaison with local landlords to discuss mitigation of the impact of changes to local housing allowances due to come into effect in 2011

- Development of more streamlined and efficient service to private landlords, to include a range of management options as landlords have indicated they would like
- Negotiation with other London Councils to reach agreement on incentives paid to landlords based on principle that payments will not exceed those paid by the host borough.
- Development of new housing allocations policy to focus on prevention of homelessness

9.14 In addition, Housing staff have been reorganised to provide holistic approach to dealing with housing applicants, with a focus on prevention of homelessness

9.15 The Council's well attended Private Landlord Forum provides an invaluable vehicle for working with local landlords to meet housing need in Barnet.

10. LIST OF BACKGROUND PAPERS

10.1 Barnet Housing Strategy 2010 – 2025

10.2 Any person wishing to inspect these documents should telephone Paul Shipway, Strategy and Performance Manager, 020 8359 4924

Legal: MM
CFO: MC

AGENDA ITEM: 8

Page nos. 39 - 48

Meeting	Budget and Performance Overview and Scrutiny Committee
Date	25 November 2010
Subject	Customer Service Performance
Report of	Assistant Director, Customer Services and Libraries
Summary	This report provides information on customer service performance against Corporate Plan targets and improvement actions being taken.

Officer Contributors	Richard Grice, Assistant Director, Customer Services and Libraries Lauren Doody, Head of Customer Services
Status (public or exempt)	Public
Wards Affected	All
Enclosures	None
Contact for Further Information:	Richard Grice, Assistant Director, Customer Services and Libraries, 020 8359 2002, richard.grice@barnet.gov.uk

1. RECOMMENDATIONS

1.1 That Budget and Performance Overview and Scrutiny Committee note the contents of the report and make comments and recommendations as appropriate

2. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

2.1 The Council's Corporate Plan identifies as one of its priorities 'Better Services with less money'. This is a strategic objective to 'make sure we get best value from resources across the public sector, including our people and assets'.

The activities contained in this report will contribute to this corporate priority.

3. RELEVANT PREVIOUS DECISIONS

3.1 The Quarter 1 Performance information was presented to The Budget and Performance Overview Scrutiny Committee on the 22nd July 2010.

3.2 Following analysis of Quarter 1 performance, a more in-depth report on customer services was requested to be reported to the 25th November 2010 Committee meeting.

4. RISK MANAGEMENT ISSUES

4.1 There is a risk that if the council consistently fails to meet its performance targets for customer service, customers will not receive the information and services they require and confidence in the council will fall.

5. EQUALITIES AND DIVERSITY ISSUES

5.1 If the council is difficult to contact then vulnerable groups and people who find it challenging to make use of existing facilities are at risk of exclusion from some council services. Current performance suggests that this is not the case and further development of web access in particular will free up resources to concentrate more intensive customer service on people most in need.

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

6.1 Poor provision of information, advice and support to customers can lead to customers making numerous contacts with the council that are avoidable and costly for both individual and taxpayer. There is widespread evidence across local government and other sectors of a strong business case for investment in

consolidated and professional customer services in order to both improve the quality of service and reduce avoidable costs. Any case that needs to be made for such investment in Barnet will be covered by the OneBarnet programme.

7. LEGAL ISSUES

7.1 The Local Government Act, 2000 requires that executive arrangements by the authority must include provision for the appointment, by the authority, of one or more Overview and Scrutiny Committees. The, relevant, Overview and Scrutiny Committees must have power:

- to review or scrutinise decisions made, or other action taken, in connection with the discharge of any functions which are the responsibility of the executive;
- to make reports or recommendations to the authority or the executive with respect to the discharge of any functions which are the responsibility of the executive;
- to review or scrutinise decisions made, or other action taken, in connection with the discharge of any functions which are not the responsibility of the executive;
- to make reports or recommendations to the authority or the executive with respect to the discharge of any functions which are not the responsibility of the executive;
- to make reports or recommendations to the authority or the executive on matters which affect the authority's areas or the inhabitants of that area.

8 CONSTITUTIONAL POWERS

8.1 The scope of the Overview & Scrutiny Committees is contained within Part 2, article 6 of the Council's Constitution.

8.2 The Terms of Reference of the Overview & Scrutiny Committees, Panels and Task and Finish Groups is set out in the Overview and Scrutiny Procedure Rules (Part 4 of the Constitution). Section 23 refers to the scope and remit of Task and Finish Groups, Project Groups and Research.

9. BACKGROUND INFORMATION

9.1 For several years, two key indicators have been identified in the Corporate Plan to measure the performance of customer service activity:

- Proportion of telephone calls answered within the corporate ringtime target (currently 20 seconds - five rings)
- Waiting times at reception

9.2 While waiting time performance has substantially improved and is significantly within target, the telephone target has consistently been missed.

9.3 In 2010/11 a wider basket of indicators was introduced to provide a broader perspective on the quality of the Council's customer services. Performance across this wider set of indicators is encouraging and, recently, telephone performance has improved significantly, just missing target in quarter 2.

9.4 This report sets out:

- a short summary of customer service activity in the council;
- a summary of current performance, with commentary; and
- improvement initiatives

Summary of customer service activity

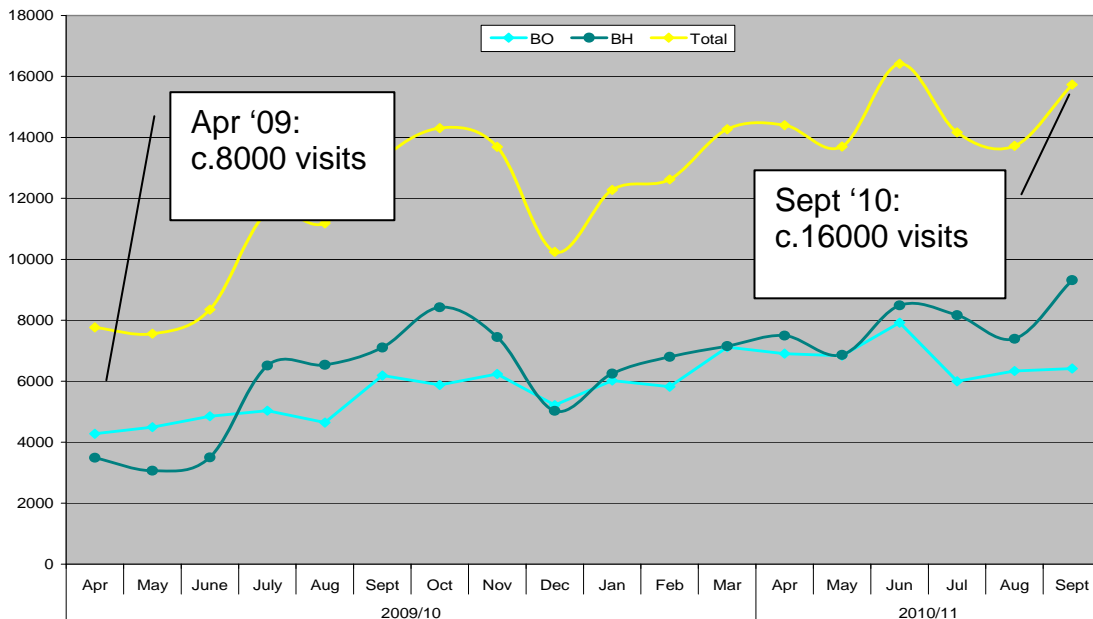
9.5 The council currently has in the region of 1.7 million customer contacts per year and this figure is rising. While telephone remains by far the most popular means by which customers contact the Council (see Table 1 below), demand for face-to-face customer services continues to grow significantly, doubling since April 2009 (see Figure 1 below). Contributing factors to this growth include increased demand for the key face to face services: housing advice and Housing Benefits.

Table 1: Customers choice of channel Q1 and Q2 2010/11¹

Contact channel	Number of contacts	Proportion of non face-to-face contacts
Telephone	697,899	98.4
Email	10,232	1.4
Letter	699	0.1
Text	75	Negligible
Webform	268	0.04

Figure 1: Rising demand for face to face customer services at Burnt Oak and Barnet House 2009-2010

¹ Data taken from CRM and does not cover contacts going direct to service areas



9.6 Much of the customer service activity relating to these contacts is currently devolved to individual service areas, with Corporate Customer Services responsible for: face-to-face services at Barnet House and Burnt Oak Library; the council's switchboard function; First Contact email enquiries; and the Street Based Services and Planning First Contact telephone contact centres.

9.7 In order to measure and manage performance across this network of customer service activity, the Council has developed a performance management framework that provides comprehensive understanding of the quality of customer service. This framework goes beyond the narrow indicators in the corporate plan relating to time to answer the telephone and waiting times at corporate reception points.

Current performance

(i) Face to face

9.8 Satisfaction with the Council's face to face customer services is high at 87% in the 2010 national mystery shopping survey, against a London average of 85%.

9.9 Also, despite the substantial increase in demand, there has been a notable reduction in waiting times at corporate reception points, falling from 15 minutes in 2008 to under 7 minutes in the second quarter of 2010/11. The key contributing factors to this improvement are better queue management, increased focus on routing customers more effectively and, latterly, the changes resulting from the Housing service's lean review.

(ii) Email

9.10 The council has received over 10,000 customer service emails so far this year² and has consistently met its ambitious target to acknowledge (noting receipt of the email) 90% of emails within 2 working days and respond (inform the customer of subsequent actions) to 85% within 10 working days. Unlike many councils, these are not automated responses but a manual acknowledgement of all emails, providing a more personal service to our customers.

(iii) Web contact and self-service

9.11 The council's delivery of services through the web is underdeveloped and presents scope to make significant, tangible improvements in the service offering to customers, which will also lead to efficiencies for the council. This is a key area for development that is being taken forward with some immediate improvements and, in the medium-term, through the work towards establishing a new customer service organisation (see paragraphs 9.24-9.27 below).

Currently, only around 10% of total payments are made online and other online interaction is limited. Although demand for e-forms is relatively high, there is a high drop out rate of customers not completing the online form process having started it.

(iv) Telephone

9.12 Very high demand for telephone contact means that the council struggles to meet its target to answer 65% of calls within 5 rings. This target has not yet been met this year but performance is now on an upward trajectory and has improved significantly from 57% in quarter 1 to just over 64% in quarter 2. This substantial improvement is largely the result of better use of management information, which has enabled a more effective rotation of staff to fit peaks in demand.

9.13 Although performance is slightly below target, productivity on our contact centres is high. Each Barnet customer services officer answers an average of 75 calls per day against a benchmark average of 50 in comparative councils.

9.14 The notable outlier from the broad improvement in telephone service performance in quarter 2 is the parking service contact centre. This centre has consistently underperformed in comparison to other contact centres in the council in recent years. The key reason for this is the sheer volume of telephone calls made to this service. Staff on this contact centre can typically answer upwards of 130 calls a day.

Current improvement initiatives

(i) Developing comprehensive online services

² Data taken from CRM and does not include emails going direct to individual and service specific email addresses.

- 9.15 Improving web services is key to reducing the high volume of telephone contact customers make with the council while also significantly improving the quality of customers' experiences. This is particularly true for the parking service. The web offers 24/7 access to the Council, enabling customers to find information or perform transactions at times that are convenient to them. It also offers potentially significant savings for Council Taxpayers as the average online contact costs the council £0.39 as opposed to £3.21 for a telephone contact or £8.23 for a face to face contact³. Therefore, encouraging customers to modify their contact to make regular use of the Council website will reduce the cost of transactions and free up officer time to deal with more complex enquiries for those customers most in need.
- 9.16 The Council is currently in the process of reviewing and overhauling its current website. This overhaul will create a website that makes transactions fast, easy to find and easy to use. In addition, it will enable the council to integrate social media initiatives, maps and interactive web services such as fixmystreet (see paragraphs 9.18-9.19 below) with transactions. This will enable customers to move from their initial transaction to other, related information, ensuring it is accessible to customers at the point when they need it. Moreover, the new website will provide a point for joined up communication between customers and other public service partners – an online representation of the One Barnet approach.
- 9.17 Initial improvements in the website are expected in January with the launch of a new, easy to use platform for the Council's online forms. The new e-forms are a key improvement initiative for two reasons. First, they will provide customers with a facility to complete interactions (requests, queries, etc) online which then automatically populate back-office systems. This will significantly reduce the need for data to be manually transferred and thereby reduce the time and cost to the council of completing a transaction. Second, providing easy to use forms from the homepage will provide a channel of choice for customers to use at the time of their choosing. Evidence from councils that have undertaken similar initiatives suggest that this will lead to a significant reduction in telephone contact.

(ii) Fixmystreet

- 9.18 Fixmystreet.com is a national, web based solution for customers to report street based issues in a user friendly way, at times that are suitable to them.
- 9.19 This has proved popular, with over 250 issues being reported per month. To improve the effectiveness of this facility, the council is looking to integrate the service with its Customer Relationship Management (CRM) system. This will make the reporting process quicker for customers and create efficiencies for the council as automation means that manual processing will not be required. Furthermore, over time the Council will enable the fixmystreet service to feedback to customers on all streetscene related reports, not just those submitted through the fixmystreet service.

³ Source: SOCITM (Society of Local Authority IT Managers)

(iii) Performance management framework and data-led improvement

- 9.20 The development of the Customer Services performance management framework has helped customer service teams deliver short-term, data led, service improvements. Better use of data has enabled the implementation of a more sophisticated resource management model in the contact centres, helping them get close to meeting the 65% target.
- 9.21 Understanding customer demand has also led to changes in opening times at Burnt Oak and the Street Based Services contact centre to ensure more staff are available to deal with customers at times of high demand, thereby providing a better experience for customers.
- 9.22 Although significant improvements have been made in the development of a comprehensive performance management framework for customer services, there are still some areas where the quality of performance information could improve. This is partly due to the need to integrate existing processes and systems. In these cases, work is in progress to identify short term data reporting mechanisms. In the mid to long-term, the solution to capturing more data will be the deployment of Customer Relationship Management (CRM) technology to customer contact for all service areas.

(iv) Consolidating and professionalising Customer Service

- 9.23 The council is in the process of bringing together all customer service activity across all channels into a single function. By summer 2011, all telephone calls, emails and web contact with council services will be dealt with by frontline customer service staff. The aim of this consolidation is to:
- simplify access for customers, dramatically reducing the number of contact numbers, email addresses and webforms
 - ensure customers are dealt with professionally, by informed, customer service officers
 - develop a cadre of customer service staff who see their role as working on behalf of the customer, either providing all the information they require at the point of access or advocating for the customer, helping them to answer their query through contact with other parts of the council (or other service providers)
 - create a strong knowledge base that customers can draw on to support themselves and one another develop a strong, comprehensive knowledge of customers' needs and use of services that, in turn, can be used to design more effective and efficient services in the future
- 9.24 In addition, many council staff who work with customers are undertaking the Institute of Customer Services professional awards qualification.

Medium-term improvements

9.25 In the medium-term, the council's strategy for both improving customer services and reducing costs for the taxpayer are captured by the OneBarnet programme's work to develop a new Customer Service Organisation (CSO). This includes a number of key strands aimed at improving customer service:

(i) Consolidation and further professionalisation of customer service activity

9.26 A further stage of development of the consolidated customer service function will be to encourage public sector partners to utilise it to improve customers' access to Barnet's wider public services.

(ii) Further development of the web channel

9.27 Enabling customers to make use of the web as the key contact channel for most access to the council (and ultimately partner) services is a key focus for: improving the responsiveness of the council. Therefore, any future development of the CSO will have innovation in web services at its heart. Options will be considered for appropriate development of and investment in web access as part of the OneBarnet programme. Longer term options for improvements to the website include the development of personalised web access, allowing customers to log on to their individual account and access personal information and transaction history - e.g. Council Tax information.

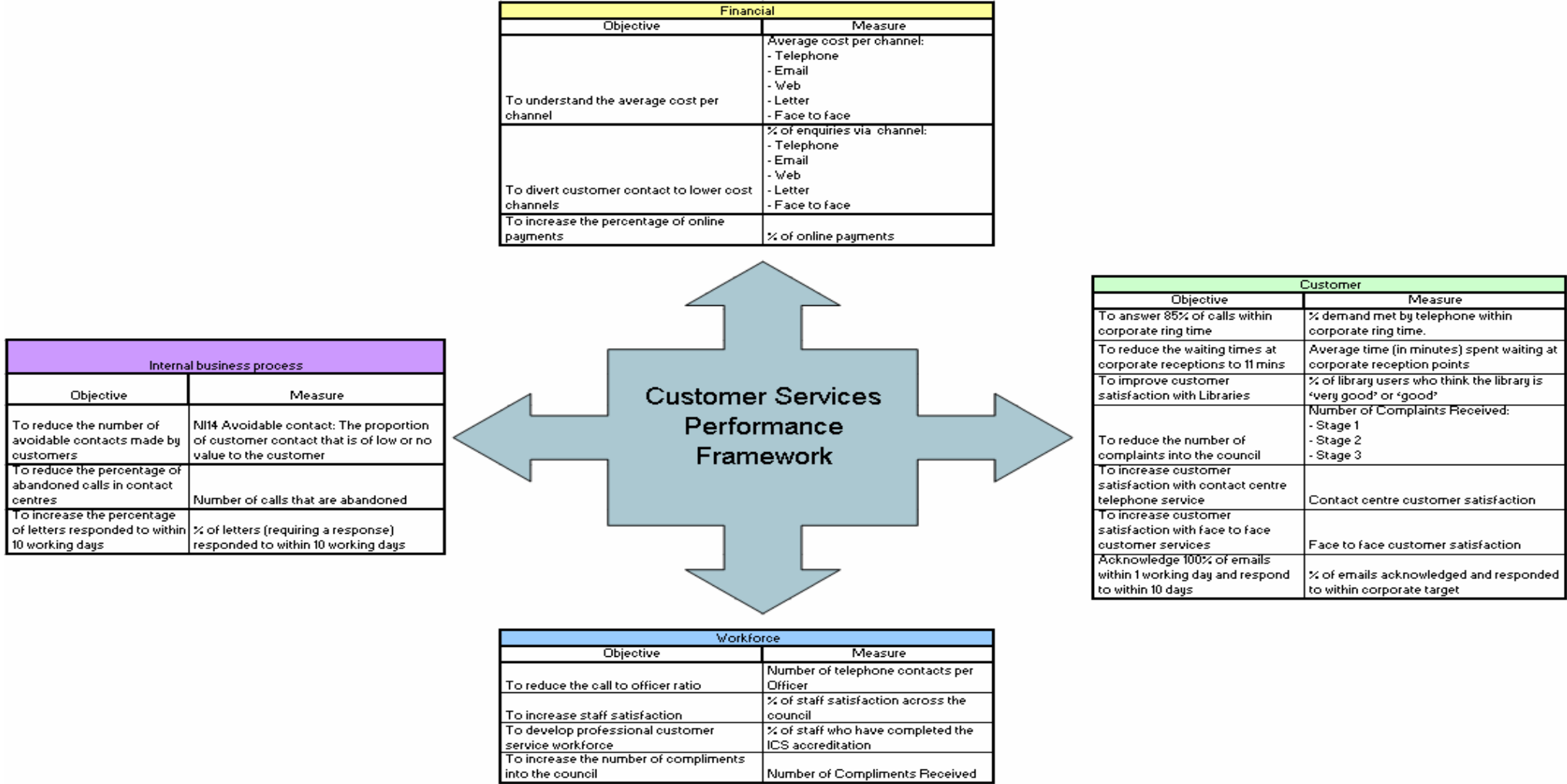
(iii) Customer insight

9.28 A key aim of the development of a new CSO is to significantly improve the council's access to and use of customer insight - that is, rigorous evidence of customers' needs, preferences and activities. While there are efficiencies to be made through the consolidation of customer service activity, the most substantial service improvements and cost savings will be delivered by using insight to redesign services around customer need rather than delivering through the more traditional service silos.

10. LIST OF BACKGROUND PAPERS

10.1 Quarter 2 corporate performance report

Appendix 1: Customer Services Performance Management Framework



AGENDA ITEM: 9Page nos. 49 - 63

Meeting	Budget and Performance Overview and Scrutiny Committee
Date	25 November 2010
Subject	Corporate Performance results for Quarter 2 2010/11
Report of	Performance team, Chief Executive's Service
Summary	This report presents progress against the Corporate Plan performance targets and improvement initiatives for quarter two 2010/11.

Officer Contributors	Isabelle Apcher, Performance Officer, Chief Executive's Service Kari Manovitch, Head of Performance, Chief Executive's Service
Status (public or exempt)	Public
Enclosures	Appendix A: Directorate performance results Appendix B: Corporate Plan Improvement Initiatives progress
For Decision By	The Committee
Function Of	Executive
Contact for Further Information:	Jeremy Williams ☎ 020 8359 2042

1. RECOMMENDATIONS

1.1. That the Committee reviews the quarter 2 performance results to decide the topic of one or more in-depth reports to the 22 February 2011 Committee meeting. It is recommended that one or both of the following two topics are selected:

- Value for money
- The attainment gaps between children with special education needs and their peers, and children eligible for free school meals and their peers

2. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

2.1 This report presents the latest available information for all performance targets and Corporate Plan Improvement Initiatives in relation to the three Corporate Priorities in the Corporate Plan 2010-13.

3. RELEVANT PREVIOUS DECISIONS

- 3.1 This Committee on 3 June 2010 agreed that the format and focus of reporting performance to this Committee change from a focus on whole council performance to a focus on particular themes, selected in advance by the Committee.
- 3.2 The Annual Council meeting on 19 May 2009 agreed the new scrutiny arrangements, which includes the reporting of Corporate Plan performance measures to this Committee.

4. RISK MANAGEMENT ISSUES

4.1 In-depth review of pre-selected performance issues by this Committee should contribute to performance improvement, and therefore mitigate the risk of non-improvement and failure to meet Corporate Plan performance targets.

5. EQUALITIES AND DIVERSITY ISSUES

5.1 The following performance indicators raise equalities concerns because people accepted as homeless are recognised as a marginalised group, and a disproportionate number are from black and minority ethnic backgrounds or are households led by women:

- CPI 25 – Number of households living in temporary accommodation
- CPI 26 - Number of households accepted as homeless under the provision of the 1996 Housing Act

6 USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

6.1 The following performance indicators are particularly relevant to our Use of Resources:

- CPI 17 – Value for money (basket)
- CPI 19 – amount of waste sent to landfill (basket)

7. LEGAL ISSUES

7.1 No legal issues are raised by this report.

8. CONSTITUTIONAL POWERS

8.1 The roles and terms of reference of all scrutiny committees are contained within Part 2, Article 6 of the Constitution; and in the Overview and Scrutiny Procedure Rules (Part 4 of the Constitution). This Scrutiny Committee, amongst other duties, will be responsible for scrutinising the overall performance, effectiveness and value for money of Council services, including the planning, implementation and outcomes of all corporate improvement strategies.

9. BACKGROUND INFORMATION

9.1 Barnet's Corporate Plan 2010-13 sets out performance targets and improvement initiatives for the Council by corporate priority. Appendix A sets out all progress against these targets at the end of quarter one. Appendix B sets out progress on the Corporate Plan Improvement Initiatives.

9.2 This quarter there is data available for 32 of the 41 indicators. Amongst those reported, twenty have been met (62%) and twelve have been missed (38%) There are still nine indicators where no data has yet been reported, of which three relate to residents' perceptions.

A summary of results by Directorate is presented below.

Directorate	Total Corporate Plan targets	Total Corporate Plan indicators	Indicators reporting data in Q2	Indicators achieved	Indicators missed	Indicators with negative DoT
Children's Service	6	9	8	4	4	2
Planning, Housing & Regeneration	6	6	5	1	4	2
Environment & Operations	4	6	2	0	2	2
Chief Executive's Service	1	6	5	4	1	1
Deputy Chief Executive	1	2	1	1	0	N/A
Adult Social Services	3	3	3	2	1	0
Commercial Service	3	4	4	4	0	0
Corporate Governance	4	5	4	4	0	1
Total	28	41	32	20	12	8

9.3 Performance results are traffic lighted according to a four point traffic light scale: Green, Green Amber, Red Amber and Red. The mathematical method for allocating these traffic lights is derived and shown in the table below.

Traffic Light	% of targeted improvement achieved	Description
Green	100% or more	Meeting or exceeding target
Green Amber	>80% <100%	Near target with some concerns
Red Amber	>65% <80%	Problematic
Red	<65%	Serious concerns

- 9.4 Any target that is met or exceeded achieves a Green traffic light.
Targets that have not been met, but where 80% or more of the targeted improvement has been achieved, will be given a Green Amber traffic light.
If the targeted improvement is below 80% but above 65% the indicator will get a Red Amber rating.
For example, if the baseline is 80 people and the target is 100 people, the targeted improvement is 20 people. 80% of 20 is 16, so the outturn would need to be at least 96 people to achieve Green Amber and at least 93 people to achieve a Red Amber.
- 9.5 Whilst initial traffic lights will be based on these objective criteria, they may subsequently be changed through discussion between Directorates and the Performance team, based on the individual circumstances and prospects for each target. This quarter, discretion had been used for traffic lighting 'cost per head of back office support' because the result is so close to the target.
- 9.6 Indicator results are also compared with the previous relevant results¹ in order to measure the Direction of Travel (DoT). This may show improvement (▲), deterioration (▼) or stability (↔) .
- 9.7 Of the eleven priority improvement initiatives (reported in Appendix B) all but two have received a Green traffic light, meaning that all milestones have been met. The initiatives with a Green Amber traffic light, meaning that slight slippage has occurred are:
- Ensure sufficient primary school places are available in the right areas, led by the Children's Service
 - Develop an organisational dashboard and indicators for better measuring of customer satisfaction and value for money, led by Corporate Customer Services
- 9.8 Cabinet Resources Committee receives a quarterly budget and performance monitoring report in which Directorates provide commentary about their performance results. This can be viewed here:
<http://committeepapers.barnet.gov.uk/democracy/meetings/meetingdetail.asp?meetingid=6143>
- 9.9 The quarter two performance results are also published on the council's website here:
<http://www.barnet.gov.uk/cp-annual-performance-monitors.htm>

9. LIST OF BACKGROUND PAPERS

- 9.1 None

Legal: MM
CFO: MC

¹ The previous result used will either be the previous quarter, or the same quarter of the previous year. The same quarter of the previous year will be used for annual indicators, cumulative indicators (where the numbers add up during the year and are reported as 'year to date') and if the indicator is affected by seasonal fluctuations

Appendix A – Directorate performance results

Children's Service

(P) Indicates data is provisional

CPI no	Performance Indicator	Period Covered	Numerator and Denominator	Relevant previous outturn	Target	Outturn	Target Variance	DoT	Benchmark data
5	% Schools inspected in the current academic year given an overall effectiveness rating by Ofsted of good or outstanding	Sep 09 – Jul 10	18/22	79%	84%	82.0%	2.4%	▲ 3.8%	53% national average
8	% of children in care, aged under 16, who are in LBB foster placement	Apr 10 – Sep10	103/237	47%	54%	43.5%	19.4%	▼ 7.1%	No benchmarking data available (unique to Barnet)
9	Number of children in care	Apr 10 – Sep 10	N/A	311	320	316	1.3%	▼ 1.6%	Barnet 43 per 10,000 (under 18 pop). England 55, London 65 (2009 data)
4	Attainment gap between children with the greatest disadvantage and average attainment (basket)	Red Amber							
4a	% point achievement gap between pupils eligible for free school meals and their peers achieving the expected level at Key Stages 2 (NI 102a)	Sep 09 – July 10	Not supplied by Dept of Education	N/A	19%	There is currently no data published for Barnet due to the large number of schools who boycotted the Statutory Assessment Tests in Summer 2010			
4b	% point achievement gap between pupils with special educational needs achieving 5 A*-C GCSE, including English and Maths, and their peers (NI 105, LAA)	Sep 09 – July 10	Not supplied by Dept of Education	53%	47%	52.0% (P)	10.6%	▲ 1.9%	46.5% national average
4c	% point achievement gap between pupils eligible for free school meals and their peers achieving the expected level at Key Stages 4 (NI 102b)	Sep 09 – July 10	Not supplied by Dept of Education	30%	18%	28.7%(P)	59.4%	▲ 4.3%	27.8% national average
4d	% of children in care achieving 5 A*-C (or equiv) at KS4 inc English and Maths (NI 101)	Sep 09 – July 10	4/25	16%	16%	16% (P)	0%	↔ 0%	9.8% national average
6	% achievement of 5 or more A*-C grades at GCSE or equivalent including English and Maths (Threshold) (NI 75, LAA)	Sep 09 – July 10	Not supplied by Dept of Education	61%	66.0%	66.0% (P)	0%	▲ 7.5%	Statistical neighbours 61.6% (benchmarking data is for Academic year 09/10)
7	% achievement of at least 78 points across the Early Years Foundation Stage with at least 6 in each of the scales in Personal, Social and Emotional Development and Communication, Language and Literacy (NI 72, LAA)	Sep 09 – July 10	Not supplied by Dept of Education	57%	56.3%	64.0% (P)	13.7%	▲ 12.3%	56% national average (benchmarking data is for Academic year 09/10)

Adult Social Services

CPI no	Performance Indicator	Period Covered	Previous relevant outturn	Target	Outturn	Target Variance	DoT	Benchmark data
1	Social care clients and carers receiving Self Directed Support (service users receiving direct payments and personal budgets)	July 10 – Sep 10	724	1,070	1,249	16.7%	▲ 75.2%	932 is the average amongst outer London boroughs
2	Participation in regular volunteering	Oct 10	N/A	85% ^a	83.0%	2.04%	-	Not available; indicator definition unique to Barnet
3	Achieving independence for older people through rehabilitation/intermediate care	April 10 – June 10	86.4%	87%	86.6%	0.47%	▲	82.1% is the average amongst Institute of Public Finance statistical neighbours group

^a This is a provisional target given the newness of the indicator. The Target Descriptor is the “number of volunteers referred to voluntary sector organisations providing services intended to serve AdSS Business Plan objectives as a % of total volunteering opportunities”. Data is sourced via CommUNITY Barnet.

Environment & Operations

CPI no	Performance Indicator	Period Covered	Numerator and denominator	Relevant previous outturn	Target	Outturn	Target Variance	DoT	Benchmark data
19	Amount of waste sent to landfill (basket)	Red							
19a	<i>Number of kgs of residual household waste per household (NI 191, LAA)</i>	Apr– Jun 10	N/A	711	625	730.4	17%	▼ 3%	Ranked 24th out of 29 London boroughs
19b	<i>% of household waste sent for reuse, recycling and composting (NI 192, LAA)</i>	Apr–Jun 10	N/A	36.5%	40%	36.0%	10%	▼ 1%	Ranked 15th out of 29 London boroughs
20	% (overall) satisfaction with the local area (NI 5, LAA)	Was to be reported as part of the Place Survey. The Chief Executive’s Service is developing a new perception survey – Environment & Operations (E&O) will engage in that process to ensure synergy with E&O’s ‘Understanding our Customers’ agenda for user engagement. The E&O programme is being designed to provide data and analysis through direct engagement with stakeholders on local needs, issues, aspirations and values.							
21	Dealing with local concerns about anti-social behaviour and crime by the local council and police	Was to be reported as part of the Place Survey. However the Police conduct a similar survey the latest data available is July 2009 – June 2010 with 34% of 640 respondents satisfied that police are dealing with concerns. However this was an 8% improvement on the previously reported figure. .This is taken from Public Attitude Survey 2010/11 which is based on a rolling 12 month period.							
22	Maintenance of roads (basket)								
22a	<i>Principal roads where maintenance should be considered</i>	A proxy indicator number of service requests for potholes is being worked on for reporting in Q3, data quality checks to be carried out before a baseline is determined.							
22b	<i>Non-principal roads where maintenance should be considered</i>								

Planning Housing & Regeneration

CPI no	Performance Indicator	Relevant previous outturn	Period Covered	Target	Outturn	Target Variance	DoT	Benchmark data
23	% of net additional homes suitable for families	64% (2008/9)	Apr 10 – Mar 11	70%	70.0% (Estimated)	0%	-	No benchmarking data available (unique to Barnet)
24	Number of net additional homes provided (NI 154, LAA)	1,156	Apr 10 – Mar 11	1,388	1,258	9%	▲ 9%	Ranked 6 th best out of 19 London boroughs 2009/10
25	Number of households living in temporary accommodation (TA) (NI 156)	2,192	Jul 10 – Sep 10	2,080	2,150	3%	▲ 2%	Ranked 29 th best out of 33 London boroughs (26/33 per 1000 households). London average 1,149 (Q1 10/11) sourced from CLG.
	Households in TA Regeneration Stock	923		n/a	924	n/a	0%	Not available
	Households in TA outside of regeneration estates	1,269		n/a	1,226	n/a	▲ 3%	
26	Number of households accepted as homeless under the provision of the 1996 Housing Act	122	Apr 10 – Sep 10	110	124	13%	▼ 2%	Ranked 19 th best out of 33 London boroughs and 15/33 per 1000 households (Q1 10/11) sourced from CLG.
27	Number of households being re-housed in the private sector via the Housing Service	421	Apr 10 – Sep 10	425	227	47%	▼ 46%	No benchmarking data available (unique to Barnet)
28	Satisfaction of businesses with local authority regulation services	69%	Apr 10 – Sep 10	80%	92.0%	15%	▲ 33%	Ranked 11 th best out of 26 London boroughs 2009/10

Deputy Chief Executive's services

CPI no	Performance Indicator	Period Covered	Numerator and dominator	Relevant previous outturn	Target	Outturn	Target Variance	DoT	Benchmark data
17	Value for money basket								
17a	Total net value of on-going cash-releasing value for money gains (NI 179)*	NI 179 is going to be removed from quarterly reporting because it's no longer being monitored by Government. It has been identified that it would be more helpful to look and monitor value for money. A new value for money measure in Q3 will be identified that can be benchmarked via CIPFA, the Chartered Institute of Public Finance Accountants							
17b	Cost per head of back office support*	April 10- March 11	£20,543,978/ 345,800	£64.91	£59.21	£59.41	0.34%	N/A	Work to establish benchmark currently underway

*The cost centres included in the cost per head of back office support indicator have changed since last year and therefore there is no directly comparable figure for assessing the direction of travel. The figure is calculated from the quarterly revenue outturn projections made for the 49 cost centres that are

considered back office support. However we recognise that the council's true back office costs, when taking into account back office functions embedded in frontline services, are much higher than this and we are working to calculate this figure in a way that can be reliably benchmarked against other authorities via the Cipfa club. We anticipate to be able to provide this new baseline figure in Q3.

Commercial Services

CPI no	Performance Indicator	Relevant previous outturn	Period Covered	Q2 Target	Q2 Outturn	Target Variance	DoT	Benchmark data	Year end target
10	Effective contract management (basket)								
10a	% of contracts held by the Council have been reviewed	0	Jul-Sep 10	5%	10.0%	100%	▲	Local indicator	50%
10b	% of contracts deemed to require renegotiation have commenced renegotiation*	New indicator	Jul-Sep 10	5%	5.0%	0%	New indicator	Local Indicator	50%
11	% of 50 largest vendors under formal contract	0	Jul-Sep 10	5%	5.0%	0%	▲	Local Indicator	80%
12	% rental voids on Commercial property portfolio*	New indicator	Jul-Sep 10	4.9%	0.5%	89.9%	New indicator	Cipfa benchmarking for support services will report at Q3	4.9%

*The Commercial Management team re-evaluated the Directorate's Corporate Plan performance indicators and the Commercial Director agreed to change the definition of 10b and 12. The original definitions were:

10b - % of contracts deemed to require renegotiation have been renegotiated

12 - % of rent reviews on commercial properties completed when contractually due.

Chief Executive's Service

CPI no	Performance Indicator	Period Covered	Numerator and denominator	Relevant previous outturn	Target	Outturn	Target Variance	DoT	Benchmark data
18	Customer services accessibility and satisfaction (basket)								
18a	% demand met by telephone within corporate ring time (5 rings)	Jul 10 – Sep 10	169,442/261,889	57%	65%*	64.7%	1%	▲ 13%	Bexley @ 82% Richmond upon Thames @ 79%
18b	Percentage of emails acknowledged within 2 working day		4719/4843	100%	90%	97.4%	8%	▼ 3%	No comparison data available because other councils use automated acknowledgements
18c	Percentage of emails responded to within 10 days		3433/3850	80%	85%	89.2%	5%	▲ 11%	84% achieved by Hackney
18d	Satisfaction with face-to-face customer service		277/296	93%	85%	94.0%	11%	▲ 1%	85% achieved by Harrow in Q4 2009/10
18e	Satisfaction with contact centre telephone service		N/A	N/A	85%	To date, the sample size of 18 calls is too low to generate this outturn. The result so far is 85% satisfaction but a more reliable figure should be available by Q3			
18f	Average time (in minutes) spent waiting at corporate reception points		N/A	6.70	11	6	45%	▲ 10%	12 mins, compared against Richmond and Ealing boroughs in Q1 2010 (Only data available)

*The target rises to 85% in Q4.

The table below shows the performance for each call centre against the target to answer 65% calls answered within 20 seconds/ 5 rings. The call centres shaded in grey are based in Corporate Customer Services.

Call centre	Q2 Target	Q2 Outturn	Variance	Direction of Travel	Comments
Overall corporate outturn	65%	64.0%	2%	▲	Improved performance from Quarter 1: The staging target of 65% has been narrowly missed this quarter. Overall performance has improved by 7 percentage points mainly due to a strong focus on achieving the target and better use of management information, in particular to match resourcing to peak demand
Environment & transport, Street Based Services	65%	59.0%	9%	▲	Performance has improved by 18 percentage points from Q1. Although call volumes have increased in comparison to Q1, overall performance has improved due to extra concentrated effort in ensuring all resources were available at peak periods.
Housing Advice	65%	49.0%	25%	▲	Following a mini-lean "decision accelerator" session, a new approach to handling was fully rolled out on Monday 23 rd August. In the new system the only staff performing the role became a new team of 26 Housing Needs Officers, all of whom are committed and trained in dealing with the types of queries we get via the phone and all see customers face to face. The team also has 6 dedicated team leaders who actively monitor and report on performance to the entire department. About 20% of calls to the contact

Call centre	Q2 Target	Q2 Outturn	Variance	Direction of Travel	Comments
					centre are forwarded calls from Housing Needs Officers. A new policy is being implemented in quarter 3 to route these calls to mobiles. Call demand to the contact is therefore expected to drop and performance to consequently improve
Planning	65%	53.0%	18%	▲	Performance has improved by 18 percentage points from Q1. Although call volumes have increased in comparison to Q1, overall performance has improved due to extra concentrated effort in ensuring all resources were available at peak periods.
Parking	65%	22.0%	66%	▲	In comparison to Q1, performance has improved by 3 percentage points and has failed to achieve the revised target by 44 percentage points. The overall volume of calls is higher than can be handled with the resources available. Customer Services is working closely with the Parking Service to reduce unnecessary calls to the Contact Centre and other options to improve performance such as increased use of web self service and better use of call routing. The Parking Contact Centre is expected to be formally transferred to customer services next month.
Adult Social Services	65%	62.0%	5%	▲	Performance has improved by 21 percentage points from Q1. Training of staff has continued to hinder performance as, following the start of a maternity cover; further training had to be provided to the covering member of staff whilst the remaining team members continued to take calls. Following discussions, a further member of staff was assigned to the contact centre as customer demand outweighed the number of available resources. As part of the remodelling work taking place in accordance with the Customer Service Organisation project, an extra option has been added to the queuing system which enables customers to access the Switchboard directly, as many callers were misdirected to Adult Social Services.
Registrars	65%	67.0%	3%	▲	Performance has improved as all staff are now fully trained to deal with calls and there is a focus on achieving the corporate target. At any given time during the office hours there are 2-3 officers covering calls.
Council Tax	65%	71.0%	9%	▲	There are a set number of agents on at all times but lower skilled agents are deployed in addition to this to meet periods of high demand. The telephones are resourced with all agents across the team for the two or three busiest days in the week. There are peaks each month when reminders, finals and sometimes summons are issued
Barnet Homes	65%	73.0%	12%	▼	The 65% has been exceeded again this month but performance has dropped by just over 3 percentage points due to slightly increased calls and increased call lengths.
Switchboard	65%	80.0%	23%	▲	Has continued to achieve the revised target through continued rota management during the peak periods.
Out of Hours	65%	83.0%	28%	▼	Has again met the revised target of 65%.
Housing Benefits	65%	88.0%	35%	▲	The original target was exceeded this quarter due to a reduction in call volumes from Q1 (high due to year end increases) and up-resourcing the contact centre at times of peak demand, as and when required.

Corporate Governance

CPI no	Performance Indicator	Period Covered	Numerator and denominator	Relevant previous outturn	Target	Outturn	Target Variance	DoT	Benchmark data
13	Effectiveness and transparency of decision making within the council by improving the role of overview and scrutiny in decisions and policy developments (basket)								
13a	<i>Decisions considered by Overview and Scrutiny prior to being taken by Cabinet</i>	Jul 10 – Sep 10	N/A	N/A	2	2	0.0%	N/A	Unique to Barnet
13b	<i>Policy developments initiated by Overview and Scrutiny</i>	Jul 10 – Sep 10	N/A	New indicator	2	2	0.0%	New indicator	Unique to Barnet
14	% of households returning completed electoral registration forms	Jul 10 – Sep 10	86506/139256	92%	50%	62.1%	24%	▼ 33%	Unique to Barnet, will be looking into future comparator figure.
15	Increase the % of additional items in the Publication Scheme	Jul 10 – Sep 10	71/97	N/A	20%	36.6%	83%	N/A	Unique to Barnet
16	% increase in resident satisfaction with opportunities for democratic engagement	Due to report in quarter 4							

Appendix B - Corporate Plan improvement initiative progress

Children's Service

Corporate Priority & strategic objective	Top Project/ Top improvement initiative	Quarter 2 milestone/s	Status	Commentary	Quarter 3 milestone/s
Better services with less money <i>Intervene early to strengthen families and ensure that children and young people are able to achieve their potential</i>	Launch new foster carer recruitment campaign to increase opportunities for stable, local placements	<i>Produce report assessing the cost effectiveness of Barnet's current approach to recruiting foster carers and presenting options for the future</i>	Milestones fully met	A review of our foster and recruitment services has now been completed and potential options for a new approach are being considered.	<i>New recruitment strategy for foster carers to be finalised</i>
Sharing opportunities and sharing responsibilities <i>Embed a safeguarding culture throughout Barnet to make sure our children, young people and adults remain safe</i>	Use video technology to empower families to effectively participate in child protection planning	<i>Options paper for improving the overall participation of families in child protection planning (including an assessment of the pros and cons of video conferencing) presented to Safeguarding Divisional Manager</i>	Milestones fully met	Options paper completed and presented to Divisional Manager. Video technology researched and found to be too costly other models of empowering families now in process of implementation within the child protection arena.	-
Sharing opportunities and sharing responsibilities <i>Embed a safeguarding culture throughout Barnet to make sure our children, young people and adults remain safe</i>	Strengthen multi-disciplinary support for vulnerable families	<i>Establish 4 Multi-Agency Groups (MAGs) in Learning Network Areas</i>	Milestones fully met	Multi-Agency Groups set up in the 4 network areas. Early indications are that they are working well.	<i>Secure full and committed multi-agency representation on MAGs</i>
A Successful London Suburb <i>Ensure every school a good school for every child</i>	Ensure sufficient primary school places are available in the right areas	Ensure sufficient Reception places are available for children in September 2010	Milestones Mostly achieved	Additional places were added to ensure all reception children had a place. However, pressures now emerging in year 1 and additional capacity being added.	<i>Investment strategy for future years approved</i>

Adult Social Services (AdSS)

Corporate Priority & Strategic Objective	Top Project/ Top improvement initiative	Quarter 2 milestone/s	Status	Commentary	Quarter 3 milestone/s
<p>A Successful London Suburb</p> <p><i>Work with NHS Barnet to make sure residents can access good quality healthcare provision</i></p>	<p>Promote volunteering as a means to empower individuals, contributing to strong communities, adding value in the delivery of public services.</p>	<p>1) AdSS Senior Management Team (SMT) agreement of corporate indicator definition and interim target</p> <p>2) Agree data collection methodology and reporting arrangements with relevant voluntary sector agencies</p>	<p>Milestones fully met</p>	<p>Indicator agreed with SMT and data collection methodology agreed with CommUNITY Barnet.</p> <p>An indicator is in place to be reported by CommUNITY Barnet for Q3-4. Options for a 2011 indicator are under consideration. Consultation on a draft high-level plan is proceeding.</p> <p>The Q3-4 indicator agreed with CommUNITY Barnet is “the number of volunteers CommUNITY Barnet has matched / referred to voluntary sector organisations providing services intended to serve AdSS Business Plan objectives”.</p>	<p><i>AdSS SMT / Grants Unit agreement of commissioning strategy and performance framework for volunteer management, coordination and support First quarterly performance report – corporate PI</i></p>

Environment & Operations

Corporate Priority & strategic objective	Top Project/ Top improvement initiative	Quarter 2 milestone/s	Status	Commentary	Quarter 3 milestone/s
<p>Sharing opportunities and sharing responsibilities.</p> <p><i>Develop a new relationship with residents so they are able to more effectively contribute to making Barnet and its residents successful</i></p>	<p>Work with the Metropolitan Police and engage residents to achieve successful outcomes around shared objectives and community issues</p>	<p>Agree scope of communications plan with Corporate Communications July 2010.</p>	<p>Milestones fully met</p>	<p>Communications plan agreed. Burglary project commenced from Sept.</p>	<p>1) <i>Communications action plan agreed by safer communities’ partnership board August 2010</i></p> <p>2) <i>Monthly monitoring of action plan August - March 2011 with reports to safer communities partnership board quarterly March 2011 evaluation.</i></p>
<p>A Successful London Suburb.</p> <p><i>Protect and enhance our natural environment so that the borough is clean</i></p>	<p>Work with businesses and residents to prototype new and innovative approaches to reducing waste and energy use and improving the street</p>	<p>Preparation of Briefing on details and progress of both initiatives</p>	<p>Milestones fully met</p>	<p>Good progress has been achieved initiating contact, lines of communication and providing foundational support to Barnet Traders Association through funding and guidance.</p>	<p>1. <i>Evaluate progress on High Barnet project (Barnet Traders Association) against conditions for releasing balance of grant funding.</i></p>

Corporate Priority & strategic objective	Top Project/ Top improvement initiative	Quarter 2 milestone/s	Status	Commentary	Quarter 3 milestone/s
<i>and green</i>	environment in town centres			Good progress is also reported on planning for an official launch of an ECO teams event in Barnet as a joint initiative with Global Action Plan and Barnet residents	2. Officially launch ECO Teams in Barnet as a joint initiative between Global Action Plan & LBB.

Planning Housing and Regeneration

Corporate Priority & strategic objective	Top Project/ Top improvement initiative	Quarter 2 milestone/s	Status	Commentary	Quarter 3 milestones
Sharing opportunities and sharing responsibilities <i>Promote mixed communities</i>	Review housing allocations policy	Complete Consultation on Draft Policy	Milestones fully met	Consultation completed 15 October	Cabinet Report to agree new policy following implementation
A Successful London Suburb <i>Protect and enhance our natural environment so that the borough is clean and green</i>	Complete a business and enterprise scoping study for each priority town centre	Initiate primary data collection in Edgware. Commence business forums	Milestones fully met	1. Primary data collection completed in July. 2. Business Forum established in August.	Complete data collection for Edgware, Finchley North and Central

Chief Executive's Service

Corporate Priority & strategic objective	Top Project/ Top improvement initiative	Quarter 2 milestone/s	Status	Commentary	Quarter 3 milestone/s
Better services with less money <i>Improve customers' access to the council, and encourage more contact and transactions to be carried out online</i>	Develop an organisational dashboard and indicators for better measuring of customer satisfaction and value for money	Monitor progress and address any anomalies	Milestones Mostly achieved	Continuous monthly population & reviews carried out with relevant action plans. Development - working with other services to plug data gaps.	Additional push to populate data gaps to be addressed at advisory board meetings

Corporate Governance

Corporate Priority & strategic objective	Top Project/ Top improvement initiative	Quarter 2 milestone/s	Status	Commentary	Quarter 3 milestone/s
<p>Better services with less money</p> <p><i>Improve council policy and decision making through greater involvement by non-executive members</i></p>	<p>By analysing compliance with the Publication Scheme, implement a plan to improve transparency of the council's administration and achieve the maximum number of relevant publications in the scheme in 2011-12.</p>	<p>1) Carry out a review of the existing scheme information held on line - matching against ICO definition document and guidance (for compliance) and identifying information owners and current status of information</p> <p>2) Identify for each service the information not currently held in the scheme but that falls within the scope of the expansion criteria.</p> <p>3) Upload any 'ready to go' information.</p>	<p>Milestones fully met</p>	<p>1) Review on existing scheme completed and matching against ICO definition document and guidance also completed. Key contacts to assist identification of information owners and status of information identified.</p> <p>2) Information not currently held in the scheme across services identified and key contacts met with to identify the location and currency of such information.</p> <p>3)"Ready to go" information has been uploaded and available on Barnet Online</p>	<p>1. Progress the publication of information identified as ready for publication.</p> <p>2) Identify version control protocols and mechanisms for the speedy sign off and uploading of information as it becomes available.</p> <p>3) Set up procedures for the updating/replacing of outdated information.</p>

AGENDA ITEM: 10Page nos. 64 - 66

Meeting	Budget and Performance Overview and Scrutiny Committee
Date	25 November 2010
Subject	Sustainable Community Strategy- pre-decision Scrutiny
Report of Summary	Assistant Chief Executive The Committee have requested for pre-decision scrutiny the new Sustainable Community Strategy for Barnet. This report provides some background and attaches the proposed Cabinet report so that the Committee may comment.

Officer Contributors	Andrew Nathan- Policy team, Chief Executive's Service
Status (public or exempt)	Public
Wards Affected	All
Enclosures	Enclosure A: Draft Cabinet Report (numbered pages 1 – 15)
Contact for Further Information:	Andrew Nathan 020 8359 7029

1. RECOMMENDATIONS

1.1 That the Committee note and comment on the draft Sustainable Community Strategy as set out in the attached Cabinet report, and advise Cabinet on 29 November 2010 of any comments.

2. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

2.1 As set out in the attached cabinet report.

3. RELEVANT PREVIOUS DECISIONS

3.1 As set out in the attached Cabinet report.

4. RISK MANAGEMENT ISSUES

4.1 As set out in the attached Cabinet report

5. EQUALITIES AND DIVERSITY ISSUES

5.1 As set out in the attached Cabinet report

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

6.1 As set out in the attached Cabinet report

7. LEGAL ISSUES

7.1 As set out in the attached Cabinet report

8. CONSTITUTIONAL POWERS

8.1 The scope of Scrutiny committees is contained within Part 2, Article 6 of the constitution; the Terms of Reference of the Scrutiny Committees are in the Overview and Scrutiny Procedure Rules (Part 4 of the constitution).

9. BACKGROUND INFORMATION

9.1 A Sustainable Community Strategy is a long-term vision for the area, owned by the Council and all its partners. It sets out what is distinctive about a local area and the challenges facing it, and as a result the overall priorities for the

- 9.2 There are no specific requirements for how frequently the Strategy should be updated. However the current 2008-2018 Strategy, agreed in April 2008, has now become dated owing to a number of changes in the external environment, most specifically the recession and reductions in public expenditure. A new Strategy is therefore being developed.
- 9.3 The Strategy is scheduled to be considered by Cabinet on 29 November 2010 and the Budget & Performance Overview and Scrutiny Committee have requested to conduct pre-decision Scrutiny on this item, prior to Cabinet.
- 9.4 The (*draft- depending on timescales*) Cabinet report is attached at Appendix 'A', which includes the current draft Strategy. It provides key contextual information on the Borough and how it is expected to change over the next decade on the basis of available intelligence, before outlining a vision statement for how Barnet should be in 2020; a set of values which are distinctive about Barnet and govern the way public services and communities work together; and a set of priorities which reflect the priorities of partners and resident aspirations, and which collectively will deliver the vision. It has been widely shared with partners and with the Civic Network on 7 October.
- 9.5 The views of the Committee are requested on the content of these sections prior to consideration by Cabinet.
- 9.6 It is envisaged that Cabinet adopt this as a draft Strategy, pending a further period of public consultation during the rest of the 2010/11 Municipal Year.

10. LIST OF BACKGROUND PAPERS

- 10.1 None.

Legal: MM

CFO: JH

ENCLOSURE A

AGENDA ITEM: 4.1 Page nos. 1 – 15

Meeting	Cabinet
Date	29 November 2010
Subject	Sustainable Community Strategy 2010-2020
Report of	Cabinet Member for Customer Access and Partnerships
Summary	Local authorities, with their partners, are required to develop a Sustainable Community Strategy to promote the well-being of their local areas. This report presents a revised ten year Strategy for Barnet.

Officer Contributors	Assistant Chief Executive
Status (public or exempt)	Public
Wards affected	All
Enclosures	Appendix 1- draft Sustainable Community Strategy
For decision by	Council
Function of	Council
Reason for urgency / exemption from call-in (if appropriate)	N/A

Contact for further information: Andrew Nathan, Chief Executive's Service 020 8359 7029

1. RECOMMENDATIONS

- 1.1 That Council be recommended to approve the draft Sustainable Community Strategy 2010-2020.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Cabinet- 3 April 2008- decision item 6 and Council 15/4/2008

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 The Sustainable Community Strategy expresses the long-term vision for the area and provides a high level, overarching framework for the setting of objectives and targets by the council and its local partners, through more specific or shorter-term business plans and strategies. In particular, the Corporate Plan will be framed within the context of the goals in the SCS.
- 3.2 The Sustainable Community Strategy fulfils the Council's requirements under the Local Government Act 2000 (as amended by the 2007 Local Government and Public Involvement in Health Act) to prepare a plan for improving the economic, environmental and social well-being of an area.

4. RISK MANAGEMENT ISSUES

- 4.1 There is a risk that the high level objectives in the Strategy will not be achieved. This will be mitigated through effective business planning on a 'One Barnet' basis to ensure that resources are targeted appropriately and performance is managed to ensure that priority objectives are met.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 The Strategy highlights the significance of the growing diversity of the Borough, and one of the values is a Borough is the strength that this diversity provides and the manner in which it is accompanied by social cohesion.
- 5.2 The Strategy is a framework for more specific plans, such as the Corporate plan, which will be closely linked to the Equality Scheme for Barnet.

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

- 6.1 The Strategy provides a high level general framework within which decisions on resources will be made.
- 6.2 There are no significant resource implications for the preparation of the Strategy. The published Strategy will be a web-based document and publishing costs will be minimal.

7. LEGAL ISSUES

- 7.1 There is a statutory requirement for the council to publish a Sustainable Community Strategy, as set out in the Local Government Act 2000 (as

amended by the 2007 Local Government and Public Involvement in Health Act)

8. CONSTITUTIONAL POWERS

- 8.1 Constitution Part 3 – Responsibility for Functions – Section 3 – Responsibilities of the Executive – paragraph 8 – the Sustainable Community Strategy is reserved for decision by full Council on the recommendation of Cabinet.

9 BACKGROUND INFORMATION

- 9.1 Barnet's Sustainable Community Strategy is an overarching long-term plan, that sets the overall strategic direction and long-term vision for the area and is a framework for all other partnership strategies. At present it is a statutory requirement to prepare one under the Local Government Act 2000.
- 9.2 The current Strategy, approved by Cabinet and Council in April 2008, covers the period 2008-2018. Although there is no specific timetable by which a strategy has to be revised, now is an opportune time to do so for a number of reasons, principally that it has been rendered dated by subsequent events such as the development of the 'One Barnet' programme, the recession and subsequent public expenditure constraints, and the election of a new Government. It will also provide a strategic framework for future Corporate Plans which are intended to be developed as 'One Barnet' documents.
- 9.3 Although formally a Council responsibility, Local Strategic Partnerships are expected to lead the development of these strategies. Individual meetings took place with all the main partners to get their perspective on the priorities for the Borough and how the Strategy might support their work. These discussions have influenced the draft document.
- 9.4 In addition, the draft document was discussed by a meeting of the Civic Network on 7 October, bringing together A draft of the Strategy, which reflects all these comments, is attached at Appendix 'A'.
- 9.5 The Strategy has been structured as follows:
- ✦ Leader's foreword
 - ✦ Barnet in 2010 and 2020: a section which provides key contextual information on the Borough and how it is expected to change over the next decade on the basis of available intelligence
 - ✦ A vision statement for how Barnet should be in 2020
 - ✦ A set of values which are distinctive about Barnet and govern the way public services and communities work together
 - ✦ A set of priorities which reflect the priorities of partners and residents aspirations, and which collectively will deliver the vision
 - ✦ Information on how the Strategy will be implemented
- 9.6 The Strategy is one of the documents that is required to be agreed by full Council.

10. LIST OF BACKGROUND PAPERS

10.1 'Creating Strong, Safe and Prosperous Communities'- Statutory guidance, Department for Communities and Local Government, July 2008

10.2 Any person wishing to inspect this document should contact Andrew Nathan
020 8359 7029

Legal:
CFO: JH

APPENDIX

'One Barnet'- a sustainable community Strategy for Barnet 2010-2020

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Foreword

Barnet is one of the best places in the UK to live and work. People come here because of our green spaces, quality housing, low crime, good education, and thriving business and retail community. We will also be one of the fastest growing areas of London over the coming years.

However we face great challenges to our continued success. Reductions in public spending to tackle the deficit mean that life will be tough for the next few years, for both those who depend on good public services and those who provide them.

It is important that, along this difficult journey, we do not lose sight of the prize of making Barnet an even more special place to be. One of our strengths is the resilience and enterprise of the whole Barnet community and this makes the Borough well placed to continue to thrive.

Achieving this vision requires a new relationship with citizens, to harness this energy and creativity, and ensure the right balance between providing public services, and people doing things for themselves without the state interfering. It also requires all local public services to work together to ensure that every pound of public money is efficiently spent and people receive joined up services that meet their needs.

I look forward to working with you all to ensure that Barnet becomes even better over the next decade.

Lynne Hillan
Leader of the Council
Chairman of Barnet's Local Strategic Partnership

LOOKING AHEAD

A snapshot of Barnet in 2010

OUR PLACE

Barnet is a vibrant, diverse and successful London suburb. We are the most populous London borough with 345,800 residents, having recently overtaken Croydon. We are also one of the largest by area. We are bounded by Harrow, Brent, Camden, Enfield and Haringey in London as well as Hertfordshire. The Borough is geographically very mixed. We are one of the greenest suburbs with over 200 parks, 36,000 street trees and 36 percent undeveloped land (Metropolitan Open Land). We have residential suburban communities as well as 20 town centres, including one of South-East England's biggest retail locations at Brent Cross.

Generally, Barnet is affluent, but there are significant variations from area to area, and this overall affluence masks the presence of areas of deprivation. We have six localities (Local Super Output Areas) that are within the top 10 per cent most deprived in the country. Deprivation is mainly concentrated around the A5 corridor that forms the Borough's western boundary.

Transport

Barnet has excellent connectivity- the North Circular (A 406) runs through the Borough, and the M1 begins in Barnet, with the M25 just outside the Borough boundaries. Both branches of the Northern Line serve Barnet, and there are also two major suburban rail routes that pass through the Borough.

The rate of car ownership is higher than the London average, while use of public transport is 19% lower than the London average.

Local Economy

Around 60% of Barnet residents commute out of the Borough, many to the City and West End, but although the Borough is a net exporter of jobs, we also support over 110,000 local jobs. Around three quarters of these are filled by people who also live in the Borough.

Retail, public services and business services have a particularly strong presence. There are very high levels of business start ups.

Our residents are well-qualified compared to London and elsewhere, with over 40% of them qualified to NVQ Level 4 or above (ie graduate or equivalent).

OUR PEOPLE

We have used the Mosaic classification system which provides a more sophisticated way of understanding the local population through analysing their socio-economic characteristics and their lifestyles. There are two significant Mosaic Groups in Barnet – “career professionals living in sought after locations” (Group A) and “educated, young single people living in areas of transient populations” (Group E). Each group represents about 28% of households in Barnet.¹

¹ Experian, Mosaic Public Sector 2010

Ethnic and Faith Diversity

In common with much of London, Barnet is one of the most diverse areas in the country in terms of ethnicity and faith. As an example over 170 first languages and dialects are spoken in schools across the borough, yet at the same time we are proud that our communities are cohesive and people get on well with each other.

Over a third of our population were born outside the United Kingdom. The borough's largest minority group is people describing themselves as Indian which is 10% of the population. Barnet has the largest Chinese community in England. Barnet is also the second most religiously diverse Borough in the country and home to the largest Jewish community in the country. In the last census 15% of people described their faith as Jewish.

OUR PUBLIC SERVICES

Education

Barnet's schools enjoy an excellent reputation, with nearly 80% rated good or outstanding for overall effectiveness, and our educational attainment levels are high.

Health

Barnet residents on average also live healthier and longer lives than the national average, although we do experience significant health inequalities relating to socio-economic and other factors. In some areas, life expectancy is below the national average.

Coronary heart disease, cancer and respiratory problems are the three biggest causes of premature death in Barnet.

The most common causes of acute ill health in the borough are coronary heart disease, chronic obstructive pulmonary disease, stroke, diabetes and cancer.

Environment

Our recycling rates are above average. However Barnet has one of the largest carbon footprints per head of population in London.

Housing

70% of Barnet households are owner-occupied, much higher than the London average, and over half of these are mortgage-free.

However the average price of a house in early 2010 was £435,000- higher than the London average, and meaning many residents cannot afford a home of their own.

- House prices remain well beyond the reach of many residents – the average house price is £435,400 (Feb 10) compared to a London average of £375,900.²
- 39% of Barnet's dwellings are flats – the fourth highest proportion in outer London.³

Crime

Crime is relatively low, with the ninth lowest crime rate in London. Crime figures have fallen by 13% since 2000 although concerns remain with issues such as burglary.

² *Hometrack* Housing Intelligence System

³ Census 2001

Civic Activism

Barnet has a very altruistic community, heavily involved in doing things for others. Just over a quarter of Barnet residents volunteer once a month, compared to just a fifth of the wider London population.⁴ There are over 800 active local voluntary and community organisations in the Borough.

A snapshot of Barnet in 2020

Barnet in 2020 will look very different from the Barnet we know today. Many future trends cannot be predicted- but this is what we know and think about how the Borough might change:

Population Growth and Change

Growth in Barnet

By 2020, Barnet's population is likely to exceed 378,000 and its economy will grow by 11%, making it the fastest growing suburban borough in London. The additional burden on the local infrastructure such as roads, schools and healthcare over the next twenty years will be immense.

We have ambitious plans to regenerate the Borough's major social housing estates, working in partnership with local residents, and creating new homes and more mixed communities. In addition imaginative major regeneration schemes will provide homes for the increasing local population.

The developments are all phased and are spread over 10-25 years, with some work already under way.

Our Local Development Framework provides for an additional 28,000 homes.

The prolonged flow of **in-migration, principally** from other parts of the country but also from overseas will continue over the coming decade.

This in-migration will be offset by a steady flow of residents **migrating away** from the borough to other parts of the country – a flow that has been diminished in recent years due to the poor housing market but is expected to recover from the middle of the decade as property prices pick up again.

Population will also rise through natural change due to a rising birth rate and steadily improving life expectancy.

Change will not be uniform across the borough. The population in the **west** is forecast to grow most significantly, with an additional 32,000 residents between 2010 and 2020 (an increase of 27%). This growth is likely to be driven by regeneration and new housing and the most significant growth will be in Colindale and Golders Green. By comparison, the population in the rest of the Borough is not likely to change significantly.

The changes are not limited to simple growth – they will transform the age and ethnic profile of the borough too:

Change in age profiles

- Most significant real growth in **45-59** year old group

⁴ 26.1% compared to 20.8%, NI 6, Place Survey 2008/9; CommUNITY Barnet data

- Significant proportional growth in **65-69** year old group
- Proportionally high growth in **75+** age group, especially **90+**
- Significant actual growth in **0-15** year olds (especially **5-9** year olds).⁵
- Decline in some groups- eg student/young adult population who leave for university or work elsewhere in UK

Change in ethnicity profiles

- ✦ Population growing increasingly **diverse**, especially in the under 19 age group; the attitudes, ethnicity and culture of Barnet are now more reflective of London than previously
- ✦ By 2020, 37.1% of the local population will be **non-White** (compared to 33.2% in 2010)
- ✦ Barnet's fastest growing **ethnicity** is 'Other' – a group that includes Middle Eastern and Central Asian states. Barnet is already home to a growing community from Iran and Afghanistan.⁶

Economic Forecasts

Regeneration will create additional jobs in the construction sector, predominantly during the first five years of development

Barnet's local workforce is not necessarily skilled in sectors that are expected to grow strongly after the recession or local growth sectors according to GLA economic forecasts (such as engineering).⁷

The latest GLA economic forecasts predict a 5.9% decline in public sector employment across London over the next five years. In real terms, this means 13,000 fewer jobs in the public sector by 2015

Social Trends

Based on what we know at the moment about social trends, we would expect-

- ❖ An increasing emphasis on the 'Big Society' where communities, whether as individuals or through organised groups, do things for themselves rather than rely on state support
- ❖ Development of web based technologies in all their forms- this will be the primary form of customer interaction and result in ever increasing social networking, and more instant feedback. There will be greater use of instant communication through such tools as hand held devices.
- ❖ A continuation of the trend of rising consumer expectations that public services will match the choice and convenience and ease of access that private companies provide
- ❖ A further breakdown in deference to public institutions as informed individuals make use of greater transparency of information and data

⁵ ONS sub-national population projections (2008-based, published May 2010)

⁶ GLA Ethnic Projections, 2008 round; 'Other' group forecast to increase by 5,500 (24%) 2010-15.

⁷ ONS Annual Business Inquiry employee analysis, 2008

- ❖ Decline in 'conventional' democratic engagement such as voting or attending meetings - but greater 'virtual' participation in political and social discourse
- ❖ Retirement age will increase and people will be working for longer
- ❖ In general household sizes will fall in some communities but not in all., The pattern of household sizes may change across the Borough.
- ❖ Age related illnesses will increase in frequency in line with an ageing population

What are Barnet residents' priorities?

The Place Survey, which took place in 2008/2009, is the most up to date information on what residents see as important to making somewhere a good place to live, and what they think needs improving most in their local area.

In Barnet, following issues are most frequently mentioned as being **important for improving quality of life**: the level of crime (63%), clean streets (47%), health services (47%) and public transport (43%). Barnet residents are most likely to say that the level of traffic congestion (44%), and road and pavement repairs (40%), **most need improving** in the local area.

OUR VISION FOR BARNET IN 2020

Its 2020. Barnet is known as a successful London suburb. It has successfully ridden difficult times to emerge as resilient as ever. The public service is smaller than before but the organisations within it, through effective partnerships, work together to deliver good services and there is a healthy relationship between them, and residents who do things for themselves.

Established and new residents value living here for the Borough's excellent schools, strong retail offer, clean streets, low levels of crime and fear of crime, easy access to green open spaces and access to good quality healthcare.

Barnet is an economically and socially successful place. With high levels of educational qualifications and access to good transport networks, residents continue to have access locally, in other parts of London and beyond to jobs in a wide variety of different industries.

Barnet's success is founded on its residents, in particular through a strong civic society, including its diverse faith communities, founded on an ethos of self-help for those that can, and support through a wide range of volunteering activities for others. Different communities get on well together with each other.

Our core values

The value which epitomises Barnet and which is the foundation stone for all our other values is:

Strong Civic Society

Barnet is a strong civic society in which people do things for themselves rather than solely wait for the state to provide services. Levels of voluntary activity are extremely high, and people take pride in their communities and have high levels of identity with them, for example getting involved through their faith or through their local neighbourhood.

A number of other values that make Barnet distinctive flow from this:

1 Strength in Diversity

Barnet is one of the most diverse areas in the country in terms of the variety of faith and ethnic backgrounds, yet this is accompanied by strong community cohesion in which communities get on well with each other. It is also a very diverse Borough geographically.

2 Sharing opportunities for success

People come to Barnet to provide a better life for themselves and their families. Good public services such as education and housing- create opportunities for people to better themselves and improve the quality of their lives, and our public services are designed to help people make that happen.

3 Choice and Responsibility

Living in a suburb such as Barnet provides the benefit of greater space and privacy, which gives our residents greater choices about how they spend their lives and who they interact with. However that is accompanied by a sense of responsibility towards the wider community, and they also voluntarily contribute to supporting the area and making it a better and cleaner, greener place.

4 Protecting what we value

We cherish the things that people most value about Barnet- the Green Belt and open spaces, the good schools, the quality suburban neighbourhoods- and are aware of the need to protect them from indiscriminate change.

5 Embracing change where we need to

Yet at the same time Barnet is growing and changing, and has a built in capacity for innovation and reinvention. This ability to look forward gives us the strength to adapt to and shape opportunities for change.

Supporting Objective

One Barnet Partnership working

To achieve all of these, our public services work together as 'One Barnet '. We recognise these goals cannot be achieved alone and work together to draw out efficiencies, provide seamless customer services; and develop a shared insight into needs and priorities, driving commissioning of services and making difficult choices about where to prioritise them.

OUR PRIORITIES

The following will be the priority objectives for the Council and our partners over the next ten years. They reflect what our residents and organisations we work with have told us are the most important issues for them, and they are the most relevant priorities to achieving the vision.

We will need to make hard choices and it will not be possible to prioritise everything.

A Successful London Suburb

Delivering sustainable housing growth

Keep Barnet Moving

People have the right skills to access employment opportunities

Environmentally Responsible

Supporting Enterprise (including Town Centres)

A clean and green suburb

Strong Safe Communities for everyone

Reduce crime and residents feel safe

Strong and cohesive communities

Investing in Children Young people and their Families

Safety of children and young people

Narrow gap through targeting support at young people at risk of not fulfilling their potential

Prevent ill health and unhealthy lifestyles

Healthy and Independent Living

Better health for all our communities

Encouraging people to live healthily

Better access to local health services

Promote choice and maximise independence of those needing greatest support

Implementing the Strategy

We recognise that a step change is needed to meet the challenge of reaching the ambitious goals in this Strategy against a backdrop over the next few years of a shrinking public purse, rising consumer expectations, demographic pressures, and emergence from recession.

Therefore all the public services in Barnet are signed up to an ambitious transformation programme, 'One Barnet', to anticipate the challenges ahead and make public services more responsive, effective and efficient, and deliver increased customer satisfaction with fewer resources.

The three principles that underpin this programme are-

- **A new relationship with citizens** which is based around their need and their experience of public services rather than the processes of individual agencies. We plan to enable residents to help one another to access the information and support they need, provide residents with personalised services and support them to change damaging behaviours such as smoking or drug use. This will help deliver the Government's Big Society concept.
- **A one public sector approach** working together in a more linked up way with our public sector partners across the borough to deliver better services. This will help us to deliver any Government initiatives related to place-based budgeting.
- **A relentless drive for efficiency:** delivering more choice for better value. This will assist us in contributing our share to public spending cuts without reducing the quality of essential services.

From 2011/12, we will be developing a '**One Barnet Corporate Plan**'. This will replace the Council's own Corporate plan and demonstrate the key shorter-term priorities we will be working on to ensure we are moving in the right direction to deliver on the vision set out in this document. This will include the projects in the 'One Barnet' programme and other key initiatives.

We are committed to transparency and information on how we are performing against the plan will be regularly published online to ensure residents have the information at their fingertips to engage with us and ensure we deliver on our priorities.

AGENDA ITEM: 11

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Meeting	Budget and Performance Overview & Scrutiny Committee
Date	25 th November 2010
Subject	Cabinet Forward Plan
Report of	Scrutiny Office
Summary	This report provides Members with the current published Cabinet Forward Plan. The Committee is asked to comment on and consider the Cabinet Forward Plan when identifying future areas of scrutiny work.

Officer Contributors	None
Status (public or exempt)	Public
Wards Affected	All
Enclosures	Appendix A – Cabinet Forward Plan of Key Decisions
Contact for Further Information:	Jeremy Williams Scrutiny Office ☎ 020-8359-2042 jeremy.williams@barnet.gov.uk

1. RECOMMENDATIONS

- 1.1 That the Committee comment on and consider the Cabinet Forward Plan when identifying areas of future Scrutiny work.**

2 CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 2.1 The Overview and Scrutiny Committees/Sub-Committees must ensure that the work of Scrutiny is reflective of the Council's priorities.**

- 2.2 The three priority outcomes set out in the 2010/13 Corporate Plan are: –**

- **Better services with less money**
- **Sharing opportunities, sharing responsibilities**
- **A successful London suburb**

- 2.3 The Corporate Plan 2010/13 contains the following strategic objectives and performance targets that fall within the remit of the Corporate Governance Directorate and relate to Overview and Scrutiny:**

- **Improve council policy and decision making through greater involvement by non-executive members**
- **To improve the effectiveness and transparency of decision-making within the council by ensuring that Overview and Scrutiny in the year 2010/11:**
 - **Considers three decisions prior to being taken by Cabinet; and**
 - **Initiates three items of policy development.**

3. RELEVANT PREVIOUS DECISIONS

- 3.1 None.**

4. RISK MANAGEMENT ISSUES

- 4.1 None in the context of this report.**

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 In addition to the Terms of Reference of the Committee, and in so far as relating to matters within its remit, the role of the Committee is to perform the Overview and Scrutiny role in relation to:**

- **The Council's leadership role in relation to diversity and inclusiveness; and**
- **The fulfilment of the Council's duties as employer including recruitment and retention, personnel, pensions and payroll services, staff development, equalities and health and safety.**

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

6.1 None.

7. LEGAL ISSUES

7.1 None.

8 CONSTITUTIONAL POWERS

8.1 The scope of the Overview and Scrutiny Committees/Sub-Committees is contained within Part 2, Article 6 of the Council's Constitution; the Terms of Reference of the Scrutiny Committees/Sub-Committees are included in the Overview and Scrutiny Procedure Rules (Part 4 of the Council's Constitution).

9. BACKGROUND INFORMATION

9.1 Under the current overview and scrutiny arrangements, the Budget and Performance Overview & Scrutiny Committee will ensure that the work of Scrutiny is reflective of Council priorities, as evidenced by the Corporate Plan and the programme being followed by the Executive.

9.2 The Cabinet Forward Plan will be included on the agenda at each meeting of the Budget and Performance Overview & Scrutiny Committee as a standing item.

9.3 The Committee is encouraged to comment on the Forward Plan.

9.4 The Committee is asked to consider items contained within the Forward Plan to assist in identifying areas of future scrutiny work, particularly focussing on areas where scrutiny can add value in the decision making process (pre-decision scrutiny).

10. LIST OF BACKGROUND PAPERS

10.1 None.

London Borough of Barnet
Forward Plan of Key Decisions
15 November 2010

Contact: Nick Musgrove, Democratic Services, 020 8359 2024

nick.musgrove@barnet.gov.uk

Subject	Decision requested	Cabinet Member/ author	Consultation	Last date for reps	Documents to be considered
Cabinet 29 November 2010					
Sustainable Community Strategy	Recommend Council to approve new 2010 – 2020 Strategy.	Leader, Customer Access & Partnerships Andrew Nathan			Full report
Future of Barnet's Allotments	Initiate new management model based on allotment site management by users	Environment Jenny Warren			Full report
One Barnet Business Case	Approve Business Case	Customer Access & Partnerships Claire Johnstone			Full report
Development & Regulatory Services	Initiate Procurement	Housing, Planning & Regeneration Linda Spiers			Full report

Subject	Decision requested	Cabinet Member/ author	Consultation	Last date for reps	Documents to be considered
Passenger Transport Service	Initiate Procurement	Environment Susanne hope			Full report
Edgware Jewish Primary School	Consider proposal for VA status	Edn., Children & Families Elaine Tuck			Full report
New Barnet Town Centre Framework	Approve framework	Housing, Planning & Regeneration Lucy Shomali	Consultation ended March 2010 http://www.barnet.gov.uk/index/council-democracy/consultations/planning-consultations/finchley-church-end-issues-opportunities.htm		Full report
Adults In-House Service Review	Initiate Business Case	Adults Kate Kennally			Full report
Broadfields School	Approve arrangements for permanent expansion of the school	Education, Children & Families Elaine Tuck			Full report

Subject	Decision requested	Cabinet Member/ author	Consultation	Last date for reps	Documents to be considered
Hampstead Garden Suburb Conservation Area	Receive recommendations from Finchley & Golders Green Area Environment Sub-Committee on the Conservation Area Boundaries	[Report of Sub-Committee, enc report of Cabinet Member for Plg Hsg & Regen.]	Report includes details of consultation response		Full report
Mill Hill East Regeneration –	Landowner Agreement and Depot Relocation	Hsg. Planning & Regeneration Stewart Murray			
Gold Resolution	Amend Pan London “Gold” Emergency Planning Resolution. Approve agreement on mutual aid between boroughs in emergencies	Governance & Civic Affairs Jeff Lustig			
Future of Parking	Commence Procurement	Environment Suzanne Hope			Full report
Cabinet Resources Committee 30 November 2010					
Letting of Park House	Letting to third party organisations for a commercial rent.	Resources and Performance Simon Shaer			Full report

Subject	Decision requested	Cabinet Member/ author	Consultation	Last date for reps	Documents to be considered
Frith Manor School – Granting a ground lease of land within the school grounds for a Swimming Pool	Confirm granting of a ground lease at a concessionary rent and consent to build a pool in accordance with outline planning consent.	Resources and Performance Richard Malinowski			Full report
Land East of Arkley Lane	Agree the disposal of the freehold interest	Resources and Performance Suzanna Ellis			Full report
Stanley Road Playing Fields and Former Herbert Wilmot Centre, East Finchley N2	Agree to declare the freehold interest in the land surplus to requirement, the land be marketed and disposed.	Resources and Performance Suzanna Ellis			Full report
Treasury Management Strategy	Approve the new Treasury Management Strategy.	Resources and Performance Karen Bannister			Full report
West Hendon PDA Extension	Approve an extension of the PDA for 12 months with a further option to extend by a further 12 months.	Resources and Performance Colin Ross			Full report
Award of the One Barnet Legal Partner Contract	Award the contract for the provision of legal services to the One Barnet Programme	Resources and Performance Martyn Carter			Full report

Subject	Decision requested	Cabinet Member/ author	Consultation	Last date for reps	Documents to be considered
Monitoring 2010/11	Consider the current monitoring report.	Resources and Performance Maria Christofi			Full report
Treasury Management Activity	Consider the current Treasury Management activity.	Resources and Performance Karen Bannister			Full report
Cabinet 13 December 2010 (special meeting)					
Budget 2011/12	Announce budget headlines	Leader, Resources and Performance Andrew Travers			Full Report
Cabinet 10 January 2010					
Financial & Business Planning	Review financial and business planning issues/processes	Resources & Performance Andrew Travers			Full report

Subject	Decision requested	Cabinet Member/ author	Consultation	Last date for reps	Documents to be considered
New Support Organisation and Customer Services Organisation	Initiate procurement	Customer Access & Partnerships Andrew Cox			Full Report
Edgware Town Centre Strategy	Approve Strategy	Housing, Planning & Regeneration Lucy Shomali			Full report
Regeneration & Enterprise Strategy	Approve Strategy	Hsg, Planning & Regeneration Colin Ross, Jodie Yandall			Full report
Housing Allocations Policy	Consider outcome of consultation on proposed new policy – subject to Cabinet approval on 21/6	Housing, Planning & Regeneration Paul Shipway	Report gives details of outcome of consultation http://www.barnet.gov.uk/index/housing/housing-strategy/housing-allocations-policy-consultation.htm	15 Oct 2010	Full report

Subject	Decision requested	Cabinet Member/ author	Consultation	Last date for reps	Documents to be considered
North London Waste Authority	Consider Inter-Authority Agreement	Environment Michael Lai			Full report
Domestic Violence	Consider recommendations of Scrutiny Task and Finish group	[Report of Scrutiny Office]			Full report
Local Development Framework – site allocations document	Consider preferred options	Housing, Planning & Regeneration Nick Lynch	Consultation ended March 2010 http://www.barnet.gov.uk/index/council-democracy/consultations/planning-consultations/ldf-site-allocations-development-plan-document.htm		Full report
Cabinet Resources Committee 13 January 2010					
West Hendon Regeneration – Phase 2a – Release of Restrictive Covenants	To approve the release of the restrictive covenants on the following properties: 1-7, 10,12 Rosemead 1-10 Warner Close	Resources and Performance Siobhan O'Donoghue			Full Report
Catalyst Arbitration	Update on outstanding arbitration issues	Adults Kate Kennally			Full Report

Subject	Decision requested	Cabinet Member/ author	Consultation	Last date for reps	Documents to be considered
North London Sub-Region: RE:NEW Programme	To report on the outcome of the LDA's Framework Contract to appoint contractors for the scheme.	Housing, Planning and Regeneration Lesley Mallett			Full Report
Right-to-buy	Consider mortgage provisions for Right-to-Buy applicants	Housing, Planning and Regeneration Chloe Horner			Full Report
Extension of use of the Corporate Project Management Tool through seeking a waiver of Corporate Procedure Rules	Approve an extension of the current contract / licences for the Corporate Project Management Software: Hydra in order to continue in effectively monitoring all key capital projects in Barnet.	Resources and Performance Nandu Valji			Full report
Developing Adult IT Infrastructure	Procure Project Management	Adults Ed Gowan			Full report
Hendon Football Club Ground, Claremont Road, Hendon	To consider the options for the future of this asset including a possible disposal.	Resources and Performance Philip Stanbridge			Full report

Subject	Decision requested	Cabinet Member/ author	Consultation	Last date for reps	Documents to be considered
Development & Regulatory Services	Approve Business Case	Housing, Planning & Regeneration Linda Spiers			Full Report
Passenger Transport	Approve Business Case	Environment Suzanne Hope			Full Report
Parking Service	Approve Business Case	Environment Suzanne Hope			Full Report
Adults In-house Services	Approve Business Case	Adults Kate Kennally			Full Report
Cabinet 14 February 2010					
Local Development Framework – North London Waste Plan	Publication Pre-Submission Stage	Housing, Planning & Regeneration Nick Lynch	Report will propose consultation	TBA	Full report
Local Development Framework – Core Strategy	Approve consultation on pre-submission amendments	Housing, Planning & Regeneration Nick Lynch	Please see http://www.barnet.gov.uk/index/council-democracy/consultations/planning-consultations/ldf-core-strategy-publication-stage-consultation.htm		Full report

Subject	Decision requested	Cabinet Member/ author	Consultation	Last date for reps	Documents to be considered
Local Development Framework – Management Policies	Take to Publication Stage	Housing, Planning & Regeneration Nick Lynch	Please see http://www.barnet.gov.uk/index/council-democracy/consultations/planning-consultations/ldf-development-management-policies-preferred-approach-consultation.htm	25/11/10	Full Report
Financial & Business Planning	Review financial and business planning issues/processes	Leader Andrew Travers			Full report
Corporate Plan	Approve latest version of Plan	Leader Julie Pal			Full report
Fairer Contributions policy	Receive results of consultation and adopt new policy	Adults Kate Kennally			Full report
Budget	Recommend budget & Council Tax to full council	Leader, Resources & Performance Andrew Travers	Proposed consultation arrangements are set out in report to Cabinet on 20 October 2010 http://committeepapers.barnet.gov.uk/democracy/reports/reportdetail.asp?ReportID=9712 See also http://www.barnet.gov.uk/index/council-democracy/consultations/budget.htm		Full report including draft revenue and capital budget and recommendations on Council Tax

Subject	Decision requested	Cabinet Member/ author	Consultation	Last date for reps	Documents to be considered
Cabinet 29 March 2011					
Finchley Church End Town Centre Strategy	Approve Strategy	Housing, Planning & Regeneration Lucy Shomali	Consultation carried out February/March 2010 http://www.barnet.gov.uk/index/council-democracy/consultations/planning-consultations/finchley-church-end-issues-opportunities.htm		Full report
Chipping Barnet Town Centre Strategy	Approve Strategy	Hsg, Plg & Regen Lucy Shomali			Full report
Strategic Review of Libraries	Receive results of consultation authorised by Cabinet on 6 September and proposed Library Strategy	Customer Access & Partnerships Tom Pike, Richard Grice	http://www.barnet.gov.uk/index/council-democracy/consultations/libraries-survey.htm	30/11/10	Full report

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Meeting	Budget and Performance Overview & Scrutiny Committee
Date	25 th November 2010
Subject	Budget and Performance Overview & Scrutiny Committee Forward Work Programme 2010/11
Report of	Scrutiny Office
Summary	This report outlines the Committee's work programme during 2010/11.

Officer Contributors	None
Status (public or exempt)	Public
Wards Affected	All
Enclosures	Appendix A – Budget and Performance Overview & Scrutiny Committee Work Programme 2010/11
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1. RECOMMENDATIONS

- 1.1 That the Committee consider and comment on the items included in the 2010/11 work programme of the Budget and Performance Overview & Scrutiny Committee (Appendix A).**

2 CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 2.1 The Overview and Scrutiny Committees/Sub-Committees must ensure that the work of Scrutiny is reflective of the Council's priorities.**

- 2.2 The three priority outcomes set out in the 2010/13 Corporate Plan are: –**

- **Better services with less money**
- **Sharing opportunities, sharing responsibilities**
- **A successful London suburb**

- 2.3 The Corporate Plan 2010/13 contains the following strategic objectives and performance targets that fall within the remit of the Corporate Governance Directorate and relate to Overview and Scrutiny:**

- **Improve council policy and decision making through greater involvement by non-executive members**
- **To improve the effectiveness and transparency of decision-making within the council by ensuring that Overview and Scrutiny in the year 2010/11:**
 - **Considers three decisions prior to being taken by Cabinet; and**
 - **Initiates three items of policy development.**

3. RELEVANT PREVIOUS DECISIONS

- 3.1 None.**

4. RISK MANAGEMENT ISSUES

- 4.1 None in the context of this report.**

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 In addition to the Terms of Reference of the Committee, and in so far as relating to matters within its remit, the role of the Committee is to perform the Overview and Scrutiny role in relation to:**

- **The Council's leadership role in relation to diversity and inclusiveness; and**
- **The fulfilment of the Council's duties as employer including recruitment and retention, personnel, pensions and payroll services, staff development, equalities and health and safety.**

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

6.1 None in the context of this report.

7. LEGAL ISSUES

7.1 None in the context of this report.

8 CONSTITUTIONAL POWERS

8.1 The scope of the Overview and Scrutiny Committees/Sub-Committees is contained within Part 2, Article 6 of the Council's Constitution; the Terms of Reference of the Scrutiny Committees / Sub-Committees are included in the Overview and Scrutiny Procedure Rules (Part 4 of the Council's Constitution).

9. BACKGROUND INFORMATION

9.1 The Budget and Performance Overview & Scrutiny Committee's Work Programme 2010/11 indicates items of business previously considered by the Committee and forthcoming items.

9.2 The work programme of this Committee is intended to be a responsive tool, which will be updated on a rolling basis following each meeting, for the inclusion of areas which may arise through the course of the year.

9.3 The Committee is empowered to agree its priorities and determine its own schedule of work within the programme.

10. LIST OF BACKGROUND PAPERS

10.1 None.

BUDGET AND PERFORMANCE OVERVIEW & SCRUTINY COMMITTEE
WORK PROGRAMME 2010/11

3 JUNE 2010			
ITEMS CONSIDERED	INFORMATION	REPORT ORIGIN	LINK TO CABINET / CORPORATE PLAN
Quarter Four Performance Information	The Committee received a report presenting progress against the Corporate Plan performance indicators to be considered with a different area of particular focus at each meeting. The Committee agreed to focus on Children's Social Care and Reducing Waste and Recycling when considering the Quarter 1 performance information on 1 st September 2010.	Internal - Performance	All priorities
22 JULY 2010			
ITEMS CONSIDERED	INFORMATION	REPORT ORIGIN	LINK TO CABINET / CORPORATE PLAN
Treasury Management Strategy	The Committee scrutinised the Treasury Management Strategy	Internal – Finance	Better services with less money
Budget and Financial	The Committee received a report outlining the key medium-	Internal - Performance	Better services with

Forward Plan Update	term strategic and financial issues for the Council, information on the financial and business planning context and an explanation of the affect of the national context upon the finances of the Authority.		less money
1 SEPTEMBER 2010			
ITEMS CONSIDERED	INFORMATION	REPORT ORIGIN	LINK TO CABINET / CORPORATE PLAN
Quarter One Performance Information	<p>The Committee focussed their attention in particular on the rising levels of Children’s Social Care in Barnet, and recommend that the authority encourage the provision of mentoring and vocational schemes by local businesses for children in care, particularly those businesses contracted by the authority.</p> <p>The Committee also scrutinised recycling rates in the borough and made a number of recommendation in respect of this area.</p>	Internal – Performance	Better services with less money
Parking Policy and Performance	The Committee strongly supported the proposal to move to cashless parking operations, and encouraged the authority to balance the need to generate revenue from parking without placing an undue burden on residents of the borough.	Internal – Parking	Better services with less money

Draft Estates Strategy	In receiving the draft estates strategy, the Committee requested that consideration be given by the authority as to options for assets not required for the authority's operational portfolio. The Committee was encouraged to communicate any further views to officers on the draft documentation and requested that the full Strategy be considered further at a future meeting.	Internal – Commercial Services	Better services with less money
27 OCTOBER 2010			
ITEMS TO BE CONSIDERED	INFORMATION	REPORT ORIGIN	LINK TO CABINET / CORPORATE PLAN
Budget and Financial Forward Plan	The Committee received the budget and financial forward plan, including the risk list and financial and business planning document considered by the Cabinet.	Internal – Finance	All priorities
25 NOVEMBER 2010			
ITEMS TO BE CONSIDERED	INFORMATION	REPORT ORIGIN	LINK TO CABINET / CORPORATE PLAN
Quarter Two Performance Information	To include specific reports on: <ul style="list-style-type: none"> - Housing and Homelessness - Customer Services 	Internal – Performance	Better services with less money

Sustainable Communities Strategy	To conduct scrutiny of the Sustainable Communities Strategy.	Internal – Partnerships	All priorities
Treasury Management Strategy	To conduct scrutiny of the Treasury Management Strategy.	Internal – Finance	Better Services with Less Money
20 DECEMBER 2010			
ITEMS TO BE CONSIDERED	INFORMATION	REPORT ORIGIN	LINK TO CABINET / CORPORATE PLAN
Budget Headlines	To scrutinise the Budget Headlines.	Internal – Finance	All
Quarter 2 Monitoring Report	To scrutinise the Quarter 2 Monitoring report.	Internal – Finance	Better Services with Less Money
FUTURE MEETINGS			
	INFORMATION	REPORT ORIGIN	LINK TO CABINET / CORPORATE PLAN

Budget and Financial Forward Plan	To receive regular reports on the Budget, Financial Forward Plan, Risk Register and Out-Turn.	Internal - Finance	Better Services with Less Money
Budget Scrutiny	<ul style="list-style-type: none"> - Receiving a report on the draft budget headlines and discussing any issues arising - Reviewing the budget consultation proposals, including the involvement of Scrutiny - Reviewing the results of the consultation and the impact on budget decisions of Cabinet. 	Internal – Finance	All priorities
Quarterly Performance Information	To receive performance information reported on a quarterly basis.	Internal – Performance	Better services with less money
Scrutiny of Partnerships	To receive the Annual Report of Partnerships, and to examine Council partnerships with other organisations.	Internal – Partnerships	A successful London suburb
Draft Corporate Plan 2011/12	To consider and comment on the Draft Corporate Plan.	Assistant Chief Executive	All priorities
Barnet Homes Performance Information and Business Plan	To consider annual Barnet Homes Performance Information and Business Plan.	External – Barnet Homes	‘One Barnet’

Restructure of Human Resources	To be consider the restructure of Human Resources	Internal - Finance	Better services with less money
Information Systems	To receive a report on Information Systems in the authority	Internal – Information Systems	Better services with less money
Major Projects in Progress	To be updated on the progress of Major Projects currently operating.	Internal - Finance	Better services with less money
Cashless Operations	Report on Council moves towards cashless operations, including methods of payment	Internal – Finance	Better services with less money
Medium Term Financial Strategy	To receive the Medium Term Financial Strategy	Internal – Finance	Better services with less money
Estates Strategy	To receive final strategy following Scrutiny of the draft Strategy on 1/9/10.	Internal – Commerical Services	Better services with less money
North London Waste Authority	To receive a report on the North London Waste Authority contract.	Internal – Environment & Operations	Better services with less money

The Chairman issue regular invitations to external stakeholders to participate in discussions on relevant items where useful.

Future meeting dates:

- **20 December 2010**
- **27 January 2011**
- **22 February 2011**
- **5 April 2011**