

**MEETING**

**CABINET RESOURCES COMMITTEE**

**DATE AND TIME**

**MONDAY 19 JULY 2010**

**AT 7.00PM**

**VENUE**

**HENDON TOWN HALL, THE BURROUGHS, HENDON NW4 4BG**

**TO: MEMBERS OF THE COMMITTEE (Quorum 3)**

Chairman: Councillor Daniel Thomas

**Councillors:**

Brian Coleman  
Lynne Hillan

Richard Cornelius  
Robert Rams

Andrew Harper

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

Democratic Services contact: Jonathan Regal, 020 8359 2012

Media Relations contact: Chris Palmer 020 8359 7408

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**CORPORATE GOVERNANCE DIRECTORATE**

## ORDER OF BUSINESS

Item No.	Title of Report	Pages
1.	MINUTES	-
2.	ABSENCE OF MEMBERS	
3.	DECLARATION OF MEMBERS' PERSONAL AND PREJUDICIAL INTERESTS	-
4.	PUBLIC QUESTION TIME (If any)	-
5.	<b>Report of the Cabinet Member for Adults</b> Contract Award for Enablement (contract reference: 50259) and Home and Community Support (contract reference: 50254)	1 – 11
6.	<b>Report of the Cabinet Member for Housing, Planning and Regeneration</b> Grahame Park Area Regeneration Project	12 – 18
7.	<b>Reports of the Deputy Leader of the Council / Cabinet Member for Education, Children and Families</b> Barnet Short Breaks Programme for Children and Young People with Disabilities	19 – 26
8.	Provision of residential and foster care placements for children in care	27 – 31
9.	Independent investigation into data loss incident	To follow
10.	<b>Reports of the Cabinet Member for Resources and Performance</b> Treasury Management Activity Update	32 – 37
11.	Monitoring 2010/11	38 – 67
12.	128 Burnt Oak Broadway, Burnt Oak	To follow
13.	<b>Report of the Deputy Leader of the Council / Cabinet Member for Education, Children and Families and the Cabinet Member for Resources and Performance</b> Conversion of schools to Academy status – transfer of land	To follow
14.	<b>Report of the Cabinet Member for Environment</b> Refocusing resources and activity on the maintenance and development of the Borough's highway network	To follow
15.	ANY OTHER ITEMS THAT THE CHAIRMAN DECIDES ARE URGENT	
16.	MOTION TO EXCLUDE THE PRESS AND PUBLIC: That under Section 100A (4) of the Local Government Act 1972 the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 9 of Part 1 of Schedule 12A of the Act (as amended):	

	EXEMPT AGENDA	Exemption category	
X1	<p><b>Report of the Cabinet Member for Adults</b> Exempt information relating to item 5 in public session – Contract Award for Enablement (contract reference: 50259) and Home and Community Support (contract reference: 50254)</p>	3	X1 – X5
X2	<p><b>Report of the Cabinet Member for Housing, Planning and Regeneration</b> Exempt information relating to item 6 in public session – Grahame Park Area Regeneration Project</p>	3	X6 – X8
X3	ANY OTHER EXEMPT ITEMS THAT THE CHAIRMAN DECIDES ARE URGENT		

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**AGENDA ITEM: 5**      Pages 1 – 11

Meeting      Cabinet Resources Committee

Date      19 July 2010

**Subject      Contract Award for Enablement (contract reference: 50259) and Home and Community Support (contract reference: 50254)**

Report of      Cabinet Member for Adults

Summary      This report proposes the award of two contracts. Firstly, the award of an Enablement contract to Housing 21 for a period of five years; and secondly, the award of a twelve-month framework contract for home and community support as part of a two-stage procurement process to re-shape the home care market to support the personalisation of social care. The report also makes two further proposals relating to a waiver of the contract procedure rules and a request for authority to delegated to the Director of Adult Social Services to proceed with the next stage of the procurement process.

Officer Contributors      Tom Pyne – Head of Supply Management (Adult Social Services)

Status (public or exempt)      Public

Wards affected      All

Enclosures      None

For decision by      Cabinet Resources Committee

Function of      Executive

Reason for urgency / exemption from call-in      Not applicable

Contact for further information: Tom Pyne, Head of Supply Management, 020 8359 5642.

## **1. RECOMMENDATIONS**

**1.1 That a twelve-month framework contract for Home and Community Support commencing 1 November 2010 be awarded to:**

- **Allied Healthcare;**
- **Amonet;Carewatch;**
- **Dynamic People;**
- **Enara;**
- **Goldsborough Home Care;**
- **London Care;**
- **Personnel and Care Bank;**
- **Plan Personnel;**
- **Umbrella; and**
- **Westminster.**

**1.2 That a five-year Enablement Contact commencing 1 September 2010 be awarded to Housing 21.**

**1.3 That the extensions to the existing contracts negotiated by the Director of Adult Social Services in pursuance of the delegated powers decision of 14 August 2008 be approved.**

**1.4 That the procurement approach for moving from 11 contracted providers to 3 contracted providers for Home and Community Support from November 2011, through a process outlined in section 9 of the report be approved.**

**1.5 That a waiver be granted for the requirements for turnover levels related to the contract value on the basis of the reasons described in paragraphs 2.4.1 and 2.4.2 of the accompanying exempt report.**

**1.6 That the Director of Adult Social Services be authorised to amend the hourly contribution payable by service users under its Fairer Charging Policy for Home and Community Support services from £14.27 to £13.84 from 1 November 2010 to reflect the new cost of service provision.**

## **2. RELEVANT PREVIOUS DECISIONS**

2.1 The Interim Head of Community Care on 1 June 2004, in consultation with the Cabinet Member for Social Care, awarded by delegated powers by tender five-year contracts for the provision of home care.

2.2 The Cabinet Member for Community Services on 14 August 2008 under delegated powers (DPR 606) approved the extension of the home care contracts to September 2010.

2.3 Pension Fund Committee, 17 March 2010 (Decision item 6) – agreed in principle, to the admission of organisations awarded the home and community support into the Council's Pension Fund in relation to any Council Pension Fund members transferring into that organisation under TUPE arrangements.

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

3.1 Better services with less money – The new contracts for Enablement and Home and Community Support will help promote independence for adults with assessed personal care and support needs in the Borough.

The proposed Enablement contract specifically focuses promotion of independence through the provision of a short term intensive intervention which prevents dependency on ongoing services where possible. The services being procured will operate generically providing cross-cutting and person-centred support to all customer groups taking account of all disabilities and needs.

- 3.2 Sharing opportunities and sharing responsibilities – The new contract framework has been developed to support the implementation of the Choice and Independence vision for Adult Social Services, establishing a market place which will be able to respond to people self-directing their social care through a personal budget. The new model implemented over a five year period will allow for increasing use of personal budgets and an anticipated decrease in the number of direct referrals from the Council to contracted agencies.

#### **4. RISK MANAGEMENT ISSUES**

##### **Business failure and financial risks**

- 4.1 The social care providers market operates within relatively narrow margins and the home care sub-sector is particularly tight, following many years of strong control of annual uplifts by local authorities accompanied by application of minimum wage and working time directives which particularly affect this sector. The home care market is beginning to experience a number of acquisitions and mergers as some organisations decide to gain market share in order to strengthen economies of scale and consolidate in a market that is becoming more complex, at a time where local authorities are beginning to hold a lower level of purchasing power as a result of people arranging their own care through personal budgets. The following plans and considerations should mitigate the aforementioned risks:
- 4.2 The procurement approach for home and community support take account of the uncertainty for social care providers arising from the personalisation agenda. By approaching the market for a five year strategy but with a pilot first year, the Council has sought to enter into a partnership with the home care provider market to test the new model of support set out in this contract (a move away from time and task based commissioning to outcomes based approaches), prepare for personalised service delivery working in partnership with the Council and other key stakeholders. The Council will use this year-long period to assess in depth the potential capability of each organisation in service delivery and to assess how each organisation would be able to meet the service outcomes detailed in the service specification. By the end of year 1, the Council will select 3 lead providers to cover one of 3 geographical areas from this list for a contract of 4 years, for the delivery of a Home and Community Support service. This provision is a flexible personal care support service for people with disabilities and high support needs in their own home. All Council commissioned business related to these three geographical areas will be directed to the lead provider with the lead provider having the ability to sub-contract to other home care providers who meet the Council's specification for home and community support.
- 4.3 The period of the twelve month framework contract is an opportunity for 11 providers of home and community support to work closely with Adult Social Services in the delivery and operation of this specification for home and community support. The procurement process followed and to be continued though the next twelve months.

The establishment of an eleven contractor framework with and the reduction to three contractors for November 2011 allows the Council time to advise the market on the direction and its social care commissioning intentions along with further time for the market to continue to consolidate before the Council develops a stronger contractual partnering arrangement with three contractors.

- 4.4 Tenderers have undergone numerous financial checks carried out by the Council's Corporate Finance Team and the eleven proposed contractors for home and community support will be part of a one year framework agreement which will be closely monitored by Adult Social Services. The Framework arrangement means that the Council has control over the level of business placed with any individual contractor and the number of contractors for a year from 1 November 2011, thus allowing the Council to minimise any impact of potential business failure.

#### **Operational transition risks**

- 4.5 There is a risk that the Council's service users will be adversely affected by the transition to new contract arrangements. The following plans and considerations should mitigate this risk:
- 4.6 Adult Social Services has a Transitions Plan to ensure the safe and streamlined management of transition on behalf of current services users during the implementation phase of this new model. The Transitions Plan has successfully managed transition issues to date, including the transfer, where safe and appropriate, of a number of service users who were receiving care from incumbent contractors that failed to proceed beyond the Expression of Interest stage of the tender. Transition is being used to create opportunities to maximise use of personal budgets in accordance with the wishes of service users and an individual assessment of risk.
- 4.7 The procurement process has been managed over a period that has allowed sufficient communication, publicity and involvement of the customer in order to support the establishment of the new contractual arrangements. Operational leads have been and continue to be involved and committed to the procurement project at all levels, with consistent messages being passed on to operational teams. Furthermore, client reviews are dovetailing with the stages of the procurement and transition process.

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

- 5.1 The services being procured will operate inclusively for all care groups covering all postcodes in the Borough. The ability to sub-contract has been built into the contract model for home and community support to facilitate response to any niche areas of demand which may relate to, for example, language or diagnosis which is unable to be covered within the main contract.
- 5.2 The Council's Procurement Equalities policy has been followed in the management of the tender process, including evaluation of tenderers' equalities and diversity policies concerning employment practice and service delivery. The contract for the new services will include explicit requirements fully covering the Council's duties under equalities legislation.

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

6.1 The 2010/11 Budget for expenditure on Homecare is £13.556m. Against this budget, spend is incurred as follows:

- A block contract for 3,000 hours per week is delivered by Housing 21. This is charged at £28.11 per hour. This contract commenced in 2002 following the cessation of the Council's in-house homecare service. The Council's homecare staff were transferred under TUPE arrangements to Housing 21, of which 93 continued to be employed on this contract. Housing 21 currently delivers the enablement service component of homecare provision as well as home care for people with ongoing needs.
- Spot homecare contracts with 15 contractors provide the bulk of the homecare provision delivering on average 12,500 hours per week. A single hourly rate of £13.22 per hour applies across these providers. However, the hourly rate increases where visit times are less than one hour and differential rates apply for out of hours working. This increases the unit cost of this provision to £14.27 per hour.
- Specialist homecare provision, especially in relation to clients with mental health needs and learning disabilities, accounts for around 850 hours per week and is delivered by various providers. The average unit cost of this provision is £15.67 per hour.

6.2 A restricted, two-stage open procurement process was undertaken, beginning in February 2010 for two contracts – short term enablement homecare and home and community support services. Advertisements were placed in the trade press; the national press; on the supply2gov website ([www.supply2.gov.uk](http://www.supply2.gov.uk)); [www.communitybarnet.org.uk](http://www.communitybarnet.org.uk) and on the Council's website ([www.barnet.gov.uk](http://www.barnet.gov.uk)). Details of the tender process are set out in paragraphs 9.9 – 9.17 of this report. The procurement process was led by the Head of Supply Management, Adult Social Services with advice from the Head of Corporate Procurement, with Weightmans solicitors providing specialist legal advice procured through the legal services framework contract.

6.3 The proposed arrangements are to deliver the homecare services through two types of contract; Enablement and Home and Community Support, with the contracts let to avoid the need to use separate specialist provisions for specific care groups. The tenderers for both types of contracts were asked to submit a new annotated hourly rate which incorporated time bandings, part visit times and specialist provision.

6.4 The new Home and Community Support Service is proposed to be delivered by eleven providers through a framework contract with no guaranteed hours. These eleven providers would reduce to three lead providers from year two of the contract as set out in paragraphs 9.18 – 9.21 of this report. A decision regarding lead providers would be taken during 2011/12. The providers' rates range from £12.18 and £15.01 per hour, translating into an average projected hourly rate of £13.84 per hour and an annual cost of £10.548m. For two of the providers this would equate to a fee reduction where they have an existing contract at existing rates.

6.5 It should be noted that as part of the selection of the three lead providers to operate from year two of the contract, prospective lead providers will be required to submit revised rates as part of their bid.



Given that the lead providers could reasonably expect significantly larger volumes of business than they would as one of the eleven providers in the first year, and that they would be assured of four further years business under the contract, it is expected that average rates tendered would be lower than those average rates already tendered by the current eleven providers. Any saving generated by reduced rates would contribute to the Directorate's savings targets in future years. Should there be an increase in prices resulting from the move to lead providers, then a paper will be brought to CRC outlining the position.

- 6.6 The Enablement Service is a vital component of Adult Social Services' delivery of cash savings (£884,000 savings target in 2009/10) through promoting individuals' independence through the reducing dependency on long term care provision. This is to be delivered through a single 1,200 hour block contract over a fixed term of 5 years. This contract is proposed to be awarded to Housing 21 at an annotated hourly rate of £18.76 per hour. This translates into an annual cost of £1.171m.
- 6.7 At the point of tendering, it was not possible to know how many former Council staff who are currently employed with the block provider, Housing 21, would be transferred under TUPE arrangements to new providers. As a result, providers were asked to tender excluding the additional costs associated with TUPE of former Council staff, and the prices stated in 6.2 and 6.4 above reflect this. It was proposed that the contracts would contain provision for providers to claim back the additional costs incurred relating to TUPE. This would be done through an open book process by comparing the costs of former Council staff with other staff employed in the same role, with the Council reimbursing the provider the difference between the costs of the former Council staff and cost of those staff employed by the provider not employed under Council terms and conditions. Analysis of recent Housing 21 payroll and pension information indicates that the additional cost resulting from TUPE is £0.571m per annum. However, it is expected that this additional cost will reduce over time, although it is not possible to specify the trajectory of this reduction.
- 6.8 Under TUPE regulations, any new provider to which employees are transferred must provide equivalent pension provision to those employees. To enable this to occur, the Council's Pension Fund Committee agreed in principle on 17 March 2010 to admit new providers into the membership of the Council's Pension Fund in respect of any transferring former Council employees with current scheme membership. Details of any employee transfer arrangements under TUPE will be determined prior to commencement of the contracts.
- 6.9 An additional cost resulting from any transfer of former Council staff under TUPE is the cost to the provider of arranging a bond with the Council's Pension Fund to cover its payment obligations to the Fund. As it was not possible to know how many former Council staff that the current block provider, Housing 21, would be transferred under TUPE arrangements to new providers, it was not possible to know the size of any Bond that individual providers would require. As a result, it is proposed that the Council would reimburse the provider the cost of providing such a Bond. It is estimated that cost of this would be £0.025m per annum.
- 6.10 The new contracts will impact onto client contributions. The reduction in unit costs will require a reduction in the hourly contribution made by clients (£14.27) under the Fairer Charging Policy from the current rate of £14.27 to the new unit cost of £13.84 from the commencement date of the new Home and Community Support contract. It is estimated that this reduction would reduce net contributions by £0.012m per annum.

As this is a reduction, no consultation would be required with clients. As a result, it is proposed in Recommendation 1.5 that Adult Social Services amends the hourly contribution payable by service users under its Fairer Charing Policy for Home & Community Support services from £14.27 to £13.84 to reflect the new cost of service provision.

- 6.11 The additional costs outlined in the above paragraphs indicate that a saving of £1.253m should be made on the new contract, as illustrated in the table below.

**Table – Impact of Home & Community Support / Enablement Contracts**

	£000
<b>2010/11 Budget</b>	<b>13,556</b>
<b>Estimated Costs of New Contract</b>	
Enablement Contract	1,171
Home & Community Support Contract	10,548
Reimbursed TUPE Costs	571
Reimbursed Pension Fund Bond Costs	25
Loss of income	(12)
<b>Estimate New Contract Cost</b>	<b>12,303</b>
<b>Estimated Saving on Contract</b>	<b>1,253</b>

## 7. LEGAL ISSUES

- 7.1 For the purposes of European procurement rules, the Enablement and Home and Community Support Services falls within Category B of Schedule 3 to the Public Contracts Regulations 2006. Procurements of Category B services do not have to follow the full European procurement regime. However, as indicated at paragraph 6.2 above, a competitive process was carried out using the European 'open procedure' and this will have ensured compliance with the, relevant, Treaty principles.

## 8. CONSTITUTIONAL POWERS

- 8.1 The Council's constitution, Part 3, Responsibility for Functions, paragraph 3.6 states the functions of the Cabinet Resources Committee.

## 9. BACKGROUND INFORMATION

- 9.1 Adult Social Services currently provides personal care support services through a range of homecare contracts and through the allocation of direct payments, enabling people to self-direct their care and support arrangements, to nearly 2000 service users in total at any one time. The proportion of people receiving direct payments has steadily increased in line with local and national targets since 2004 when the last homecare contracts were awarded. The services to be commissioned are for people with critical and substantial need in the area of personal care and are provided to enable them to remain living in their own home.

- 9.2 Since March 2009 Adult Social Services has been developing a Short-Term Enablement Homecare service through its largest provider, Housing 21. Enablement is provided following a community care assessment and now forms part of the assessment pathway. Enablement allows for a flexible period of up to six weeks for an individual to receive an intensive service which 'does with' rather than 'does for' the service user within a Support Plan which has goals designed specifically to enable an individual to reach a greater level of independence. Reflecting national experience, this provision shows promising results, with over 40% of people no longer needing a care or support service after a Short-Term Enablement Homecare service. This approach has built in the opportunity for as many people as possible who have personal care and support needs to maximise their self care levels which may have declined following a period of ill health, an increase in frailty or possibly as a result of a having a long term condition or due to other circumstances. The medium term financial strategy for Adult Social Services includes significant savings to be achieved in 2010/11 through the roll out of a comprehensive enablement approach.
- 9.3 The Short-Term Enablement Homecare Service was tendered alongside Home and Community Support for a contract of 5 years to be awarded to a single provider. Built into the specification is the provision for a developmental approach to integration with any future healthcare provider of intermediate care as required by the commissioners to support the achievement of the LAA target NI 125. The value of the contract has been based on modelling of expected number of service users (both new and existing) who will go through the enablement care pathway prior to agreeing their personal budget allocation over the duration of the contract.
- 9.4 The Enablement and Home and Community Support contracts have been tendered jointly and are operationally linked in order to help the Council deliver a complete home care pathway that operates efficiently and provides a seamless service to its recipients. The proposed contractor for Enablement will not only work in partnership with the Council but will be expected to work in close collaboration with Home and Community Support contractors in order to ensure that the transition of service users from enablement provision to ongoing home and community support is well managed and built around the needs and aspirations of the service user.
- Approach to the Market and Procurement Model**
- 9.5 Adult Social Services has been engaging the local care market over the last 2 years about its vision for choice and independence and specifically about how the model for the delivery of domiciliary care could be transformed to deliver personalisation. A number of events have been held alongside regular forums for existing contracted providers. The specification was consulted upon widely and included the significant change of moving away from a rigid time and task model.
- 9.6 Adults Social Services went out to tender to engage providers who were able to demonstrate that they were capable of providing flexible, good quality personal care and support for service users in their own home who have received an enablement intervention and who may require an ongoing service. The approach needed to meet the needs of the number of people who are already receiving an ongoing service and take account of the increasing numbers of people who are self directing their care and support arrangements. The new specification reflected the key priorities for Barnet Adult Social Services to:
- Promote choice, well-being and empowerment;
  - Enable people to manage their conditions and live as independently as possible; and
  - Respond to people with high level need.

- 9.7 The simultaneous tendering of these two services allowed the Council to present the services to the market and potential bidders as critically linked services. This was presented at a formal “Meet the Buyer” event during the Expression of Interest Stage of the tender process that enabled the Council to present the importance and interdependence of the two contracts. The Council, through a service-user advisory group were also able to work on the two contract specifications and their interdependence, viewed from an end user perspective.
- 9.8 The proposed new contracts result from a procurement process that delivers a balance of risk, quality and efficiencies.

Risk – The new contracts promote enablement and independence for service users. The proposed new contracts support the Council’s move to empower recipients of social care to become less dependent on traditional models of care and support, within a risk managed environment.

Quality – The Council has managed a procurement process that will ensure high quality provision of both Enablement and Home and Community Support services. The thorough process followed for both short-listing and evaluation of tenders, backed with other verification methods has enabled the Council to propose the establishment of a range of providers that will represent a balance of those that will be new to Barnet and some that have worked well with the Council and for service users over many years.

Efficiencies – The proposed contracts will deliver efficiencies for the Council in the following ways; Firstly, through the continued commitment to the Enablement model of care as described in 9.2 and secondly through the tendered prices and resulting savings described in section 6 of this report. Finally, the new contracts will help deliver back office savings when the number of contractors for Home and Community Support reduces to three, due to an anticipated reduction in transaction and contract management costs. All contractors will be required to install and use the Council’s selected electronic call monitoring system to record visits and use the data to invoice the Council to reflect payment on actual hours delivered rather than commissioned hours. The Council will work in partnership with contractors to agree the medium and long term future of electronic call monitoring.

### **Procurement Process**

- 9.9 For both Home and Community Support and Enablement, a restricted tender process has been followed, involving a two-stage procedure for invitation of expressions of interest with the submission of a Prequalification Questionnaire (PQQ) and for subsequent invitation of tenders from a shortlist of organisations.
- 9.10 Expressions of Interest in tendering to operate the services were invited on 8 February 2010, advertised through national media, the Barnet website, *Supply4Gov* and *Competefor*. A “meet the buyer” event held on 24 February 2010 was attended by key providers in the home care and enablement market.
- 9.11 The first stage of the procurement process, the submission of completed Pre-qualification Questionnaires, had 43 organisations responding by the deadline on 19 March 2010. Following evaluation of the Questionnaires, 21 organisations were invited to the tender stage in April 2010, and tender submissions from 16 organisations were received by the deadline on 19 May 2010.

- 9.12 Evaluation of tenders was completed 3 June 2010 and a paper recommending contract award was presented to a Departmental Project Board on 16 June 2010 and Adult Social Services Senior Management Team on 25 June 2010.
- 9.13 The views and recommendations of service users were taken into account during the procurement project and tender process. A service user advisory group was created in 2009 in order to help shape the specification and to prepare its members for participation in the tender process.
- 9.14 Tenders were evaluated against the following allocated weighting:
- 30% against cost – assessed against submitted prices; and
  - 70% against quality – assessed against method statements (45%) and performance at a presentation to the tender evaluation panel (25%).
- 9.15 A six-member assessment panel was drawn from the project group and individually evaluated the tender submissions, applying detailed criteria to mark each tenderer's method statements. Following the initial assessment of the tenders, each of the organisations were interviewed during May 2010 in order to resolve issues identified in the submissions and to enable tenderers to demonstrate their understanding and approach to the models specified for both Home and Community Support and Enablement. Service-User representatives formed part of the panel for the Enablement tender presentations as the service user advisory group had previously agreed that it would be difficult to manage the high volume of presentations for the Home and Community Support contract.
- 9.16 The Council carried out a number of additional activities listed below in order to validate the tender submissions for both contacts. The additional activities were:
- Financial strength and credit reference checks
  - References from other Local Authorities; and
  - Site visits to validate tender submissions and in particular method statements.
- 9.17 Following the meetings of the Tender Evaluation Panel to evaluate bids and receive presentations from shortlisted bidders and taking into consideration site validation visits, a formal post tender moderation process was followed to in order to ensure a clear, balanced and justifiable procurement decision could be reached. An example of the moderation process followed were incidences where formal post tender on site verification visits contradicted through testing, any content of bidder method statements. Where contradictions were discovered, formal minuted meetings took place between tender evaluation panel officers to review the contradictions and moderate the appropriate elements of the original tender scores.

**Next Steps to reduce to 3 Home Care and Community Support Contractors from November 2011**

- 9.18 During the remainder of 2010 and into 2011 the Council will manage the next stage of the procurement process in relation to the contracts for Home and Community Support by carrying out a mini-selection process from amongst the proposed eleven contractors with the aim to reduce to three lead contractors. Tender documentation at Expression of Interest stage and Invitation to Tender stage made this process clear to enable the Council to manage the process over the two stages to avoid the requirement to go back out to the wider market.
- 9.19 The Lead Provider contracts will commence 1 November 2011 and run for a fixed term of 4 years. The selection process for Lead Providers will be a mini-competition within the framework agreement.

Only those providers who have been awarded a one year contract for Home and Community Support through the full tendering process will be eligible to apply for a Lead Provider contract. It is assumed that providers who apply for Lead Provider status already meet key criteria and evaluation will therefore focus on tests in relation to capacity, quality, added value and innovation and submission of prices against volume differentials.

9.20 From November 2010, contractors wishing to apply for the role of Lead Provider from post November 2011, will be asked to demonstrate their ability to build capacity for new ways of working which will deliver a set of key service outcomes and will be measured through a set of milestones and results which are set out in service specification. These include operating an efficient and responsive service, promote ongoing review of the service and maintain continuous improvements, and making high quality and timely reports to the commissioners on recommendations for new ways of working. They will need to demonstrate the strategic capacity to work in partnership with the Council to achieve efficiency through innovation and effective partnerships with others in the market. The lead providers will pilot the use of Individual Service Funds to be spent as agreed between the provider and service user or their advocate/ representative as part of the Choice and Independence programme and this forms one of the milestones for lead providers.

9.21 The Lead Providers will be awarded one of three geographical areas which will form part of the contract and will be awarded all Council Business from the commencement of the first year of the four year contract term. The geographical areas are shown in the table below.

<b>(North)</b>		<b>(West)</b>		<b>(South)</b>	
EN4	<i>Cockfosters</i>	HA7	<i>Stanmore</i>	N2	<i>East Finchley</i>
EN5	<i>Barnet</i>	HA8	<i>Edgware</i>	N3	<i>Finchley</i>
N10	<i>Muswell Hill</i>	NW4	<i>Hendon</i>	N6	<i>Highgate</i>
N11	<i>New Southgate</i>	NW7	<i>Mill Hill</i>	NW2	<i>Cricklewood</i>
N12	<i>North Finchley</i>	NW9	<i>The Hyde</i>	NW3	<i>Hampstead</i>
N14	<i>Southgate</i>			NW11	<i>Golders Green</i>
N20	<i>Whetstone</i>				
WD6	<i>Borehamwood</i>				

9.22 The approval of the lead providers following completion of the selection reported to a future meeting of the Cabinet Resources Committee.

## 10. LIST OF BACKGROUND PAPERS

10.1 None.

Legal – PD  
CFO – CA/RM

**AGENDA ITEM: 6**      Pages: 12 – 18

Meeting	Cabinet Resources Committee
Date	19 July 2010
<b>Subject</b>	<b>Grahame Park Area Regeneration Project</b>
Report of	Cabinet Member for Housing, Planning and Regeneration
Summary	Stage A of Grahame Park regeneration comprising 962 new homes is underway. 319 homes sub-phase construction is on site and the next sub-phase due to start on site later this year. Stage B, comprising 2,015 new homes is not currently viable. This report proposes changes to the phases, particularly Stage B to improve financial viability, conditional upon a satisfactory solution to the District Heating System and approval to vary the Principal Development Agreement (PDA) to allow re-phasing.

Officer Contributors	Stewart Murray, Director of Planning, Housing & Regeneration Colin Ross, Head of Regeneration Noreen Twomey, Assistant Project Manager (Regeneration Service)
Status (public or exempt)	Public (with a separate exempt report)
Wards affected	Colindale
Enclosures	None
For decision by	Cabinet Resources Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	Not applicable
Contact for further information:	Noreen Twomey, Assistant Project Manager (Regeneration Service), 020 8359 7646.

## **1. RECOMMENDATIONS**

- 1.1 That the proposed changes to the phases within Stage B of the Grahame Park regeneration programme be approved on condition that a satisfactory technical solution can be reached upon the District Heating System.**
- 1.2 That the variation to the Principal Development Agreement (PDA) be approved to allow the re-phasing of the regeneration and redevelopment of the Grahame Park Estate.**
- 1.3 That the Cabinet Member for Housing, Planning and Regeneration be given delegated authority to make future detailed decisions on changes to the PDA for the regeneration and redevelopment of the Grahame Park Estate.**

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1 Planning and Environment Committee, 8 September 2004 (Decision item 8) – approved outline planning permission for the regeneration of Grahame Park, with the completed Section 106 Agreement securing substantial local community and infrastructure benefits signed on 23 January 2007.
- 2.2 Cabinet, 24 July 2006 (Decision item 5 and Decision item 11) – authorised the entering into a Principal Development Agreement (PDA) with Choices for Grahame Park (CfGP) Limited (or subject to the approval of the Deputy Chief Executive in consultation with the Cabinet Member for Regeneration and Development, an alternative company within the Genesis Housing Group) and Paddington Churches Housing Association for the regeneration and redevelopment of the Grahame Park area.
- 2.3 Cabinet, 22 February 2010 (Decision item 9) – approved and recommended to Council to adopt the Colindale Area Action Plan (AAP), which includes strategic planning policy and targets for the regeneration of the Grahame Park Estate and wider Colindale Area.
- 2.4 Council, 2 March 2010 (Decision item 146) – approved and adopted the Colindale AAP as a statutory planning document within the Local Development Framework.

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

- 3.1 The regeneration of Grahame Park Estate supports the Corporate Plan 2010-2013 priority of 'A successful London suburb' and underpinned by the following objectives:
  - Delivering the Three Strands Approach of Protect, Enhance and Grow, where Grahame Park falls with Strand 3: Growth to deliver 3,000 new homes to the Colindale area;
  - Delivering high quality, sustainable housing development;
  - Continuing to develop successfully but realistically;
  - Creating the conditions for a vibrant economy; and
  - Promoting independence through housing choice.
- 3.2 The regeneration of Grahame Park Estate supports the 'Future shape: principles of our future approach' of the Corporate Plan for 2010-13, through the following objectives:
  - A new relationship with citizens  
The new development will offer more choice and promote independence by providing a number of different housing options such as shared ownership to residents and those in the wider community.



- A one-public-sector approach  
The Council is working together with other public sector partners to ensure the delivery of the scheme.
- A relentless drive for efficiency  
The Council is working with development partners to ensure that the scheme is delivered in the most cost effective way.

3.3 The redevelopment also complies with strategic objectives in the Council's Housing Strategy.

#### **4. RISK MANAGEMENT ISSUES**

- 4.1 The Grahame Park regeneration scheme has reached a critical point. Whilst the economy remains fragile there are key risks associated with regeneration viability. By not enabling flexibility and approving changes to the phasing within Stage B of the Grahame Park regeneration scheme at this time the project delivery is at risk.
- 4.2 The following risks have been identified if the re-phasing of Stage B of the Grahame Park regeneration project does not proceed:
- 4.2.1 Stage B would remain financially unviable and there would be a risk that the rolling regeneration programme would temporarily cease. The PDA signed on 30 January 2007 and which became unconditional on 10 July 2009 only guarantees that CfGP will complete the whole of Stage A, the first sub-phase of which is currently being delivered. However, there is a mechanism within the PDA that allows CfGP to postpone starting the next sub-phase if the conditions are not right. There is a risk that the start on site of the next sub-phase, due to commence later this year, could be deferred if the Stage B Phasing Review is not approved. This would result in a delay in the Council receiving Section 106 and other payments triggered by the start of the next sub-phase, additional costs for ongoing maintenance to the existing housing stock would be incurred and there could be a loss of public confidence in the regeneration scheme.
- 4.2.2 The Council would be required to bring the remaining properties up to Decent Homes Standard for which there is no current financial provision if the re-phasing does not occur. The Council and the developer (CfGP) are working together to deliver a viable Stage B so that a CPO indemnity agreement can be entered in to in the next 18 months in-order to keep the regeneration programme on target.
- 4.2.3 In the current economic circumstances there is a risk that key commitments made to residents of Grahame Park when they voted in favour of regeneration in 2003 won't be delivered. One such commitment relates to existing secure Council tenants making choices regarding aspects of their new homes such as kitchen units, decorations etc. Work on the new homes for rent in Stage A of the regeneration programme is progressing well and existing secure Council tenants will shortly need to start making choices regarding aspects of their new homes. 134 homes for rent are currently being built within Stage A of the regeneration programme. Only 44 secure Council tenants remain living in blocks within Stage A so there are 90 new homes for rent available for the re-housing of existing secure Council tenants living in Stage B. Secure tenants living in the next blocks to be emptied under the revised phasing sequence need to be identified now so they can make choices regarding their new homes. The success of the regeneration programme is dependent upon a sequence of decanting then demolition so being able to deliver vacant possession of the next blocks to be decanted under the revised phasing plan is vital.

- 4.2.4 The re-phasing would help to achieve the key commitment made to existing secure Council tenants of a single move to their new home and would eradicate any associated tenant dissatisfaction with the regeneration programme that could arise.
- 4.2.5 The re-phasing would help to deliver the design of the next phase of homes for rent within Stage A, being finalised now, that meets the housing needs of the existing secure Council tenants living in the next blocks to be decanted under the revised phasing sequence.

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

- 5.1 The approval of the Stage B Review is essential to continued progress being made with the delivery of the Grahame Park regeneration scheme. The scheme will replace 1314 homes and deliver a mix of 2977 affordable, intermediate and private sale flats and houses with new community facilities, including a library, health centre, children's centre and community centre. The Council will have 100% nomination rights to the new affordable housing units and re-housing offers will be made to all the existing secure tenants on the existing housing estate. The regeneration scheme will provide a new area of mixed tenure housing and will make this part of the Borough a better place to live, leading to improved community cohesion in an area with a highly diverse population. The re-phasing will ensure the momentum of the regeneration programme is maintained and tenants and residents choices and expectations on housing are increasingly delivered.

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

- 6.1 Finance – Detailed financial conditions for the Grahame Park regeneration scheme have been previously reported to Cabinet and there continues to be close monitoring of viability, funding and risks. The present economic slowdown has resulted in significant viability implications for the scheme and it is being constantly reassessed in the light of dramatically changed economic circumstances.
- 6.2 Performance & Value for Money – The Council and CfGP have agreed to adopt a transparent and open book approach to the management of the regeneration scheme. The Council has the right to access management accounts and other relevant documentation to ensure that information being provided in connection with financial matters is accurate and accords with 'Value for Money' criteria.
- 6.3 Property – The Stage B lands will be disposed to CfGP on a phased basis at nil cost subject to the appropriate consent from the Secretary of State. Where land/property has been specifically acquired by the Council to enable the regeneration scheme to proceed (for example, properties acquired because of hardship or pursuant to the Compulsory Purchase Order (CPO)) then all costs incurred by the Council in acquisition will be reimbursed as a project cost.

## **7. LEGAL ISSUES**

- 7.1 These are addressed in the main body of the report.

## **8. CONSTITUTIONAL POWERS**

- 8.1 The Council's constitution in Part 3, Responsibilities for Functions, paragraph 3.6 states the functions delegated to the Cabinet Resources Committee including all matters relating to buildings owned, rented or proposed to be acquired or disposed of by the Council.

## **9. BACKGROUND INFORMATION**

### **9.1 Context**

- 9.1.1 In January 2001, the Council embarked upon a scheme for the regeneration of the Grahame Park Estate which aimed to transform it into a thriving, 3,400-home mixed tenure community, improved transport links and enhanced community facilities. Grahame Park renewal forms a key part of the Colindale regeneration area, supported by the Area Action Plan adopted March 2010. The regeneration is to be taken forward in two stages. Stage A will comprise 962 new homes and Stage B, 2,015 new homes of which 656 will be for social rent, 127 for low-cost home ownership and 1,232 for private sale.
- 9.1.2 The first major sub-phase of Stage A, comprising 319 mixed tenure homes started on site on 27 July 2009 with the first homes due for occupation at the beginning of 2011. The Greentop Centre, a children's activity centre, was completed in December 2008 and the final major phase of Stage A is due to start on site later this year.
- 9.1.3 Stage B will see the staged removal of the current Concourse and its replacement with a landscaped circus opening on to a revitalised parkland setting. The poor urban and architectural design of the Concourse means that it is very unpopular with the highest concentration of voids, has the greatest call on the repairs budgets and the highest concentration of crime and social problems. The original phasing of Stage B was influenced, in part, by the decision to retain the Martynside block in the Concourse of the estate until the later stages as this block houses the chimneys which serve the existing District heating System (DHS). However, this limits the ability to deliver the early transformation of the estate and, under the current master plan phasing, Stage B, is presently not financially viable. As a result, the scheme could stall after completion of Stage A.
- 9.1.4 The PDA between CfGP and the Council provides for a review at this stage. CfGP have undertaken a review of the phasing of Stage B in order to improve viability and deliverability by re-sequencing and reorganising the phases. The new proposal put forward by CfGP now generates predicted surpluses on all but one later sub-phase and reduces peak debt levels to ensure that the project remains attractive to commercial lenders.
- 9.1.5 Under the revised Stage B phasing plan there is no change to the overall number of social rented, intermediate or homes for sale being built. However, changes will be required to the existing DHS to enable it to serve the existing properties under the new phasing proposals as detailed in 9.3 below.
- 9.1.6 At the end of 2009, CfGP consulted residents and stakeholders on the Grahame Park Estate on the proposed new Phasing Plan for Stage B. Subsequently, CfGP submitted a report to the Council on the public consultation which shows widespread support of 91% of attendees for the Concourse being prioritised for redevelopment and 81% of attendees sought a consolidated approach to the building works to limit disruption.

9.1.7 Currently, under the PDA, the Cabinet Resources Committee must approve any changes to the agreed master plan and phasing.

9.2 Benefits of the Stage B Phasing Review

9.2.1 Financial Viability – Under the previous phasing plan, only Stage A was deliverable. The re-phasing would enable the funding and delivery of Stage B. Further detailed information on the financial viability of the project is included in the accompanying exempt report.

9.2.2 Demolition Sequence – The Stage B Review proposes to bring forward the demolition of housing on and around the Concourse. The early demolition of the Concourse and its replacement by a high quality development as part of the revised master plan would accelerate the transformation of the existing estate into a high quality, mixed tenure neighbourhood.

The community centre and the library which are currently located on the Concourse will be re-provided in Stage A. A small number of commercial units will be delivered in Stages A and B with those businesses current located on the Concourse having the option to lease. The Wingfield's Children Centre and Grahame Park Health Centre will be re-provided in Stage B prior to demolition of their existing premises.

9.2.3 Benefits regarding Delivery of Infrastructure and Maximising Sales Values – Under the revised phasing plan there will be greater physical distinction between existing properties and development sites. This will reduce disturbance to residents, allow a more logical sequence for installing the new road layout and help in marketing the new properties as a part of the new transformed Grahame Park. Also, the new landscaped open spaces will be completed and delivered earlier in the programme than previously planned.

9.3 District Heating System (DHS)

9.3.1 In order to achieve the re-phasing of Stage B, the Martynside block located on The Concourse would now be brought forward for early demolition. Martynside houses the chimneys for the DHS which supplies heating and hot water to residents and non-residential properties such as Flightways Day Centre, Wingfield's Children Centre and Grahame Park Health Centre. CfGP's consultant's report sets out options to maintain the DHS in use whilst allowing the early demolition of Martynside. The report recommends the installation of new full-height chimneys allowing for Martynside and the existing chimneys to be demolished (circa 2015). This is the most cost effective option both for Barnet Homes, who retain responsibility for the DHS, and for the regeneration. The proposal minimises disruption to existing residents. The Council and Barnet Homes have appointed an external consultant to carefully appraise and comment on the technical solutions put forward by CfGP. The Council's consultants have evaluated and assessed the best economic solution for the DHS as well as the likely impact on residents and commercial users. The consultants have agreed with the recommendation, but have also suggested that the boilers be exchanged for smaller units as the load on the system reduces with demolition of the estate to ensure the most cost effective operation. The timing of this work, which would be undertaken without disruption to residents, will be driven by ongoing cost-benefit analysis in partnership with Barnet Homes.

#### 9.4 Planning and PDA Approvals

9.4.1 It is acknowledged that the Stage B Phasing Review cannot be formally concluded until detailed design on the DHS has been progressed and appropriate planning permission obtained. It is envisaged that this could take much of 2010. However, in order to progress the design of the final part of Stage A, there is a need to seek approval for the re-phasing in order that allocations can be made from the first phase of Stage B to come forward and to arrange for demolition of those blocks.

9.4.2 Should CfGP fail to secure appropriate planning permission to implement option (1) above or further detailed technical design studies suggest that replacement chimneys could be problematic; the revised phasing proposed under the Stage B Review can still be delivered. The chimney stacks could be retained within Martynside, but this would clearly be a less acceptable solution technically and in terms of appearance, but would allow the re-phasing to take place.

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

10.1 None.

Legal – TE  
CFO – KB

**AGENDA ITEM: 7**      Pages 19 – 26

Meeting	Cabinet Resources Committee
Date	19 July 2010
<b>Subject</b>	<b>Barnet Short Breaks Programme for Children and Young People with Disabilities</b>
Report of	Deputy Leader of the Council/Cabinet Member for Education, Children and Families
Summary	<p>This report seeks to secure approval for the 2010/11 commissioning strategy to enable the growth and development of services to children and young people with disabilities.</p> <p>Permission is also sought to extend contracts with existing providers so that existing provision can continue to be delivered to disabled children over the summer holidays, while the procurement process takes place.</p>

Officer Contributors	Graham Durham, Assistant Director (Inclusion)
Status (public or exempt)	Public
Wards affected	All
Enclosures	None
For decision by	Cabinet Resources Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	Not applicable

Contact for further information: Graham Durham, Assistant Director (Inclusion), 020 8359 7702.

## **1. RECOMMENDATIONS**

- 1.1 That the proposed allocation of revenue and capital funding outlined in 6.1 below be approved, to further develop the menu of options available to children and young people with learning difficulties and/or disabilities and their families through the Council's Short Break programme, and agree to proceed through competitive tender to develop services in partnership with external providers.**
- 1.2 That the standard contract regulations be waived to allow the continued delivery of services by existing providers for a further 3 month period, to enable the provision of short breaks to children and young people with disabilities over the summer, while ensuring the correct procurement procedures are in place to invest further in the short break menu of options available to families in the future.**

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1 The Director of Children's Service in consultation with the Cabinet Member for Children's Service approved on 31 July 2009 by delegated powers (DPR 851) the award of £232,469.04 to 14 providers for the provision of short breaks during 2009/10.
- 2.2 The Director of Children's Service approved on 9 April 2010 by delegated powers (DPR 1058) the establishment of two temporary posts to administer the Short Breaks programme.
- 2.3 The Director of Children's Service approved on 29 April 2010 by delegated powers (DPR 1056) the extension of 13 contracts with providers for short breaks for a three-month period until 31 June 2010.

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

- 3.1 The Council's understanding of the specific needs and outcomes of local children and young people is well supported by the Council's 'Profile of Children and Young People in Barnet'. The short breaks programme is a key element of the activities outlined in the Barnet Children and Young People Plan 2010/11 – 2012/13 to help children and young people make a positive contribution, and will help to meet the priority to 'ensure high quality provision for disabled children and young people and those with complex needs'. The programme will also contribute to the corporate priority of 'sharing responsibilities, sharing opportunities' by giving opportunities to children and young people with disabilities and their families to enable them to increase their independence.

## **4. RISK MANAGEMENT ISSUES**

- 4.1 A clear and robust commissioning and procurement framework needs to be in place to ensure the appropriate distribution of public monies through the Council's Short Breaks programme. The Council has recognised and made a clear commitment to some of the community's most vulnerable families and there is a risk that, without investment in the Council's Short Break programme, some hard to reach families may not receive the support they need. In this event children and young people with disabilities' chances of achieving the five Every Child Matters outcomes could be compromised and families would continue to be under great stress. The long-term impact on families without short break opportunities could result in family breakdown and costly residential placements for disabled children and young people.

- 4.2 Unspent capital grant monies within the Aiming High grant have been carried forward from the 2009/2010 budget into the capital grant for 2010/2011. All capital expenditure must be expended by 31 March 2011 to ensure that the Council does not lose available funding and is then required to complete the projects from their own resources.
- 4.3 Unless specifically advised to the contrary capital claw back mechanism will be applied to early asset disposals. This will need to be effectively managed to prevent the transfer of liability to the Council.
- 4.4 There is a risk of losing the grant if the Council's allocation for 2010/11 is not spent. In order to ensure the grant is spent within the required timescales, the procurement process will be tightly managed.
- 4.5 An annual national parent survey is reported to central government in national indicator NI54. To date the Council has been in a good position. There is a risk to this performance should the Council not be in a position to invest further in a menu of choice when delivering short break provision to children and young people with disabilities.

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

- 5.1 Organisations providing Short Break provision for children and young people with learning difficulties and/or disabilities previously commissioned for 2009/2010 were required to demonstrate how they would support the Council in meeting its equalities duties. The same expectations will be explicit within the 2010/2011 contract specifications. All the children and young people participating in activities are physically disabled and/or have significant learning difficulties.
- 5.2 Existing and new providers of short breaks will be required to provide both qualitative and quantitative progress reports to the multi-agency Choice Board, which oversees the delivery of the programme. The statistics provided in the progress report, will also support the Council in meeting part of its statutory obligation to promote race equality and disability equality. The statistics provided will be used to inform future needs and service development.
- 5.3 Investment in services to children and young people with learning difficulties and/or disabilities makes a major contribution to, and key role in, equality of opportunity and the celebration of diversity. A fully inclusive Barnet demonstrates a choice of opportunity and in doing so recognises children and young people with disabilities are part of every neighbourhood, contributing to every aspect of a safer, caring and prosperous community, from which the Council will secure better outcomes for all children and young people.

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

- 6.1 Funding to support the implementation of Aiming High for Disabled Children (AHDC), of which the Council's Short Break transformation is part, is ring-fenced within the wider Sure Start Early Years and Childcare (SSEYC) Grant. The allocation for 2010-2011 for the Council includes both revenue and capital spend as outlined below, alongside which proposed areas of investment and growth are outlined. The proposed allocations were determined based on a comprehensive consultation process with children and young people with a learning difficulty and/or disability and their families, which informed a needs-based analysis.



<b>Provision – Proposed Investment &amp; Growth</b>	<b>Revenue £1,216,800</b>	<b>Proposed Capital Spend</b>	<b>Capital £573,900</b>
Play schemes: (encompassing) Holiday play schemes Weekend, activities & Clubs Holiday play activity	£523,000		
Independent drop In		Adaptation of existing building – Project partnership with Notting Hill Housing (match funded in kind)	£100,000
Family Based Overnight Short Breaks Contract Carers Barnet Link	£120,000	Equipment and Adaptations to approved carers within both developed schemes	£100,000
Short Breaks Complex Care, Life limiting and Palliative Care (Including overnights)	£55,000	Equipment and adaptations some technical assisted provision for highly complex care needs	£50,000
Specialist Play & Leisure		Playground adaptation beyond DDA (with Playbuilder)	£150,000
		Swimming/Sports beyond DDA	£150,000
		Sensory Rooms	£20,000
(Individual Commissioning) <b>Direct Payment or spot purchase</b>	£280,750		
<b>TOTAL DIRECT PROVISION</b>	£978,750		£570,000
Direct Management Capacity Short Breaks Co-ordinator Data/Finance Officer Choice Support Officer	£46,000 £36,000 £34,000		
Other Project Support Costs	£121,680		
<b>TOTAL PROJECT SUPPORT</b>	£237,680		
	<b>REVENUE SPEND</b>	<b>CAPITAL SPEND</b>	
<b>SHORT BREAK SPEND TOTAL</b>	<b>£1,216,430</b>	<b>£570,000</b>	

- 6.2 Given the personalization agenda and the role of the direct payment and individual budget in a developing children's social care service, there is flexibility to invest further in individual commissioning through both spot purchase and direct payment, should any revenue funding in another category not be fully spent.
- 6.3 Capital works have no future revenue cost implications. Any building maintenance will be stipulated as part of the contract with, and carried by, the project partner. Adaptations to family based homes will be maintained by the owner of the property.
- 6.4 As outlined in the table below, £76,148 has already been committed for expenditure during the first quarter (April-June 2010), as reflected in the delegated powers report mentioned in 2.3 above. In order to provide continuity of services during the procurement process, it is anticipated that a further £250,000 will need to be committed for services in the second quarter (July-September) to fund summer activities in particular.
- 6.5 These short break services will be provided through a mix of both contracted services and individual commissioning again as outlined within the table below. The remaining £42,528 as yet unallocated accounts for awaited costings from two providers and allows for last minute requests from families for individual commissioning. Any remaining unallocated summer short breaks funds will remain within the holiday/play scheme provision as part of the 6 month contracted tendered process.

<b>Short Breaks Play schemes / Holiday Activities committed and proposed within the extension period 2010</b>				
<b>Timeframe</b>	<b>Contract Based Short Break Activity</b>	<b>Individual Commissioning</b>	<b>Total spend</b>	<b>Allocated Amount Remaining for Summer 2010</b>
Easter (committed 6.4)	£22,996	£53,152.	£76,148	Nil
Summer (anticipated 6.4)	£184,190	£23,282	£207,472.	£42,528

- 6.6 There are no staffing implications for the Council other than those already approved by the delegated powers report mentioned in 2.2, central to which is the duration of any short term contracts for short breaks staff which as outlined within the delegated powers report terminate on 31 March 2011. Providers will need to demonstrate through rigorous commissioning and procurement process that sufficiently trained, staff are in place. Quality assurance and performance management of staff will be the responsibility of the provider and tightly monitored through contract management to ensure practice standards and quality outcomes are delivered, within the Council's Short Break menu of options.
- 6.7 In relation to performance and value for money, each successful provider will be subject to rigorous contract management which will be reported back to the Choice Board. Existing providers delivering summer short breaks provision have been advise that there will be no uplifts in contract prices and that the local authority is seeking demonstrable efficiencies and economies of scales within the quotes provided.

Where unit costs have not reduced but subsequently remained as 2009/2010 negotiation has taken place to deliver more in provision, for example; where transport costs were previously outside contract specifications there is now the requirement that the provider carry this cost, rather than the practice last year of charging the local authority. The Choice Board as the strategic framework is effectively the commissioning group and will apply a level of rigor in the allocation of revenue for short breaks over the summer.

- 6.8 There are no ICT and no property implications for the Council.
- 6.9 Sustainability is a key requirement within the parameters of the Aiming High grant. As such a measure of sustainability will need to be satisfied by all potential providers within the tender process.

### **Procurement**

- 6.10 On the basis that the overall grant made available to the Council's Short Breaks programme is in excess of £1,216,000, authorisation must be sought from the Cabinet Resources Committee prior to going to tender. The threshold for 'acceptance' in relation to each contract thereby awarded under the provision of the Short Break programme is then subject to Contract Procedure rule 5 that a Director/Head of Service may 'accept' a contract where the tender/quotation is the lowest or where the tender/quotation represents value for money and is the best available option for the Council. On the basis that no one contract exceeds the threshold of £139,894 and each one meets the Rule 5 criterion, the Director of Children's Services has delegated authority to accept the bids submitted under the provision of the Council's Short Breaks programme.
- 6.11 An existing group of providers are already providing short break services as part of the 2009/10 grant allocation. The existing 09/10 contract, which ran until 31 March 2010, as no future funding had been allocated at that point, was extended by the maximum allowable time, to the 31 June 2010 in order to ensure a continuation of services while a formal procurement process was put in place to allocate the 2010/11 funding. Given the length of the procurement process, permission is now being sought for a waiver of the Contract Procedure Rules in order to further extend the contract period to 31 September 2010 to allow for the full procurement process to take place. As specified in 6.4 above, existing providers will be funded to continue to provide services over the summer period, to avoid a break in service. New contracts will be entered into with all selected providers once the full procurement process has been carried out.
- 6.12 After allowing for the above expenditure having delivered short breaks over the Easter break and May half term in addition to the proposed short breaks over the summer period 1 July to 31 September the value of the contracts subject to the tender process, in order to award 6 month contracts 1 October 2010 to 31 March 2011 will be £321,852,000. A combination of £146,852,000 for holiday and play scheme short break activities, £120,000 for a dedicated contract carers scheme and a further £55,000 for one dedicated contract carer for complex overnight provision.
- 6.13 The ratio of spend as members of the committee would expect is weighed in favour of the first 27 weeks of the financial year from April 2010, this is in recognition that 9 weeks of these 27 weeks are in fact school breaks within which the highest demand for short breaks is referred. The remaining 25 weeks to 31 March 2011 has just 5 weeks school break with limited demand over the 3 week Christmas period.

## **7. LEGAL ISSUES**

- 7.1 Rule 5.8 of the Contract Procedure Rules states that except in situations of urgency the Contract Procedure Rules may only be waived on the decision of a Cabinet Committee and only where that Committee is satisfied, after considering a written report by the appropriate officer, that the waiver is justified because, the nature of the market for the works to be carried out or the supplies or services to be provided has been investigated and is demonstrated to be such that a departure from the requirements of Contract Procedure Rules is justifiable; or

the contract is for works, supplies or services that are required in circumstances of extreme urgency that could not reasonably have been foreseen; or the circumstances of the proposed contract are covered by legislative exemptions (whether under EU or English Law); or there are other circumstances which are genuinely exceptional.

- 7.2 Rule 10.5 of the Contract Procedure Rules provides that every contract must be in a form approved by the Head of Legal if its value exceeds £25,000, or where appropriate to the nature of the contract and Rule 10.6 provides that contracts must be sealed on behalf of the Council where the value exceeds £139,893, unless the Head of Legal directs otherwise. Rule 10.7 of the Contract Procedure Rules provides that contracts not made under seal can be signed by the relevant Director/Head of Service, Chief Executive, Director of Corporate Governance, Head of Legal or any officer authorised by them.
- 7.3 A separate agreement will be entered into between the Council and each of the successful providers. On the basis of the value of each, intended, agreement each one will be executed as a signed contract, as opposed to a contract under seal. Each agreement will also include the Department for Education (Formerly DCSF) grant conditions.

## **8. CONSTITUTIONAL POWERS**

- 8.1 Under the Council's Constitution (Article 4) the responsibility for the allocation of financial resources of the Council, to different services and projects, proposed contingency funds, etc and decisions relating to the control of the Council's capital expenditure and the setting of virement limits lies with the full Council.
- 8.2 Contract Procedure Rule 5 and Table 5-1 states that the 'authorisation' threshold required for a commissioning and procurement process of £500,000 and above sits with the Cabinet Committee.

## **9 BACKGROUND INFORMATION**

- 9.1 The short break programme is funded by Central Government and aims to improve access to enjoyable short breaks for disabled children and young people. The grant must be spent on new opportunities for families of children with disabilities and learning difficulties to have short breaks. It is a condition of grant that new services must be funded. However, in providing new opportunities for families and their disabled children, the opportunity to provide more personalised services has been taken. This will result in better targeting, take up and improved value for money of services.

- 9.2 An independent analysis of the needs of disabled children and their families in Barnet was undertaken in 2008, the outcome of which underpinned the services commissioned in 2009/2010. Ongoing review and consultation has further informed the development of services for 2010/2011. Alongside this the National Aiming High for Disabled Children strategy requires the Council to ensure short break provision is made available to the following key groups of children and young people with learning difficulties and/or disabilities :
- a) children and young people with Autistic Spectrum Conditions (ASC);
  - b) children and young people with complex health needs;
  - c) children and young people aged 11+ with moving and handling needs that will require equipment and adaptations;
  - d) children and young people where challenging behaviour is associated with other impairments (e.g. severe learning disability); and
  - e) young people 14+ who meet the criteria.
- 9.3 Government monitoring and tracking of the Aiming High grant is provided through contracted partners Together for Disabled Children, alongside the National Indicator NI 54. Against both these measures the Council's Short Break programme continues to perform above the national average, with Together for Disabled Children undertaking the minimum monitoring visit schedule for low risk local authorities.

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

10.1 None.

Legal – PD  
CFO – DM

**AGENDA ITEM: 8**      Pages 27 – 31

Meeting	Cabinet Resources Committee
Date	19 July 2010
<b>Subject</b>	<b>Provision of residential and foster care placements for children in care</b>
Report of	Deputy Leader of the Council/Cabinet Member for Education, Children and Families
Summary	To approve the use of London Care Placements framework agreements of approved providers for the provision of Independent Fostering Agency services and residential care services for children and young people who cannot be placed internally, for a period of three years with an option to extend for a further year.

Officer Contributors	Serena Hadi, Commissioning Team Manager, Children's Service Ola Yerokun, Contracts Officer, Children's Service
Status (public or exempt)	Public
Wards affected	All
Enclosures	None
For decision by	Cabinet Resources Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	Not applicable

Contact for further information: Ola Yerokun, Contracts Officer, 020 8359 4383.

## **1. RECOMMENDATIONS**

- 1.1 That the London Care Placements framework agreement of approved providers be used for residential fostering placements for children in care.**

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1 None.

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

- 3.1 Safeguarding and promotion of the welfare of children in need is supported by the Corporate Plan 2010-2013 priority “Sharing opportunities and sharing responsibilities” through the strategic objective “embed a safeguarding culture throughout Barnet to make sure our children, young people and adults remain safe”.
- 3.2 The Council has a general duty under the Children Act 1989 (revised 2004) to safeguard and promote the welfare of children in need living in the Borough. It has specific duties to individual children with respect to those children in need who require accommodation – either by virtue of a care order or pursuant to one of the conditions in section 23 of the Act.
- 3.3 The Children and Young People’s Act 2008 places responsibility on Local Authorities to ensure that there is sufficient accommodation within the local area for children who are looked after, which meets the needs of the children. Local Authorities need to give regard to the benefit of having a number of providers providing a range of accommodation to meet the differing needs.
- 3.4 Ensuring that children in care are supported to achieve their potential and have their needs met is a key aim of the Barnet Children and Young People Plan 2010/11-2012/13. In particular, the key objectives of:
- supporting children in care to have a happy childhood and successful transition into adulthood; and
  - achieving value for money.

## **4. RISK MANAGEMENT ISSUES**

- 4.1 If the use of the London Care Placements Team’s framework agreement is not approved, the immediate option will be for the Social Care team to spot purchase placements to meet accommodation needs, pending the implementation of an alternative procurement route. This would prove significantly more time consuming and it would be difficult to carry out the same level of background checks and due diligence on providers as is carried out by London Care Placements given the available resources.
- 4.2 Without the agreed fees of the approved provider list, spot purchasing would place significant risks on the external placements budgets for both fostering and residential.
- 4.3 It is considered that the issues involved are unlikely to raise significant levels of public concern or give rise to policy considerations.

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

- 5.1 The London Care Placement framework agreement is based on the Office of Government Commerce terms and conditions and ensures that providers will not unlawfully discriminate within the meaning and scope of any Legislation relating to discrimination upon race, gender, marital status, religion, disability, sexual orientation or otherwise in the employment or in the provision of the Service.
- 5.2 Children in care are some of the most vulnerable residents of the Borough, and the Council has a duty to provide good accommodation and support to meet their needs. Having access to the wide range of providers on the London Care Placements approved list will enable the differing needs of children in care to be better met, for example those with disabilities, emotional and behavioural difficulties, or from varied cultural backgrounds.

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

- 6.1 The Children's Service budget for placements with private and voluntary Independent fostering agency and residential care services for 2009/10 was £6.5 million. In 2009/10, the Council spent £6million with providers on the London Care Placements approved list – a total of 37 Independent Fostering Agencies and 14 residential providers.
- 6.2 The framework agreement contracts do not commit the Council to making any placements with any provider; however it provides the advantages of securing value for money and a range of services being made available at short notice. Costs may still be negotiated such as cost and volume discounts, but a clear costing schedule is available.
- 6.3 The London Care Placement Team manages and negotiates the annual fee increases from service providers. In 2009/10 significant savings in excess of £4million were made due to negotiated increases of 0% compared to the RPI of 3% that year.
- 6.4 The Council's Placements Team, after the necessary checks are made, will then approach providers on the London Care Placement list. When a placement is found that meets the child's needs, then a pricing and individual child agreement would be completed for that placement.
- 6.5 The commissioning team budget will fund the annual fee of around £7,500 for the London Care Placements Team's services such as commissioning and contract monitoring services. The London Care Placements framework agreement and the approved provider list provides a co-ordinated approach to contracting across London and brings benefits in terms of service quality, price and quality assurance monitoring.

## **7. LEGAL ISSUES**

- 7.1 Under section 9 Children and Young Persons Act 2008 the local authority has a general duty to secure sufficient accommodation is made available for children they are looking after.

## **8. CONSTITUTIONAL POWERS**

- 8.1 The Council's constitution in Part 3, Responsibilities for Functions, paragraph 3.6 states the terms of reference of Cabinet Resources Committee including monitoring the trading position of appropriate Council services and agreeing externalisation contracts.



## **9. BACKGROUND INFORMATION**

- 9.1 The London Care Placements Team (LCPT) (formerly known as the Pan-London Contracts Team) has been in operation since April 1999. The team is funded by the 33 London Boroughs and acts as a contracts agency on behalf of the London Boroughs in procuring services with private and voluntary sector providers for children and young people's services, including independent fostering agencies and residential care services for children in care. Harrow Council lead the procurement on behalf of all participating boroughs and Barnet Council will be a contracting authority as the other boroughs.
- 9.2 All 33 London boroughs are members of the consortium, as are an additional 10 'partner authorities (Buckinghamshire, Oxfordshire, Slough, Windsor & Maidenhead, Cambridgeshire, Essex, Hertfordshire, Norfolk, Peterborough, Southend on Sea). No other frameworks on a similar scale exist in London. Other consortia of local authorities have similar frameworks in place in other areas of the country, although these would not be suitable for Barnet to join as the providers registered with them would not be in the London area. It is important that children are placed in or near Barnet therefore a large range of London-based providers is essential.
- 9.3 The LCPT selects and maintains a list of approved providers, which participating boroughs can use to procure placements for children in care. There is also a suite of London Contract Standard documents (Pre Qualification Questionnaire, Specification, Terms and Conditions and customised versions of the Individual Placement Agreement). The use of this framework significantly reduces the cost, time and risk associated with spot purchasing of fostering and residential care placements for children and young people.
- 9.4 The LCPT is governed by the London Special Education Needs and Children in Care Commissioning Board and the London Directors of Children's Services (ALDCS) and by 2 Steering Groups, one for fostering and one for residential care. The Steering Group is comprised of appropriate representatives from the participating London Boroughs (including Barnet).
- 9.5 A new contract has been developed for residential children's homes and independent fostering services on the LCPT list, for the period 1 April 2010 – 31 March 2013. The contracts include a standardised cost structure and transparency in the procurement process. The service specification covers all services required in fostering and residential placements and contains up to date relevant legislation and regulations focusing on outcomes for children and young people in line with the 5 Every Child Matters outcomes. The specification has been through consultation with all the Boroughs and agreed. The Terms and Conditions have been reviewed and approved by Barnet's Legal Services.
- 9.6 The opportunity for providers to be approved and join the London Contracts Team list is advertised on the London Care Placements website. Any service provider wishing to be considered for inclusion on the List will apply to the London Contracts Team and agree to the Terms and Conditions.
- 9.7 Service providers complete a Pre Qualification Questionnaire (PQQ), which gives the opportunity to demonstrate quality and standards of service, and establishes each provider's legal, financial and technical capability to provide the services. The provider will need to submit, for example, registration information, insurance information, cost details, OFSTED reports and other qualitative documentation.

The London Care Placements Team chairs a Steering Group which evaluates the information given and decides if the provider can be added to the list of approved providers. This list is reviewed regularly and the Steering Group decides if the providers should remain on the list. This ensures that quality standards are met and continuous improvement achieved. A customised version of the documents collectively known as the London Contract is sent out by the London Contracts Team to those providers that each Council wishes to use. Upon receipt of the documentation signed by the provider (via the London Care Placements Team) to the Council, the Council then arranges for the agreement to be executed.

- 9.8 The London Care Placements Team chairs the request for annual fee uplifts from service providers' negotiation meetings with input from Council Officers.
- 9.9 The approved provider list is available on a secured website ([www.londoncareplacements.gov.uk](http://www.londoncareplacements.gov.uk)) with information on all the approved providers and assists us in seeking residential and foster placements from one source.

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

- 10.1 None.

Legal – PJ  
CFO – LP

**AGENDA ITEM: 10**      Pages 32 – 37

Meeting	Cabinet Resources Committee
Date	19 July 2010
<b>Subject</b>	<b>Treasury Management Activity Update</b>
Report of	Cabinet Member for Resources and Performance
Summary	To provide an update on Treasury Management activity to 31 May 2010.

Officer Contributors	Karen Balam – Assistant Director Strategic Finance Karen Bannister – Interim Treasury Manager
Status (public or exempt)	Public
Wards affected	Not applicable
Enclosures	Appendix – Deposits as at 31 May 2010 with Credit Ratings
For decision by	Cabinet Resources Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	Not applicable

Contact for further information: Karen Balam, Assistant Director Strategic Finance, 020 8359 2460, or Karen Bannister, Interim Treasury Manager, 020 8359 7119.

## **1. RECOMMENDATIONS**

**1.1 That the Treasury Management position to 31 May 2010 be noted.**

**1.2 That the Committee consider any areas on which it would like to receive further information.**

## **2. RELEVANT PREVIOUS DECISIONS**

2.1 Cabinet Resources Committee, 25 March 2008 (Decision item 18) – Treasury Management Business Strategy 2008/09.

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) – amendment to the Treasury Management Strategy 2008/09.

2.5 Cabinet Resources Committee, 30 March 2009 (Decision item 13) – Treasury Management Business Strategy 2009/10

2.6 Cabinet Resources Committee, 15 June 2009 (Decision item 17) – Outturn 2008/09.

2.7 Cabinet Resources Committee, 2 September 2009 (Decision item 15) – Treasury Management activity to the 30 June 2009.

2.8 Cabinet Resources Committee, 2 November 2009 (Decision item 14) – Treasury Management Activity to 31 August 2009.

2.9 Cabinet Resources Committee, 19 January 2010 (Decision item 9) – Treasury Management Activity to 18 December 2009.

2.10 Cabinet Resources Committee, 23 February 2010 (Decision item 10) – Treasury Management Activity to 31 December 2009.

2.11 Cabinet Resources Committee, 16 March 2010 (Decision item 9) – Treasury Management Strategy 2010/11.

2.12 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 (TMS) ensures effective treasury management supports the achievement of the Council's corporate priority for 2010-2013, 'Better services with less money', through the strategic objective "make sure we get best value from resources across the public sector, including our people and assets". The TMS is committed to the principles of achieving value for money in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.

#### **4. RISK MANAGEMENT ISSUES**

- 4.1 Borrowing and deposit rates are determined by the market and can be volatile at times. Officers mitigate this volatility by monitoring the interest rate market in conjunction with treasury advisors and brokers, and by actively managing the debt and deposit portfolios.
- 4.2 There is a risk of the Council becoming too risk averse in its response to this situation, and not achieving budgeted deposit income.

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

- 5.1 The management of the Council's cash flow ensures the availability of adequate monies to pay for the delivery of the Council's public duties.

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

- 6.1 The wider financial implications for the Council are dealt with in section 9 of this report.

#### **7. LEGAL ISSUES**

- 7.1 None other than those in the body of this report.

#### **8. CONSTITUTIONAL POWERS**

- 8.1 Financial Regulations (Part 1, Section 7) within the Council Constitution state:
  - (1) This organisation adopts the key recommendations of CIPFA's Treasury Management in the Public Services Code of Practice (the Code), as described in Section 4 of that code.
  - (2) Cabinet Resources Committee will create and maintain a Treasury Management Policy Statement, stating the policies and objectives of its treasury management activities.
  - (3) The Chief Finance 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 those activities.
  - (4) 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.
  - (5) Cabinet Resources Committee will receive reports on its treasury management policies, practices and 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.

#### **9. BACKGROUND INFORMATION**

##### **9.1 Treasury Management Strategy 2009/10**

- 9.1.1 The original TMS and Annual Investment Strategy were approved by the Cabinet Resources Committee on 25 March 2008. These key documents set out the timeframes and credit criteria for placing cash deposits and the parameters for undertaking any further borrowing.

- 9.1.2 Following the banking crisis in 2008, a number of amendments were made to the strategy, initially by Cabinet in October 2008 and then subsequently under delegated powers by the Leader (who at that time was also the Cabinet Member for Resources). The amendments sought to reduce risk by raising the bar on minimum counterparty ratings as the uncertainty over the financial stability of financial institutions grew.
- 9.1.3 The TMS is under constant review to reflect market conditions and the financing requirements of the Council.
- 9.1.4 The Council's Treasury Management Strategy 2010/11 was approved at Cabinet Resources Committee on 16 March 2010. The TMS 2010/11 is a continuation of the 2009/10 strategy pending the tender and appointment of Treasury Advisors. The TMS 2010/11 reflects the Council Budget 2010-2011 Forward Plan and Capital Programme.
- 9.1.5 The key changes were:
- i) The introduction of liquidity and security benchmarks, as required by CIPFA Treasury Management Code of Practice, are outlined in Annex A to the Treasury Management Strategy;
  - ii) The removal of references to Money Market Funds.; and
  - iii) The reference to the use of a minimum sovereign rating now applies only to non-UK institutions. This reflects the risk that the UK sovereign rating may be downgraded.
- 9.1.6 A revised Treasury Management Strategy will be brought to the Cabinet Resources Committee for approval on 2 September 2010.
- 9.2 Icelandic Bank Deposits**
- 9.2.1 There have been no further updates regarding Icelandic deposits since last reported to the Cabinet Resources Committee in June 2010.
- 9.2.3 The priority status of local authority deposits is still a matter for the Icelandic judicial system. Without priority status local authorities are likely to get in the region of 25-30 per cent of their deposits back rather than 100% as previously assumed.
- 9.3 Compliance**
- 9.3.1 The TMS 2010/11 was approved by this committee on 16 March 2010. The TMS 2010/11 requests regular compliance reporting to this committee to include an analysis of deposits made during the review period. This also reflects good practice and will serve to reassure this committee that all current deposits for investment are in line with agreed principles as contained within the corporate TMS.
- 9.3.2 As at 31 May 2010, the Council had 36 deposits outstanding with a total value of £250.2m. Pension Fund cash accounted for £76.79m of the total monies on deposit. All these deposits were placed with counter parties that meet the TMS credit rating criteria with the exception of the Icelandic deposits.
- 9.3.3 Four Icelandic deposits account for £27.4m, the entire value of deposits outside the TMS 2010/11 as at 31 May 2010.
- 9.3.4 Treasury management procedures are monitored and reviewed in light of new CIPFA guidance and market conditions.
- 9.3.5 A list of all deposits outstanding and counterparty credit ratings at 31 May 2010 is attached in the appendix.

#### **9.4 Future Developments**

- 9.4.1 A revised Treasury Management Strategy for 2010/11 is being developed with the aim to bring it to the Cabinet Resources Committee on 2 September 2010.
- 9.4.2 There will be a number of key strategic issues for consideration by the new Administration including:
- strategy;
  - borrowing;
  - investments; and
  - counterparty risks.
- 9.4.3 Treasury Management training was commissioned for 30 June 2010 to cover strategy issues regarding the formulation of a Treasury Management Strategy.
- 9.4.4 A further training session is being commission on 21 July 2010 to cover counter party risks.

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

- 10.1 None.

Legal – SWS  
CFO – AT

DEPOSITS AS AT 31 MAY 2010

Category	Deal Number	Counter Party	Deposit Date	Maturity Date	Rate of Interest	Amount Outstanding	Fitch Rating			Moody's Rating			S&P Ratings				
							S Term	L Term	Indiv	Support	S Term	L Term	Fin Stgth	S Term	L Term		
							<b>Government Backed</b>										
							<b>Local Authorities</b>										
1	2000010600	<b>Debt Management Agency Deposit Facility</b>															
		DEBT MANAGEMENT OFFICE	15-Apr-10	22-Jun-10	0.25	20,000,000											
1	2000010626	DEBT MANAGEMENT OFFICE	04-May-10	01-Jun-10	0.25	21,300,000											
1	2000010634	DEBT MANAGEMENT OFFICE	10-May-10	01-Jun-10	0.25	10,000,000											
1	2000010672	DEBT MANAGEMENT OFFICE	28-May-10	02-Jun-10	0.25	18,700,000											
2	2000010668	BLACKPOOL BOROUGH COUNCIL	28-May-10	01-Jun-10	0.35	2,000,000											
2	2000010563	Brighton & Hove CC	16-Mar-10	15-Jun-10	0.45	4,000,000											
2	2000010625	DOVER DISTRICT COUNCIL	04-May-10	01-Jun-10	0.35	9,000,000											
2	2000010636	EAST DUNBARTONSHIRE CNCL	10-May-10	10-Aug-10	0.45	1,500,000											
2	2000010655	EAST DUNBARTONSHIRE CNCL	26-May-10	26-Aug-10	0.4	5,000,000											
2	2000010602	EASTLEIGH BC	16-Apr-10	16-Jul-10	0.4	5,000,000											
2	2000010647	EASTLEIGH BC	18-May-10	30-Jul-10	0.3	5,000,000											
2	2000010649	EXETER CITY COUNCIL	21-May-10	30-Jul-10	0.3	5,000,000											
2	2000010664	GLOUCESTER CITY COUNCIL	27-May-10	01-Jun-10	0.35	4,000,000											
2	2000010666	KIRKLEES COUNCIL	28-May-10	01-Jul-10	0.35	1,500,000											
2	2000010650	PLYMOUTH CITY COUNCIL	24-May-10	30-Jul-10	0.3	3,000,000											
2	2000010624	SALFORD CITY COUNCIL	04-May-10	01-Jun-10	0.35	5,000,000											
2	2000010646	SALFORD CITY COUNCIL	18-May-10	14-Jun-10	0.3	2,000,000											
2	2000010616	SOUTHEND-ON-SEA BC	26-Apr-10	05-Jul-10	0.45	5,000,000											
2	2000010622	SOUTHEND-ON-SEA BC	30-Apr-10	05-Jul-10	0.45	5,000,000											
2	2000010656	SWINDON BOROUGH COUNCIL	20-May-10	30-Jul-10	0.3	5,000,000											
2	2000010667	WEST YORKSHIRE F & R AUTH	28-May-10	15-Jun-10	0.35	1,500,000											
		<b>Banks and Building Societies with a UK Government controlling interest</b>															
4	2000005708	ROYAL BANK OF SCOTLAND	17-Jun-08	callable	7.57	5,000,000	F1	A-	F	1	P-1	A3	E	A-1	A-		
4	2000010623	ROYAL BANK OF SCOTLAND	04-May-10	01-Jun-10	0.39	20,000,000	F1+	AA-	D/E	1	P-1	Aa3	C-	A-1	A+		
4	2000010341	BANK OF SCOTLAND CORPORAT	09-Sep-09	call account	0.75	25,000,000	F1+	AA-	C	1	P-1	Aa3	D+	A-1	A+		
		<b>UK banks covered by the UK banking system support package</b>					F1+	AA-	B	1	P-1	Aa3	C	A-1+	AA-		
5	2000010527	BARCLAYS COMMERCIAL BANK	11-Feb-10	call account	0.4	25,000,000	F1+	AA-	B	1	P-1	Aa3	C	A-1+	AA-		
5	2000010643	BARCLAYS COMMERCIAL BANK	14-May-10	13-Aug-10	0.68	9,300,000	F1+	AA-	B	1	P-1	Aa3	C	A-1+	AA-		
		<b>Building Societies</b>					<b>&gt;£50billion up to 182 days or £25billion to £50 billion up to 90 days</b>										
		None															
		<b>Investments outside TMS</b>															
		<b>Icelandic Banks</b>															
	2000005163	GLITNER BANK (ICELAND)	07-Nov-06	frozen	5.62	7,000,000											
	2000005218	GLITNER BANK (ICELAND)	24-Jan-07	frozen	6.11	3,000,000											
	2000005226	GLITNER BANK (ICELAND)	07-Feb-07	frozen	6.13	2,400,000											
	2000005511	LANDISBANKI ISLANDS H.F.	28-Sep-07	frozen	6.47	15,000,000											
		<b>TOTAL VALUE OF INVESTMENTS</b>				<b>250,200,000</b>											
		<b>LESS ICELANDICS</b>				<b>222,800,000</b>											
		<b>TOTAL VALUE OF INVESTMENTS OUTSIDE TMS</b>				<b>27,400,000</b>											
		<b>LESS ICELANDICS</b>				<b>0</b>											

Comments on Redemption (if known)



**AGENDA ITEM: 11**      Pages 38 – 67

Meeting	Cabinet Resources Committee
Date	19 July 2010
<b>Subject</b>	<b>Monitoring 2010/11</b>
Report of	Cabinet Member for Resources and Performance
Summary	To consider the Monitoring 2010/11 report and instruct officers to take appropriate action.
Officer Contributors	Andrew Travers – Deputy Chief Executive and Chief Finance Officer Karen Balam – Interim Assistant Director of Finance Maria G. Christofi – Acting Head of Strategic Finance
Status (public or exempt)	Public
Wards affected	Not applicable
Enclosures	Appendix A – Capital Programme Adjustments Appendix B – Risk List Appendix C – Debt Management Appendix D – Adult Social Services Virements
For decision by	Cabinet Resources Committee
Function of	Executive
Reason for urgency / exemption from call-in	Not applicable

Contact for further information: Maria G. Christofi, Acting Head of Strategic Finance, 020 8359 7122, or Karen Balam, Interim Assistant Director of Finance, 020 8359 2460.

## **1. RECOMMENDATIONS**

- 1.1 That the in-year savings of £4,257,000 (£3,663,000 from base budgets and £594,000 from earmarked reserves) be approved.**
- 1.2 That Directors take appropriate action to ensure costs are kept within budget and income targets are met. (Paragraph 9.1.9)**
- 1.3 That the revenue position and comments be noted. (Paragraph 9.2)**
- 1.4 That the Director of Environment and Operations report back to the Committee at its September meeting on the urgent measures to balance the Special Parking Account.**
- 1.5 That the increase to the Children's Services' budget of £18,578,539 be approved. (Paragraph 9.2.8)**
- 1.6 That Directors ensure that those capital projects in their services are managed closely to ensure they are delivered within budget and in accordance with the agreed timeframe. (Paragraph 9.3.6)**
- 1.7 That the proposed movements and substitution of funding for the Capital Programme as detailed in Appendix A be approved.**
- 1.8 That the proposed Capital additions of £1,222,036 and related funding implications detailed in Appendix A be approved.**
- 1.9 That the proposed virements within the Adult Social Services Directorate as detailed in Appendix D be approved.**
- 1.10 That Directors monitor their financial risks regularly and ensure that appropriate actions are taken to mitigate those risks wherever possible. (Paragraph 9.6.1)**
- 1.11 That the progress in the implementation of savings agreed in the 2010/11 budget be noted. (Paragraph 9.7.1)**
- 1.12 That the outstanding debt position of the council be noted. (Paragraph 9.8.1)**
- 1.13 That the creditor payment performance of the council be noted. (Paragraph 9.9.1)**
- 1.14 That the tax collection performance of the council be noted. (Paragraph 9.10.1)**

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1 Council, 2 March 2010 (Decision item 145) – approved the Council Budget and Council Tax 2010/11.**
- 2.2 Cabinet Resources Committee, 17 June 2010 (Decision item 18) – approved the Outturn 2009/10.**

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

- 3.1 Robust budget and performance monitoring are essential to ensuring that there are adequate and appropriately directed resources to support delivery and achievement of council priorities and targets as set out in the Corporate Plan. In addition, adherence to the Prudential Framework ensures capital expenditure plans remain affordable in the longer term and that capital resources are maximised.
- 3.2 'Maximise improvements and savings in 'back office' functions' and 'Make sure we get best value from resources across the public sector, including our people and assets' represent two of the eight key objectives underlying the corporate priority 'Better services with less money' and the strategic objectives.
- 3.3 Relevant Council strategies and policies include the following:
- Medium Term Financial Strategy;
  - Treasury Management Strategy;
  - Debt Management Strategy;
  - Insurance Strategy;
  - Risk Management Strategy; and
  - Capital, Assets and Property Strategy.

### **4. RISK MANAGEMENT ISSUES**

- 4.1 At the time of writing this report the Statement of Accounts were completed but not audited; there is a risk that some final entries may impact on the outturn position previously reported to the Committee. Any changes will be reported in next monitoring report to the Cabinet Resources Committee.
- 4.2 The revised forecast level of balances needs to be considered in light of the financial risks identified in 4.4 below.
- 4.3 Various projects within the council's revenue budget and capital programme are supported by time-limited grants. Where there are delays to the implementation of these projects there is the risk the associated grants will be lost. If this occurs either the projects will be aborted or a decision to divert resources from other council priorities will be required.
- 4.4 Work is now in hand to integrate financial and other risks into a single risk management process. Pending this work being completed, the top ten financial risks are set out at appendix B.

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

- 5.1 Financial monitoring is important in ensuring resources are used to deliver equitable services to all members of the community.

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

- 6.1 Robust budget and performance monitoring plays an essential part in enabling an organisation to deliver its objectives efficiently and effectively. As a result of this, it has been a central component of the Council's Use of Resources assessment.

6.2 Use of Resources implications are covered within Section 9 of the body of the report and in the attached appendices.

## 7. LEGAL ISSUES

7.1 None arise over and above those referred to within the body of the report.

## 8. CONSTITUTIONAL POWERS

8.1 The Council's Constitution, in Part 3, Responsibility for Functions, states in paragraph 3.6 the functions of the Cabinet Resources Committee.

8.2 Financial Regulations section 4.17 – The Chief Finance Officer will report in detail to Cabinet Resources Committee at least four times a year on the revenue and capital budgets and wider financial standing in addition to two summary reports at the beginning and end of the financial year.

## 9. BACKGROUND INFORMATION

### 9.1 2010/11 Revenue Monitoring

9.1.1 Given that this report is being produced early in the 2010/11 financial year, many of the issues that will impact on the outturn position are still emerging. As a result, the report will focus on outlining those issues that are already apparent whilst concentrating on high risk areas on the understanding that subsequent reports will be more comprehensive and detailed as the financial position emerges throughout the year.

9.1.2 On 24 May 2010, the Government announced the details of £6.2 billion of savings from Government spending in 2010-11 to tackle the £156 billion deficit, while protecting the quality of key frontline services. Some services have been protected but £1.165bn of savings will be made in Local Government by reducing grants to Local Authorities to reflect their contribution to the £6.2bn. The Government will also remove the ring-fences around over £1.7bn of grants to local authorities in 2010-11, to give local authorities greater flexibility to re-shape their budgets and find savings while maintaining the quality of services provided.

9.1.3 In terms of the in-year savings stipulated by the Government, the Government has now clarified that for Barnet the loss of Local Area Agreement reward grant will impact in 2011/12, and not in 2010/11. Plans had not been developed to spend next year's reward grant so there is now no impact on the budget plans in respect of this grant. This gives a revised savings target of £4.257m.

**Table 1: Initial 2010/11 In-Year Savings**

Grant	Grants Cuts Announced	Already in 2010/11 Budget	Comment
	£m	£m	
LAA	3.000	0.750	£0.750m LAA cut is occurring in 2010/12 only.
ABG	1.892	1.892	As Government announcement
HPDG	1.000	0.400	2009/10 Allocation
LABGI	0.538	0.400	Provisional announcement
Total	6.430	3.442	
Resulting savings required are		3.442	
(less £0.750m as LAA not affecting 2010/11)		<u>(0.750)</u>	
<b>Total Grant-related savings required:</b>		<u><u>2.692</u></u>	

9.1.4 The Future Shape savings budget built into the 2010/11 base budget is £3.000m. Currently there are projects with savings amounting to £1.435m; Procurement (£0.750m), RIO (£0.400m), advertising (£0.160m) and transport (£0.125m). This leaves a shortfall of £1.565m. This is being managed by: holding commitments against the expenditure budget, funded from the LAA reward grant and Central Contingency; and continuing work to develop savings across the workstreams. The non-recurrent expenditure commitments amount to £0.883m, with £2.117m as yet uncommitted, this is kept under constant review.

**Table 2: 2010/11 In-Year Savings**

Description	Saving	Base Budget Reduction	Earmarked Reserves	Comments
	£000	£000	£000	
Grant loss	2,692			
Future Shape saving shortfall	1,565			
Adult Social Services		(50)		Saving on campus programme. Assumes costs funded by £1.5m residual LAA reward grant, with any balance charged to transformation reserve
Central Expenses (Future Shape saving)		(1,500)		
Central Expenses (Free personal care)		(850)		Contingency not required
Chief Executive		(72)	(466)	£72k preventing violent extremism, plus £46k earmarked reserve; £420k working neighbourhoods earmarked reserve
Children's Service		(631)		
Corporate Services		(100)		Grant-related savings
Finance			(128)	Saving on SAP optimisation reserve - OneSAP project
Environment & Operations		(175)		Reduce IFRS reserve - efficiency saving
Planning, Housing & Regeneration		(285)		Safer, stronger communities grant £75k cut; saving of £100k to budget
<b>Total savings</b>	<b>4,257</b>	<b>(3,663)</b>	<b>(594)</b>	Contain element of loss of HPD grant

9.1.5 The savings identified within the Planning, Housing and Regeneration directorate are being delivered through a combination of further efficiencies across the directorate in the areas of housing, planning and regulatory areas. Specifically savings have been identified in the service areas:

- £200,000 from the Regeneration budget following reconfiguration and better use of rental income generated from Buyback Private Sector Leasing scheme;
- £16,000 recycling of housing and regeneration related grants;
- £69,000 roll-forward of Strategy (LDF) budget and savings in process; and
- £285,000 Total.

9.1.6 The £100,000 saving from budget within Environment and Operations relates to Parks and Green Spaces - This is due to the realignment of the priorities in this area following discussions with the Cabinet Member for Environment.

9.1.7 The Council entered 2010/11 in a relatively strong financial position with general balances of £15.780m. This position provides the Council with the flexibility to meet the challenges it faces. However, this strong position could readily be lost over the coming year if spend and income are not managed closely within budget and remedial action taken where variances are projected.

9.1.8 Services are projecting variations at this early stage; these are laid out in table 3. A clearer budget position will become apparent in time for the next meeting on 2 September 2010. Current projections would result in a year-end general fund balance of £15.008m. If the SPA shortfall is included this results in a year-end general fund balance of £13.208m.

9.1.9 Directors are reminded that they are accountable for any budget variations within their services and the associated responsibility to ensure costs and income are managed within agreed budgets. To ensure this is successfully achieved, it is essential that Directors develop action plans for all significant emerging variances, with the aim of ensuring that overall expenditure is kept within the total budget available, whilst simultaneously ensuring that services are delivered effectively.

## 9.2 Revenue Position and Comments

**Table 3: 2010/11 Revenue Outturn Analysis – Summary**

	Original Budget	Revised Budget as at 31/05/10	Forecast Outturn as at 31/05/10	Forecast Outturn Variation as at 31/05/10	Comments
	£000	£000	£000	£000	
Adult Services	96,232	96,232	96,373	141	9.2.1
Central Expenses	53,879	53,879	53,879	-	
Chief Executive	2,632	3,983	3,983	-	
Childrens Service	49,169	49,158	49,289	131	9.2.2
Commercial	9,599	8,280	8,280	-	
Corporate Governance	6,424	6,424	6,424	-	
Corporate Services	23,309	23,309	23,309	-	
Environment & Operations	28,443	28,443	28,443	-	
Finance	2,733	2,733	2,733	-	
Planning, Housing & Regeneration	2,028	1,996	2,496	500	9.2.3
<b>Total 2010/11 General Fund Forecast</b>	<b>274,447</b>	<b>274,436</b>	<b>275,208</b>	<b>772</b>	
Allocations agreed from General Fund Balances	-	-	-	-	
General Fund Balances as at 01/04/10	(15,780)	(15,780)	-	(15,780)	
<b>Projected General Fund Balances (excluding schools balances) at 31/03/11</b>	<b>(15,780)</b>	<b>(15,780)</b>		<b>(15,008)</b>	

	Original Budget	Revised Budget as at 31/05/10	Forecast Outturn as at 31/05/10	Forecast Outturn Variation as at 31/05/10	Comments
	£000	£000	£000	£000	
Dedicated Schools Grant	(124)	(113)	(113)	-	
Special Parking Account (Appropriation to the General Fund)	(5,092)	(5,092)	(3,292)	1,800	9.2.4
Housing Revenue Account	-	-	-	-	

9.2.1 Adult Social Services (£0.141m overspend) – The projected overspend is principally due to the decision taken corporately to use £0.377m of the carry forward on the Supporting People Programme to ensure the Council had sufficient General Fund Balances as at 31 March 2010. This £0.377m had originally been identified in the 2010/11 budget to support Adult Social Services budget position. In addition there are a couple of other pressures including Transitions and Fairer charging consultation. Appendix D contains proposed virements within the Adult Social Services Directorate which aim to amend certain individual budget lines to ensure its budget is consistent with current management arrangements.

- 9.2.2 Children's Service (£0.131m overspend) – £0.081m cost of backdated re-grades for some social care staff and £0.050m additional cost of Safeguarding Board due to the increase in the volume of work.
- 9.2.3 Planning, Housing and Regeneration (PHR) (£0.5m overspend) – This overspend is based on the worst-case assumption that the £0.5m currently being held in central contingency (in relation to Land Searches Income) will not be released to meet this pressure. When, and if, the contingency is released the projected outturn will accordingly be reduced.
- 9.2.4 Special Parking Account (SPA) (£1.8m overspend) – there are significant pressures on income being generated within the SPA which have continued from 2009/10. The £1m projected reduction in income is a prudent estimate which may be refined as better information becomes available throughout the year. In addition there is a shortfall in budgetary provision within the account in the region of £800,000 for internal support service recharges. This has been a recurrent issue for a couple of years and the base budget will need to be adjusted to reflect the actual charges made. This is a corporately agreed mechanism and is no reflection of additional services consumed by the SPA.
- 9.2.5 **Increase in Children's Service Budget for Young People's Learning Agency (YPLA) funding for Barnet College and Woodhouse 6<sup>th</sup> Form College**  
 Until April 2010 funding for schools sixth forms was passported from the Learning and Skills Council (LSC) to the Council and the grant of £22m was included in the Council's budget agreed at Council in March 2010. On 31 March 2010, the LSC was dissolved and 2 successor organisations established: the Skills Funding Agency (SFA) and the Young People's Learning Agency (YPLA). The funding for 16-18 participation at schools with sixth forms and at colleges and the private and voluntary sector (including those with learning disabilities up to the age of 25) is now provided by the YPLA to local authorities who are required to passport the grant funding to the education providers.
- 9.2.6 When the budget was agreed by Council in March 2010 no notification had been received for the amount of funding for the 2 colleges located in Barnet for 16-19 participation (Barnet College and Woodhouse Road 6th Form College). The LSC was responsible for announcing the grant allocations for the academic year 2010/11 and these were sent to the Council at the end of March 2010. The allocations to the 2 Further Education (FE) colleges and the school 6th forms for the academic year 2010/11 are below:

**Table 4: YPLA Funding for Colleges and Sixth Form Colleges**

	YPLA Funding Academic Year 2010/11 £
FE Colleges (including Sixth Form Colleges)	18,642,319
School Sixth Form Funding	23,196,123
Total	18,578,539

- 9.2.7 The funding for the 2 FE colleges in the financial year 2010/11 is calculated as £18,578,539 (5 months for the 2009/10 academic year and 7 months of the academic year 2010/11). The funding for the school sixth forms for the financial year is £23,037,743.

9.2.8 Despite this late notification of grant, local authorities were required to commence monthly payments to the providers commencing in mid April. The Council's financial regulations provides for the Director of Finance to approve revenue expenditure not provided for within the latest approved budget if satisfied that the expenditure is wholly reimbursable to the Council. Accordingly the payments to the colleges were made following the receipt of the grant from the YPLA. The Cabinet Resources Committee is asked to note the increase in the gross budget for Children's Service of £18,578,539 which is wholly funded by a grant from the YPLA.

### 9.2.9 **Building Schools for the Future**

Following the Government announcement regarding the cessation of the Building Schools for the Future (BSF) programme on 5 July an immediate review of the costs incurred to date, and costs committed, is being undertaken. The results of the financial review will be presented to Cabinet Resources Committee on the night of the meeting, and recommendations will be proposed to address how any BSF preparation costs will be managed.

### 9.3 **2010/11 Capital Programme Monitoring**

9.3.1 Slippage was reported in the 2009/10 Capital Programme Final Outturn (over 32% of budgeted spend). Although this is a minor improvement on last year's slippage (33%), such slippage not only delays the implementation of projects that will enable the Council to achieve its objectives, but it risks the loss of significant sums of grant funding. Therefore it is essential that projects are closely managed during 2010/11 to ensure that they are delivered within budget and in accordance with the agreed timescales.

9.3.2 As with the revenue budget, it remains early in the financial year to offer a comprehensive analysis of the projected capital outturn position. However, a clearer capital programme position is expected to become apparent in time for the next meeting on 2 September 2010. The current position is displayed in table 5.

**Table 5: Capital Monitoring – Month 2 Position**

	2010/11 Base Budget (incl. slippage and adjs)	Additions/ Deletions Recommended to July CRC	Slippage / Accelerated Spend Recommended to July CRC	2010/11 Budget (including July CRC)	Spend to date (as per SAP)	Forecast to year-end	Variance from Revised Budget
	£000	£000	£000	£000	£000	£000	£000
Adult Social Services	1,367	-	-	1,367	296	1,367	-
Central Expenses	4,500	-	-	4,500	-	4,500	-
Children's Service	74,475	312	-	74,787	4,838	74,787	-
Corporate Governance	31	-	-	31	-	31	-
Corporate Services	4,272	-	-	4,272	78	4,272	-
Commercial Services	3,969	169	(168)	3,970	132	3,970	-
Environment & Operations	15,987	790	-	16,777	76	16,777	-
Planning, Housing and	8,283	(49)	-	8,234	128	8,234	-
<b>General Fund Programme</b>	<b>112,884</b>	<b>1,222</b>	<b>(168)</b>	<b>113,938</b>	<b>5,548</b>	<b>113,938</b>	<b>-</b>
HRA Capital	23,672	-	-	23,672	1,223	23,672	-
<b>Total Capital Programme</b>	<b>136,556</b>	<b>1,222</b>	<b>(168)</b>	<b>137,610</b>	<b>6,771</b>	<b>137,610</b>	<b>-</b>



9.3.3 Children's Services (£0.254m variance) – A net addition of £0.312m has been requested in Appendix A; this is also shown in table 4. The Primary School Capital Investment Programme (PSCIP) was chiefly intended to be financed from capital receipts and S106 contributions; unfortunately, the economic downturn and its effects upon the land and property markets has made meeting planned income targets unachievable in the near-term. As a result of this, substitutions within the PSCIP plan are requested regarding capital receipts totalling £10.977m and S106 totalling £5.29m; these are not expected to be realised in phase 1 As shown in table 5 below, this funding will be chiefly financed by borrowing. The capital financing cost of this additional borrowing can be contained.

**Table 6: PSCIP phase 1 funding**

Original	2010/11	2011/12	2012/13	Total
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Grant total*</b>	-			-
<b>S106 total</b>	6,050			6,050
<b>Borrowing total</b>	983			983
<b>Capital Receipts total</b>	9,977	1,000		10,977
<b>PSCIP Total funding Phase 1</b>	<b>17,010</b>	<b>1,000</b>	<b>-</b>	<b>18,010</b>
Revised	2010/11	2011/12	2012/13	Total
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Grant total</b>	537			537
<b>S106 total</b>	760			760
<b>Borrowing total*</b>	15,713	1,000		16,713
<b>Capital Receipts total</b>				-
<b>Total funding Phase 1</b>	<b>17,010</b>	<b>1,000</b>	<b>-</b>	<b>18,010</b>
<b>*Budget movement to the Hyde</b>	450			
<b>Additional Borrowing</b>	14,730	1,000		15,730
<b>Capital Receipts total</b>		(13,691)	(4,870)	(18,561)
<b>Net Additional Borrowing</b>				(2,831)

9.3.4 Commercial Services (No variance) – Slippage of £0.168m (£34,000 energy efficiency measures; £56,000 office consolidation and £78,000 modernising the way we work) is off-setting additions to the programme of £0.168m (details in Appendix A).

9.3.5 Environment and Operations (£0.346m variance) – Increase to budget of £0.346m has been requested in Appendix A. This is due to changes to the Controlled Parking Zone programmes.

9.3.6 Directors are reminded they need to continue to ensure that capital projects are closely managed during 2010/11 to ensure that they are delivered within budget and in accordance with the agreed timeframe.

#### 9.4 **Capital Financing Requirement Changes**

9.4.1 The Capital Financing Requirement (CFR) as reported in the 2010-2011 Budget Book:

**Table 7: Capital Financing Requirement changes**

	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/2013</b>
	<b>Actual</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
	£000	£000	£000	£000	£000
<b>Non-HRA</b>	80,077	105,550	133,676	151,541	148,428
<b>HRA</b>	62,881	80,472	93,290	103,852	103,852
	<b>142,958</b>	<b>186,022</b>	<b>226,966</b>	<b>255,393</b>	<b>252,280</b>

The revised CFR (as a result of PSCIP changes):

	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/2013</b>
	<b>Actual</b>	<b>Actual</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
	£000	£000	£000	£000	£000
<b>Non-HRA</b>	80,077	115,290	159,000	164,785	166,285
<b>HRA</b>	62,881	75,752	86,261	86,261	86,261
	<b>142,958</b>	<b>191,042</b>	<b>245,261</b>	<b>251,046</b>	<b>252,546</b>

9.4.2 The actual CFR for 2009/10 exceed the budgeted CFR by £5.02 million including changes in requirements for HRA and General Fund CFR.

9.4.3 The revised CFR estimate figures for 2010/11 have increased by £18.295 million, including an in-year decrease in HRA of £2.3 million (£7.32m accumulative) and an in-year increase of £43.71 million in non HRA. This figure consists of £3.8million slippage from 2009/10 and £15.6 million of PSCIP capital receipts converted to borrowing.

9.4.4 The revised CFR estimate figures for 2011/12 have decreased by £4.35 million, including an in-year decrease in HRA of £10.56 million (£17.89m accumulative) and an in year increase of £5.785 million of non HRA, including £1 million of PSCIP capital receipts converted to borrowing.

9.4.5 The revised CFR estimate figures for 2012/13 have increased by £0.266 million.

9.4.6 The current Authorised Limits for external debt, as approved by Council, are:

**Table 8: Authorised limit for total external debt**

	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>
	£000	£000	£000	£000
Borrowing	251,322	262,334	262,334	262,334
Other long term liabilities	50,000	50,000	50,000	50,000
<b>Total</b>	<b>301,322</b>	<b>312,334</b>	<b>312,334</b>	<b>312,334</b>

9.4.7 Based on the estimated CFR figures above, the council will be close to its external borrowing limits by 2011/12 and may need to seek approval from Cabinet to increase the Prudential Borrowing limits in line with Capital Financing Requirements. This Committee is due to consider a new Treasury Management Strategy in September and a full report will be made to Council and amendments confirmed.

9.4.8 The development of the 2011/12 budget strategy, together with the Communities and Local Government proposal to make the HRA subsidy process self-financing will require continuous reviewing of the CFR.

## 9.5 **Proposed changes to the Capital Programme**

9.5.1 Appendix A gives details of the proposed changes to the Capital Programme. These include proposed additions and deletions as well as budget movements.

## 9.6 **Financial Risks**

9.6.1 Services have identified the key financial risks affecting their areas and the ways in which they are to be mitigated or minimised. Further details can be found in Appendix B attached to this report. Given their size and potential impact, they require close and careful management by services.

9.6.2 Financial risks will be integrated with all risks from the Quarter 1 monitoring report.

## 9.7 **Progress on Savings**

9.7.1 Services have identified progress in the implementation of savings agreed in the 2010/11 budget. Table 9 gives the cumulative amounts of those savings that have been categorised as completed, partially completed or not yet implemented.

**Table 9: Progress on Savings**

Service	Completed	Partially Completed	Not yet Implemented	Total Savings
	£000	£000	£000	£000
Adult Social Services	1,723	1,579	377	3,679
Central Expenses	2,554	-	1,435	3,989
Chief Executive	280	-	-	280
Children's Service	2,087	-	822	2,909
Commercial	148	30	116	294
Corporate Governance	240	-	-	240
Corporate Services	479	-	598	1,077
Environment & Operations	1,111	-	1,000	2,111
Finance	125	-	-	125
Planning, Housing & Regeneration	543	-	480	1,023
<b>Total</b>	<b>9,290</b>	<b>1,609</b>	<b>4,828</b>	<b>15,727</b>

9.7.2 Further detailed analysis of 'not yet implemented' and 'partially completed' savings will be brought to the committee in the quarter 1 monitor on 02 September 2010.

## 9.8 **Debt Management**

9.8.1 The efficient collection of debt is an important component in ensuring the financial health of the Council. In recognition of this the Council has focused on improving performance in this area, which in turn has led to significant improvements in debt collection.

Total debt as at 31 May 2010 was £14.244m (net of write-offs) – a decrease of £1.220m from the corresponding figure for 2009. Of the total debt to 31 May 2010, £7.629m (54%) relates to invoices under 30 days old and £6.615m (46%) over 30 days.

The Council's total outstanding debt over 12 months old is currently £3.268m. Appendix C shows a graphical representation of Debt by Department and True Aged Debt.

9.8.2 The Council's two most significant debtors are Barnet Homes and Barnet PCT. Barnet Homes and Barnet PCT owe the Council £0.132m and £0.242m respectively. These figures are down from £0.415m and down from £1.175m respectively at this point in May 2009.

9.8.3 Barnet Homes collect leaseholder contributions to help finance improvements and major works in the Council's social housing stock. Over the past year significant improvements in performance have been realised as long-term major works debt has been reduced whilst overall collection has increased as shown in Table 10.

**Table 10: Leaseholder – Major Works Debt Comparison**

<b>Age of Debt</b>	<b>As at 31/03/10 £000</b>	<b>As at 31/05/10 £000</b>
Under 6 months	1,109	1,044
Between 6 months and 1 year	749	860
Over 1 year	826	709
<b>Total</b>	<b>2,684</b>	<b>2,613</b>

## **9.9 Creditor Payment Performance**

9.9.1 Overall 95.20% of undisputed invoices were paid within 30 days in the fourth quarter of 2009/10. This is an improvement on the creditor payment performance achieved during the same period of 2009/10 of 94.38%. The overall rate for 2009/10 was 97.45%.

## **9.10 Tax Collection**

9.10.1 As at 31 May 2010, Council Tax collection is 21.52% slightly up (+0.03%) on the equivalent point last year. In cash terms this is £37.287m compared to £37.396m collected at the same time last year.

9.10.2 The amount collected this year is £0.109m less than last year, even though the collection rate is slightly higher. This is due to an 8% (£2.1m) increase in council tax benefit entitlement, which reduces the collectable amount by £0.149m.

9.10.3 As at 31 May 2010, Business Rates collection was 20.03%, down by 1.53% from the equivalent point last year. In cash terms this is £20.742m compared to £21.450m collected at the same time last year.

9.10.4 The collectable amount has increased by £4m (4%) but the amount collected is £0.708m less than last year, hence the lower collection rate. Collection performance has been adversely affected by the recession, which has resulted in more businesses finding it harder to pay or going into liquidation.

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

10.1 None.

Legal – MM  
CFO – AT

## Appendix A – Capital Programme Adjustments

### Additions and Deletions

Directorate	Year	Capital Programme	Funding Type	Amount £	Request
Environment and Operations	2009/10	HD35 Highways Investment Programme	Grant	50,000	Unexpected additional TfL grant received and spent in 2009-10. A budget increase is requested to reflect this.
Environment and Operations	2009/10	HD35 Highways Investment Programme	Capital Receipts	306,618	Emergency snow works in 2009-10 led to unexpected spend, a budget increase is requested to reflect this.
Environment and Operations	2009/10	EN02 Recycling Schemes	Earmarked Reserve	35,155	Spend in 2009-10 on Recycling schemes.
Environment and Operations	2009/10	EN02 Recycling Schemes	Grant	113,595	Spend in 2009-10 on Recycling schemes to be funded from the Stronger Safer Communities grant.
Environment and Operations	2009/10	EN18 Refurbishment of Hendon Park Toilets	S106	(32,000)	These projects are to be funded from revenue and as such the budget is no longer required. Committee is asked to note the deletion.
		EN19 Installation of New Skate Park	S106	(30,000)	
Environment and Operations	2010/11	HD03 – LSS	Grant	1,000	
Environment and Operations	2010/11	HD11 – LBPN	Grant	(71,000)	
Environment and Operations	2010/11	HD07 – SPA	RCCO	106,500	
Environment and Operations	2010/11	HD07 – SPA	S106	10,500	
Environment and Operations	2010/11	HD10 – Footways	S106	(12,100)	
Environment and Operations	2010/11	HD33 – Colindale	S106	100,000	

Directorate	Year	Capital Programme	Funding Type	Amount £	Request
Environment and Operations	2010/11	HD35 – HIP	S106	121,400	
Environment and Operations	2010/11	Other Highways Misc	S106	103,000	
Environment and Operations	2010/11	Other ENV Misc	S106	(13,000)	
<b>Environment and Operations Sub-Total</b>				<b>789,668</b>	
Children's Service	2009/10	Modn – Brunswick Park Early Years	Grant	140,000	Project scope increased in 2009-10 and additional funding secured from the School.
		Modn – Martin Junior	Grant	18,500	
		PHU – Hyde	Grant	85,500	
		PHU – Parkfield	Grant	34,000	
		Emergency Works – Log Cabin Grahame Park	RCCO	22,000	Emergency Health and Safety Works undertaken in 2009-10.
Children's Service	2010/11	Modn – Cromer Playground	Borrowing	120,000	Urgent HandS works – Cromer-Playground and Holly Park Boundary Wall. The programme area in which funding allocations is sought, is established and has been approved by CRC.
		Modn – HollyPark	Borrowing	70,000	
		Modn – Urgent responsive works	Borrowing	(190,000)	Re-aligning of the modernisation programme allocation to fund the specific projects outlined above.
Children's Service	2010/11	14-19 SEN – Hasmonean School	Grant – 14-19 SEN	50,000	Disabled access works. The programme area in which funding allocations is sought, is established and has been approved by CRC.

Directorate	Year	Capital Programme	Funding Type	Amount £	Request
		14-19 SEN – Oak Hill	Grant – 14-19 SEN	65,000	Urgent window replacements. The programme area in which funding allocations is sought, is established and has been approved by CRC.
		Targeted capital 14-19 and SEN	Grant – 14-19 SEN	(115,000)	Approval is sought to re-align the Targeted capital 14-19 and SEN programme allocation to fund the specific projects outlined above.
Children's Service	2010/11	Surestart – Church End	Grant – Surestart	200,000	Access upgrade. The programme area in which funding allocations is sought, is established and has been approved by CRC.
		Surestart – Phase 3 Allocation	Grant – Surestart	(200,000)	Re-align the Surestart Phase 3 programme allocation to fund the specific projects outlined above.
Children's Service	2010/11	YCF – Graham Park Youth Centre	Grant – YCF	20,000	Security works at the Youth Centre. The programme area in which funding allocations is sought, is established and has been approved by CRC.
		YCF – Sensory Play Area/ Garden	Grant – YCF	39,000	Sensory Play Area/ Garden project agreed by the Youth bank panel. The programme area in which funding allocations is sought, is established and has been approved by CRC.

Directorate	Year	Capital Programme	Funding Type	Amount £	Request
		YCF – Young People's Gym	Grant – YCF	40,000	Young people's gym project agreed by the Youth bank panel. The programme area in which funding allocations is sought, is established and has been approved by CRC.
		YCF – Young People's Mobile Skate Facility	Grant – YCF	30,000	Young people's mobile skate facility project agreed by the Youth bank panel. The programme area in which funding allocations is sought, is established and has been approved by CRC.
		Youth Capital Fund	Grant – YCF	(129,000)	Re-align the Youth Capital Fund programme allocation to fund the specific projects outlined above.
Children's Service	2010/11	SureStart – Sweets Way Community Centre/ Queenswell	Grant – Surestart	150,000	Incorporate the Sweets Way Community Centre/Queenswell project. All the associated cost can be contained within a time limited ring fenced approved programme area.
Children's Service	2010/11	SureStart – Moss Hall Library	Grant – Surestart	(100,000)	Decommission the proposed work at Moss Hall Library in line with Children Centres designation.
Children's Service	2010/11	SureStart – Church Passage	Grant – Surestart	(50,000)	Decommission the proposed work at Church Passage in line with Children Centres designation.
Children's Service	2010/11	Modernisation Programme	Borrowing	10,000	
		Surestart Programme	Grant	1,000	
		Major Schools Rebuild-Parkfield	Borrowing	1,000	



Directorate	Year	Capital Programme	Funding Type	Amount £	Request
		Woodhouse Road	Grant	561	
		Integrated Childrens System	Grant	(309)	
Children's Service	2010/11	Urgent New Primary Places	Various	2,000,000	Approval is sought to earmark funds for the expansion of Akiva Primary School subject to statutory consultation.
		Urgent New Primary Places	Grant - BNSV	(1,000,000)	Approval is sought to earmark the funds within the new primary place programme for the Akiva permanent expansion.
		Targeted Capital Fund	Borrowing	(1,000,000)	Approval is sought to re-align the Targeted Capital Programme to fund urgent new primary places.
Children's Service	2010/11	Urgent New Primary Places	Various	3,000,000	Approval is sought to earmark funds for the expansion of Broadfield Primary School subject to statutory consultation.
		Primary Capital Programme	Grant – PCP	(900,000)	Approval is sought to re-align the Primary Capital Programme to fund urgent new primary places.
		School Access	Borrowing	(100,000)	Approval is sought to re-align the School Access Programme to fund urgent new primary places.
		Targeted Capital Fund	Borrowing	(2,000,000)	Approval is sought to re-align the Targeted Capital Programme to fund urgent new primary places.
<b>Children's Service Sub-Total</b>				<b>312,252</b>	

Directorate	Year	Capital Programme	Funding Type	Amount £	Request
Commercial Services	2009/10	HE09 HTH Committee Room Refurbishment	RCCO	25,000	Additional work for the Committee Room Refurbishment Project in 2009-10.
Commercial Services	2009/10	COR00008 HTH Car park	Capital Receipt	36,116	Spend against HTH car park lease to be financed by the capital receipt from the lessee.
Commercial Services	2010/11	Friary House	Revenue Reserve	59,000	
Commercial Services	2009/10	Depot Relocation	Capital Receipts	48,566	Spend against Depot Relocation is to be financed by capital receipts from the General Fund Regeneration Programme.
<b>Commercial Services Sub-Total</b>				<b>168,682</b>	
Planning, Housing and Regeneration	2009/10	Depot Relocation	Capital Receipt	(48,566)	The Committee is asked approve the budget virement to the above.
<b>Planning, Housing and Regeneration Sub-Total</b>				<b>(48,566)</b>	
<b>Total (All Services)</b>				<b>1,222,036</b>	

Type of funding	£
Borrowing	11,000
Cap Receipts	342,734
Grant	372,847
S106	247,800
Earmarked Reserve	35,155
Revenue reserve	59,000
RCCO	153,500
<b>Total</b>	<b>1,222,036</b>

## Movements within Capital Programme

Directorate	Year	Capital Programme	Funding Type	Amount £	Request
Environment and Operations	2009/10	EN02 Recycling Schemes	Borrowing	50,000	Budget transfer from CCTV Installation to cover spend in 2009-10.
		LP05 CCTV Installation	Borrowing	(50,000)	
Environment and Operations	2010/11	HD46 – Corridors	Grant	(133,000)	
Environment and Operations	2010/11	HD48 – Smarter Travel	Grant	133,000	
Environment and Operations	2010/11	HD35 – HIP	Borrowing	1,500,000	
Environment and Operations	2010/11	HD38 – Town Centre CandF	Borrowing	(1,500,000)	
Environment and Operations	2009/10	LP05 CCTV Installation	Grant	78,747	Non-ring fenced Safer Stronger Communities Grant transfer to cover spend in 2009-10 against CCTV Installation scheme.
		SD05 Building Safer Communities	Grant	(78,747)	
<b>Environment and Operations Sub-Total</b>				<b>0</b>	
Children's Service	2010/11	SureStart – Barnfield Refurb Package 3	Grant – Surestart	20,000	Increase the scope of work to Barnfield Children Centre. All the associated costs can be contained within the time limited ring fenced programme.
Children's Service	2010/11	SureStart – Newstead Refurb	Grant – Surestart	30,000	Increase the scope of work to Newstead Children Centre. All the associated costs can be contained within the time limited ring fenced programme.

Directorate	Year	Capital Programme	Funding Type	Amount £	Request
Children's Service	2010/11	SureStart – Coppetts Wood	Grant – Surestart	12,000	Increase the scope of work to Coppetts Wood Children Centre. All the associated costs can be contained within the time limited ring fenced programme.
Children's Service	2010/11	SureStart – Mill Hill Library	Grant – Surestart	34,000	Increase the scope of work to Mill Hill library. All the associated costs can be contained within the time limited ring fenced programme.
Children's Service	2010/11	SureStart – Canada Villa/ Methodist Hall	Grant – Surestart	60,000	Increase the scope of work to Canada Villa/ Methodist Hall. All the associated costs can be contained within the time limited ring fenced programme.
Children's Service	2010/11	SureStart – Edgware Library	Grant – Surestart	35,000	Increase the scope of work to Edgware Library. All the associated costs can be contained within the time limited ring fenced programme.
Children's Service	2010/11	SureStart – North Finchley Library	Grant – Surestart	31,000	Increase the scope of work to North Finchley Library. All the associated costs can be contained within the time limited ring fenced programme.
Children's Service	2010/11	SureStart – Moss Hall Library	Grant – Surestart	(90,000)	Decommission the proposed work at Moss Hall Library in line with Children Centres designation.
Children's Service	2010/11	SureStart Allocation	Grant – Surestart	(132,000)	Re-align the Surestart Phase 3 allocation to fund the specific projects outlined above.

Directorate	Year	Capital Programme	Funding Type	Amount £	Request
Children's Service	2010/11	Major Schools rebuild	Borrowing	450,000	Increase the allocation to the Hyde project for unplanned expenditure associated to treating Japanese Knot Weed and other unforeseen site specific abnormalities, resulting in an over spend within this programme. It is anticipated that the over spend will be contained within the overall Children's Service Capital programme.
		PSCIP	Borrowing	(450,000)	Decrease the allocation to the Whitting Hill project, which is forecasted to deliver contract savings, presenting an opportunity to release an element of the project contingency to support the pressure evident within the Major Schools rebuild programme.
Children's Service	2010/11	PCP – Foulds Primary School Replacement nursery	Borrowing	412,000	Increase the allocation to Foulds Primary School. Detailed design and associated tender figures in excess of indicative allocation. Costs can be contained within the overall Children's Service Capital programme.
		PCP - Childs Hill Resource and Children's Centre	Borrowing	60,000	Increase the allocation to Childs Hill School, for urgent window replacement. Costs can be contained within the overall Children's Service Capital programme.

Directorate	Year	Capital Programme	Funding Type	Amount £	Request
		Modn – Responsive modernisation contingency	Borrowing	(272,000)	Reduce the responsive modernisation contingency to fund the Childs Hill project and contribution towards the Foulds Primary School funding shortfall.
		PSCIP – Northway/ Fairway School	Borrowing	(200,000)	Release the residual funds resulting from increased project contributions to fund the proposed works at Foulds Primary School.
Children's Service	2010/11	Sure start EY	SS Grant	(200,000)	Transfer (vire) unallocated time limited funds from Sure Start Early Years to Sure Start Children Centres. This treatment is in adherence with the Sure Start ringfenced grant conditions.
		PSCIP – Northway/ Fairway CC	SS Grant	200,000	Allocate funds transferred (vired) from Sure Start Early Years to the Northway/ Fairway Children Centres rebuild.
Children's Service	2010/11	PSCIP – Whitting Hill	Capital Receipts	(700,000)	Revise the programme funding to reduce Capital Receipts which are not anticipated to be realised within the period that the expenditure will be incurred and replace this with borrowing in the interim.
		PSCIP – Whitting Hill	Borrowing	700,000	
Children's Service	2010/11	PSCIP – Broadfields	Capital Receipts	(2,012,000)	Revise the programme funding to reduce Capital Receipts which are not anticipated to be realised within the period that the expenditure will be incurred and replace this with borrowing in the interim.
		PSCIP – Broadfields	Borrowing	2,012,000	

Directorate	Year	Capital Programme	Funding Type	Amount £	Request
Children's Service	2010/11	PSCIP – Northway/ Fairway	S106	(5,290,000)	Revise the programme funding to reduce S106 agreements which are not anticipated to be realised within the period that the expenditure will be incurred and replace this with borrowing in the interim.
		PSCIP – Northway/ Fairway	Borrowing	5,290,000	
Children's Service	2010/11	PSCIP – Northway/ Fairway	Capital Receipts	(9,008,000)	Revise the programme funding to reduce Capital Receipts which are not anticipated to be realised within the period that the expenditure will be incurred and replace this with borrowing in the interim.
		PSCIP – Northway/ Fairway	Borrowing	9,008,000	
Children's Service	2009/10	PHU – Hyde East Barnet	Borrowing	27,000	Transfer of budget from the East Barnet programme to the Hyde project to cover 2009-10 overspend
			Borrowing	(27,000)	
<b>Children's Service Sub-Total</b>				<b>0</b>	
Commercial Services	2009/10	HE09 Accomodation Strategy – Office Consolidation	Borrowing	(21,731)	Transfer of budget to cover spend incurred in 2009-10 against the sub-project areas of the Accommodation Strategy- Committee Room Refurbishment and New IT Centre  Budget transfer from Office Consolidation for 2009-10 spend
		HE09 Accomodation Strategy – New IT Centre	Borrowing	2,051	
		HE09 Accomodation Strategy – Committee Room Refurbishment	Borrowing	19,680	

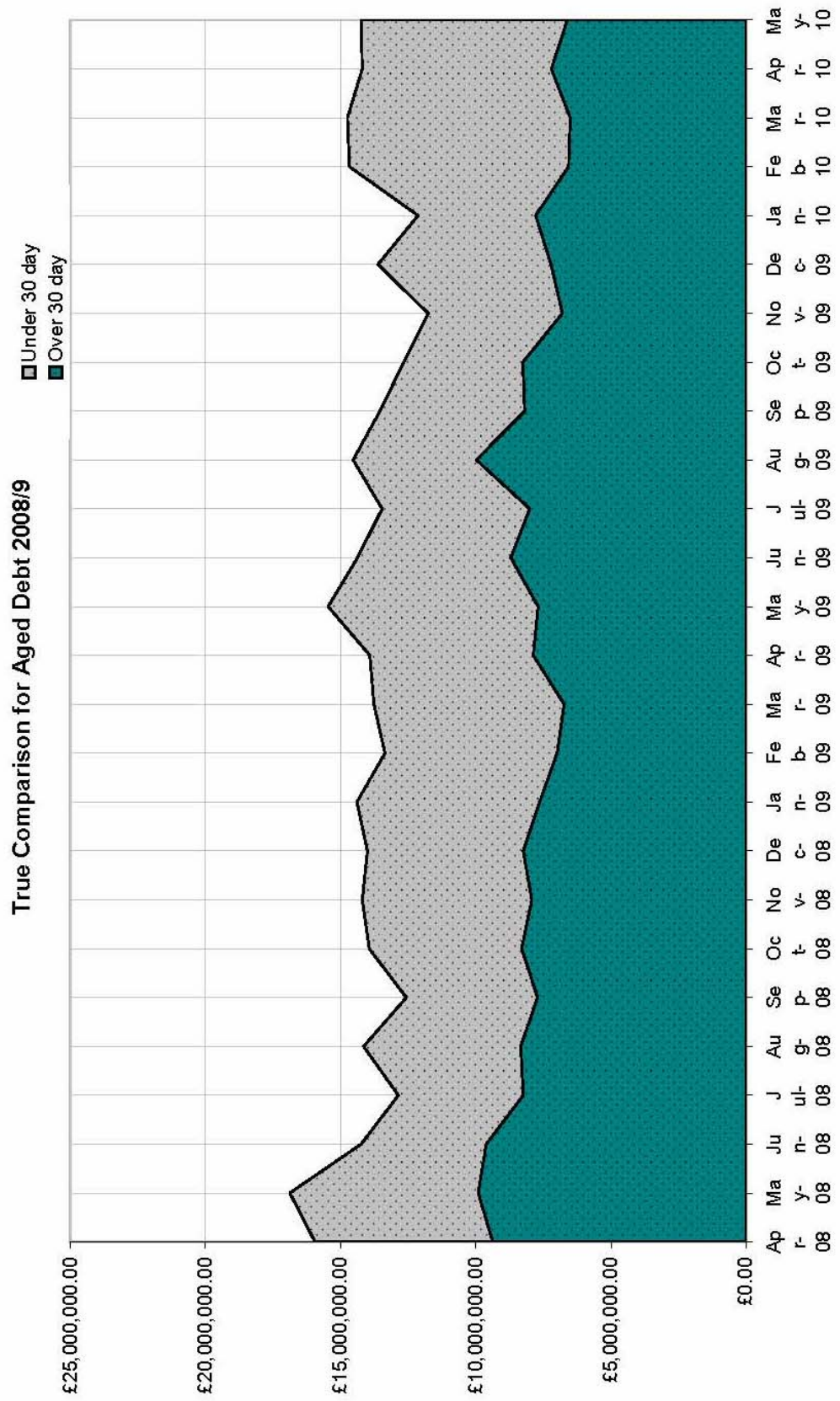
<b>Directorate</b>	<b>Year</b>	<b>Capital Programme</b>	<b>Funding Type</b>	<b>Amount £</b>	<b>Request</b>
Commercial Services	2009/10	IT06 Mobile Working Strategy Development	Borrowing	970	Budget transfer between 'Modernising the way We Work' and 'Mobile Working Strategy Development' to cover spend incurred in 2009-10.
		IT10 Modernising the way we work	Borrowing	(970)	
<b>Commercial Services Sub-Total</b>				<b>0</b>	
<b>Total (All Services)</b>				<b>0</b>	



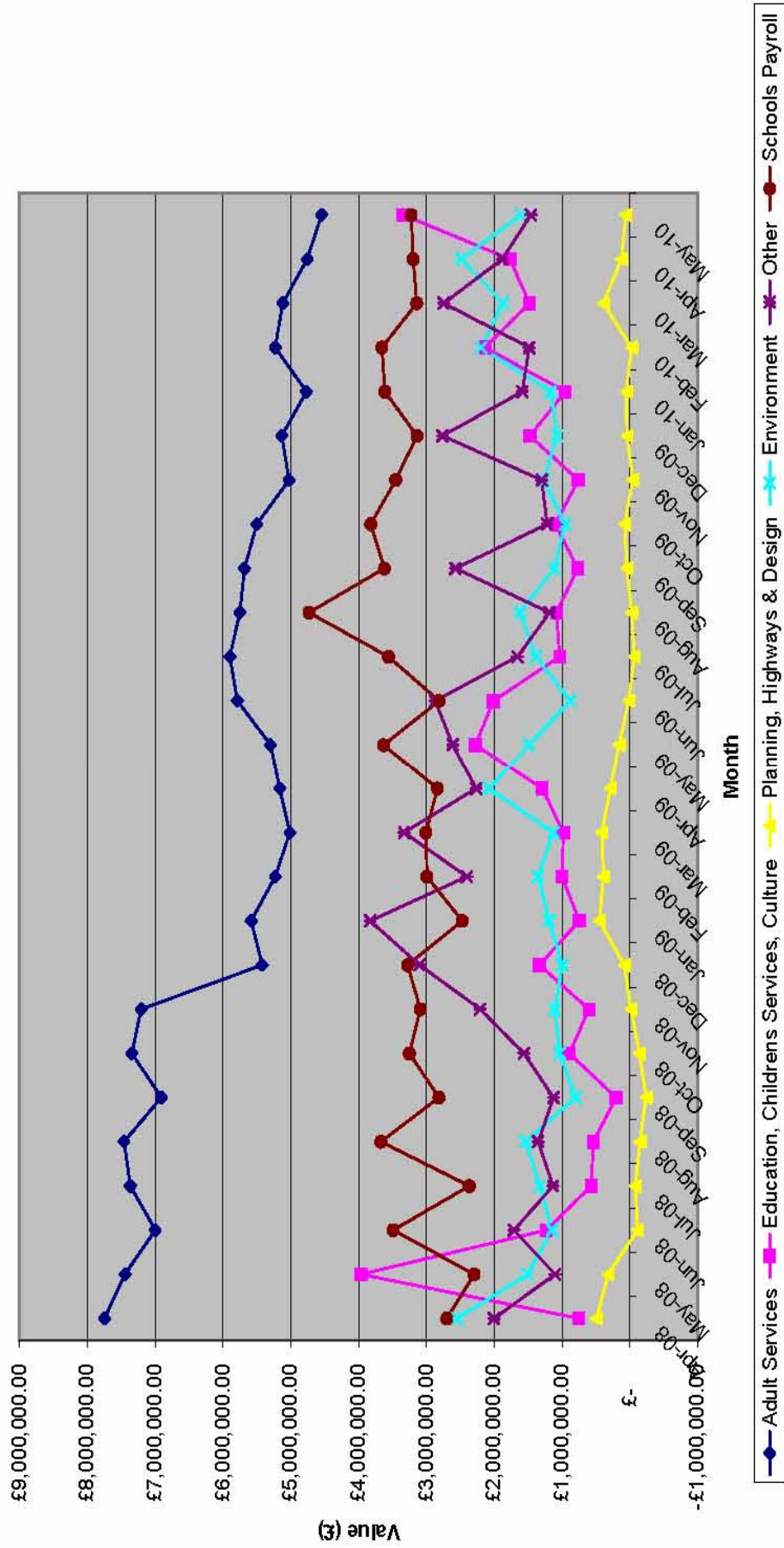
## Appendix B – Risk List

Directorate	Name of Risk	Outturn Risk Detail (submitted for Outturn)
Adult Social Services	Catalyst Deficit Claim	A long running dispute exists between the Council and Catalyst concerning the provision of adult social services. The case went to arbitration in February 2010 with a ruling expected in the Summer of 2010. Substantial legal and other professional advice has been given to the Council to ensure it was able to present the best possible case.
Central Expenses	Future Shape – implementation costs and Cost reductions	Costs are subject to Cabinet approval before implementation. However, it is crucial that these costs are recoverable from forecast Future Shape savings, otherwise there will be a risk that there is reduction in balances below the minimum set by the Council which may have to be from council tax increases or service reductions. Any proposed savings from FS will need to be assessed as part of budget and financial forward planning. Significant savings to deal with the forecast revenue funding deficit in future years is a key element of FS. Failure to deliver achievable savings is a longer term risk to the council's financial position and may impact on achievement of corporate priorities. Savings will need to be scrutinised and assessed before implementation.
Central Expenses	Spending Review 2010.	The Chancellor indicated in his Emergency Budget on 22nd June that unprotected government departments will experience a 25% real cut to their budgets over 4 years. Health and overseas aid will not be subject to cuts, whilst education and defence will receive some protection. As a consequence, the IFS are predicting that this could equate to as much as a 33% real cut over 4 years for those departments not privy to any protection. A full spending review to be delivered on 20th October 2010 will determine the repercussions for local authorities. Further updates will be presented to Cabinet Resources Committee on the longer term implications after the emergency budget.
Central Expenses	Icelandic Bank Deposits	In May 2010, CIPFA's Local Authority Accounting Panel issued revised guidance on the level of impairment to be recognised in the 2009/10 Accounts by local authorities who had deposits with Icelandic Banks. The Council are assuming priority status, but this is to be determined by Icelandic courts. Repayments will be based on the value of the deposit in Icelandic Krona (ISK). The deposits may be subject to an exchange rate risk, as the sterling value received will depend on the prevailing exchange rate. Adjustments to the assumptions will be noted as more information becomes available.
Children's Service	Building Schools for the future	Affordability gap – An authority is required to meet the 'affordability gap' which is the difference between government funding for the programme and the actual capital / revenue cost of the project.

Directorate	Name of Risk	Outturn Risk Detail (submitted for Outturn)
		Barnet has now formally entered the BSF programme. At the current stage of the project it is only possible to identify the indicative range of the associated costs and potential funding sources to address it. A risk however remains that the affordability gap widens or the actual costs fall closer to the maximum as opposed to the minimum scale within the cost range.
Children's Service	Pupil Place Planning	Demand for services and school places increase as a result of demographic changes and economic climate impacting upon parental choice. Birth data from 2005-2008 suggests that the increased demand for primary school places in Barnet is likely to continue to rise over the coming 3-4 years. Financial pressures are highly likely in future years and further analysis to assess the extent of the pressure is in progress. Detailed planning is underway to identify potential opportunities and resources to provide additional school places.
Children's Service	Southwark Ruling – Growth in S.20 entitlement	The recent Southwark court decision means that where a homeless 16 or 17 year-old has been excluded from the family home, s/he is likely to now be entitled to section 20 accommodations, including associated support services and, potentially, leaving care services upon reaching adulthood. Further work is underway to verify the financial implications of this ruling and any costs will be reported to a future CRC.
Corporate Services	IT Refresh	The Council has incorporated more mobile computing technology into its routine operations across council services. The prevailing cost of refreshing this equipment periodically increases and accordingly this increases the costs of replacement when it reaches the end of its economic life. There is a potentially variable impact of the costs of replacement, due to the widescale refresh of tablets and PCs in 2007/08, which, based on the typical 4 year replacement cycle, risks a peak cost of replacement in financial years 2011/12 and 2012/13.
Environment and Operations	Parking Income	Parking income continues to be under pressure due to the general economic climate and vandalism to our pay and display machines. A number of projects are being taken forward to help mitigate this impact including updating of signs and line on street, expanding access to cashless parking, a revised approach to maintenance of pay and display machines and improved intelligence led deployment of our enforcement officers.
Planning, Housing and Regeneration	Regeneration Schemes	Risks that money expended to promote regeneration schemes and due to be repaid under the PDA deferred. Risk to HRA budgets. HCA 'kickstart' funding dependent on rapid delivery of new housing by March 2011 or 1012 deadline. Kick start decision awaited on West Hendon, but elevated to final short list. Funding awarded on Stonegrove an moved into Phase 3. Impacts to be estimated and monitored by project managers. Prior approval to be sought for deferral. Clear engagement with HCA and development partners to secure funding.



Age Debt by Department



## Appendix D – Adult Social Services Virements

Cost Centre	Transitions Alignment 2009/10 Correction (b)	Amount £
10473	Valley Way	44,701
10481	Ext Residential Care LD	275,804
10482	Ext Supp&Oth Accom	31,934
10483	Direct Payments - LD	119,048
10484	External Homecare LD	25,783
10486	Resp Care Residential LD	4,185
10531	Ext Residential Care PD	(201,455)
10534	Ext Homecare PD	(300,000)
<b>Sub-Total</b>		<b>0</b>

Cost Centre	2010/11 Budget - Move-On Correction	Amount £
10433	Supportng People MH	250,000
10513	Ext Residential Care MH	(250,000)
<b>Sub-Total</b>		<b>0</b>

Cost Centre	SP Alignment to Programme	Amount £
10432	Supportng People OA	(448,180)
10433	Supportng People MH	(487,292)
10434	Supportng People D&A	127,906
10435	Supportng People LD	(36,468)
10436	Supportng People PD	(161,193)
10437	Supportng People Hsg	560,234
10438	Supportng People C&F	444,993
<b>Sub-Total</b>		<b>0</b>

Cost Centre	Client Contributions Adjustment	Amount £
10454	Ext Nursing Care OA	(400,000)
10455	Ext Residential Care OA	(100,000)
10459	Resp Care Rsdntl OA	450,000
10530	Ext Nursing Care PD	50,000
<b>Sub-Total</b>		<b>0</b>

Cost Centre	Transitions Alignment 2010/11 Contingency Allocation	Amount £
10482	Ext Supp&Oth Accom	261,000
10531	Ext Residential Care PD	262,000
10429	Dir Adult Soc Serv	(523,000)
<b>Sub-Total</b>		<b>0</b>

Cost Centre	Supporting People Correction	Amount £
10432	Supporting People OA	400,000
10436	Supportng People PD	114,622
10534	Ext Homecare PD	40,993
10429	Dir Adult Soc Serv	(555,615)
<b>Sub-Total</b>		<b>0</b>

Cost Centre	Care Service Delivery	Amount £
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10439	Older Adults Management	98,250
10441	Business Support	(89,110)
10442	Social Work	(674,470)
10443	Barnet Hospital Team	278,600
10444	Edgware Hospital Team	435,750
10445	Royal Free Hospital Team	(4,860)
10448	Occupational Therapy	165,380
10524	Enablement & Planning	(209,540)
<b>Sub-Total</b>		<b>0</b>