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**AGENDA ITEM: 9 Pages 1 – 15 (Supplement)**


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Meeting Budget and Performance Overview and Scrutiny Committee

Date 21 July 2011

**Subject** One Barnet Programme Highlight Report

Report of Commercial Director, Commercial Services

Summary Appendix 1 provides a summary of the programme status of the One Barnet Programme for the period of 2 June to 4 July 2011

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Officer Contributors Craig Cooper, Commercial Director;  
Claire Johnston One Barnet Programme Manager

Status (public or exempt) Public

Wards affected All

Enclosures Appendix 1: –  
One Barnet Programme Highlight Report

For decision by Budget and Performance Overview and Scrutiny Committee

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Contact for further information:

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## **1. RECOMMENDATIONS**

- 1.1 That the Budget and Performance Overview and Scrutiny Committee note the progress of the One Barnet work streams, as set out in the One Barnet Programme Board Highlight Report attached at Appendix 1.**

## **2. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS**

- 2.1 The Overview and Scrutiny Committees, Panels and Task and Finish Groups must ensure that the work of Scrutiny is reflective of the Council's priorities.**
- 2.2 The three priority outcomes set out in the 2011/13 Corporate Plan are: –**
- Better services with less money**
  - Sharing opportunities, sharing responsibilities**
  - A successful London suburb**
- 2.3 One Barnet has three overarching aims: –**
- A new relationship with citizens**
  - A one public sector approach**
  - A relentless drive for efficiency**

## **3. RELEVANT PREVIOUS DECISIONS**

- 3.1 Future Shape Overview and Scrutiny Panel, 8 June 2010, Agenda Item 11 (Highlight Report).**
- 3.2 One Barnet Overview and Scrutiny Panel, 21 September 2010, Agenda item 6 (Highlight Report).**
- 3.3 One Barnet Overview and Scrutiny Panel, 10 November 2010, Agenda item 6 (Highlight Report).**
- 3.4 One Barnet Overview and Scrutiny Panel, 23 February 2011, Agenda item 6 (Highlight Report).**
- 3.5 One Barnet Overview and Scrutiny Panel, 23 March 2011, Agenda item 6 (Highlight Report).**
- 3.6 One Barnet Overview and Scrutiny Panel, 21 June 2011, Agenda item 6 (Highlight Report).**

## **4. RISK MANAGEMENT ISSUES**

- 4.1 Risks are considered on project by project and programme level basis. The One Barnet Programme Office has revised its risk registers to ensure they are aligned to new corporate risk management processes.**

## **5. EQUALITIES AND DIVERSITY ISSUES**

5.1 In addition to the Terms of Reference of the Panel, and in so far as relating to matters within its remit, the role of the Panel is to perform the Overview and Scrutiny responsibilities 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.

5.2 It is recognised that such a significant transformation of services is likely to have an impact on staff and service users in some, if not all cases. An evaluation of impact will be carried out at the point of developing a business case for each project.

5.3 Completed Equalities Impact Assessments will be updated periodically throughout the project lifecycle, as appropriate, to assess the impact of service transformation.

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

6.1 Resource implications for each work stream will be addressed at the appropriate stage of the projects

6.2 The financial information in Appendix 1 reflects the indicative spend as at 22 June 2011

## **7. LEGAL ISSUES**

7.1 Legal issues, in respect of each work stream will be addressed at the appropriate stage of the projects.

## **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 Overview and Scrutiny Procedure Rules are set out in Part 4 of the Constitution.

8.3 The Terms of Reference of the Budget and Performance Overview Scrutiny Committee are contained within Part 4 of the Constitution (Overview and Scrutiny Procedure Rules). The Committee has the following responsibilities:

“To perform the overview and scrutiny role in relation to the One Barnet transformation programme, particularly performance and financial issues;

To receive and consider options appraisals, business cases and closure report for the One Barnet projects; and

To monitor the implementation of the One Barnet programme throughout the programme lifecycle.”

## **9. BACKGROUND INFORMATION**

9.1 **Appendix 1** provides a summary of the current programme status of the One Barnet Programme

## **10. LIST OF BACKGROUND PAPERS**

10.1 None.

**Legal: TD**

**Finance: JH/MC**

# One Barnet Programme Report 11 July 2011

<b>Programme Sponsor:</b>	Nick Walkley, Chief Executive, LB Barnet	<b>Programme RAG</b>	<b>A</b>
<b>Programme Manager:</b>	Claire Johnston		
<b>Report Date:</b>	11/07/2011		
<b>Last Updated By:</b>	Claire Johnston / Bal Assra		

<b>Category</b>	<b>RED</b>	<b>AMBER</b>	<b>GREEN</b>
<b>Schedule:</b> Current status of project delivery timescales.	<b>Insufficient or no plan. Major slippage likely on proposed end delivery date. Immediate action required to construct realistic project plan</b>	<b>Possible slippage on end project delivery date however mitigation in place to get back on schedule</b>	<b>Running to plan; no issues</b>
<b>Budget:</b> Current status of actual project expenditure against base lined forecast and Budget related issues	<b>Current trends of expenditure show project will be over budget. No signed off project budget. Immediate action required to resolve</b>	<b>Current trends of expenditure show project may be over budget however mitigation actions to resolve identified and agreed</b>	<b>Running to plan; no issues</b>
<b>HR:</b> Current status of HR engagement and HR related project issues. This may include: TUPE, Pensions status, Agreement of staff within scope, Trade Union engagement, Staff engagement issues	<b>Outstanding HR issues exist that require immediate action to resolve</b>	<b>HR issues exist which require resolution however mitigation actions to resolve identified and agreed</b>	<b>Running to plan; no issues</b>
<b>Comms:</b> Current status of Comms plan and Comms related issues. This may include: Staff engagement issues, Lack of coordination with regards to messages, Negative feedback on comms.	<b>Insufficient or no Comms plan requiring immediate action to resolve. Outstanding Comms issue that required immediate action to resolve</b>	<b>Comms issues exist which require resolution however mitigation actions to resolve identified and agreed</b>	<b>Running to plan; no issues</b>
<b>Resources:</b> Current status of project resource availability and Resourcing related issues. This may include: Status of Resource plan, availability of required resources, availability and access to non-human resources	<b>Insufficient resources available to deliver project to agreed timescales. Sign off required to free up or recruit resource</b>	<b>Current resource issues however mitigation plan in place to resolve</b>	<b>Running to plan; no issues</b>

**Key – Green:** Progressing as planned **Amber:** Possible slippage but mitigation in place to get back on schedule **Red:** Immediate action required to get back on schedule,

## One Barnet Programme Report 11 July 2011

<u>Project Name</u>	<u>Overall RAG*</u>	<u>Schedule</u>	<u>Budget</u>	<u>HR</u>	<u>Comms</u>	<u>Resources</u>
Development and Regulatory Services	G	G	G	G	G	G
New Support and Customer Services Procurement	A	G	G	R	G	G
Customer Service Transformation	A	A	A	G	G	A
Future of Parking	G	G	G	G	G	G
Transport	A	A	G	A	A	G
AdSS In-House Service Review	A	A	A	A	G	A
SAP Optimisation	G	G	G	G	G	G
Right to Control	G	G	G	N/A	G	G
Rapid Improvement	A	A	G	G	G	G
Youth Offer	C	C	C	C	C	C
Children's Centre review	C	C	C	C	C	C
New Relationship with Schools	C	C	C	C	C	C
LSP Governance	G	G	G	N/A	G	G
E-Recruitment & Advertising	C	C	C	C	C	C

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## One Barnet Programme Report 11 July 2011

<p><b>Programme Commentary</b></p>	<ul style="list-style-type: none"> <li>• DRS Competitive Dialogue 1 meetings have commenced</li> <li>• NS&amp;CSO Business Case complete and reviewed by Budget and Performance OSC</li> <li>• NS&amp;CSO Market Day held July 8. 39 organisations attended</li> <li>• Parking Business Case reviewed by Budget and Performance OSC</li> <li>• E-Recruitment system went live June 6</li> <li>• The first of a new series of 'One Barnet programme - project updates' was distributed on Friday 24 June. This report on the progress of major projects will be produced each month, published on the intranet and sent to the CLG group for cascade to managers</li> <li>• Weekly project update emails are now being sent to staff impacted by the New Support and Customer Service Organisation project</li> <li>• Briefings for staff affected by the New Support and Customer Service Organisation project were held between 13 and 17 June to explain the contents of the business case. A briefing Q and As document has been produced and distributed</li> </ul>
<p><b>HR Activity</b></p>	<p><b>Pensions &amp; Procurement:</b>            Evaluation has continued into the most appropriate comparison technique to request from bidders, for comparing the many pensions options during the procurement process. It is intended to request a paper from each bidder during Competitive Dialogue 2, to set out multiple options on pensions, LBB will then have the appropriate responses available to them during the procurement process to compare like-for-like responses.            LBB has set out it's response to questions about staff pensions for outsourcing projects and in light of the current reviews on local authority pensions: "The Council recognises that pensions are a key concern for staff. The government may remove the existing requirement for continued local government or equivalent provision for transferring staff, and there are also possible changes as a result of the Hutton review, but the Council is keen to discuss positively with trade unions how we can agree a fair position to apply to Barnet contracts"</p> <p><b>Industrial Action:</b>            Negotiations surrounding the overall OB Industrial Action: A negotiation process between LBB and UNISON commenced on 6 June to try and identify a possible settlement to the current trade disputes. This process is still on-going.</p> <p>Revenues &amp; Benefits: Continuous action short of strike commenced on 16<sup>th</sup> June 2011 which includes</p> <ul style="list-style-type: none"> <li>• not working beyond or outside normal contracted hours, including not altering standard contractual working days and working patterns;</li> <li>• not working any overtime; and</li> <li>• by not attending any meetings or carrying out any tasks related to the 'One Barnet' project, including any tasks related to the development or implementation of the project.</li> </ul> <p>LBB has expressed concerns about the lawfulness or otherwise of this action in relation to the development and implementation of the One Barnet Programme. The council has informed Unison and employees that taking part in this industrial action may be unlawful.</p>

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DRS: Unison members who are in-scope for the DRS project have been re-balloted and are continuing to take action short of a strike. The council has informed Unison and employees that taking part in this industrial action may be unlawful.

**Location & Procurement:**

LBB has set out its response to questions about location and where employees may be based post contract award: "For these services, it is possible that bidders will propose different locations for some elements of delivery. The Council's core responsibility is to deliver high quality services at good value for Barnet's residents and taxpayers and we will consider any proposals on their merits in terms of the evaluation criteria for the procurement process – quality of service delivery and value for money will clearly be the key factors. However, bearing in mind that the Council is committed to existing local accommodation costs into the medium term; it is unlikely that wholesale relocation will be value for money for the Council in the early years of the contract."

**Change & Me Workshops:**

It is important that LBB offer staff support in dealing with the upcoming changes therefore following on from the success of these sessions in other parts of the council, employees in-scope for One Barnet Projects are being invited to Change & Me workshops over the coming months. These are group participation sessions that will help employees understand their feelings about the change and to provide staff with a selection of coping strategies.

**TUPE Briefings**

Manager and Employee briefings have now been set up and published through OB Project specific weekly emails, cascade through service leads and dates will be available through First Team. Manager briefings are designed to assist them in their 'inform and consult' role and to ensure that there is a consistent level of understanding and knowledge. Adults' managers and Parking managers have already attended the first two sessions. Staff briefings commence week beginning 11 July and are aimed primarily at those staff in scope to be transferred. These workshops are being advertised by managers to relevant staff and can be booked through the details shown in First Team.



Project Status

Project and Project Manager	Project Start	Project End	Lifecycle Stage	Previous RAG	Progress made this period	Milestones due in next period	Current RAG (commentary when Red or Amber)
Future of Parking	Oct 2010	Apr 2012	Project Initiation / Procurement	<b>G</b>	PQQ evaluation completed  Parking specification, contract and invitation to tender documents drafted	<i>Parking Specification approved – July</i>  <i>PQQ Evaluation complete - July</i>  Invitations to tender sent - July	<b>G</b>
Customer Service Transformation	Feb 2011	Dec 2012	Project Initiation / Procurement	<b>R</b>	High level design developed and is being communicated.  CMS - Work is progressing on schedule against the agreed plan. Kick off meeting planned with supplier  Scoping - Completed initial presentation of high level design to key stakeholders and scoping meetings have begun. Initial briefing with Barnet Homes completed  Face to Face – information gathering is underway	Framework approval - August 11  CMS technical specification to start end July	<b>A</b>  Possible slippage and budget changes post meetings with CMS supplier

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# One Barnet Programme Report 11 July 2011

Project and Project Manager	Project Start	Project End	Lifecycle Stage	Previous RAG	Progress made this period	Milestones due in next period	Current RAG (commentary when Red or Amber)
Development & Regulatory Services	Feb 2010	Jan 2013	Implementation	<b>A</b>	All main deliverables pre dialogue one completed. Output specifications signed off Long list for Dialogue 1 agreed Data room established and populated ITPD / ISOS approved Dialogue 1 has started and is fully resourced	Continuation of Dialogue 1	<b>G</b>
Transport	Autumn 2010	Sept 2011	Project Initiation / Procurement	<b>A</b>	A review is being undertaken of the entire passenger transport provision to determine where efficiencies and savings can be achieved as the analysis so far has been constrained by and based on the assumption stated in the WLA business case. However, the project team is continuing to participate in the WLA Working Groups to plan and set up the transport bureau, design of borough routes, draft the eligibility policies and to deliver the SEN contract.	Complete review of the entire passenger transport provision – July 2011	<b>A</b> The Transport Bureau is expected to be up and running later than planned.
New Support and Customer Services Procurement	May 2010	Jan 2013	Project Initiation / Procurement	<b>A</b>	The business case has been approved. Staff Q&A has been published on the intranet and communicated to staff via One Barnet email. Revenues and Benefits staff have begun working to rule, this situation continues to be monitored weekly by HR. Market brochure and all associated PQQ documents have been published for	PQQ returns due 26 July  PQQ evaluation complete mid August	<b>A</b> Trade dispute with Revs & Bens, work to rule continues.

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Project and Project Manager	Project Start	Project End	Lifecycle Stage	Previous RAG	Progress made this period	Milestones due in next period	Current RAG (commentary when Red or Amber)
					potential bidders. Plan for engaging and incorporating devolved staff being reviewed by HR, initial engagement has begun with Heads of Service to identify possible devolved staff.		
AdSS In-house service review	Feb 2010	Autumn 2011	Concept	<b>A</b>	Work is progressing on the LATC and set up of the shadow board for the holding company	Signed off project plan – July 2011	<b>A</b>
SAP optimisation	Feb 2010	July 2011	Implementation	<b>A</b>	Following on from go-lives for Pension Fund in March, Procurement in April, and HR Performance Management in May, HR BI was delivered live on 20 June. All reports - 8 HR Analyst and 18 Managers reports in plan were delivered, available to HR Analysts and Managers. In addition, considerable test and developer fix activity was undertaken across Finance solutions.	Project close - end July	<b>G</b>
Right to Control	Mar 2010	Dec 2012	Implementation	<b>G</b>	A Decision accelerator event was held on 28/6/2011 and it was agreed that the RTC work would be extended into the mainstream activities of the CSD teams whilst still retaining the MDT team until Dec 2011.  4 Peer support brokers are not employed by BCIL and undertaking referrals.	Plans will be drawn up as to how the agreed operational model will need to be implemented. A 6 month review will be undertaken by the ODI of the current achievements. Furthermore an economic evaluation is also underway to	<b>G</b>

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						determine the cost of the customer journey.	
Rapid Improvement	Sep 2010	July 2011	Project Closure	<b>A</b>	<p>Action plans are in place across the three remaining RIP work streams – IT helpdesk, DPRs and the starters and leavers process</p> <p>There have been slight delays due to service restructures and lack of resource but these have mostly now been picked up</p>	Project Closure	<b>A</b> Effort required to close last remaining RI projects
LSP Governance	Sep 2010	Sep 2011	Implementation	<b>G</b>		Proposal paper to Cabinet – 14 September	<b>G</b>

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**Major Risks** (These are extracted from the One Barnet Programme Risk register and are those which score 15 or above)

Risk No.	Risk Description	Consequences of Risk	Assessment of Risk where VH=5,VL=1		Current Risk Score	Owner	Mitigation Action
			Likelihood	Impact			
CP0011	Potential increased negativity to outsourcing  CAUSE: Abolition of Workforce Code of Practice and Two tier workforce	Possible increased Trade Union activity. Low Morale. Dip in productivity.	4	4	16	Programme Manager /HR Business Partner	Communications through Staff Groups, Management Groups, and wider corporate methods on the content of the code and how this may affect employees This is one of many issues being discussed in negotiations with Trade Unions
CP0026	Partners will not be properly engaged and involved with the transformation agenda  CAUSE: Insufficient buy in across organisations	The programme will not realise its objectives around a One Public Sector Approach and remain in silo based operation which will result in LBB not maximising the potential benefits for customer	4	4	16	Programme Board	Communication and engagement with partners to be managed by the One Barnet Partnership Board
CP0012	Loss of skilled employees  CAUSE: Lengthy procurement processes and uncertainty	Uncertainty may cause employees to look outside organisation for what are perceived as more secure roles  Skills and knowledge gap within the council which could impact negatively on OB project and/or BAU	3	5	15	Programme Board / Programme Manager /HR Business Partner	Communication to encourage greater understanding of procurement time lines and stages. Aim to bring successful contractor in to speak to staff as soon as possible after contract award TUPE workshops Pensions Roadshow Retention Add to HR indicators for next year  Update week comm. 27 June: Agreed that staff will be able to meet the bidders during Dialogue 2

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Risk No.	Risk Description	Consequences of Risk	Assessment of Risk where VH=5,VL=1		Current Risk Score	Owner	Mitigation Action
			Likelihood	Impact			
CP0010	<p>The negative affect on the Pension Fund due to loss of payees if bulk transfers on One Barnet take place</p> <p>CAUSE: Use of GAD over ABS and abolition of workforce code of practice</p>	Potentially reduced pension fund due to less individuals contributing to the scheme following the transfer of staff out of the council to a new provider	3	5	15	AD Finance / AD HR	<p>Meeting with Actuaries to greater understand the effect</p> <p>Meeting was held with the actuaries (Barnett Waddingham) to discuss the implications of the transfer of employees with either Admitted Body Status (ABS) or use of a Government Actuaries Department (GAD) Passport. Early discussions were held on the potential impact on both employee's pensions and the affect on the Pension Fund. Key points discussed included the current Government consultation on the Fair Deal Policy; treatment of pensions on compulsory transfer of staff from the public sector, current trends by providers is to opt for ABS over GAD due to cost, the detail of ABS including the provision of a bond, related risks and open and closed schemes. A paper will be going to the September Pensions Fund Committee on the position of the procurement Projects within the One Barnet Project, requesting approval for an 'in principle' decision on the corporate approach to managing the pension implications. Individual projects will still need to present their in individual specifications to the Pension Committee</p>

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## Programme Finance

### Financial Year 2011/12 Expenditure

<b>Project</b>	<b>Budget (£)</b>	<b>Indicative Spend (Month 2) (£)</b>	<b>Note</b>
AdSS (LATC)	182,648	42,790	Please note this is indicative spend as at 22 June 2011 The programme is currently projecting to come in on budget; however, there may be variations to forecasted project budgets in the programme. Work is currently underway to review project budgets and this will be reported at the next board.
CSO Transformation	410,818	98,316	
DRS	1,249,800	105,405	
CSSP	848,444	60,533	
Passenger Transport	226,247	10,740	
Parking	226,247	21,423	
Programme Management	802,990	76,122	
SAP Optimisation	0	31,258	
Other	1,208,448	9,235	
Contingency	773,346	0	
<b>Totals</b>	<b>5,928,988</b>	<b>455,823</b>	

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