

**MEETING****FINANCIAL PERFORMANCE AND CONTRACTS COMMITTEE****DATE AND TIME****MONDAY 2ND JULY, 2018****AT 7.00 PM****VENUE****HENDON TOWN HALL, THE BURROUGHS, LONDON NW4 4BG****TO: MEMBERS OF FINANCIAL PERFORMANCE AND CONTRACTS COMMITTEE  
(Quorum 3)**

Chairman: Councillor Peter Zinkin ,  
 Vice Chairman: Councillor Anthony Finn

**Councillors**

Kathy Levine  
 Shimon Ryde

Jess Brayne  
 Arjun Mittra

John Marshall  
 Alex Prager

**Substitute Members**

Geof Cooke  
 Barry Rawlings

Lisa Rutter  
 Alison Moore

Thomas Smith  
 Julian Teare

In line with the Constitution's Public Participation and Engagement Rules, requests to submit public questions or comments must be submitted by 10AM on the third working day before the date of the committee meeting. Therefore, the deadline for this meeting is Thursday 27 June at 10AM. Requests must be submitted to [salar.rida@barnet.gov.uk](mailto:salar.rida@barnet.gov.uk)

**You are requested to attend the above meeting for which an agenda is attached.**

**Andrew Charlwood – Head of Governance**

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**ASSURANCE GROUP**

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## ORDER OF BUSINESS

Item No	Title of Report	Pages
1.	Absence of Members	
2.	Declarations of Members Disclosable Pecuniary Interests and Non-Pecuniary Interests	
3.	Report of the Monitoring Officer (if any)	
4.	Public Questions and Comments (if any)	
5.	Members' Items (if any)	
6.	Financial Performance and Contracts Committee Governance Arrangements	5 - 12
7.	Financial Monitoring Report Outturn 2017/18	13 - 50
8.	Future Financial Reporting	51 - 56
9.	Performance of back office functions	57 - 60
10.	End of Year 2017/18 Contracts Performance Report	61 - 98
11.	Any Other Items that the Chairman Decides are Urgent	
12.	Motion to Exclude the Press and Public	
13.	Exempt Item - Update on Commercial Matters	99 - 102
14.	Any Other Exempt Items that the Chairman Decides are Urgent	


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	<p><b>Financial Performance and Contracts Committee</b></p> <p><b>2 July 2018</b></p>
<p><b>Title</b></p>	<p><b>Financial Performance and Contracts Committee Governance Arrangements</b></p>
<p><b>Report of</b></p>	<p>Commercial Director</p>
<p><b>Wards</b></p>	<p>All</p>
<p><b>Status</b></p>	<p>Public</p>
<p><b>Urgent</b></p>	<p>No</p>
<p><b>Key</b></p>	<p>No</p>
<p><b>Enclosures</b></p>	<p>N/A</p>
<p><b>Officer Contact Details</b></p>	<p>Alaine Clarke, Head of Performance and Risk  <a href="mailto:alaine.clarke@barnet.gov.uk">alaine.clarke@barnet.gov.uk</a></p>

## Summary

The purpose of this report is to set out the core business of the new Financial Performance and Contracts (FPC) Committee in line with the Terms of Reference (TOR); the core papers to be considered by the Committee on a regular basis; and the Committee's relationship to the broader Performance and Risk reporting frameworks.

## Officers Recommendations

1. The Committee is asked to approve the core papers that will be considered by the Committee on a regular basis.
2. The Committee is asked to note the Committee's relationship to the broader Performance and Risk reporting frameworks.

# **1 WHY THIS REPORT IS NEEDED**

## **Purpose of report**

- 1.1 The purpose of this report is to set out the core business of the new Financial Performance and Contracts (FPC) Committee in line with the Terms of Reference (TOR); the core papers to be considered by the Committee on a regular basis; and the Committee's relationship to the broader Performance and Risk reporting frameworks.

## **Core business of the Committee in line with the Terms of Reference**

- 1.2 The FPC Committee will be responsible for:
1. The oversight and scrutiny of:
    - (a) The overall financial performance of the council
    - (b) The performance of services other than those which are the responsibility of the Theme Committees
    - (c) The council's major strategic contracts including (but not limited to):
      - Analysis of performance
      - Contract variations
      - Undertaking deep dives to review specific issues
      - Monitoring the trading position and financial stability of external providers
      - Making recommendations to P&R Committee and/or Theme Committees on issues arising from the scrutiny of external providers
  2. At the request of P&R Committee and/or Theme Committees consider matters relating to contract or supplier performance and other issues and making recommendations to the referring committee
  3. To consider any decisions of the West London Economic Prosperity Board which have been called in, in accordance with Article 7 of the Constitution.

## **Core papers that will be considered by the Committee on a regular basis**

- 1.4 The agenda for FPC Committee will have three-parts:
1. **Chief Finance Officer (CFO) report**

This report will take a broad look at financial performance, including:

    - Forecast against budget
    - Major current issues and managing overspends in year
    - Cost reduction, Priorities and Spending Review (PSR) delivery and managing the realisation of benefits
    - Capital programme
    - Reserves position
    - Debtor management
    - Strategic financial matters such as the review of financial controls
  2. **Performance of 'back office' services not covered by Theme Committees**
    - Overall performance and KPIs associated with back office services. A separate report to 2 July 2018 Committee meeting sets out an initial forward plan for reviewing the performance of key back office services
  3. **Performance of key strategic contracts**
    - Performance of The Barnet Group, Cambridge Education, CSG and Re, including KPIs, risks, contract variations and special projects (SPIRS).

- The trading position and financial stability of the council's major contractors will be regularly reported to the Committee in line with its remit. These updates may need to be in private session depending on the commercial confidentiality of the information.

## **Committee's relationship to the broader Performance and Risk reporting frameworks**

1.5 In the last year, performance and risk was reported Quarterly to Performance and Contract Management (PCM) Committee and Annually to Theme Committees (which changed to Quarterly from Q3 2017/18). Going forward, performance and risk will be reported to Members as follows (see Fig.1):

- Quarterly to Policy & Resources (P&R) Committee - focusing on the corporate ('top 15') priorities in the Corporate Plan, including relevant budget and risk information
- Quarterly to FPC Committee - focusing on financial performance and key strategic contracts, including relevant budget and risk information
- Quarterly to Theme Committees - focusing on Theme Committee priorities in the Corporate Plan, including relevant budget and risk information

1.6 Fig. 1 shows that:

- **P&R Committee is responsible for strategic policy, finance and corporate risk management.** Each Quarter, P&R Committee will receive a *strategic overview of the Corporate Plan* that will include the revenue and capital budget and savings forecasts; staffing information; an update on the corporate ('top 15') priorities in the Corporate Plan, including a narrative; related indicators/statistics; related risks scoring 15+; and any strategic issues/escalations from Theme Committees.
- **FPC Committee is responsible for the oversight and scrutiny of the overall financial performance of the council; performance of services other than those which are the responsibility of Theme Committees; and major strategic contracts.** Each Quarter, FPC Committee will receive information on *financial performance; back office/services not covered by Theme Committees; and key strategic contracts*, including an update on service areas; KPIs (where not met target); and joint risks scoring 15+.
- **Theme Committees are responsible for receiving reports on relevant performance information and risk.** Each Quarter, the Theme Committees will receive *relevant revenue and capital budget forecasts; and an update on the Theme Committee's priorities in the Corporate Plan*, including related indicators/statistics; and related risks.

1.7 Recommendations (or referrals) can be made between the above Committees. The TOR for these Committees specify the below. In addition, P&R Committee and Theme Committees should recommend to FPC Committee on matters relating to financial performance; and vice versa.

- P&R Committee should recommend to Theme Committees on matters relating to that Committee; and FPC Committee on matters relating to contract or supplier performance and financial performance.

- FPC Committee should recommend to P&R Committee or Theme Committees on issues arising from the scrutiny of external providers and financial performance.
- Theme Committees should recommend to P&R Committee on matters relating to the budget; and FPC Committee on matters relating to contract or supplier performance and financial performance.

**Fig.1 Relationship between Committees in respect of performance and risk reporting**

<b>P&amp;R Committee</b>	<b>FPC Committee</b>
<p><b>Responsible for strategic policy, finance and corporate risk management incl. recommending revenue and capital budget; MTFS; and Corporate Plan to Full Council.</b></p> <p><b>Strategic overview of Corporate Plan, incl.</b></p> <ul style="list-style-type: none"> <li>• Overall budget accountability and monitoring (incl. budget forecasts, savings and agency costs), in line with accountability to approve overall budget</li> <li>• Staffing, incl. headcount, FTE, agency and sickness absence</li> <li>• Update on corporate priorities (known as ‘top 15’ priorities), incl. <ul style="list-style-type: none"> <li>○ Short narrative</li> <li>○ ‘Top 15’ priorities indicators, plus additional MI (TBA)</li> <li>○ Strategic risks and high level (scoring 15+) service/joint risks (mapped to ‘top 15’ priorities)</li> </ul> </li> <li>• Strategic issues/escalations from Theme Committees</li> </ul> <p><u>Recommendations</u></p> <ul style="list-style-type: none"> <li>• To Theme Committees on matters relating to that Committee.</li> <li>• To FPC Committee on matters relating to contract or supplier performance and financial performance.</li> </ul>	<p><b>Responsible for oversight and scrutiny of the overall financial performance of the council; performance of services other than those which are the responsibility of the Theme Committees; and major strategic contracts.</b></p> <p><b>Overall financial performance and strategic contracts, incl.</b></p> <ul style="list-style-type: none"> <li>• Financial performance</li> <li>• ‘Back office’/services not covered by Theme Committees</li> <li>• Key strategic contracts, incl. <ul style="list-style-type: none"> <li>○ Update on service areas</li> <li>○ KPIs (where not met target)</li> <li>○ High level (scoring 15+) joint risks</li> </ul> </li> <li>• Other issues at the request of P&amp;R Committee or Theme Committees</li> </ul> <p><u>Recommendations</u></p> <ul style="list-style-type: none"> <li>• To P&amp;R Committee or Theme Committees on issues arising from the scrutiny of external providers and financial performance.</li> </ul>
<p style="text-align: center;"><b>Theme Committees (x6)</b></p> <p><b>Responsible for submitting proposals to P&amp;R Committee relating to Theme Committee’s budget for the following year, as well as making recommendations to P&amp;R Committee on issues relating to the Theme Committee’s budget incl. virements or underspends and overspends; and for receiving reports on relevant performance information and risk on the services under the remit of the Theme Committee.</b></p> <ul style="list-style-type: none"> <li>• Budget (revenue and capital) forecasts</li> <li>• Update on Theme Committee priorities (‘top 15’ and ‘additional priorities’), incl. <ul style="list-style-type: none"> <li>○ All indicators (mapped to each priority)</li> <li>○ Additional MI (TBA) (mapped to each priority)</li> <li>○ Strategic risks and service/joint risks (mapped to each priority)</li> </ul> </li> </ul> <p><u>Recommendations</u></p>	



- To P&R Committee on matters relating to the budget.
- To FPC Committee on matters relating to contract or supplier performance (revenue and capital related) and financial performance.

## **2 REASONS FOR RECOMMENDATIONS**

- 2.1 These recommendations are to provide the Committee with the necessary information to oversee the overall financial performance of the council and the council's major strategic contracts. This paper enables the council to meet the budget agreed by Council on 6 March 2018.

## **3 ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 None.

## **4 POST DECISION IMPLEMENTATION**

- 4.1 Following the Committee's decision, officers will prepare the necessary reports and will report these to Committee in line with the proposed governance arrangements.

## **5 IMPLICATIONS OF DECISION**

### **5.1 Corporate Priorities and Performance**

- 5.1.1 The council has an established approach to performance management, which is set out in the Performance Management Framework. This report clarifies the Performance and Risk reporting frameworks in relation to P&R Committee, FPC Committee and the Theme Committees, subsequent to changes in the committee structure.

- 5.1.2 Robust budget, performance and risk monitoring is essential to ensure there are adequate and appropriately directed resources to support the delivery and achievement of the council's priorities and targets, as set out in the Corporate Plan.

- 5.1.3 The results for all Corporate Plan indicators will continue to be published on the Open Barnet portal at <https://open.barnet.gov.uk/dataset>

- 5.1.4 Relevant council strategies and policies include the following:

- Corporate Plan 2015-2020
- Corporate Plan – 2018/19 Addendum
- Performance Management Framework
- Risk Management Framework
- Medium Term Financial Strategy
- Treasury Management Strategy
- Debt Management Strategy
- Insurance Strategy
- Capital, Assets and Property Strategy.

### **5.2 Resources (Finance and Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

- 5.2.1 The resource implications of each service considered by the Committee will be included in each relevant Committee report.

### **5.3 Social Value**

- 5.3.1 The Public Services (Social Value) Act 2012 requires people who commission public services to think about how they can also secure wider social, economic and environmental benefits. Before commencing a procurement process, commissioners should think about whether the services they are going to buy, or the way they are going to buy them, could secure these benefits for their area or stakeholders. The council's contract management framework oversees that contracts deliver the expected services to the expected quality for the agreed cost. Requirements for a contractor to deliver activities in line with Social Value will be monitored through this contract management process.

### **5.4 Legal and Constitutional References**

- 5.4.1 Section 151 of the Local Government Act 1972 states that: "without prejudice to section 111, every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs". Section 111 of the Local Government Act 1972, relates to the subsidiary powers of local authorities.
- 5.4.2 Section 28 of the Local Government Act 2003 (the Act) imposes a statutory duty on a billing or major precepting authority to monitor, during the financial year, its income and expenditure against the budget calculations. If the monitoring establishes that the budgetary situation has deteriorated, the authority must take such action as it considers necessary to deal with the situation. Definition as to whether there is deterioration in an authority's financial position is set out in sub-section 28(4) of the Act.
- 5.4.3 The council's Constitution, Article 7 Committees, Forums, Working Groups and Partnerships, sets out the functions of the Financial Performance and Contracts Committee as being Responsible for the oversight and scrutiny of:
- The overall financial performance of the council
  - The performance of services other than those which are the responsibility of the: Adults & Safeguarding Committee; Assets, Regeneration & Growth Committee; Children, Education & Safeguarding Committee; Community Leadership & Libraries Committee; Environment Committee; or Housing Committee
  - The council's major strategic contracts including (but not limited to):
    - Analysis of performance
    - Contract variations
    - Undertaking deep dives to review specific issues
    - Monitoring the trading position and financial stability of external providers
    - Making recommendations to the Policy & Resources Committee and/or theme committees on issues arising from the scrutiny of external providers
  - At the request of the Policy & Resources Committee and/or theme committees consider matters relating to contract or supplier performance and other issues and making recommendations to the referring committee

- To consider any decisions of the West London Economic Prosperity Board which have been called in, in accordance with this Article.

5.4.4 The council's Financial Regulations can be found at:

<http://barnet.moderngov.co.uk/documents/s46515/17FinancialRegulations.doc.pdf>

5.4.5 Section 2.4.3 states that amendments to the revenue budget can only be made with approval as per the scheme of virements table below:

Virements for allocation from contingency for amounts up to and including £250,000 must be approved by the Chief Finance Officer
Virements for allocation from contingency for amounts over £250,000 must be approved by Policy and Resources Committee
Virements within a service that do not alter the approved bottom line are approved by the Service Director
Virements between services (excluding contingency allocations) up to and including a value of £50,000 must be approved by the relevant Chief Officers
Virements between services (excluding contingency allocations) over £50,000 and up to and including £250,000 must be approved by the relevant Chief Officer and Chief Finance Officer in consultation with the Chairman of the Policy and Resources Committee and reported to the next meeting of the Policy and Resources Committee
Virements between services (excluding contingency allocations) over £250,000 must be approved by Policy and Resources Committee.

## 5.5 Risk Management

5.5.1 The council has an established approach to risk management, which is set out in the Risk Management Framework. All risks are reviewed on a quarterly basis (as a minimum) and high level (scoring 15+) risks on the strategic and service/joint risks registers will be reported to P&R Committee, FPC Committee and/or Theme Committees in accordance with the Performance and Risk reporting frameworks (as described above).

## 5.6 Equalities and Diversity

5.6.1 The Equality Act 2010 requires organisations exercising public functions to demonstrate that due regard has been paid to equalities in:

- Elimination of unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010.
- Advancement of equality of opportunity between people from different groups.
- Fostering of good relations between people from different groups.

5.6.2 The Equality Act 2010 identifies the following protected characteristics: age; disability; gender reassignment; marriage and civil partnership, pregnancy and maternity; race; religion or belief; sex and sexual orientation.

5.6.3 In order to assist in meeting the duty the council will:

- Try to understand the diversity of our customers to improve our services.
- Consider the impact of our decisions on different groups to ensure they are fair.

- Mainstream equalities into business and financial planning and integrating equalities into everything we do.
- Learn more about Barnet's diverse communities by engaging with them.

This is also what is expected of the council's partners.

- 5.6.4 This is set out in the council's Equalities Policy together with the strategic Equalities Objective - as set out in the Corporate Plan - that citizens will be treated equally with understanding and respect; have equal opportunities and receive quality services provided to best value principles.

## **5.7 Corporate Parenting**

- 5.7.1 In line with Children and Social Work Act 2017, the council has a duty to consider Corporate Parenting Principles in decision-making across the council. Any implications for the council's Corporate Parenting Responsibilities will be identified in each FPC Committee report.

## **5.8 Consultation and Engagement**

- 5.8.1 None.


## **5.9 Insight**

- 5.9.1 The analysis of key data and information will form part of reports to this Committee, as applicable.

## **6 BACKGROUND PAPERS**

- 6.1 None.

## AGENDA ITEM 7

	<p style="text-align: center;"><b>Financial Performance and Contracts Committee</b></p> <p style="text-align: center;"><b>2 July 2018</b></p>
<b>Title</b>	<b>Financial Monitoring Report Outturn 2017/18</b>
<b>Report of</b>	Director of Finance
<b>Wards</b>	All
<b>Status</b>	Public
<b>Urgent</b>	No
<b>Key</b>	No
<b>Enclosures</b>	Appendix A: Revenue outturn Appendix B: Capital outturn Appendix C: Prudential indicators Appendix D: Investments outstanding
<b>Officer Contact Details</b>	Gillian Clelland – Assistant Director of Finance (CSG) <a href="mailto:gillian.clelland@barnet.gov.uk">gillian.clelland@barnet.gov.uk</a>

## Summary

The report provides an overview of the council's financial performance for the year to 31 March 2018.

### Capital and revenue outturn

The General Fund **revenue outturn** (after reserve movements) is £285.080m, which is an adverse variance of £7.885m (2.8%) compared with the revised budget of £277.195m. This position is reported after net drawdown from specific and general earmarked reserves totalling £5.594m have been made. The overall variance is largely driven by overspends in CSG and council managed budgets, Family Services and Re. The outturn on the council's **capital programme** is £163.456m, £114.077m of which relates to the General Fund programme and £49.379m to the HRA capital programme. This is a variance of £65.057m against the 2017/18 revised budget of £228.513m. Further information can be found in Appendices A and B.

## **Treasury outturn**

In compliance with the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice, this report provides Members with a summary report of the treasury management activity during the period to 31 March 2018. The Prudential Indicators have not been breached and a prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield.

As at 31 March 2018, investments totalled £95.500 million, achieving an average annual rate of return of 0.425% against a benchmark average (London Interbank Bid Rate - LIBID) of 0.206%.

## **Recommendations**

- 1. The Committee is asked to note the 2017/18 General Fund revenue outturn, as detailed in paragraph 1.2 and in Appendix A.**
- 2. The Committee is asked to note the savings delivered in 2017/18, as detailed in paragraph 1.2.16.**
- 3. The Committee is asked to note the level of reserves and balances as detailed in paragraph 1.3.**
- 4. The Committee is asked to note the additions and deletions (which include virements) and accelerations and slippages in the capital programme, as detailed in paragraph 1.4 and in Appendix B.**
- 5. The Committee is asked to note the treasury position outlined in paragraph 1.5.**

### **1.1 WHY THIS REPORT IS NEEDED**

- 1.1.1 The report provides an overview of the council's financial outturn for the 2017/18 financial year.

### **1.2 REVENUE OUTTURN**

#### **General Fund**

- 1.2.1 The General Fund revenue outturn for 2017/18 is £290.674m, which is an overspend of £13.479m (4.9%) compared with the revised budget of £277.195m (see table 1 below). This outturn is stated before the net drawdown from specific and general earmarked reserves totalling £5.594m. Including net drawdowns from reserves, the outturn is £285.080m, which is an adverse variance of £7.885m (2.8%).
- 1.2.2 All proposed reserve drawdowns and contributions were approved by the Director of Finance as part of the year-end closure processes. It is important to note that these reserve movements are over and above the planned use of £7.669m of

reserves approved by the Council in March 2017 to achieve a balanced budget. The net draw on reserves and balances for 2017/18 was therefore £21.148m.

1.2.3 The original budget approved by Council in March of each year is revised during the year to reflect virements between budgets and the allocation of contingency held within central expenses. All virements from contingency above £0.250m are approved by the Policy and Resources Committee. Significant allocations from contingency during 2017/18 included:

- £5.430m allocated to Family Services to fund the increased cost of packages due to complexity of cases, increases in numbers of children in care, investment associated with Tranches 1 and 2 of the 0-25 service and investment associated with improvement in practice; and
- An ongoing allocation of £1.300m to Housing Needs and Resources in recognition of the sustained increase in the cost of temporary accommodation.

**Table 1: General Fund Revenue Outturn**

Service	Original Budget £000	Revised Budget £000	Outturn £000	Variance from Revised Budget Adv/(fav) £000	Reserve Move- ments £000	Variance after Reserve Movements Adv/(fav) £000	Variance after Reserve Movements Adv/(fav) %
Adults and Communities	87,145	87,177	90,101	2,924	(1,717)	1,207	1.4
Assurance	5,859	6,089	6,803	714	(76)	638	10.5
Central Expenses	52,723	41,421	37,264	(4,157)	1,189	(2,968)	(7.2)
Commissioning Group	33,834	34,479	32,665	(1,814)	675	(1,139)	(3.3)
CSG and Council Managed Budgets	21,161	21,833	27,285	5,452	(2,635)	2,817	12.9
Education and Skills	6,525	6,718	6,584	(134)	84	(50)	(0.7)
Family Services	52,445	58,504	60,985	2,481	(43)	2,438	4.2
Housing Needs and Resources (Barnet Homes)	5,560	6,859	7,763	904	(16)	888	12.9
Re	(824)	321	7,021	6,700	(2,746)	3,954	1,231.7
Street Scene	12,881	13,794	14,203	409	(309)	100	0.7
<b>Total</b>	<b>277,309</b>	<b>277,195</b>	<b>290,674</b>	<b>13,479</b>	<b>(5,594)</b>	<b>7,885</b>	<b>2.8</b>

1.2.4 The main reasons for the overspend are set out below.

1.2.5 The revenue budget for **Adults and Communities** overspent by £2.924m, which has been reduced to £1.207m following the drawdown from reserves. The overspend is predominantly driven by an overspend of £3m in the care placements budgets.

1.2.6 Adult Social Care (ASC) has experienced increasing complexity and demand for services since 2014/15. The learning disability budgets have been experiencing

pressure as a result of the transforming care (Winterbourne) agenda. The outturn includes c£0.275m spend on three supported living placements where responsibility for individuals has been transferred from the NHS to local authorities but funding to cover all of the cost has not. The average weekly cost for LD Supported Living increased by 18% from 2016/17.

- 1.2.7 The overspend also includes expenditure relating to backdated claims for Ordinary Residence that have been lost. This results in a one-off impact on the 2017/18 outturn of £0.479m and an ongoing budget pressure of £0.116m.
- 1.2.8 In terms of ongoing commitments, there is also significant pressure resulting from homecare, equipment and nursing care placements. The council has been working hard to support local NHS partners to cope with the pressures on the health system and reduce delayed discharges of care. The growing demand from health led to an increase of 7% in commissioned homecare hours (£0.933m) compared with 2016/17. The increase in homecare activity was also compounded by an 8% average increase in contractual rates (£1.066m) as a result of inflation and changes in market conditions. This increase followed a period of suppressed inflationary increases and contributes to stabilising the care market. The weekly cost of nursing care in Older Adults increased by 6% in 2017/18, with new clients costing £144 per week above the council's minimum sustainable price given market pressures and additional complexity of need.
- 1.2.9 Non-placements budgets underspent by £1.3m, which offsets some of the pressures on the placements budgets. The underspends in this area are from in-year vacancies, one-off savings and additional income identified.
- 1.2.10 Community equipment costs have increased by £1m predominantly on items funded by the CCG. Equipment costs capitalised via the Disabled Facilities Grant (DFG) budget (£0.483m) resulted in a £0.3m underspend. The Deprivation of Liberty Safeguards (DOLS) service continues to be a significant cost pressure (£0.145m) in 2017/18 as a result of Supreme Court judgements in 2014/15 and a loss of grant funding since 2015/16.
- 1.2.11 **Assurance** was overspent in 2017/18 by £0.638m (10.5%). This relates to instructions to HB Law activity and disbursements being greater than the budgeted level.
- 1.2.12 The underspend for **Central Expenses** in 2017/18 was £2.968m, which represents 7.2% of the budget. The underspend is mainly due to the cost of financing the borrowing related to the Capital Programme (£3.700m). This is due to slippage on the anticipated profiling of capital expenditure and, as such, is not expected to be a recurrent underspend. This is offset by a one off overspend on Insurance of £0.702m which has been caused by a requirement to increase the value of the insurance provision following the annual external review..
- 1.2.13 The underspend for the **Commissioning Group** was £1.139m after contributing a net £0.675m to reserves. There were three significant variances in this area. Firstly, the Public Health budget delivered an underspend of £1.754m which, in line with the ringfenced grant arrangements, has been transferred to the Public Health reserve. The second major variance relates to the Resources section. Housing Benefit overpayment recovery over achieved by £1.7m. This variance can be very



volatile and relies on a number of external factors therefore has been transferred to the Housing Benefit Reserve to offset likely future deficits. The other major variance within the Commissioning Group is an underspend on the North London Waste Authority (NLWA) levy of £0.876m. There are a series of variances below £0.250m relating to staff costs in a number of areas, including one-off redundancy costs, and the income budget for the registrar service not being achieved.

1.2.14 The overspend for **CSG and Council Managed Budgets** before drawdowns from reserves was £5.452m which represents 25.0% of the total Delivery Unit budget (£21.833m). After reserve drawdowns, this variance was £2.817m which represents 12.9% of the total Delivery Unit budget.

1.2.14.1 The Estates Managed Budgets have had significant challenges to manage during the year which has resulted in an overall overspend of £2.550m. Additional costs of £0.379m have been incurred as a result of additional security requirements and management of operational, void and/or vulnerable sites. The relocation of Street Scene and Greenspaces services that were historically accommodated at the Mill Hill Depot has also created an adverse budget variance of £0.757m which now needs to be included within the MTFS. The outturn includes an overspend of £0.680m due to the unbudgeted costs of leasing Building 4 at NLBP following an inability to relocate the services contained within when the original lease expired. The Estates service's responsibilities include the management of building compliance of the entire council maintained asset portfolio and the cost of managing and maintaining void buildings. The budget level has remained unchanged whilst the portfolio of buildings managed by the service has increased from 5 to approximately 95. Operationally, this provides much more assurance that statutory building compliance is being managed appropriately, however has resulted in an overspend of £0.390m. Other miscellaneous variances total an underspend of £0.053m.

1.2.14.2 There was an overspend in 2017/18 on the CSG management fee of £0.037m, mainly due to approved change requests. Procurement and Collection Fund gainshare payments totalled £2.428m. Procurement savings generate benefit across the Council, however the gainshare payments are paid for centrally. This was offset by a rebate from Comensura and administration charges to other services, totalling £2.178m. The net overspend was £0.250m.

1.2.14.3 Income levels were below the budget due to a shortfall in schools traded income of £0.704m and in print / photocopying recharges of £0.432m. The corporate programmes budget is based on historical levels of recharge and does not reflect the current service delivery arrangement leading to an overspend of £0.467m. These income targets have been identified as structurally unachievable and will be reviewed as part of the MTFS programme during 2018/19.

1.2.15 The final revenue outturn for **Education and Skills** was broadly in line with budget.

1.2.16 The overspend of £2.438m for **Family Services** represents 4.2% of the total Delivery Unit budget (£58.504m). This represents an increase of £2.161m from Quarter 3 relating to expenditure on placements and employee costs. There was a

£2.300m overspend relating to external high cost specialist placements and associated services and the additional directed requirement for two assistant heads of service, three duty assessment team managers and eight duty assessment team social workers resulted in a £0.400m pressure. The ongoing improvement programme will continue to place pressure on existing resources. These pressures were offset by additional one-off grant funding (£0.416m) and realignment of the additional budget allocated by Policy and Resources Committee in June 2017 to high cost placements (£1.200m).

- 1.2.17 The overspend of £0.888m for **Housing Needs and Resources** represents 12.9% of the total Delivery Unit budget (£6.859m). The overspend reflects the ongoing cost pressures associated with the rising cost of temporary accommodation in the borough set against restrictions on rents that can be charged and remain eligible for housing benefit. Actions have been taken to mitigate this pressure, including purchasing homes on the open market as a cheaper alternative to existing temporary accommodation options, an increase in homelessness preventions and a focus on reducing the use of temporary accommodation. This overspend is after a permanent allocation from contingency of £1.300m.
- 1.2.18 The overspend of £3.954m for **Re** represents 1,231.8% of the total delivery Unit budget (£0.321m). This figure is after reserve drawdowns of £2.746m. The overspend primarily relates to two one off items that were resolved late in the financial year. The first key variance related to £4.5m included within the calculation of guaranteed income in the General Fund which, following legal advice, is instead accounted for within the HRA. The second one off item is contractual amount of £2.647m liable to Re upon the award of Planning Permission for Tranche 1 Phase 1 of the development pipeline or the 30<sup>th</sup> April 2018, whichever is the sooner. As the liability relates to periods prior to 2017/18, although this has been recognised in 2017/18 it has been funded from earmarked reserves. An agreement with Re to defer an element of both the management fee and guaranteed income provided an in year £1m favourable variance reducing the overspend.
- 1.2.19 The overspend of £0.100m for the **Street Scene** service represents 0.7% of the total Delivery Unit budget (£13.794m). The service has a number of variances both favourable and adverse which broadly equal out to leave a residual £0.100m overspend.
- 1.2.20 The outturn (after reserve movements) has increased by £5.951m since the forecast reported at quarter 3. The main movements are in shown in Table 2 below.

**Table 2: Movement from Quarter 3 Forecast**

Service	Outturn variance £000	Quarter 3 forecast variance £000	Increase / (Decrease) £000	Explanation for significant movements
Adults and Communities	1,207	1,515	(308)	Unmatched accruals of £0.533m were confirmed not to be required and therefore generated a favourable variance. This was partially offset by a savings target of £0.350m relating to 0-25 transitions being applied to Adults. This transaction nets off the 0-25 line at the bottom of the table.
Assurance	638	289	349	Increase in core hours and disbursements for HB Public Law.
Central Expenses	(2,968)	-	(2,968)	It was assumed at Q3 that the underspend on Central Expenses would be transferred to earmarked reserves but this transfer was not made
Commissioning Group	(1,139)	456	(1,595)	Movement relates mainly to Environment – underspend on NLWA levy and reduced energy costs in street lighting.
CSG and Council Managed Budgets	2,817	1,240	1,577	A higher level of reserve drawdowns was assumed at Q3 to cover the overspend on the management fee and gainshare costs. These were not enacted at year end.
Family Services	2,438	277	2,161	Movements in employee costs (£1.7m), S17 and devolved budgets (£0.4m) and no recourse to public funds (£0.2m), offset by additional grant income (£0.416). Placements costs increased by approximately £0.530m.
Housing Needs and Resources	888	253	635	Increase in bad debt provision due to the level of former tenant arrears and increased private sector leasing rents identified through data cleansing
Re	3,954	44	3,910	The accounting treatment of income from developers was resolved during the final quarter of the final year. The impact saw the income being accounted for in the HRA which meant an assumed debtor in the General Fund was no longer going to be satisfied
0-25 transitions	-	350	(350)	Non-achievement of saving now included in Adults and Communities
Other services	50	158	(108)	
<b>Total</b>	<b>7,885</b>	<b>4,582</b>	<b>3,303</b>	

## Ongoing Financial Pressures

- 1.2.21 As a result of the 'run-rate' of activity at the year-end, a number of full year pressures have emerged in 2018/19. Action plans are in place and the monitoring reports will be presented to this Committee throughout 2018/19 updating on progress in addressing these. The initial gross pressures carried forward are estimated to be £11m during 2018/19 principally relating to CSG, Estates, Adults and Family Services.
- 1.2.22 The council will seek to further reduce this pressure by ensuring that all possible external funding sources are maximised. It is anticipated that an additional £1.5m income can be achieved by reviewing its recharges and the identification of additional income within the Environment group of services.
- 1.2.23 Assuming these actions are put in place the net pressure remaining is therefore estimated at £9.5m. Chief Officers are working to mitigate this pressure. Actions being put in place to manage the position include a vacancy freeze, control and review of all agency placements within the organisation, a review of all budget areas for non-essential expenditure and the introduction of recovery plans across all overspending services.
- 1.2.24 Whilst the in-year position being mitigated displays an overspend of £9.5m, this is after the planned use of £4.04m of reserves meaning an in year detriment to general fund reserves and balances of £13.54m (2017/18 £21.148m).

## Housing Revenue Account (HRA)

- 1.2.25 The Housing Revenue Account (HRA) had a budgeted contribution to balances of £2.185m in 2017/18. The outturn for the year is a surplus of £2.514m, thus there is a balance of £15.003m as at 31 March 2018.

**Table 3: Housing Revenue Account Outturn**

	Revised Budget £000	Outturn £000	Variance from Budget Adv/(Fav) £000
Dwelling rents	(52,806)	(51,373)	1,433
Service and other charges	(8,852)	(9,146)	(294)
Housing management	20,298	20,566	268
Repairs and maintenance	7,486	7,550	64
Provision for bad debts	1,100	(442)	(1,542)
Regeneration	1,351	(343)	(1,694)
Capital charges	29,385	30,801	1,416
Interest on balances	(147)	(127)	20
<b>Total</b>	<b>(2,185)</b>	<b>(2,514)</b>	<b>(329)</b>

- 1.2.26 The main reasons for the variance from budget are set out below.

**Income** - Dwelling rents and service charge income reflect lower than expected income recovery mainly due to higher than expected rental loss.

**Expenditure** - The housing management overspend mainly reflects higher than expected demand-led costs and internal recharges.

The overspend on repairs and maintenance reflects slightly higher agreed spend with Barnet Homes to reflect increasing demand on the repairs and maintenance service.

The housing regeneration schemes report a higher than expected recovery of costs from developer partners.

The provision for bad debt reflects the net release to revenue of provisions held for leaseholders as leaseholder debt is considered to be fully recoverable over time and as such no provision is held for bad debt.

The overspend on capital charges reflects higher than expected costs mainly due to higher depreciation charges. These charges are subsequently applied to fund capital improvements to the housing stock.

### **Dedicated Schools Grant (DSG)**

- 1.2.27 The DSG budget included the use of DSG reserves totalling £1.831m in order to achieve a balanced position. As a result of a reduction in Individual Schools Budget (ISB) related funding (£0.308m), revised early years expenditure (£0.510m) and revised High Needs Place funding (£1.252m), a transfer from reserves of £3.724 is required to achieve a balanced position. This results in DSG reserves as at 31 March 2018 of £0.501m. Table 4 below summarises the DSG position:

**Table 4: Dedicated Schools Grant**

	Revised Budget £000	Outturn £000	Variance from Budget Adv/(Fav) £000
Schools			
- Individual Schools Budget	139,649	139,625	(24)
- Growth Fund	1,300	1,208	(92)
- Central schools expenditure	1,252	1,191	(61)
- ESG retained funding	798	798	-
<b>Sub-total</b>	<b>142,999</b>	<b>142,822</b>	<b>(177)</b>
Early Years Block	24,602	24,910	308
High Needs Block	44,061	45,313	1,252
<b>Sub-total</b>	<b>211,662</b>	<b>213,045</b>	<b>1,383</b>
DSG Income	(209,831)	(209,321)	510
DSG c/f	(1,831)	(3,724)	(1,893)
<b>DSG Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Savings

1.2.28 In 2017/18 the council budgeted to deliver £19.825m of savings. Table 5 below summarises by Theme Committee the value of savings that have been achieved against the savings programme. In total, £17.531m of savings was delivered, which represents 88.4% of the target.

**Table 5: Savings 2017/18**

Service	2017/18 MTFS Savings Target £000	Savings Achieved £000	Savings Unachiev-able £000	Savings Achieved %
Adults and Safeguarding	4,867	3,733	1,134	76.7
Assets, Regeneration and Growth	4,976	4,610	366	92.6
Children, Education and Safeguarding	2,155	2,011	144	93.3
Community Leadership	1,501	1,501	-	100.0
Environment	3,965	3,315	650	83.6
Policy and Resources	2,361	2,361	-	100.0
	<b>19,825</b>	<b>17,531</b>	<b>2,294</b>	<b>88.4</b>

## 1.3 RESERVES AND BALANCES.

### General Fund Balance

1.3.1 The recommended level of the council's General Fund balance is £12.000m. A number of earmarked reserves totalling £13.355m have been identified as no longer being required and have been taken to General Fund Balances in 2017/18. Together with the overspend for the year, these transfers result in total General Fund Balances as at 31 March 2018 of £15.084 m which is above the recommended level.



**Table 6: General Fund Balance**

	£000
<b>General Fund Balance brought forward 1 April 2017</b>	<b>(9,614)</b>
Outturn variance	7,885
Transfer from earmarked reserves	(13,355)
<b>General Fund Balance 31 March 2018</b>	<b>(15,084)</b>

**Earmarked Reserves**

- 1.3.2 The council has set aside specific amounts as reserves for future policy purposes or to cover contingencies. As at 31 March 2018 the council held reserves of £75.755m compared with £96.799m at 31 March 2017, a reduction of £21.044m.

**Table 7: Reserves**

Service Area	Reserves b/fwd 1 April 2016 £000	Drawdown £000	Contrib- utions/ new reserves raised/ transfers £000	Reserves c/fwd 31 March 2017 £000
Central - Capital Financing	1,576	(2,514)	938	-
Central - Community Infrastructure Levy	16,178	(9,839)	16,221	22,560
Central - Infrastructure	20,393	(10,717)	9,653	19,329
Central - MTFS	15,425	(5,419)	1,039	11,045
Central - Service Development	6,307	(4,251)	3,038	5,094
Central - Transformation	6,754	(3,322)	-	3,432
Service - Central expenses	7,268	(6,197)	150	1,221
Service - Commissioning	2,190	(1,422)	690	1,458
Service - Other	5,498	(3,219)	186	2,465
<b>Sub-total General Fund Earmarked Reserves</b>	<b>81,589</b>	<b>(46,900)</b>	<b>31,915</b>	<b>66,604</b>
Service - DSG	4,225	(3,724)	-	501
Service - Housing Benefits	1,900	(600)	2,242	3,542
Service - NLSR	604	(37)	-	567
Service - PFI	4,286	(4,300)	14	-
Service - Public Health	2,358	(1,721)	1,754	2,391
Special Parking Account (SPA)	1,837	(864)	1,177	2,150
<b>Sub-total Ring-fenced Reserves</b>	<b>15,210</b>	<b>(11,246)</b>	<b>5,187</b>	<b>9,151</b>
<b>Total Earmarked Reserves</b>	<b>96,799</b>	<b>(58,146)</b>	<b>37,102</b>	<b>75,755</b>



## Housing Revenue Account Balance

- 1.3.3 The Housing Revenue Account (HRA) has a budgeted contribution to balances of £2.185m in 2017/18. The outturn for the year is a surplus of £2.514m, thus there is a balance of £15.003m as at 31 March 2018.

**Table 8: HRA Balance**

	£000
<b>HRA Balance brought forward 1 April 2017</b>	<b>(12,489)</b>
Budgeted surplus	(2,185)
Additional in-year surplus	(329)
<b>HRA Balance 31 March 2018</b>	<b>(15,003)</b>

## Dedicated Schools Grant Balance

- 1.3.4 There was a drawdown from DSG reserves in 2017/18 of £3.724m, which resulted in a balance as at 31 March 2018 of £0.501m.

**Table 9: DSG Balance**

	£000
<b>DSG Balance brought forward 1 April 2017</b>	<b>(4,225)</b>
Drawdown	3,724
<b>DSG Balance 31 March 2018</b>	<b>(501)</b>

## Provisions

- 1.3.5 Provisions are made where an event has taken place that gives the council a legal or constructive obligation that requires settlement by a transfer of economic benefits or service potential and a reliable estimate can be made of the amount of the obligation. For example, the council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation. As at 31 March 2018 the council held provisions of £18.175m compared with £14.670m as at 31 March 2017.

**Table 10: Provisions as at 31 March 2018**

Service	Provision b/fwd 1 April 2017 £000	2017/18 in-year expenditure £000	New provisions raised / (written back) £000	Provision b/fwd 31 March 2018
Insurance	8,850	-	1,406	10,256
Service related provisions, Regeneration and Growth	2,481	(385)	1,462	3,558
Business rates appeals	3,057	-	888	3,945
Other	282	(10)	144	416
	<b>14,670</b>	<b>(395)</b>	<b>3,900</b>	<b>18,175</b>

## Debt write-offs

- 1.3.6 As part of its financial monitoring process, the council reports on all scheduled write-offs in excess of £5,000.

The following debts were written off in 2017/18:

- Sundry debts totalling £0.174m
- Council tax arrears totalling £0.133m
- Non-Domestic Rates arrears totalling £2.088m

## Sundry Debt

- 1.3.7 Action is taken to recover sundry debt in accordance with the council's Debt Management Policy, which includes the issue of reminders, final notices, referral to debt collectors or issuing proceedings in the County Court. Each case is treated individually and the circumstances of each debt is assessed prior to a decision being made, in conjunction with the delivery unit, on the recovery of the debt.

If all efforts to recover a debt are unsuccessful, the debt may be considered for write off. The approval of write offs is in accordance with the council's Constitution. Debts under £5,000 are approved by the Chief Finance Officer and debts over £5,000 are approved by Policy and Resources Committee

Table 11 below summarises the sundry debt write-offs that took place during 2017/18 where the individual debt level was in excess of £5,000; the aggregate of these write-offs is £0.174m. There were no individual sundry debts under £5,000 written off in 2017/18.

**Table 11: Sundry debt write offs over £5,000**

Account Reference	Amount £	Invoice Date	Comments
1	37,101.80	2/12/13	Insufficient funds in estate
2	28,463.39	31/10/14	Insufficient funds in estate
3	18,994.63	17/9/15	Insufficient funds in estate
4	11,031.52	6/12/10	Recovery action exhausted
5	10,854.76	20/11/15	Insufficient funds in estate
6	8,702.00	2/4/13	Insufficient funds in estate
7	8,777.35	1/8/05	Recovery action exhausted
8	7,573.21	6/3/13	Recovery action exhausted
9	7,141.09	15/2/16	Insufficient funds in estate
10	6,965.76	21/8/14	Recovery action exhausted
11	6,450.15	28/9/16	Insufficient funds in estate
12	6,388.40	11/11/13	Insufficient funds in estate
13	7,663.34	26/7/12	Insufficient funds in estate
14	8,089.99	24/6/16	Recovery action exhausted
<b>Total</b>	<b>174,197.39</b>		

## 1.4 CAPITAL PROGRAMME

1.4.1 The outturn on the council's 2017/18 capital programme is £163.456m, £114.077m of which relates to the General Fund programme and £49.379m to the HRA capital programme. This is £65.057m less than the revised 2017/18 budget of £228.513m. Table 12 below summarises the actual expenditure, budget and variance by service.

**Table 12: Capital Outturn**

Service	2017/18 Revised Budget £000	Additions/ (Deletions) £000	(Slippage)/ Accelerated Spend £000	2017/18 Outturn £000	Variance from Approved Budget £000	Variance from Approved Budget %
Adults and Communities	2,032	272	(71)	2,233	201	9.9
Commissioning Group	36,651	-	(3,079)	33,572	(3,079)	(8.4)
Education and Skills	27,933	-	(13,285)	14,648	(13,285)	(47.6)
Family Services	10,551	(648)	(2,332)	7,571	(2,980)	(28.2)
Housing Needs and Resources (Barnet Homes)	20,758	-	(5,605)	15,153	(5,605)	(27.0)
Parking and Infrastructure	2,247	(11)	(314)	1,922	(325)	(14.5)
Re	74,634	(582)	(35,973)	38,079	(36,555)	(49.0)
Street Scene	3,293	(5)	(2,389)	899	(2,394)	(72.7)
<b>General Fund Programme</b>	<b>178,099</b>	<b>(974)</b>	<b>(63,048)</b>	<b>114,077</b>	<b>(64,022)</b>	<b>(35.9)</b>
HRA (Barnet Homes)	50,414	196	(1,231)	49,379	(1,035)	(2.1)
<b>Total Capital Programme</b>	<b>228,513</b>	<b>(778)</b>	<b>(64,279)</b>	<b>163,456</b>	<b>(65,057)</b>	<b>(28.5)</b>

1.4.2 The 2017/18 capital outturn is £65.057m (28.5%) lower than the latest approved budget, primarily due to slippage. The principal variances from budget and the reasons for these are as follows:

- Within the **Commissioning Group** capital programme, there is slippage of £3.079m, £2.693m of which relates to the office build which has slipped further into 2018/19. £0.210m slippage on the ICT strategy is also linked to the office build delay. Tarling Road and the Depot relocation have £0.557m of accelerated spend due to the amount of construction that has been completed. There is also slippage of £0.625m on the Sports and Physical Activities project due to delays in construction works commencing.
- Within the schools capital programme, there is slippage of £1.976m on schools modernisation and £1.418m on the Blessed Dominic / St James project, due to planning delays. There is also slippage of £0.553m on alternative provision due to delays in procurement. Special Educational Needs (SEN) schemes are being developed, resulting in slippage of £1.264m. There is also slippage of £2.422m

on primary and secondary places earmarked funding, £4.580m on school managed schemes and £1.103m on other projects.

- The 2017/18 capital outturn for Family Services shows slippage of £2.332m.
  - Libraries building compliance costs have been transferred to the Family Services Estates budget. Slippage of £0.373m will be used for final works and retention payments in 2018/19.
  - There have been delays to the Youth Scheme project with planning taking longer than expected, resulting in slippage of £0.300m.
  - A delay in the planning application for a children's home scheme has resulted in slippage of £0.140m.
  - The early education and childcare place sufficiency project slippage of £0.195m will be used for three projects to be completed in 2018/19.
  - In Family Services Estates, the majority of spend relating to building compliance, repairs and maintenance, health and safety and disabled access works will occur in 2018/19, resulting in slippage of £1.150m.
- The capital outturn for **Housing Needs and Resources** shows slippage of £5.605m. The Open Door Homes funding requirements have been reprofiled and the drawdown of £4.882m of the total £10.000m loan will now take place in 2018/19. Within the project to bring empty properties back into use, two properties are in the pipeline but did not complete in 2017/18; this has resulted in £0.843m slipping to 2018/19.
- The **Re** capital programme has decreased by £36.555m. £33.320m of this relates to Brent Cross land acquisitions as the CPO process and subsequent legal challenge have resulted in acquisitions being delayed to 2018/19, and £2.114m relates to investments in roads and pavements where works have been delayed until 2018/19.
- The capital outturn for **Street Scene** shows a variance from budget of £2.394m due to purchases of vehicles and equipment slipping into 2018/19 due to the need to comply with new emissions legislation.
- The **HRA** outturn shows an underspend of £1.035m. This is due to delays in the purchase of four flats as part of the Development Pipeline Stag House project (£1.066m) and the re-cladding of Granville Road not completing until 2018/19 (£1.500m), offset by earlier than expected completion of foundation remedial works at Moreton Close accelerating spend that had previously been slipped (£2.319m).

## Funding of Capital Programme

1.4.3 Table 13 below shows the how the 2017/18 capital programme has been funded.

**Table 13: Funding of 2017/18 Capital Programme**

Service Area	Grants £000	S106/ Other Contrib- utions £000	Capital Receipts £000	Revenue/ MRA £000	Borrow- ing £000	Capital Reserves £000	Total £000
Adults and Communities	-	-	2,233	-	-	-	2,233
Commissioning Group	5,708	-	8,307	-	7,032	12,525	33,572
Education and Skills (including schemes managed by Schools)	6,498	8,148	-	-	-	-	14,647
Family Services	2,087	707	3,623	-	1,156	-	7,573
Housing Needs Resources	-	836	4,311	-	-	10,006	15,153
Parking and Infrastructure	251	-	1,670	-	-	-	1,921
Regional Enterprise (Re)	24,812	568	1,029	-	160	11,511	38,080
Street Scene	791	95	12	-	-	-	898
<b>General Fund Programme</b>	<b>40,147</b>	<b>10,354</b>	<b>21,186</b>	<b>-</b>	<b>8,348</b>	<b>34,042</b>	<b>114,077</b>
HRA	948	4,550	11,520	32,361	-	-	49,379
<b>Total Capital Programme</b>	<b>41,095</b>	<b>14,903</b>	<b>32,706</b>	<b>32,361</b>	<b>8,348*</b>	<b>34,042</b>	<b>163,456</b>

*\* This expenditure was classed as borrowing however it was 'borrowed' internally. Minimum Revenue Provision requirements therefore exist however the Council's external borrowing level remains unchanged. There is no interest charge resulting from this accounting treatment.*

## 1.5 TREASURY MANAGEMENT

### Prudential Indicators

1.5.1 The Prudential Indicators have not been breached and a prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield. The Local Government Act 2003 requires the council to set an Affordable Borrowing Limit (the Authorised limit), irrespective of its indebted status. This is a limit which should not be breached. During the year to 31 March 2018, there were no breaches of the Authorised Limit and the Operational Boundary.

The council's timeframes and credit criteria for placing cash deposits and the parameters for undertaking any further borrowing are set out in the Treasury Management Strategy (TMS). The TMS Strategy for 2017/18 was approved by Council on 7 March 2017. The Treasury Management Strategy requires 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 Treasury Management Strategy.

This report therefore asks the Committee to note the continued cautious approach to the current investment strategy.

## **Investment Performance**

- 1.5.2 Investment deposits are managed internally. As at 31 March 2018, deposits outstanding were £95.500m, achieving an average annual rate of return of 0.425% against a benchmark average (London Interbank Bid Rate - LIBID) of 0.206%. The list of deposits outstanding as at 31 March 2018 is attached as Appendix D and summarised in table 14 below.

**Table 14: Summary of Investments as at 31 March 2017**

	£000
Local Authorities	23,000
Money Market Funds	47,100
UK Banks & Building Societies	25,400
<b>TOTAL</b>	<b>95,500</b>

The benchmark, the average 7-day LIBID rate, is provided by the authority's treasury advisors Link Asset Services. The LIBID rate is the rate that a Euromarket bank is willing to pay to attract a deposit from another Euromarket bank in London.

## **Debt Management**

- 1.5.3 The total value of long term loans as at 31 March 2018 was £304.08m. There was no new external borrowing in the 2017/18 financial year. The average rate for total borrowing for the year ending 31 March 2018 was 3.89 per cent.

## **2 REASONS FOR RECOMMENDATIONS**

- 2.1 These recommendations are to provide this Committee with the necessary information to oversee the council's financial performance for the 2017/18 financial year.

## **3 ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 None.

## **4 POST DECISION IMPLEMENTATION**

- 4.1 None.

## **5 IMPLICATIONS OF DECISION**

### **5.1 Corporate Priorities and Performance**

- 5.1.1 The report provides an overview of financial performance for the 2017/18 financial year, including the full year outturn revenue and capital expenditure.

5.1.2 Robust budget monitoring is essential to ensure 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 and Commissioning Plans. In addition, adherence to the Prudential Framework ensures capital expenditure plans remain affordable in the longer term and that capital resources are maximised.

5.1.3 Relevant council strategies and policies include the following:

- Medium Term Financial Strategy
- Treasury Management Strategy
- Debt Management Strategy
- Insurance Strategy
- Capital, Assets and Property Strategy.

## 5.2 **Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

## 5.3 **Legal and Constitutional References**

5.3.1 Section 151 of the Local Government Act 1972 states that: “without prejudice to section 111, every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs”. Section 111 of the Local Government Act 1972, relates to the subsidiary powers of local authorities.

5.3.2 Section 28 of the Local Government Act 2003 (the Act) imposes a statutory duty on a billing or major precepting authority to monitor, during the financial year, its income and expenditure against the budget calculations. If the monitoring establishes that the budgetary situation has deteriorated, the authority must take such action as it considers necessary to deal with the situation. Definition as to whether there is deterioration in an authority’s financial position is set out in sub-section 28(4) of the Act.

5.3.3 The council’s Constitution (Article 7) sets out the terms of reference for Committees. The Financial Performance and Contracts Committee is responsible for the oversight and scrutiny of the overall financial performance of the Council.

5.3.4 The council’s Constitution, Part 17, Financial Regulations section 2 state that the Chief Finance Officer (section 151 officer) will report in detail to Performance and Contract Management Committee (now replaced with Financial Performance and Contracts Committee) at the end of each quarter as a minimum, on the revenue and capital budgets and wider financial standing and will make recommendations for varying the approved budget (revenue and capital) where necessary.

5.3.5 The Financial Regulations also state that amendments to the revenue budget can only be made with approval as per the scheme of virements table below:

Virements for allocation from contingency for amounts up to and including £250,000 must be approved by the Chief Finance Officer
Virements for allocation from contingency for amounts over £250,000 must be approved by Policy and Resources Committee
Virements within a service that do not alter the approved bottom line are

approved by the Service Director
Virements between services (excluding contingency allocations) up to and including a value of £50,000 must be approved by the relevant Chief Officers
Virements between services (excluding contingency allocations) over £50,000 and up to and including £250,000 must be approved by the relevant Chief Officer and Chief Finance Officer in consultation with the Chairman of the Policy and Resources Committee and reported to the next meeting of the Policy and Resources Committee
Virements between services (excluding contingency allocations) over £250,000 must be approved by Policy and Resources Committee.

#### 5.4 **Risk Management**

- 5.4.1 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 that 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.
- 5.4.2 The level of balances needs to be considered in light of the risk identified in 5.4.1 above.

#### 5.5 **Equalities and Diversity**

- 5.5.1 None in the context of this report.

#### 5.6 **Consultation and Engagement**

N/A



Appendix A - Revenue Outturn 2017/18									
Adults and Communities									
	Original Budget	Revised Budget	Outturn Before Reserve Movements	Variation to Revised Budget	Reserve Movements	Outturn After Reserve Movements	Variation to Revised Budget		% Variation of revised budget
	£000	£000	£000	£000	£000	£000	£000		
Performance and Improvement	1,411	1,457	1,395	(62)	(1)	1,394	(63)	Underspend due to part year vacancies whilst recruitment was underway and not using agency staff unless business critical.	(4.3%)
Safeguarding	682	657	792	134	(29)	762	105	Overspend relates to Deprivation of Liberty Safeguards (DOLS) assessments. This service continued to be a significant cost pressure in 2017/18 as a result of Supreme Court judgements in 2014/15 and a loss of grant funding since 2015/16.	16.0%
Care Quality	3,675	3,132	2,815	(317)	(1)	2,814	(318)	Underspend due to part year vacancies whilst recruitment was underway and not using agency staff unless business critical. At outturn additional income of c.£0.190m was identified from Public Health for preventative contracts.	(10.2%)
Community Wellbeing	541	604	616	12	(40)	576	(28)	Underspend due to part year vacancies whilst recruitment was underway and not using agency staff unless business critical.	(4.6%)
Customer Care	254	213	187	(26)		187	(26)	Underspend due to part year vacancies whilst recruitment was underway and not using agency staff unless business critical.	(12.0%)
Customer Finance	840	851	769	(82)	(1)	768	(83)	Underspend due to part year vacancies whilst recruitment was underway and not using agency staff unless business critical.	(9.7%)
Director of Adult Social Services and Health	518	117	115	(2)		115	(2)		(1.7%)
Integrated care - LD & MH	35,972	39,473	42,562	3,089	(1,423)	41,139	1,666	The learning disability budgets have been experiencing pressure as a result of the transforming care (Winterbourne) agenda. The projections include c.£0.275m spend on three supported living placements where needs would previously have been met and funded by the NHS plus £0.210m from two similar cases where placements were made at the end of the last financial year. Though responsibility for this cohort of individuals has been transferred from the NHS to local authorities, funding has not followed for new clients like these. The impact of North Central London Transforming Care Plan is an increase in those with learning disabilities and autism living in the community to prevent the need for long term hospital care. The overspend includes expenditure relating to backdated claims for Ordinary Residence that have been lost. Previous legal advice was that LBB was likely to gain a favourable judgement in a number of cases and so no provision was included for these but this has not been borne out and as a result, there were one-off pressures of £0.860m.	4.2%
Integrated care - OA & PD	41,946	39,484	39,977	493	(100)	39,877	393	There is significant pressure from homecare, equipment and nursing care placements. The Council has been working hard to support local NHS partners to cope with the pressures on the health system and reduce delayed discharges of care. The growing demand from health has led to an increase of 14% of commissioned homecare hours from last year and an increase in costs £0.483m for the community equipment service. The latter has been mitigated through the capitalisation of equipment via the DFG budget.	1.0%
Prevention and Wellbeing	565	491	192	(299)	(122)	70	(421)	Underspend due to part year vacancies whilst recruitment was underway and not using agency staff unless business critical.	(85.8%)
Social Care Management	741	698	680	(17)		680	(17)	Underspend due to part year vacancies whilst recruitment was underway and not using agency staff unless business critical.	(2.5%)
Total	87,145	87,177	90,101	2,924	(1,717)	88,384	1,207		1.4%
Assurance									
	Original Budget	Revised Budget	Outturn before reserve movements	Variation to revised budget	Reserve Movements	Outturn after reserve movements	Variation to revised budget		% Variation of revised budget
	£000	£000	£000	£000	£000	£000	£000		
Elections	358	549	496	(53)		496	(53)	Underspend relating to canvassing costs	(9.7%)
Assurance Management	579	560	544	(16)		544	(16)	Part-year vacancy	(2.9%)
Governance	2,158	2,161	2,086	(74)	(3)	2,083	(78)	Members' IT costs were lower than expected for the year	(3.6%)
Internal Audit & CAFT	752	783	851	69	(72)	779	(4)		(0.5%)
HB Law	2,011	2,036	2,826	789		2,826	789	A greater number of legal hours have been used than was budgeted. There is no SLA in place to recharge all of the additional hours to other service areas. It is intended that this will be in place for 2018/19.	38.8%
33									
Total	5,859	6,089	6,803	714	(76)	6,727	638		10.5%

Central Expenses									
	Original Budget	Revised Budget	Outturn before reserve movements	Variation to revised budget	Reserve Movements	Outturn after reserve movements	Variation to revised budget		% Variation of revised budget
	£000	£000	£000	£000	£000	£000	£000		
Capital Financing	16,780	16,780	14,462	(2,318)		14,462	(2,318)	The underspend before reserve movements relates to the actual Minimum Revenue Provision (MRP) being lower than budget (-£3.7m) offset by lower than budgeted interest income leading to a net variance of £2.3m.	(13.8%)
Central Contingency	12,405	506	2	(504)		2	(504)		(99.6%)
Corporate Fees and Charges	234	234	165	(69)		165	(69)		(29.4%)
Corporate Subscriptions	194	194	172	(23)		172	(23)		(11.6%)
Early Retirement	3,577	3,577	3,405	(172)		3,405	(172)	Pension strain costs lower than budget.	(4.8%)
Local Area Agreement	105	105	75	(30)		75	(30)		(28.3%)
Levies	18,688	18,688	17,360	(1,329)		17,360	(1,329)	Actual levies were lower than budgeted	(7.1%)
Miscellaneous Finance	740	1,337	1,623	286	1,189	2,812	1,475	The total adverse variance comprises NNDR Analyse Software (£161k), IT software storage (£128k) and insurance (£184k) as well as incorrect GRN amounts that have been reversed in March 2018.	110.4%
<b>Total</b>	<b>52,723</b>	<b>41,421</b>	<b>37,264</b>	<b>(4,157)</b>	<b>1,189</b>	<b>38,453</b>	<b>(2,969)</b>		<b>(7.2%)</b>
Commissioning Group									
	Original Budget	Revised Budget	Outturn before reserve movements	Variation to revised budget	Reserve Movements	Outturn after reserve movements	Variation to revised budget		% Variation of revised budget
	£000	£000	£000	£000	£000	£000	£000		
Strategic Commissioning Board	560	592	782	190		782	190	Salary overspend £190k including one off redundancy costs	32.0%
Resources	930	1,059	(591)	(1,650)	1,709	1,118	59		5.6%
Information Management	878	1,005	1,247	241	(120)	1,126	121	Overspend in staffing due to use of agency staff and permanent staff that are above the budgeted salary mid-point	12.0%
Programme and Resources	786	916	746	(170)		746	(170)	The underspend in Programme and Resources has been used to meet a staffing overspend in Commercial Management	(18.5%)
Commercial Management	901	867	1,037	170		1,037	170	The underspend in Programme and Resources has been used to meet a staffing overspend in Commercial Management	19.6%
Communications	639	671	923	252	(234)	689	18	Salary overspend to cover sick leave	2.7%
Commissioning Strategy	655	506	687	180	(233)	454	(53)	Underspend due to staff vacancies	(10.4%)
Human Resources	33	33	(126)	(159)	203	77	44	A greater number of hours were spent on Trade Union duties than were budgeted for	133.8%
Adults and Health	1,272	1,283	1,782	499	(682)	1,100	(183)	Underspend in the Joint Commissioning Unit as a result of vacancies from a recent restructure	(14.3%)
Children and Young people	256	334	353	19	(113)	240	(94)	Permanent staff have been recruited which has reduced the overspend significantly compared to last year, however post holders now exceed budget allocations.	(28.2%)
Growth and Development	218	222	954	732	(685)	269	47		21.0%
Registrar Service (Births, Deaths and Marriages)	(160)	(162)	136	297		136	297	Births, deaths and marriages has an overspend of £297k due mainly to the historic income budget not being achieved as a result of lower levels of marriage ceremonies. Project costs for the transition of the service has also been charged here.	(184.0%)
Mortuaries	99	99	163	64		163	64	Overspend on agency and equipment costs.	64.6%
Public Health	17,610	17,610	15,856	(1,754)	1,754	17,610	(0)		(0.0%)
<b>Environment, Parking and Infrastructure</b>			0	0					
- Environment	13,430	13,515	12,639	(876)	(395)	12,243	(1,272)	Underspend on NLWA levy and planning policy development	(9.4%)
- Highway Inspection/Maintenance	255	259	874	616	(615)	259	0	Additional resources required to deal with the extreme weather conditions, which have been funded through the SPA to deliver a balanced budget	0.1%
- Parking	(538)	(538)	(679)	(141)		(679)	(141)	Overachievement of the income target for off-street parking and the abandoned vehicle service due to a number of targeted enforcement operations.	26.2%
- Special Parking Account	(10,210)	(10,210)	(10,204)	6	(6)	(10,210)	0		(0.0%)
- Street Lighting	6,218	6,417	6,088	(329)	92	6,180	(237)	Underspend due to reduced energy costs	(3.7%)
<b>Total</b>	<b>33,834</b>	<b>34,479</b>	<b>32,665</b>	<b>(1,814)</b>	<b>675</b>	<b>33,341</b>	<b>(1,139)</b>		<b>(3.3%)</b>

Customer Support Group and Council Managed Budgets									
	Original Budget	Revised Budget	Outturn before reserve movements	Variation to revised budget	Reserve Movements	Outturn after reserve movements	Variation to revised budget		% Variation of revised budget
	£000	£000	£000	£000	£000	£000	£000		
Estates Managed Budgets	835	1,898	3,995	2,097	(2,291)	1,704	(194)	Civic and non-civic buildings (includes rents, rates and utilities) - £3m overspend before reserve drawdowns - offset by commercial rents of £0.962m	(10.2%)
Contractual Payments	27,842	28,895	31,252	2,357	(343)	30,909	2,014	Management fee (including change requests, call volumes, portal payments and true ups) (£1m), Gainshare (£0.250m), contribution to pension fund (£0.680m).	7.0%
Retained Income	(7,516)	(8,960)	(7,963)	997		(7,963)	997	Variance including schools traded income shortfall (£0.833m), corporate programmes (£0.467m) and document solutions (£0.246m), Barnet Group SLAs (£0.257m). This is offset by court costs awarded (£0.863m).	(11.1%)
Total	21,161	21,833	27,285	5,452	(2,635)	24,650	2,817		12.9%
Education and Skills									
	Original Budget	Revised Budget	Outturn before reserve movements	Variation to revised budget	Reserve Movements	Outturn after reserve movements	Variation to revised budget		% Variation of revised budget
	£000	£000	£000	£000	£000	£000	£000		
Education and Skills Management	6,525	6,715	6,339	(376)	84	6,423	(292)		(4.3%)
Education Partnership and Commercial	0	2	54	52		54	52		2593.4%
Post 16 Education and Skills	0	0	(53)	(53)		(53)	(53)		(100.0%)
School Improvement	0	0	(6)	(6)		(6)	(6)		(100.0%)
SEND & Inclusion	0	1	251	249		251	249		100.0%
Total (excluding SDM)	6,525	6,718	6,584	(134)	84	6,669	(49)		(0.7%)
Family Services									
	Original Budget	Revised Budget	Outturn before reserve movements	Variation to revised budget	Reserve Movements	Outturn after reserve movements	Variation to revised budget		% Variation of revised budget
	£000	£000	£000	£000	£000	£000	£000		
Family Services Management	602	1,853	665	(1,188)		665	(1,188)	£1,126k currently held within the area which relates to the £5,700k additional budget allocated by June 2017 P&R Committee. This £1,126k has been used to offset pressures across Family Services.	(64.1%)
Commissioning and Business Improvement	4,075	4,478	6,084	1,606	(9)	6,075	1,597	Additional project costs for Tribal and ECAF incurred	35.7%
Early Years and Family Support	4,160	4,189	3,391	(798)	(1)	3,390	(799)	Early Years cost of £533k now charged to DSG Early Years Centrally Retained funding. Additional Troubled Families money has been applied.	(19.1%)
Youth Services	1,872	1,884	1,841	(44)		1,841	(44)		(2.3%)
Libraries and Community Engagement	3,219	3,465	3,576	110	(3)	3,572	107	£50k of the libraries overspend relates to additional CCTV costs due to increased security requirements £50k relates to business rates.	3.1%
Social Care Management	1,745	1,600	1,221	(379)		1,221	(379)	£500k budget held here to cover spend on agency staff. Two additional Assistant Heads of Service as instructed by Ofsted have been employed. This caused a £150k pressure over and above the additional P&R allocation, which was contained through underspends in staffing and non pay budgets. Additional legal fees has reduced the underspend.	(23.7%)
Assessment, Intervention and Planning	7,661	9,004	11,427	2,423	(5)	11,422	2,418	Additional 3 DAT managers and 8 DAT Social Workers as required by Ofsted in early Autumn have been employed. This is causing a £408k pressure over and above the additional P&R allocation. There is an overspend on Persons with No Recourse to Public Funds of £327k and S17 and devolved budgets are overspent by £397k. The remaining pressure mainly relates to staffing.	26.9%
Permanence Transitions and Corporate Parenting	3,419	4,113	4,219	106	(14)	4,205	92		2.2%
Placements	16,768	17,930	20,331	2,400	(10)	20,321	2,390	£2.260m pressure relates to external high cost specialist placements. Remaining pressure relates to 'As and When' staff for childrens homes.	13.3%
Safeguarding	1,041	1,047	0	(1,047)		0	(1,047)		(100.0%)
Workforce and Quality	1,041	794	474	(320)		474	(320)		(40.3%)
CSC 0-25	6,842	8,146	7,757	(389)		7,757	(389)	Transfer of cost from adults for transitions has resulted in an underspend.	(4.8%)
Total	52,445	58,504	60,985	2,481	(43)	60,942	2,438		4.2%

Housing Needs and Resources									
	Original Budget	Revised Budget	Outturn before reserve movements	Variation to revised budget	Reserve Movements	Outturn after reserve movements	Variation to revised budget		% Variation of revised budget
	£000	£000	£000	£000	£000	£000	£000		
Housing Needs and Resources	5,560	6,859	7,763	904	(16)	7,747	888	The overspend reflects the ongoing cost pressures associated with the rising cost of temporary accommodation in the borough set against restrictions on rents that can be charged and remain eligible for housing benefit, in addition to income loss from hostels and temporary accommodation preventions. Actions have been taken to mitigate this pressure, including purchasing homes on the open market as a cheaper alternative to existing temporary accommodation options, an increase in homelessness preventions and a focus on reducing the use of temporary accommodation.	12.9%
Total	5,560	6,859	7,763	904	(16)	7,747	888		12.9%
Regional Enterprise									
	Original Budget	Revised Budget	Outturn before reserve movements	Variation to revised budget	Reserve Movements	Outturn after reserve movements	Variation to revised budget		% Variation of revised budget
	£000	£000	£000	£000	£000	£000	£000		
Guaranteed Income	(14,662)	(16,246)	(10,647)	5,599	(2,798)	(13,445)	2,801	The overspend results from £1m income deferral to contract year six and £4.4m income recovered from developers which contributes towards guaranteed income but is accounted for in the HRA.	(17.2%)
LBB Client Costs	-	-	266	266		266	266	LBB costs incurred and provision for uncollectable debt pre-contract	100.0%
Re Management fee	14,739	16,630	17,522	892	(130)	17,392	762	This variance relates to an additional contractual payment to Re of £2.6m partially offset by a one off Management fee reduction of £2m.	4.6%
Re Managed Budgets	(901)	(63)	(120)	(57)	182	62	125	Income shortfall mainly in respect of LiP income for Highways	(196.8%)
Total	(824)	321	7,021	6,700	(2,746)	4,274	3,954		1230.6%
Street Scene									
	Original Budget	Revised Budget	Outturn before reserve movements	Variation to revised budget	Reserve Movements	Outturn after reserve movements	Variation to revised budget		% Variation of revised budget
	£000	£000	£000	£000	£000	£000	£000		
Business Improvement	327	694	436	(258)	(6)	430	(265)	Management and back office restructure to deliver savings identified in the Alternative Delivery Model (ADM) which will offset the overspend in Street Scene Management	(38.1%)
Green Spaces	3,956	4,173	3,962	(212)	(32)	3,929	(244)	An overall underspend due to an underspend on staff costs, savings on vehicle running costs and additional income from Green Belt Lands offset by maintenance costs for King George Playing Fields	(5.9%)
Recycling	364	(0)	0	0		0	0		0.0%
Waste	6,861	6,886	7,843	957	(259)	7,584	698	Overspend is due to the operating costs (vehicles and staffing) of the service. This is partially offset by additional income shown on the Trade Waste line below.	10.1%
Street Cleansing	2,835	3,350	3,493	143		3,493	143	Overspend is due the the delay in implementing the revised street cleansing service.	4.3%
Street Scene Management	542	292	436	144		436	144	Overspend due to the reallocation of the Refuse ADM savings, partially offset by savings in staffing, material and equipment costs.	49.3%
Trade Waste	(1,960)	(1,959)	(2,326)	(367)		(2,326)	(367)	Underspend is due to additional income generated by the service plus reduced operating costs	18.7%
Transport	(45)	357	359	2	(12)	347	(10)	All transport costs are recharged to service users.	(2.8%)
Total	12,881	13,794	14,203	409	(309)	13,894	100		0.7%
Dedicated Schools' Grant									
	Original Budget	Revised Budget	Outturn before reserve movements	Variation to revised budget	Reserve Movements	Outturn after reserve movements	Variation to revised budget		% Variation of revised budget
	£000	£000	£000	£000	£000	£000	£000		
Individual school budgets	139,649	139,649	139,625	(24)		139,625	(24)		(0.0%)
Growth Fund	1,300	1,300	1,208	(92)		1,208	(92)		(7.1%)
Central schools expenditure	1,252	1,252	1,191	(61)		1,191	(61)		(4.9%)
ESG retained funding	798	798	798	0		798	0		0.0%



Early years block	24,602	24,602	24,910	308		24,910	308	Overspend due to 2016/17 DSG clawback based on January 2017 census	1.3%
High needs block	44,061	44,061	45,313	1,252		45,313	1,252	£0.342m relates to additional place funding, £0.910m relates to additional high needs top ups and post 16 expenditure	2.8%
DSG income	(209,831)	(209,831)	(209,321)	510		(209,321)	510	Early years DSG adjustment	(0.2%)
DSG carry forward	(1,831)	(1,831)	0	1,831	(3,724)	(3,724)	(1,893)		103.4%
<b>Total</b>	<b>0</b>	<b>0</b>	<b>3,724</b>	<b>3,724</b>	<b>(3,724)</b>	<b>0</b>	<b>0</b>		<b>0.0%</b>
<b>Housing Revenue Account</b>									
	Original Budget	Revised Budget	Outturn before reserve movements	Variation to revised budget	Reserve Movements	Outturn after reserve movements	Variation to revised budget		% Variation of revised budget
	£000	£000	£000	£000	£000	£000	£000		
HRA Other Income and Expenditure	(2,706)	(3,389)	(2,044)	1,345		(2,044)	1,345	The net position relates to reduced rental income, additional expenditure on running costs and higher than budgetted depreciation costs. STILL AWAITING DEPRECIATION CONFIRMATION	(39.7%)
HRA Regeneration	669	1,351	(343)	(1,695)		(343)	(1,695)	The net surplus reflects higher than expected income recovered from developer partners.	(125.4%)
HRA Surplus/(Deficit) for the year	2,185	2,185	2,514	329		2,514	329	tbc - Contribution to HRA balances	15.1%
Interest on Balances	(147)	(147)	(127)	21		(127)	21	Reduced interest on HRA balances	(13.9%)
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>(0)</b>		<b>0.0%</b>

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## Appendix B - Capital outturn 2017/18

	2017/18 Revised Budget £000	Additions/ Deletions £000	Slippage / Accelerated Spend £000	2017/18 Outturn £000	Variance from Approved Budget £000	% slippage of 2017/18 Revised Budget	Comments
Investing in IT	1,961	272	-	2,233	272	0.0%	
CCTV Installation	71	-	(71)	-	(71)	-100.0%	To be deleted
<b>Adults and Communities</b>	<b>2,032</b>	<b>272</b>	<b>(71)</b>	<b>2,233</b>	<b>201</b>	<b>0.0%</b>	

	2017/18 Revised Budget £000	Additions/ Deletions £000	Slippage / Accelerated Spend £000	2017/18 Outturn £000	Variance from Approved Budget £000	% slippage of 2017/18 Revised Budget	Comments
Depot relocation	4,789	-	130	4,919	130	2.7%	Project on target and due to complete in 2018/19. Accelerated spend due to meeting all costs incurred in 2017/18
Community Centre - Tarling Road	1,231	-	427	1,658	427	34.7%	
Asset Management	535	-	38	573	38	7.1%	Ongoing works on Church End Library and Physic Well and completion of the Registry Office move.
Centre for Independent Living & Libraries	10	-	(4)	6	(4)	-40.0%	
Daws Lane Community Centre	-	-	-	-	-	0.0%	
ICT strategy	2,138	-	(210)	1,928	(210)	-9.8%	Underspend on ICT strategy in line with the office build project
Community Hub & Child Hill Library	20	-	-	20	-	0.0%	
Customer Services Transformation Programme	1,681	-	(168)	1,513	(168)	-10.0%	Slippage in spend due to contract being signed towards the end of the year.
Implementation of Locality Strategy	29	-	26	55	26	89.7%	
Sport and Physical Activities	6,000	-	(625)	5,375	(625)	-10.4%	Start of construction works were delayed and therefore resulted in budget slippage
Gaelic playing pitch relocation	-	-	-	-	-	0.0%	
Office Build	20,218	-	(2,693)	17,525	(2,693)	-13.3%	Project still ongoing. Bulk of the spend to be incurred in 2018/19.
<b>Commissioning Group</b>	<b>36,651</b>	<b>-</b>	<b>(3,079)</b>	<b>33,572</b>	<b>(3,079)</b>	<b>-8.4%</b>	

	2017/18 Revised Budget £000	Additions/ Deletions £000	Slippage / Accelerated Spend £000	2017/18 Outturn £000	Variance from Approved Budget £000	% slippage of 2017/18 Revised Budget	Comments
<b>Modernisation - Primary &amp; Secondary</b>	4,373	-	(1,975)	2,398	(1,975)	-45.2%	Within the schools capital programme, there is slippage of £1.976m on schools modernisation
Urgent Primary Places - Temporary Allocated	996	-	(985)	11	(985)	0.0%	
Millbrook Park (MHE)	139	(139)	-	-	(139)	0.0%	
Orion Primary School	75	-	(75)	-	(75)	-100.0%	Works to conclude scheme now scheduled for 2018/19 due to school operational requirements
Blessed Dominic/St James	488	2,294	-	2,782	2,294	0.0%	See St James / Blessed Dominic project below
Menorah Foundation	210	-	(182)	28	(182)	-86.7%	School have advised a delay to defects completion
St Marys and St Johns	196	(196)	-	(0)	(196)	0.0%	
Martin Primary	9	-	(9)	-	(9)	-100.0%	Some defects still to be resolved - £9k remains allocated to scheme for defects
Oakleigh School	3	-	-	3	-	0.0%	
Beis Yakov	25	-	-	25	-	0.0%	
St Joseph's RC Junior & St Joseph's RC Infants School	27	(27)	-	-	(27)	0.0%	
Monkfrith	347	-	(35)	312	(35)	-10.1%	Remaining items expected to be delivered for September 2018 due to school operational requirements
Wren Academy	234	-	(72)	162	(72)	-30.8%	Remaining items expected to be delivered for September 2018 due to school operational requirements
London Academy	166	-	(21)	145	(21)	-12.7%	Remaining items expected to be delivered for September 2018 due to school operational requirements
St Agnes	70	-	(70)	-	(70)	-100.0%	Due to feasibility study alternative delivery (Non Modular) to be undertaken in 2018/19
Watling Park school	-	350	-	350	350	0.0%	
<b>Permanent Secondary Expansion Programme</b>							
Christ College	-	10	-	10	10	0.0%	
Copthall	136	-	(134)	2	(134)	-98.5%	Remaining items expected to be delivered for Sept 2018
Compton	61	-	(24)	37	(24)	-39.3%	Retention to be slipped
Oak Lodge Special School	700	-	(253)	447	(253)	-36.1%	Signing off on defects has moved to July 2018
St Mary's & St John's	10,185	196	(4,777)	5,604	(4,581)	-46.9%	School managed scheme has slippage of £4.580m and of £1.103m on other projects.
St James / Blessed Dominic	3,713	(2,294)	(1,419)	-	(3,713)	-38.2%	Net slippage £1.418m on the Blessed Dominic / St James project, due to planning delays (see above).



	2017/18 Revised Budget £000	Additions/ Deletions £000	Slippage / Accelerated Spend £000	2017/18 Outturn £000	Variance from Approved Budget £000	% slippage of 2017/18 Revised Budget	Comments
<b>Other Projects</b>							
Wave 1 - Northway/Fairway	295	9	-	304	9	0.0%	
Colindale primary	79	-	-	79	-	0.0%	
East Barnet & Project Faraday	200	(108)	-	92	(108)	0.0%	
School place planning (Primary )	750	(95)	(655)	0	(750)	-87.3%	Primary and secondary places earmarked funding slippage £2.422m
School place planning (Secondary)	783	-	(783)	-	(783)	-100.0%	
SEN	1,692	-	(1,262)	430	(1,262)	-74.6%	SEN schemes are being developed, slippage £1.264m.
Alternative Provision	815	-	(554)	261	(554)	-68.0%	There is also slippage of £0.553m on alternative provision due to delays in procurement,
Contingency	(0)	-	-	(0)	-	0.0%	
<b>Education and Skills</b>	<b>26,767</b>	<b>-</b>	<b>(13,285)</b>	<b>13,482</b>	<b>(13,285)</b>	<b>-49.6%</b>	

	2017/18 Revised Budget £000	Additions/ Deletions £000	Slippage / Accelerated Spend £000	2017/18 Outturn £000	Variance from Approved Budget £000	% slippage of 2017/18 Revised Budget	Comments
Capital Schemes managed by Schools	1,166	-	-	1,166	-	0.0%	
<b>Capital Schemes managed by Schools</b>	<b>1,166</b>	<b>-</b>	<b>-</b>	<b>1,166</b>	<b>-</b>	<b>0.0%</b>	

	2017/18 Revised Budget £000	Additions/ Deletions £000	Slippage / Accelerated Spend £000	2017/18 Outturn £000	Variance from Approved Budget £000	% slippage of 2017/18 Revised Budget	Comments
Libraries	224	-	(3)	221	(3)	-1.3%	
Early Education and Childcare place sufficiency	1,886	-	(195)	1,691	(195)	-10.3%	The early education and childcare place sufficiency project slippage of £0.195m will be used for three projects to be completed in 2018/19.
Information Management	400	-	22	422	22	5.5%	Accelerated spend
Youth Zone	301	-	(301)	-	(301)	-100.0%	There have been delays to the Youth Scheme project with planning taking longer than expected resulting in slippage of £0.300m.
Loft conversion and extension policy for Foster Carers	200	-	(170)	30	(170)	-85.0%	Various applications to be approved
New Park House Children's home	78	-	(20)	58	(20)	-25.6%	Delays due to unfavourable weather conditions
Libraries Capital works	5,593	(648)	(373)	4,572	(1,021)	-6.7%	Libraries building compliance costs have been transferred to the Family Services Estate budget. Slippage of £0.373m will be used for final works and retention payments in 2018/19.
Meadow Close Children's Homes	369	-	(140)	229	(140)	-37.9%	A delay in the planning application for a children's home scheme has resulted in slippage of £0.140m.
Family Services Estate - building compliance, extensive R&M, H&S, DDA	1,500	-	(1,152)	348	(1,152)	-76.8%	Family Services Estates – building compliance, extensive R&M, H&S, DDA majority of spend will occur in 2018/19 – slippage £1.15m
<b>Family Services</b>	<b>10,551</b>	<b>(648)</b>	<b>(2,332)</b>	<b>7,571</b>	<b>(2,980)</b>	<b>-22.1%</b>	

	2017/18 Revised Budget £000	Additions/ Deletions £000	Slippage / Accelerated Spend £000	2017/18 Outturn £000	Variance from Approved Budget £000	% slippage of 2017/18 Revised Budget	Comments
Empty Properties	1,000	-	(843)	157	(843)	-84.3%	Two properties in the pipeline due to complete next year
Out of borough acquisition	8,958	-	(7)	8,951	(7)	-0.1%	
Modular Homes	-	-	32	32	32	0.0%	Site preparation works undertaken this year
Open Door	10,000	-	(4,882)	5,118	(4,882)	-48.8%	Delays to Open Door Homes loan draw down
Tranche 3 Open Door	700	-	-	700	-	0.0%	
Micro sites	100	-	95	195	95	95.0%	Additional professional fees for design and other works
<b>Housing Needs Resources</b>	<b>20,758</b>	<b>-</b>	<b>(5,605)</b>	<b>15,153</b>	<b>(5,605)</b>	<b>-27.0%</b>	

	2017/18 Revised Budget £000	Additions/ Deletions £000	Slippage / Accelerated Spend £000	2017/18 Outturn £000	Variance from Approved Budget £000	% slippage of 2017/18 Revised Budget	Comments
Lines and Signs	50	-	(50)	-	(50)	-100.0%	Works to be completed as and when requested in 2018/19
Parking Machines	11	(11)	-	-	(11)	0.0%	Budget no longer required
CCTV	752	-	(501)	251	(501)	-66.6%	Ongoing project to implement new road traffic cameras.
CCTV Projects Retention	84	-	(84)	-	(84)	-100.0%	Ongoing project to implement new road traffic cameras.
Highways (permanent re-instatement)	500	-	(69)	431	(69)	-13.8%	Works are continuing into 2018/19 for new road signage and road islands.
Highways proactive patching	600	-	640	1,240	640	106.7%	The majority of the proactive patching work was completed in 2017/18; this is an ongoing project, which will continue over the next two years.
DLO restructure and Investment project	250	-	(250)	-	(250)	-100.0%	Budget no longer required
<b>Parking and Infrastructure</b>	<b>2,247</b>	<b>(11)</b>	<b>(314)</b>	<b>1,922</b>	<b>(325)</b>	<b>-14.0%</b>	

	2017/18 Revised Budget £000	Additions/ Deletions £000	Slippage / Accelerated Spend £000	2017/18 Outturn £000	Variance from Approved Budget £000	% slippage of 2017/18 Revised Budget	Comments
<b>HIGHWAYS TfL - LOCAL IMPLEMENTATION PLAN</b>					-		
Local Implementation Plan 2016/17 and onwards	4,868	(408)	(170)	4,290	(578)	-3.5%	£170k underspend agreed with TfL to be carried forward
Bus stop Accessibility	150	(49)	-	101	(49)	0.0%	
Bridge Assessment	400	(125)	-	275	(125)	0.0%	
<b>HIGHWAYS non-TfL</b>					-		
Carriageways	793	-	191	984	191	24.1%	Accelerated spend in line with agreed works
Road Traffic Act - Controlled Parking Zones	112	-	(112)	-	(112)	-100.0%	To be deleted
Investment in Roads & Pavement (NRP)	11,167	-	(2,114)	9,053	(2,114)	-18.9%	Delay in certain projects therefore spend to occur in next financial year
Mill Hill East	35	-	(35)	-	(35)	-100.0%	Project costs expected from 2018/19
BXC - Funding for land acquisition	37,229	-	(33,320)	3,909	(33,320)	-89.5%	The Secretary of State received a high court challenge on CPO1 and CPO2 hence the delay and slippage into 2018/19. Subject to a court hearing on 5th July payments are expected to be processed once the GVD Notices have been served, and this likely to be occur sometime after September 2018.
Colindale – Highways and Transport	450	-	(208)	242	(208)	-46.2%	The construction works have been delayed due to TfL therefore further surveys required; the majority of the spend will therefore happen in 2018/19.
Colindale – Parks, Open Spaces and Sports	300	-	35	335	35	11.7%	Accelerated spend for final year end spend. Majority of works to start from 2018/19 .
Colindale Station Works	500	-	(500)	-	(500)	-100.0%	Works to start in new financial year
Grahame Park – Community Facilities	200	-	(63)	137	(63)	-31.5%	Spend to continue in 2018/19
Town Centre	300	-	30	330	30	10.0%	Remaining budget to be slipped for other town centres upcoming projects which have been delayed
Thames Link Station	14,842	-	5	14,847	5	0.0%	
Development pipeline	100	-	(100)	-	(100)	-100.0%	Project has been delayed. Plan to be written and submitted in new financial year.
Disabled Facilities Grants Programme	2,587	-	651	3,238	651	25.2%	Particularly high grant approvals during the third quarter
Refurbish and regenerate Hendon Cemetery and Crematorium	300	-	(266)	34	(266)	-88.7%	Project board will determine plan for project going forward
Hendon Cemetery & Crematorium Enhancement	50	-	32	82	32	64.0%	Project board will determine plan for project going forward
Decent Homes Programme	221	-	(25)	196	(25)	-11.3%	Costs to continue in 2018/19
DECC - Fuel Poverty	30	-	(4)	26	(4)	-13.3%	Increase take-up of this grant stream to continue into 2018/19
<b>Regional Enterprise</b>	<b>74,634</b>	<b>(582)</b>	<b>(35,973)</b>	<b>38,079</b>	<b>(36,555)</b>	<b>-48.2%</b>	

	2017/18 Revised Budget £000	Additions/ Deletions £000	Slippage / Accelerated Spend £000	2017/18 Outturn £000	Variance from Approved Budget £000	% slippage of 2017/18 Revised Budget	Comments
Parks & Open Spaces and Tree Planting	133	-	(54)	79	(54)	-40.7%	The completion of work will take place in 2018/19
Park Infrastructure	134	-	(134)	-	(134)	-100.0%	There was delay in implementing the works due to plans and procurement; works will take place in 2018/19
Victoria Park Infrastructure	183	-	(171)	12	(171)	-93.4%	The works will be completed in 2018/19 for the refurbishment of the park and play area equipment.
Parks Equipment	100	(5)	(7)	88	(12)	-7.0%	
Waste	294	-	(234)	60	(234)	-79.6%	Procurement of new vehicles will take place in 2018/19 for the revision of routes and also the replacement of ageing vehicles
Weekly Collection Support Scheme	488	-	(488)	-	(488)	-100.0%	Procurement of new vehicles will take place in 2018/19, due to new policies and the revision of routes, where additional or replacement vehicles are required.
Replacement Bins	300	-	(20)	280	(20)	-6.7%	Spend for the replacement of household waste bins will be as and when required.
Street litter bins	40	-	(40)	-	(40)	-100.0%	Spend for the replacement of street litter bins will be as and when required.
Vehicles	888	-	(684)	204	(684)	-77.0%	Procurement of new vehicles will take place in 2018/19, due to new policies and the revision of routes.
Street cleansing and greenspaces - vehicles and equipment	734	-	(557)	177	(557)	-75.9%	Procurement of new vehicles will take place in 2018/19 to 2019-20 due to the replacement of ageing vehicles
<b>Street Scene</b>	<b>3,294</b>	<b>(5)</b>	<b>(2,389)</b>	<b>899</b>	<b>(2,394)</b>	<b>-72.5%</b>	
<b>General Fund Programme</b>	<b>178,100</b>	<b>(974)</b>	<b>(63,048)</b>	<b>114,077</b>	<b>(64,022)</b>	<b>-35.4%</b>	

	2017/18 Revised Budget £000	Additions/ Deletions £000	Slippage / Accelerated Spend £000	2017/18 Outturn £000	Variance from Approved Budget £000	% slippage of 2017/18 Revised Budget	Comments
Major Works (excl Granv Rd)	5,229	22	-	5,251	22	0.0%	
Regeneration	1,019	(66)	-	953	(66)	0.0%	
Misc - Repairs	2,238	181	-	2,419	181	0.0%	
M&E/ GAS	11,009	(42)	-	10,967	(42)	0.0%	
Voids and Lettings	4,460	(444)	-	4,016	(444)	0.0%	
New Affordable Homes	214	130	-	344	130	0.0%	
Advanced Acquisitions (Regen Estates)	5,794	-	(516)	5,278	(516)	-8.9%	
Moreton Close	4,300	-	2,442	6,742	2,442	56.8%	Project costs brought forward following earlier than expected completion of foundation remedial works
Tranche 3	1,277	310	-	1,587	310	0.0%	
Direct Acquisitions	1,800	100	-	1,900	100	0.0%	
Dollis Valley	5,000	-	(320)	4,680	(320)	-6.4%	
Burnt Oak Broadway Flats	25	-	(18)	7	(18)	-72.0%	
Upper & Lower Fosters Community Led Design	1,342	-	(376)	966	(376)	-28.0%	
Development Pipeline Stag House	1,206	-	(1,025)	181	(1,025)	-85.0%	Purchase of four flats required for vacant possession to take place in 2018/19.
HRA Fire Safety Programme	5,500	5	(1,418)	4,087	(1,413)	-25.8%	Re-cladding of Granville Road not completing until 2018/19
<b>Housing Revenue Account</b>	<b>50,414</b>	<b>196</b>	<b>(1,231)</b>	<b>49,379</b>	<b>(1,035)</b>	<b>-2.4%</b>	
<b>Total Capital Programme</b>	<b>228,513</b>	<b>(778)</b>	<b>(64,279)</b>	<b>163,456</b>	<b>(65,057)</b>	<b>-28.1%</b>	

## Appendix C: Prudential Indicator Compliance

### Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure

These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates.

The upper limit for variable rate exposure allows for the use of variable rate debt to offset exposure to changes in short-term rates on our portfolio of investments.

	Limits for 2017/18 %
<b>Upper Limit for Fixed Rate Exposure</b>	100
Compliance with Limits:	Yes
<b>Upper Limit for Variable Rate Exposure</b>	30
Compliance with Limits:	Yes

### Maturity Structure of Fixed Rate Borrowing

This indicator is to limit large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates.

Maturity Structure of Fixed Rate Borrowing	Upper Limit %	Lower Limit %	Actual Fixed Rate Borrowing as at 31/03/18 £000	% Fixed Rate Borrowing as 31/03/18	Compliance with Set Limits?
Under 12 months	0	50	0	0	Yes
12 months and within 24 months	0	50	0	0	Yes
24 months and within 5 years	0	75	0	0	Yes
5 years and within 10 years	0	75	22,516	7.4	Yes
10 years and above	0	100	281,564	92.6	Yes

### Capital Financing Requirement and External Debt

The table below demonstrates that capital plans for 2017/18 and associated debt are well within the agreed borrowing limit.

	Actual as at 31 March 2018 £000
<b>Prudential Indicator – Capital Financing Requirement (CFR)</b>	
CFR – Non-housing	O/S
CFR – Housing	O/S
Total CFR	<b>O/S</b>
<b>Prudential Indicator – The Operational Boundary for External Debt</b>	
Borrowing	304,080
Other long-term liabilities	15,974
Total debt	<b>320,054</b>

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## Appendix D – Investments Outstanding as at 31 March 2018

	Balance	Limit	Long-term credit rating (lowest)	Yield	Maturity
	£000	£m		%	
<b>Money Market Funds</b>					
Federated Investors	16,800	25	AAA	0.44	Daily
Aviva	7,800	25	AAA	0.43	Daily
Invesco	5,000	25	AAA	0.42	Daily
Standard Life	17,500	25	AAA	0.46	Daily
<b>Total Money Market</b>	<u>47,100</u>				
<b>Local Authority Deposits</b>					
Thurrock Borough Council	5,000	25		0.75	9/11/18
Babergh District Council	5,000	25		0.60	19/4/18
Thurrock Borough Council	3,000	25		0.60	20/4/18
Wirral Metropolitan BC	5,000	25		0.55	3/4/18
LB Southwark	5,000	25		0.95	2/1/19
<b>Total Local Authority</b>	<u>23,000</u>				
<b>Banks</b>					
Bank of Scotland Call Account	15,400	25		0.40	Daily
Lloyds Banking Group	5,000	25		0.85	4/2/19
Sumitomo Mitsui BCE	5,000	25		0.42	6/4/18
<b>Total Banks</b>	<u>25,400</u>				
<b>Total Investments</b>	<u>95,500</u>				

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## AGENDA ITEM 8



## Financial Performance and Contracts Committee

2 July 2018

<b>Title</b>	<b>Future Financial Reporting</b>
<b>Report of</b>	Director of Finance
<b>Wards</b>	All
<b>Status</b>	Public
<b>Urgent</b>	No
<b>Key</b>	No
<b>Enclosures</b>	None
<b>Officer Contact Details</b>	Paul Clarke – Deputy Section 151 Officer <a href="mailto:paul.clarke@barnet.gov.uk">paul.clarke@barnet.gov.uk</a>

### Summary

This report sets out the proposed financial reporting arrangements to the Financial Performance and Contracts Committee. The Committee are asked whether they consider this proposed report structure to be appropriate to discharge their responsibility within the constitution for the oversight and scrutiny of the overall financial performance of the council.

### Recommendations

1. The Committee is asked to approve the proposed reporting contents set out in Section 1 of the report.

## WHY THIS REPORT IS NEEDED

- 1.1 This section sets out the proposed structure of the Chief Financial Officer's report for consideration. This will consist of 3 broad sections;
- An Executive Summary giving a high level narrative and conclusions;
  - A Financial Management section which will cover the detailed financial performance of the council, and;
  - A Strategic Financial Matters section to address other key matters affecting financial performance such as improvements made to internal controls.
- 1.2 The outline report structure proposed is as follows:

### **Executive Summary**

- *High level summary of performance across all areas with key issues and their consequences highlighted*

### **Financial Management**

#### Revenue Monitoring

*To cover:*

- *Forecast revenue position of the Council*
- *Actions to manage overspends in year*
- *Future years' impacts of these variances*
- *Additional potential risks and opportunities not included within the forecast figures at this stage*
- *All past and proposed reserve transactions*
- *Net position of total income and expenditure and total expenditure of the council*

#### Capital programme

*To cover:*

- *Current update on delivery and variances*
- *Funding update including cost of borrowing and capital receipts update*

#### Reserves

*To cover:*

- *Presentation of projected transactions included in monitoring*
- *Forward forecast of balances*

#### Debtors (Accounts Receivable)

*To cover:*

- *Update on aged debt*

#### Treasury

*To cover:*

- *Update on investments*
- *Update on council borrowing and forward plan*
- *Compliance with the Treasury Management Strategy and Prudential Indicators*

### **Strategic Financial Matters**

*To cover issues such as:*  
*Internal Controls*

*Long term financing planning*

- A link between the work of this Committee and that of Policy and Resources*
- Latest update of funding deficit*
- Summary of Priorities and Spending Review (PSR) work to date*
- Update of progress against timetable*
- Summary of proposals approved*

- 1.3 The proposed reporting timetable, based on the current schedule of Committee dates is as follows:

<b>Future Committee Date</b>	<b>Content to be considered</b>
18/09/2018	Month 4 Forecast
03/12/2018	Month 6 Forecast
11/03/2019	Month 10 Forecast

## **2 REASONS FOR RECOMMENDATIONS**

- 2.1 This recommendation seeks to confirm that the future report will provide this Committee with the necessary information to oversee the council's financial performance for the 2018/19 financial year and understand the impact upon future years.

## **3 ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 None.

## **4 POST DECISION IMPLEMENTATION**

- 4.1 None.

## **5 IMPLICATIONS OF DECISION**

### **5.1 Corporate Priorities and Performance**

- 5.1.1 The report provides an outline of the proposed contents of the Chief Finance Officer's report for this Committee for use during the 2018/19 financial year.
- 5.1.2 Robust budget monitoring is essential to ensure 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 and Commissioning Plans. In addition, adherence to the Prudential Framework ensures capital expenditure plans remain affordable in the longer term and that capital resources are maximised.

5.1.3 Relevant council strategies and policies include the following:

- Medium Term Financial Strategy
- Treasury Management Strategy
- Debt Management Strategy
- Insurance Strategy
- Capital, Assets and Property Strategy.

## 5.2 **Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

## 5.3 **Legal and Constitutional References**

5.3.1 Section 151 of the Local Government Act 1972 states that: “without prejudice to section 111, every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs”. Section 111 of the Local Government Act 1972, relates to the subsidiary powers of local authorities.

5.3.2 Section 28 of the Local Government Act 2003 (the Act) imposes a statutory duty on a billing or major precepting authority to monitor, during the financial year, its income and expenditure against the budget calculations. If the monitoring establishes that the budgetary situation has deteriorated, the authority must take such action as it considers necessary to deal with the situation. Definition as to whether there is deterioration in an authority’s financial position is set out in sub-section 28(4) of the Act.

5.3.3 The council’s Constitution (Article 7) sets out the terms of reference for Committees. The Financial Performance and Contracts Committee is responsible for the oversight and scrutiny of the overall financial performance of the Council.

5.3.4 The Chief Finance Officer (section 151 officer) will report in detail to Performance and Contract Management Committee (now replaced with Financial Performance and Contracts Committee) at the end of each quarter as a minimum, on the revenue, capital budgets and wider financial standing and will make recommendations for varying the approved budget (revenue and capital) where necessary (Section 2.4.16 of the Financial Regulations).

5.3.5 The council’s Constitution, Part 17, Financial Regulations section 2 paragraph 2.4.3 states amendments to the revenue budget can only be made with approval as per the scheme of virements table below:

Virements for allocation from contingency for amounts up to and including £250,000 must be approved by the Chief Finance Officer
Virements for allocation from contingency for amounts over £250,000 must be approved by Policy and Resources Committee
Virements within a service that do not alter the approved bottom line are approved by the Service Director
Virements between services (excluding contingency allocations) up to and including a value of £50,000 must be approved by the relevant Chief Officers
Virements between services (excluding contingency allocations) over £50,000

and up to and including £250,000 must be approved by the relevant Chief Officer and Chief Finance Officer in consultation with the Chairman of the Policy and Resources Committee and reported to the next meeting of the Policy and Resources Committee
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Virements between services (excluding contingency allocations) over £250,000 must be approved by Policy and Resources Committee.
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#### 5.4 **Risk Management**

5.4.1 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 that 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.

5.4.2 The level of balances needs to be considered in light of the risk identified in 5.4.1 above.

#### 5.5 **Equalities and Diversity**

5.5.1 None in the context of this report.

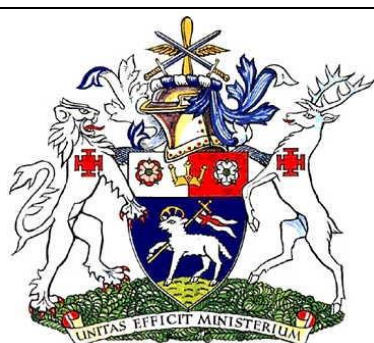
#### 5.6 **Consultation and Engagement**

N/A

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AGENDA ITEM 9



## Financial Performance and Contracts Committee

2 July 2018

<b>Title</b>	<b>Performance of back office functions</b>
<b>Report of</b>	Commercial Director
<b>Wards</b>	All
<b>Status</b>	Public
<b>Urgent</b>	No
<b>Key</b>	No
<b>Enclosures</b>	None
<b>Officer Contact Details</b>	<p>Duncan Tessier – Commercial Director  <a href="mailto:Duncan.tessier@barnet.gov.uk">Duncan.tessier@barnet.gov.uk</a>  020 8359 7082</p> <p>Lindsey Hyde – Strategic Lead Performance and Programmes  <a href="mailto:Lindsey.hyde@barnet.gov.uk">Lindsey.hyde@barnet.gov.uk</a>  02083596064</p>

### Summary

The remit of the Financial Performance and Contract Committee includes the responsibility for the performance of services other than those which are the responsibility of the Theme Committees. The purpose of this report is to agree the approach and forward work programme for the Financial Performance and Contract Committee's review of the performance of services other than those which are the responsibility of the Theme Committees, referred to in this report as 'back office' services.

### Officers Recommendations

1. That the Committee agree the approach and forward work programme for the Financial Performance and Contract Committee's review of the performance of backoffice services

## **1. WHY THIS REPORT IS NEEDED**

- 1.1 Item 1 of this Committee's meeting agenda is a governance paper which sets out that each Financial Performance and Contracts Committee agenda will have 3 parts; a Chief Finance Officer (CFO) report on the council's financial performance; a report on the performance of 'backoffice' services not covered by the remit of Theme Committees; and a report on the overall performance of key strategic contracts.
- 1.2 The purpose of this report is to agree the approach and forward work programme for the Financial Performance and Contracts Committee's review of the performance of services other than those which are the responsibility of the Theme Committees, referred to in this report as 'back office' services.
- 1.3 It is proposed that the performance of up to 2 back office functions are reviewed at each Financial Performance and Contract Committee meeting during the 2018-19 year. For each service, a report will set out the core purpose of the service, alongside the overall performance and KPIs associated with the service, the costs, and key challenges and planned service improvements where relevant.

	<b>Item</b>	<b>Proposed timeline</b>
a)	Agency spend	September 2018
b)	Legal services	December 2018
c)	Pensions	March 2019
d)	Major programmes including Benefit Realisation	March 2019

- 1.4 The work programme may, from time to time, be adjusted in consultation with the Committee's Chairman, to take account of new or emerging issues that require the attention of the Committee.

## **2. REASONS FOR RECOMMENDATIONS**

- 2.1 The compilation and review of a work programme for the Committee's review of back office functions is intended to assist the Committee to plan and manage its work across the municipal year.

## **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 None.

## **4. POST DECISION IMPLEMENTATION**

- 4.1 Following the agreement of the approach and forward work programme for the Committee's review of the performance of back office functions, officers will prepare relevant reports for Committee in line with the work programme. Any alterations made by the Committee to its Work Programme will be published on the council's website.

## **5. IMPLICATIONS OF DECISION**

- 5.1 **Corporate Priorities and Performance**

5.1.1 The council's corporate plan (2018-19 addendum) sets out that the one of the council's core purposes is to work together to ensure quality services. The corporate plan also includes a focus on ensuring services are delivered efficiently to get value for money for the taxpayer. The Financial Performance and Contract Committee's role in scrutinising the performance of back office functions will support the objectives of achieving value for money and quality services.

## 5.2 **Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

5.2.1 The resource implications of each service considered by the Committee will be included in each relevant Committee report.

## 5.3 **Social Value**

5.3.1 The Public Services (Social Value) Act 2012 requires people who commission public services to think about how they can also secure wider social, economic and environmental benefits. Before commencing a procurement process, commissioners should think about whether the services they are going to buy, or the way they are going to buy them, could secure these benefits for their area or stakeholders. The council's contract management framework oversees that contracts deliver the expected services to the expected quality for the agreed cost. Requirements for a contractor to deliver activities in line with Social Value will be monitored through this contract management process.

## 5.4 **Legal and Constitutional References**

5.4.1 Article 7 of the constitution sets out that, among other responsibilities, Financial Performance and Contracts Committee is responsible for:

- the performance of services other than those which are the responsibility of the Adults & Safeguarding Committee; Assets, Regeneration & Growth Committee; Children, Education & Safeguarding Committee; Community Leadership & Libraries Committee; Environment Committee; or Housing Committee; and
- the oversight and scrutiny of the council's major strategic contracts including (but not limited to):
  - Analysis of performance
  - Contract variations
  - Undertaking deep dives to review specific issues
  - Monitoring the trading position and financial stability of external providers
  - Making recommendations to the Policy & Resources Committee and/or Theme Committees on issues arising from the scrutiny of external providers

The content of this report is in line with these Constitutional responsibilities.

## 5.5 **Risk Management**

5.5.1 The council's Risk Management Framework is used to identify and respond to risks across all of the council's services. The review of the performance of the council's back office functions will further support the management of risk in relation to these services.

## **5.6 Equalities and Diversity**

- 5.6.1 Pursuant to the Equality Act 2010, the council and all other organisations exercising public functions on its behalf must have due regard to the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advance equality of opportunity between those with a protected characteristic and those without; promote good relations between those with a protected characteristic and those without. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. It also covers marriage and civil partnership with regard to eliminating discrimination.

## **5.7 Corporate Parenting**

- 5.7.1 In line with Children and Social Work Act 2017, the council has a duty to consider Corporate Parenting Principles in decision making across the Council. Any implications for on the Council's Corporate Parenting Responsibilities will be identified in each Financial Performance and Contract Committee report.

## **5.8 Consultation and Engagement**


- 5.8.1 Obtaining user feedback is a part of the contract management process to inform service delivery, service development and service improvement. This will be considered as part of the review of back office functions by this Committee and will be included in each report as applicable.

## **5.9 Insight**

- 5.8.1 Analysis of key information and data is part of the management of services. This will be considered as part of the review of back office functions by this Committee and will be included in each report as applicable.

## **6. BACKGROUND PAPERS**

- 5.8 None

	<p align="center"><b>Financial Performance and Contracts Committee</b></p> <p align="center"><b>2 July 2018</b></p>
<b>Title</b>	<b>End of Year 2017/18 Contracts Performance Report</b>
<b>Report of</b>	Commercial Director and Director of Finance
<b>Wards</b>	All
<b>Status</b>	Public
<b>Urgent</b>	No
<b>Key</b>	No
<b>Enclosures</b>	N/A
<b>Officer Contact Details</b>	Alaine Clarke, Head of Performance and Risk <a href="mailto:alaine.clarke@barnet.gov.uk">alaine.clarke@barnet.gov.uk</a> Gillian Clelland, Assistant Director of Finance (CSG) <a href="mailto:gillian.clelland@barnet.gov.uk">gillian.clelland@barnet.gov.uk</a>

## Summary

The report provides an **annual overview** of performance for key strategic contracts - The Barnet Group (TBG), Cambridge Education, Customer and Support Group (CSG) and Regional Enterprise (Re) at the **End of Year (EOY) 2017/18**. This includes budget outturns for revenue and capital, updates on service areas, key performance indicators (KPIs) that failed to meet target, high level joint risks, contract variations and special projects (for CSG and Re).

## Officers Recommendations

1. The Committee is asked to scrutinise the annual performance of the council's key strategic contracts and note any recommendations to Policy & Resources or Theme Committees on issues arising from the scrutiny of external providers and financial performance.

## 1 WHY THIS REPORT IS NEEDED

- 1.1 This report provides an **annual overview** of performance for **key strategic contracts** - The Barnet Group (TBG), Cambridge Education, Customer and Support Group (CSG) and Regional Enterprise (Re) at the **End of Year (EOY) 2017/18**. It focuses on relevant information to demonstrate compliance and value for money. The report is in addition to information provided in the EOY 2017/18 Performance Monitoring Report to Policy and Resources Committee, which can be found online at <http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=692&MId=9458&Ver=4>; and in the EOY 2017/18 Commissioning Plan Performance Reports to each of the Theme Committees, which can also be found online at <http://barnet.moderngov.co.uk/mglListCommittees.aspx?bcr=1>.

## THE BARNET GROUP

- 1.2 The Barnet Group (TBG) is a Local Authority Trading Company (LATC) created in 2012 and has three subsidiary organisations:
- Barnet Homes is an Arms' Length Management Organisation, which manages the council's housing stock and is responsible for the maintenance of residential stock; housing management; and homelessness assessments and procurement of property. It has a subsidiary organisation, TBG Open Door, which is a registered provider with the Homes and Communities Agency
  - Your Choice Barnet (YCB) is another LATC, which delivers specialist care and support services to adults with a range of physical and learning disabilities
  - TBG Flex is a company for the recruitment and employment of staff.

A progress update on Barnet Homes, TBG Open Door and YCB has been provided below<sup>1</sup>.

Service	Update on service area
<b>Barnet Homes</b>	<p>In relation to <b>Fire Safety</b>, the delivery of the programme approved by Housing Committee in October 2017 is underway, with good progress being made. The total value of works to be delivered is £17.5m and will be completed by September 2019. A replacement cladding system for the three tower blocks at Granville Road has been selected and design works for this undertaken.</p> <p>In relation to <b>Tackling Homelessness</b>, the Ministry of Housing, Communities and Local Government (MHCLG) visited in January 2018 to evaluate readiness for the Homelessness Reduction Act and concluded that Barnet Homes was well-prepared for implementation from 3<sup>rd</sup> April 2018.</p> <p>Mitigations focusing on early intervention, prevention, family mediation and reduction in the use of temporary accommodation (TA) continued to deliver positive results.</p>

<sup>1</sup> There is no update on TBG Flex. As an internal employment company, it does not have any performance or activity measures.

Service	Update on service area
	Preparatory work for implementation of Universal Credit from May 2018 has progressed, ensuring the continued effectiveness of services in response to the changes.
<b>TBG Open Door</b>	Whilst the overall programme continued to develop well, physical starts on site were delayed. Planning consent for the larger schemes in the programme took longer than expected and land transfers made slow progress, mainly due to issues with title deeds that required time to resolve. Five new starts on site has brought the total homes commenced to 54. Additionally, planning consent has been granted for 83 more homes at The Croft and Prospect Ring. Three quarters of the programme now has planning consent; and all of the schemes should be on site in 2018/19.
<b>Your Choice Barnet</b>	<p>Your Choice Barnet made £200,616 efficiency savings in 2017/18, whilst providing improved outcomes for people supported in employment and community based activities.</p> <p>The Personal Assistants Choices service, providing support to people who are in receipt of Direct Payments; and the Enablement Service, providing support to people for up to six weeks to help them safely regain independent living skills, continued to grow.</p>

1.3 Corporate Plan and Commissioning Plan indicators and any high level joint risks with TBG have been reported to Housing Committee. Four Commissioning Plan indicators have not met the EOY target:

- BH/S1 Numbers in Emergency Temporary Accommodation
- BH/S4 Current arrears as a percentage of debit
- BH/C5 Temporary Accommodation (TA) current arrears as percentage of debit
- BH/C11 Percentage of scheduled fire risk assessments completed in period.

	Green	Green Amber	Red Amber	Red	Improved/ Same	Worsened	Monitor only	No. indicators
The Barnet Group <sup>2</sup>	71% (12)	6% (1)	0% (0)	23% (4)	50% (8)	50% (8)	3	20

1.4 TBG also reports on a number of operational contract indicators (KPIs). One contract indicator has not met the EOY target.

- **BH/KPI 10 Total number of new build starts on site (RAG rated as RED)** – 97 against EOY target of 211. Starts on site remain significantly behind the original programme, primarily due to delays in achieving planning consents on the larger sites. During the quarter, there were five new starts on site bringing the total homes commenced to 54. Additionally, planning consent was granted for 83 more homes

<sup>2</sup> Includes indicators in the Corporate Plan and Housing Commissioning Plan reported in Part B.

at The Croft and Prospect Ring. The majority of the programme now has planning consent; and all of the schemes should be on site in 2018/19.



Contract Indicators (not met target)									
Ref		Indicator	Polarity	Period Covered	2017/18 EOY Target	2017/18 EOY Result	2016/17 EOY Result	DOT Long Term (From EOY 2016/17)	Benchmarking
KPI	BH/KPI 10	Total number of new build starts on site	Bigger is Better	Apr 2017 - Mar 2018	211	97 (R)	New for 2017/18	New for 2017/18	No benchmark data

## CAMBRIDGE EDUCATION

- 1.5 In April 2016, Barnet entered into a new seven year strategic partnership with Cambridge Education to provide the council's education services. The partnership was established in consultation with Barnet schools to maintain Barnet's excellent education offer; the council's relationship with Barnet schools; and achieve the budget savings target for the service up to 2020. A progress update on each service area has been provided below.

Service	Update on service area
<b>School improvement</b>	Results for the national examinations and assessments that took place across the early years, primary and secondary phases in the summer 2017 were published last quarter. Barnet's secondary schools continued to perform well and there were improvements across early years and primary schools. Barnet performed in the top quartile of local authorities for most indicators and in the top 10 per cent on several indicators. Areas noted for improvement include Key Stage 2 English Writing and the achievement of disadvantaged pupils (eligible for free school meals and looked after children) and pupils with an Education, Health and Care Plan.
<b>Admissions and school places</b>	All children who applied on time for a school place in September 2018 received an offer of a Reception or Year 7 place.
<b>Special Educational Needs (SEN) and Disabilities</b>	100 per cent of SEN statements were transferred to Education, Health and Care Plans (EHCPs) by the DfE's deadline of 31 March 2018. 100 per cent of new assessments were completed within the target timescale of 20 weeks (excluding exceptions, which relate to assessments that span the summer holiday period when schools are closed). Quality audits of new EHCPs have been carried out; and plans for new additional resourced provision in mainstream schools are on track.

- 1.6 Corporate Plan and Commissioning Plan indicators and any high level joint risks with Cambridge Education have been reported to the Children, Education and Safeguarding Committee. Most EOY targets relating to school and pupil performance have been met, with the exception of one Corporate Plan and five Commissioning Plan indicators:
- CES/S24 Percentage of primary pupils achieving the 'expected standard' in English Reading, English Writing and Mathematics (combined) at the end of Key Stage 2
  - CES/S9 Primary pupils' average progress in English Writing
  - CES/S11-1 Percentage of disadvantaged pupils achieving the 'expected standard' in English Reading, English Writing and Mathematics (combined) at the end of Key Stage 2
  - CES/S15 Average Attainment 8 score of looked-after children
  - CES/S26 Percentage of pupils with an Education, Health and Care Plan or statement of special educational needs achieving the 'expected standard' in English Reading, English Writing and Mathematics at Key Stage 2

- CES/S27-2 Average Progress 8 score for pupils with pupils with an Education, Health and Care Plan or statement of special educational needs.

	Green	Green Amber	Red Amber	Red	Improved/ Same	Worsened	Monitor only	No. indicators
Cambridge Education <sup>3</sup>	83% (35)	7% (3)	0% (0)	10% (4)	92% (41)	7% (3)	4	46

1.7 The contract with Cambridge Education also includes 11 operational and 12 strategic contract indicators (KPIs). All EOY targets were met in the first year of the contract (2016/17), with one operational contract indicator not meeting the EOY target in the second year of the contract (2017/18).

- **CES/S44ii Responses to Members' enquiries within 5 working days (RAG rating GREEN AMBER) - 99.1% against EOY target of 100%.** This was the result of one missed enquiry on Special Educational Needs (SEN) where an administrative issue resulted in a delay. Cambridge Education checked their processes to avoid any recurrence.

<sup>3</sup> Includes indicators in the Corporate Plan and CES Commissioning Plan reported in Part B.

Contract Indicators (not met target)									
Ref		Indicator	Polarity	Period Covered	2017/18 EOY Target	2017/18 EOY Result	2016/17 EOY Result	DOT Long Term (From EOY 2016/17)	Benchmarking
KPI	CES/S44ii	Responses to Members' enquiries within 5 working days	Bigger is Better	Apr 2017 - Mar 2018	100%	99.1% (GA)	95%	▲ Improving	No benchmark data

## CUSTOMER AND SUPPORT GROUP (CSG)

- 1.8 The CSG is delivered by Capita and includes the following services: Corporate Programmes, Customer Services, Estates, Finance, Human Resources, Information Systems, Procurement, Revenues and Benefits, and Safety, Health and Wellbeing. A progress update on each service area has been provided below.

Service	Update on service area
<b>Summary</b>	A large proportion of services continued to perform to a satisfactory level. However, there were persistent issues in a number of areas and services did not show sufficient improvement. This particularly related to issues around customer satisfaction, the performance of Pensions and Finance services.
<b>Corporate Programmes</b>	CSG delivers the council's large-scale transformation and capital programmes and projects. Work delivered this year included: continued design stages for primary, secondary and special educational needs school places; supported the management of the Strategic Construction Partnership; started on site for delivery of New Barnet and Copthall Leisure Centres; initiated the project to bring Registrars back in-house; undertook activity to improve customer experience through the Customer Transformation Programme; supported the transition from a joint public health service with Harrow to a stand-alone service for Barnet; supported the delivery of cloud-based office applications; delivered a new resident portal for access to council services online; initiated the Digital Inclusion Project; supported the OJEU procurement process to appoint a new Leisure Provider; and concluded the pre-start on site activities for the Tarling Road Community Centre.
<b>Customer Services</b>	<p>See EOY 2017/18 Performance Monitoring Report for Customer Services satisfaction measures.</p> <p>Performance has remained mostly good, with some challenges. Satisfaction with the website fell below target last quarter due to issues with the launch of My Account and inaccurate bin collection dates, which prompted higher negative ratings. It was also identified that earlier GovMetric satisfaction scores has been inflated.</p> <p>Customer satisfaction for other channels remained high, with face-to-face satisfaction consistently achieving 'top 3' in the channel satisfaction index league table.</p> <p>Members' enquiries have consistently achieved target; and Re now has dedicated Member Liaison Officers to support improvements in this area.</p> <p>Channel shift to customer contact via the website continued. Webforms increased by 37 per cent to 17,943 (from 13,113 last year); website visits increased by 12 per cent; and telephony, face-to-face and email volumes all fell. The Social Care Direct overflow to Coventry and the Elections Contact Centre were successfully mobilised.</p>

Service	Update on service area
<b>Estates</b>	<p>Estate Services implemented an Improvement Plan focusing on key areas of concern raised in audit recommendations and case management. A more robust contract management process has been put in place, which has noted some improvement; underpinned by a large transformation programme to ensure the right roles and skills exist to deliver Barnet's current needs.</p> <p>Property Services met the annual asset valuation target within the required timescale. They passed audits on processes regarding rent reviews and fixed asset register. The Oakleigh Road Depot is now fully operational and the annual work plans for Building Services and Property Services was approved.</p> <p>Continued work is still needed to improve case management, communication roles/responsibilities and budget management. It remains a priority for the period going forward.</p> <p>CSG achieved all Estates contract indicators, apart from on user and commissioner satisfaction. The contract indicators are being reviewed for Q1 2018/19 to ensure they are measuring the right things. Electrical contractor performance has fallen, which is expected to be resolved now that the new contractor framework is in place.</p>
<b>Finance</b>	<p>The statutory deadline of 30 September 2017 to approve the Statement of Accounts and Pension Fund accounts was met by Finance. However, the audited Whole of Government Accounts was submitted late on 9 October 2017 due to issues with the Government's portal.</p> <p>A meeting was held with the Pensions Regulator to discuss the non-completion of the 2016 Scheme Return. A rectification plan was put in place to address the Pensions Administration deficiencies, which led to the notice; and a report was presented to the Pension Fund Committee and Local Pension Board. An Improvement Plan to address issues arising from the 2016/17 accounts closure and external audit was reported to Audit Committee in November 2017. The plan was reported to the Section 151 Officer and a progress report provided to the Audit Committee in January 2018. The 'Month 9' accounts, comprising the main statements and key notes, were prepared for the council and Pension Fund and the Comprehensive Income and Expenditure Statement was re-designed. Finance have been working closely with the external auditors on the early completion of audit work to assist in meeting the shorter accounts and audit deadlines. No material issues have arisen from this external audit work.</p> <p>A targeted project to address the outstanding Integra issues commenced in January 2018. This also included a fundamental overview of how the system was implemented, with recommendations for improvement which will commence from May 2018. This will include a review of the hierarchy in line with the review of the scheme of financial delegation being undertaken by the council. Self-service password reset was implemented in February 2018 and notifications issued to all users.</p>

Service	Update on service area
	<p>A review of internal financial controls was undertaken and improvement implemented. Finance contract indicators (KPIs 29 and 30), which measure the quality of budget and savings monitoring were achieved last quarter.</p> <p>User and commissioner satisfaction (measured by the annual survey) were below target, but both improved on last year.</p>
<b>Human Resources (HR)</b>	<p>The Unified Reward project covering schools was implemented in April 2017, covering 5,000 staff. Over 1,000 appeals were received, with only two groups of staff grades changing.</p> <p>The review of Head of Service pay and grading was completed; and Performance Review Pay Awards were paid for the first time.</p> <p>The Agency Transfer project concluded in December 2017, with over 100 staff transitioning onto permanent contracts.</p> <p>The statutory Gender Pay Reporting was agreed by the General Functions Committee in January 2018.</p> <p>HR continued to support the roll-out of TW3 ahead of the move to Colindale, including updating HR policies.</p> <p>The Employee Benefits solution went through its annual renewal cycle with an increased number of employees accessing benefits such as Child Care, Car Leasing, GymFlex and Cycle to Work. However, take-up remains below expectation and work is continuing to promote this scheme.</p> <p>TUPE transfers were completed, including 25 staff moving across from the joint Public Health service with Harrow; 15 staff moving across from Barnet, Enfield and Haringey Mental Health Trust; and 24 staff moving across from TBG (TBG Flex) to Family Services. HR also supported the Street Scene restructure.</p> <p>Implementation of the new recruitment solution (Vacancy Filler) commenced.</p> <p>Pensions administration remains a concern due to current issues with data quality, communications, overall customer satisfaction and continued scrutiny by the regulator. However, progress has started with renewed focus on evidence from the Pensions Service and a more proactive approach to addressing areas of concern raised by the council, the Local Pensions Board and Pensions Committee. All high priority audit recommendations were completed and reported to Audit Committee in April 2018.</p>
<b>Information Systems</b>	<p>Public Services Network (PSN) and Payment Card Industry (PCI) accreditation was achieved up until 2019, ensuring IT systems are maintained to industry standards.</p> <p>Service Now (self-service) was introduced in July 2017. A third of all contacts are now logged directly on the system allowing the service desk</p>

Service	Update on service area
	<p>to concentrate on answering calls in less than 30 seconds.</p> <p>Office 2016 and Skype for Business were installed for approximately 1,400 staff and Skype telephony training rolled-out. A standard build for two new standard laptops using Windows 10 was completed.</p> <p>A series of General Data Protection Regulation (GDPR) workshops and meetings were held with different service areas to ensure compliance and minimise risks. A disaster recovery exercise using SRM (simulation tool) was undertaken. A structured and robust patching regime has continued to protect the IT estate from a global increase in malwares and cyber-attacks.</p>
<b>Procurement</b>	<p>The Annual Procurement Forward Plan 2018 was approved by Policy and Resources Committee in December 2017. To support service areas, Procurement rolled-out enhanced training on maintaining contract registers and developed a forward training programme. Tailored management information packs were provided to services.</p> <p>A gainshare working group was set up to review the application and reporting of procurement gainshare.</p> <p>Streamlined Contract Procedure Rules (CPR's) were approved by the Constitution, Ethics and Probity Committee in March 2018, with operational officer guidance moved to a Procurement Toolkit. Adults and Children's services are currently trialling an online contract management tool, and a review and refresh of contract management guidance is planned during 2018.</p> <p>Key procurement activities have included: soft market testing across a range of areas such as Parking and Family Services to support the future delivery of services; development of the West London Alliance (WLA) Children's and Families Dynamic Purchasing System; supporting development of a Making Services Accessible guide for people with disabilities; tendering for Term Maintenance; and awarding the Day Opportunities contract for adults with mental health and disabilities.</p>
<b>Revenue and Benefits</b>	<p>The Council Tax (in-year) collection rate was 96.02% and the NNDR (in-year) collection rate was 96.89%. 64 per cent of customers paid by Direct Debit (slightly below the 65 per cent target). Annual Billing was conducted without incident.</p> <p>The backlog of business rate property inspections was cleared and action plans have been agreed to address issues raised in the recent Housing Benefit Subsidy Audit.</p> <p>There remains a volume charge for Business Rates and Net Benefit caseload. This is a known pressure that relates to the increased number of small business premises in the borough and the expectation that Universal Credit would have been implemented by now. The Brent Cross development work will add to this pressure by increasing the number of businesses in the area, creating a volume charge for Council Tax properties in the future. This will, however, generate significant additional</p>



Service	Update on service area
	income for the borough.
<b>Safety, Health and Wellbeing (SHaW)</b>	<p>Support, guidance and advice were delivered to staff and monitoring activities were carried out such as audits, inspections and investigations.</p> <p>Awareness campaigns and briefings session were also held to improve the workplace safety culture.</p> <p>New initiatives towards risk profiling and contractor monitoring (contractor management processes and contractor incident notifications) progressed and support was provided to TW3 programme. The move to Oakleigh Depot went well with most issues being dealt with at the time.</p> <p>Staff turnover has affected the quality and timeliness of reports from some services in relation to risk profiling, audits and inspections.</p> <p>SHaW has worked closely with schools towards Premises Compliance, including raising awareness of Legionella and how to manage it. And partner audits have been carried out to ensure partners' health and safety is suitable and sufficient.</p>

### Budget outturn

Revenue							
Service	Original Budget £000	Revised Budget £000	Outturn £000	Variance from Revised Budget Adv/(fav) £000	Reserve Move- ments £000	Variance after Reserve Move- ments Adv/(fav) £000	Variance after Reserve Move- ments Adv/(fav) %
CSG and Council Managed Budgets	21,161	21,833	27,285	5,452	(2,635)	2,817	12.9

- 1.9 The overspend for **CSG and Council Managed Budgets** before drawdowns from reserves was £5.452m which represents 25.0% of the total Delivery Unit budget (£21.833m). After reserve drawdowns, this variance was £2.817m which represents 12.9% of the total Delivery Unit budget.

The Estates Managed Budgets have had significant challenges to manage during the year which has resulted in an overall overspend of £2.550m. Additional costs of £0.379m have been incurred as a result of additional security requirements and management of operational, void and/or vulnerable sites. The relocation of Street Scene and Greenspaces services that were historically accommodated at the Mill Hill Depot has also created an adverse budget variance of £0.757m which now needs to be included within the MTFs. The outturn includes an overspend of £0.680m due to the unbudgeted costs of leasing Building 4 at NLBP following an inability to relocate the services contained within when the original lease expired. The Estates service's responsibilities include the management of building compliance of the entire council maintained asset portfolio and the cost of

managing and maintaining void buildings. The budget level has remained unchanged whilst the portfolio of buildings managed by the service has increased from 5 to approximately 95. Operationally, this provides much more assurance that statutory building compliance is being managed appropriately, however has resulted in an overspend of £0.390m. Other miscellaneous variances total an underspend of £0.053m.

There was an overspend in 2017/18 on the CSG management fee of £0.037m, mainly due to approved change requests. Procurement and Collection Fund gainshare payments totalled £2.428m. Procurement savings generate benefit across the council, however the gainshare payments are paid for centrally. This was offset by a rebate from Comensura and administration charges to other services, totalling £2.178m. The net overspend was £0.250m.

Income levels were below the budget due to a shortfall in schools traded income of £0.704m and in print / photocopying recharges of £0.432m. The corporate programmes budget is based on historical levels of recharge and does not reflect the current service delivery arrangement leading to an overspend of £0.467m. These income targets have been identified as structurally unachievable and will be reviewed as part of the MTFS programme during 2018/19.

## Performance indicators

1.10 Corporate Plan indicators for CSG have been reported under Central Services in the EOY 2017/18 Performance Monitoring Report. One indicator has not met the EOY target:

- Percentage of residents who report that it is easy to access council services.

	Green	Green Amber	Red Amber	Red	Improved/ Same	Worsened	Monitor only	No. indicators
CSG <sup>4</sup>	54% (21)	8% (3)	0% (0)	38% (15)	69% (27)	31% (12)	1	40

1.11 The contract with CSG also includes a number of operational contract indicators (KPIs). 18 contract indicators have not met the EOY target<sup>5</sup>.

- CSO KPI 10c Percentage of customers who rate the website as good (RAG rated RED)** – 48.8% against EOY target of 54%. The issues affecting recent performance included technical issues impacting online Council Tax and Benefits forms; problems signing into My Account; missed bins and inaccurate bin collection dates; library users unable to renew books online and problems with accessing the online catalogue.
- SKPI 36 Compliance with Authority policy (RAG rated GREEN AMBER)** - This indicator failed in Q3 2017/18 (89% against quarterly target of 90%) due to repeated non-compliance with the Freedom of Information Policy. FOIs should be responded

<sup>4</sup> Includes indicators in the Corporate Plan reported in Part A under Central Services.

<sup>5</sup> Note this does not represent a contractual fail, as contractual targets are set for the month or quarter not the year.

to within 20 working days and this has not happened on several occasions or been resolved when escalated operationally and commercially.

- **HR17a CSG/C14 Payroll accuracy - payroll error rates (RAG rated RED)** – 0.3% against EOY target of 0.1%. A number of administration errors led to inaccurate payments during the year. This was identified and rectified at the time. Subsequently, additional quality checking has taken place.
- **KPI HR016 Disclosure and Barring Service (DBS) verification audits (RAG rated GREEN AMBER)** - 99.7% against EOY target of 100%. The indicator failed in Q2 2017/18. The HR team had intermittent IT issues that prevented access to DBS applications; and issues with LAN settings – all now resolved.
- **KPI FIN 29 Budget forecasting - % variance to budget (RAG rated RED)** – Fail. This indicator failed in Q2 2017/18 because sufficient and robust financial forecasts and associated assumptions were not provided by the date required. Performance for the rest of the year passed the KPI definitions.
- **KPI FIN 32 External audit complete (RAG rated RED)** – Fail. This performance relates to 2016/17 financial year. The indicator failed due to a delay in issuing the Audit Completion Report from the external auditors. A Service Improvement Plan was developed to address the issues identified in the 2016/17 audit process.
- **Super KPI 35a Resident satisfaction - staff are friendly and polite (RAG rated GREEN AMBER)** – 75% against EOY target of 80%; and **Super KPI 35c Resident satisfaction – staff respond quickly when asked for help (RAG rated RED)** - 45% against EOY target of 55%. These were spring 2017 survey indicators reported in Q1 2017/18. There was a decline in residents' satisfaction with staff from spring 2016 (83% and 52%). This was believed to be due to an increase in residents selecting the “don't know” option rather than a negative response to the questions. Those who felt they were kept informed about what the council was doing or thought it was easy to access council services were more likely to be positive about staff.
- **User satisfaction and commissioner satisfaction indicators (RAG rated RED).** The results of the surveys on internal customer satisfaction with the services provided by Capita – for service users and for commissioners (i.e. those who use the strategic aspects of services) were reported in Q2 2017/18. The contractual target was for satisfaction to be in the upper quartile for councils using a CIPFA benchmark. Satisfaction had broadly increased on the previous year, except for estates and procurement. All areas were below the upper quartile targets and Capita was asked to set out its plans to improve satisfaction to meet these in the coming years. The council remains concerned about progress in improving user satisfaction. The next annual survey to measure satisfaction will take place at the end of June 2018.

Contract Indicators (not met target)									
Ref		Indicator	Polarity	Period Covered	2017/18 EOY Target	2017/18 EOY Result	2016/17 EOY Result	DOT Long Term (From EOY 2016/17)	Benchmarking
KPI	CSO 10c	Percentage of customers who rate the website as good <sup>6</sup>	Bigger is Better	Apr 2017 - Mar 2018	54%	48.8% (R)	50.1%	▼ Worsening	No benchmark available
KPI	Super KPI 36	Compliance with Authority policy	Bigger is Better	Apr 2017 - Mar 2018	Pass	Failed during year (GA)	Pass	▼ Worsening	No benchmark available
KPI	HR 17a	Payroll accuracy – payroll error rates	Smaller is Better	Apr 2017 - Mar 2018	0.1%	0.3% (R)	0.1%	▼ Worsening	No benchmark data available
KPI	HR 16	Disclosure and Barring Service (DBS) verification audits	Bigger is Better	Apr 2017 - Mar 2018	100%	99.7% (GA)	100%	▼ Worsening	No benchmark available
KPI	FIN 29	Budget forecasting - % variance to budget	Smaller is Better	Apr 2017 - Mar 2018	Pass	Fail (R)	0%	↔ Same	No benchmark available
KPI	FIN 32	External audit complete	N/A	Apr 2017 - Mar 2018	Pass	Fail (R)	Pass	▼ Worsening	No benchmark available

<sup>6</sup> The CSG contract indicator does not include TBG webpages. Therefore, the result will differ slightly from that reported corporately (CG/S25).

Contract Indicators (not met target)									
Ref		Indicator	Polarity	Period Covered	2017/18 EOY Target	2017/18 EOY Result	2016/17 EOY Result	DOT Long Term (From EOY 2016/17)	Benchmarking
KPI	Super KPI 35a (RPS – Annual)	Resident satisfaction - staff are friendly and polite <sup>7</sup>	Bigger is Better	Spring 2017	80%	75% (GA)	83% (Spring 2016)	▼ Worsening	No benchmark available
KPI	Super KPI 35c (RPS – Annual)	Resident satisfaction – staff respond quickly when asked for help <sup>74</sup>	Bigger is Better	Spring 2017	55%	45% (R)	52% (Spring 2016)	▼ Worsening	No benchmark available
KPI	IS 14 (Annual)	User satisfaction - IT	Bigger is Better	Annual – reported in Q2 2017/18	3.79	3.27 (R)	2.38	▲ Improving	No benchmark available
KPI	HR 19 (Annual)	User satisfaction - HR	Bigger is Better	Annual – reported in Q2 2017/18	4	2.82 (R)	2.69	▲ Improving	No benchmark available
KPI	PR 23 (Annual)	User satisfaction - Procurement	Bigger is Better	Annual – reported in Q2 2017/18	3.28	2.47 (R)	2.85	▼ Worsening	No benchmark available
KPI	ES 27 (Annual)	User satisfaction - Estates	Bigger is Better	Annual – reported in Q2 2017/18	4.12	3.14 (R)	3	▲ Improving	No benchmark available

<sup>7</sup> There is a +/-4.4%pts tolerance on the results due to the confidence interval for the sample size (i.e. if we surveyed the whole population we can be confident that the results would be the same +/- 4.4%). This is reflected in the RAG rating and DOT for the indicators in the CSG contract.

Contract Indicators (not met target)									
Ref		Indicator	Polarity	Period Covered	2017/18 EOY Target	2017/18 EOY Result	2016/17 EOY Result	DOT Long Term (From EOY 2016/17)	Benchmarking
KPI	FIN 34 (Annual)	User satisfaction - Finance	Bigger is Better	Annual – reported in Q2 2017/18	3.41 (Upper quartile score)	2.49 (R)	2.42	▲ Improving	No benchmark available
KPI	Super KPI 39c (Annual)	Commissioner satisfaction - IT	Bigger is Better	Annual – reported in Q2 2017/18	3.45 (Upper quartile score)	2.75 (R)	1.74	▲ Improving	No benchmark available
KPI	Super KPI 39e (Annual)	Commissioner satisfaction – HR	Bigger is Better	Annual – reported in Q2 2017/18	3.8	2.36 (R)	2.20	▲ Improving	No benchmark available
KPI	Super KPI 39d (Annual)	Commissioner satisfaction - Procurement	Bigger is Better	Annual – reported in Q2 2017/18	3.32	2.98 (R)	2.95	▲ Improving	No benchmark available
KPI	Super KPI 39b (Annual)	Commissioner satisfaction - Estates	Bigger is Better	Annual – reported in Q2 2017/18	3.85 (Upper quartile score)	1.69 (R)	2.03	▼ Worsening	No benchmark available
KPI	Super KPI 39f (Annual)	Commissioner satisfaction – Finance	Bigger is Better	Annual – reported in Q2 2017/18	3.68	2.62 (R)	2.57	▲ Improving	No benchmark available

## Risk management

1.12 The CSG joint risk register includes 48 risks overall, which are being managed in line with the council's risk management framework. Three are high level risks with a residual risk score of 15 or above. These are being managed as 'treat'.

- **CSG56 – Pension scheme member data inaccurate (risk score 16).** The pension service is responsible for effective administration of the Barnet Pension Scheme. Incomplete and/or inaccurate data could lead to incorrect benefits and calculation results. A Service Improvement Plan has been put in place with specific actions relating to data quality: common data cleanse for current and legacy member data; conditional data analysis and data cleanse of current and legacy data; implementation of an ongoing record keeping plan. The Service Improvement Plan is being monitored on a monthly basis and scrutinised by the Pension Board on a quarterly basis. Data quality is now at 80 per cent (with a target of 95%).
- **CSG57 – Pension administration getting accurate data (risk score 16).** If employers and admitted bodies fail to notify the pension scheme of changes in their workforce in a timely way member data could be inaccurate ultimately resulting in a breach of law. A Service Improvement Plan has been put in place with specific actions including a communication strategy to ensure employers and admitted bodies are fully aware of their responsibilities for informing the scheme of workforce changes, the timescales for notification and the penalties that can be applied by the scheme for failure to comply. The Service Improvement Plan is being reviewed by the Strategic Lead and monitoring will continue on a monthly basis. To ensure progress the Client Lead has escalated remaining actions to the provider.
- **CSG55 – Poor delivery of pension service by administration team (risk score 15 – increased from 8).** As a result of poor delivery of the administration of the pension service, scheme members are given incorrect advice, experience delay in receiving benefits and have a poor quality customer experience. An Improvement Plan has been put in place and progress is being monitored using an integrated Gantt chart that shows all activities on a monthly basis, including project work.

## Contract variations

1.13 15 contract variations were approved for CSG in 2017/18, with a value of £1.6m (see table 12). Two of these were approved in the last quarter (see table 13).

**Table 12: Number and value of contract variations approved (2017/18)**

	Q1 2017/18	Q2 2017/18	Q3 2017/18	Q4 2017/18	Total
Value of contract variations	£549,384	£36,046	£1,004,038	£8,270	£1,597,737
Number of contract variations	6	4	3	2	15
Number of contract variations with no financial impact	4	3	2	1	10

	Q1 2017/18	Q2 2017/18	Q3 2017/18	Q4 2017/18	Total
Number of contract variations with financial impact	2	1	1	1	5

**Table 13: Contract variations (Q4 2017/18)**

Ref	Title	Description	Change Raised by	Status at 31 Mar 2018	Financial Impact (over the life of the contract)	Service Impacted
<b>No financial impact</b>						
CR104	Change KPI 29 and 30	Change of Finance KPIs	Service Provider	Approved	£0.00	HR
<b>With financial impact</b>						
CR091	HR - Implementation of an LGPS NI Database	Ongoing cost of Local Government Pension Scheme (LGPS) National Insurance (NI) Database	Service Provider	Approved	£8,270.00	Finance

### Special projects initiation requests (SPIRS)

1.14 45 SPIRS were approved for CSG in 2017/18, with a value of £7.3m (see table 14). 10 of these were approved in the last quarter (see table 15).

**Table 14: Number and value of SPIRS approved (2017/18)**

	Q1 2017/18	Q2 2017/18	Q3 2017/18	Q4 2017/18	Total
Value of SPIRS	£2,694,159	£469,448	£2,451,111	£1,642,781	<b>£7,257,499</b>
Number of SPIRS	7	8	20 <sup>8</sup>	10	<b>45</b>

<sup>8</sup> Figure differs to that reported in Q3 2017/18 (9) as a result of data quality checks and better management of information.



**Table 15: SPIRS approved (Q4 2017/18)**

Ref	Title	Description	Project Type	Status at 31 Mar 2018	Financial Impact (over the life of the project)	Service Impacted
246	Child and Adolescent Mental Health Service (CAMHS)	Need for procurement strategy that delivers new community-based CAMHS by May 2018	Other	Approved	£27,200	Children CCG
262	Customer Transformation Programme (CTP) - Phase 2b	Delivery of improved and additional digital online transactions	Other	Approved	£1,145,831	Customer Transformation
267	National Institute for Medical Research (NIMR) Landscape	Feasibility study to determine whether the proposed site in Mill Hill is suitable as a permanent home for St Kiernan's Gaelic Athletics Association (GAA) Club	Capital (Non-Schools)	Approved	£7,500	Corporate Programmes
268	Face-to-Face Service	Face-to-Face Services team need to move from their current location in Barnet House	Capital (Non-Schools)	Approved	£2,530	Estates
269	Family Services East Hub	Explore the options of incorporating either one or both of the Family Services and Adults Services within East Barnet Library	Capital (Non-Schools)	Approved	£2,870	Family Services

Ref	Title	Description	Project Type	Status at 31 Mar 2018	Financial Impact (over the life of the project)	Service Impacted
270	Colindale Programme Lead and Occupation Phase	Preparation of the new Colindale office for occupation; migrate each service; and vacate NLBP and Barnet House	Other	Approved	£354,500	Corporate Programmes
271	IT Recruitment Solution Implementation (Phase 1)	'Vacancy Filler' will provide an end to end standard recruitment solution enabling the council to hire effectively across all business units	Other	Approved	£30,353	HR
274	Shops Under Properties	Investigation of actions identified within fire risks assessments	Capital (Non-Schools)	Approved	£9,947	Estates
276	Parking	Delivery of a new Parking Enforcement Service	Other	Approved	£59,500	Parking
278	Capitol Park Fitout (TW3 Localities)	Initial designs for the new post facility at Unit 25, Capitol Park, Colindale	Capital (Non-Schools)	Approved	£2,550	Estates

## REGIONAL ENTERPRISE (RE)

- 1.15 Re is the joint venture with Capita to deliver a full range of property, development and regulatory services. A progress update on each service area has been provided below, along with an update on the Re review.

Service	Update on service area
<b>Summary</b>	Many services continued to perform to a satisfactory level. However, there were persistent issues in some areas and services did not show sufficient improvement. This particularly relates to issues around highways reporting and service issues, and financial controls.
<b>Planning</b>	<p>The Development Management team ended the year as the sixth busiest planning team in England; processing nearly 5,000 applications over the past year. Investments in staffing and internal promotions strengthened the team, and they were shortlisted for 'Team of the Year' in the 2018 Local Government Chronicle Awards. Work to 'approve conditions' across many schemes continued. Increases to planning fees from January 2018 enabled improvements to consultations to be trialled, with further improvements to be delivered in 2018/19.</p> <p>Planning Enforcement saw a significant increase in activity over the year, with the service issuing the joint highest number of Enforcement Notices in England. The number of prosecution cases also increased, as historic cases were streamlined and moved forward, which resulted in a number of high profile cases, some with significant costs and surcharges. 2018/19 will see a sustained bulge in the number of prosecution and direct action cases, as notices processed in 2017/18 expire and are processed through the next stages of enforcement. Alongside Re's investment in additional staffing, the council began funding a proactive compliance officer from the Planning Fee increase.</p>
<b>Regeneration</b>	<p>An overview of each scheme is below:</p> <ul style="list-style-type: none"> <li>• Brent Cross Cricklewood and Colindale (see EOY 2017/18 Performance Monitoring Report).</li> <li>• Dollis Valley - progress was made on the acquisition of the 45 remaining leasehold properties; and 20 tenants moved into their new homes (Phase 2A). For Phase 2B, resident choices have been completed and tenants should be moving in soon. The Planning Application for 115 new units (Phase 3) was submitted.</li> <li>• West Hendon - the Phase 4 Reserved Matters Application (RMA) was approved at Planning Committee in April 2017. Three CPO2 properties were acquired during September 2017. In total 14 of 34 leasehold interests in CPO2 were acquired. 230 resident surveys were completed, as part of the research conducted by trained residents in support of developing a Neighbourhood Development Strategy being funded by the Metropolitan Housing Trust.</li> </ul>

Service	Update on service area
	<ul style="list-style-type: none"> <li>Granville Road - a full CPO process is due to be undertaken because a single leaseholder declined a voluntary sale. Consequently, this could result in a delay to the project. Terraquest (the land referencing service) issued a survey to all residents to confirm details on land ownership. Feedback from Granville Estate's Residents' Association (GERA) suggested that some residents were not happy with the exercise and requested further information about the development. In response, display boards were put up in the local library and on the estate with up-to-date plans and promotion of the new Granville LLP website.</li> <li>Mill Hill - this development will deliver 2,240 new homes, retail and employment opportunities within the borough. Developers sold and occupied 511 private and affordable dwellings. An offer in respect of the final plots is being progressed.</li> <li>Stonegrove Spur Road - 81 units were delivered. Whilst developments on site are near completion, Highways works have not progressed to the standard expected by Highways England, with outstanding actions expected of Barratts. Discussions are taking place with Barratts to resolve the matter.</li> <li>Upper and Lower Fosters – a RIBA stage 1 design report was presented and accepted by the Upper and Lower Fosters Project Board and pre-procurement activity for the detailed design stages of the project commenced.</li> </ul> <p>Further information is available in the Annual Regeneration Report, which was approved by ARG Committee in March 2018. The report is available online at:</p> <p><a href="http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=696&amp;MId=9083&amp;Ver=4">http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=696&amp;MId=9083&amp;Ver=4</a></p>
<b>Environmental Health/Trading Standards</b>	<p><b>Environmental Health</b> - the Food Standards Agency (FSA) accepted the action plan submitted in response to the audit in May 2017. The final audit report was amended to better reflect some of the positives of the audit findings, along with the inspection deficit narrative to better explain the lower risk nature of the issues. Successful interventions included:</p> <ul style="list-style-type: none"> <li>Contraventions found at a meat manufacturer following a routine food standards inspection in August 2017 were reported to the FSA. The products were recalled and Improvement Notices under the Food Information Regulations Act 2014 were served on the premises.</li> <li>Closure of insanitary food premises at a care home in relation to the transmission of infectious diseases, including Legionnaire's Disease.</li> <li>Funding secured from the GLA to progress a freight consolidation project to reduce pollution and congestion; and a new Scientific Consultant was appointed to help progress this work.</li> <li>A new air quality plan setting out a corporate approach and linking</li> </ul>

Service	Update on service area
	<p>various strategies and operations.</p> <ul style="list-style-type: none"> <li>Monitoring of air pollutants at key locations led to reduced emissions from developments (through planning consultation) and processes (including dust enforcement and freight consolidation).</li> </ul> <p><b>Licencing</b> - Private Sector Housing won an appeal at the First Tier Tribunal (Property Chamber) against conditions attached to a licence for a House in Multiple Occupation (HMO). The number of accredited landlords in Barnet increased to 671 (from 627 last year). A new policy that introduced a new Financial Penalty Regime linked with the Housing and Planning Act came into effect from January 2018. The number of licenced HMOs increased to 355 (from 244 last year; and the number of licensed premises increased to 710 (from 371 last year). Major conditions compliance in the higher risk categories was at 63% (102 out of 164). A survey of over 1,480 long-term empty properties was completed and will inform the revised empty property work programme.</p> <p><b>Trading Standards</b> - Barnet received £375k, as part of a £1.5m grant awarded to a consortium of four North London authorities, to install gas fired central heating in properties of any tenure.</p> <p>The Trading Standards team participated in three simultaneous raids on shops in Golders Green, North Finchley and a residential premise outside the borough resulting in the seizure of suspected fake high-end merchandise. 130 evidence bags of goods were collected, which included handbags sporting Chanel, Prada and Louis Vuitton labels.</p> <p>The Licensing and Noise Nuisance teams worked closely with the Police and Jewish community to oversee the Purim festivities, ensuring the event went ahead safely. A noise awareness day was held in High Barnet to advise residents on how to minimise their impact on others and how to log a complaint. A number of tobacco test purchases were undertaken with the Police and premises found selling to persons under the age of 18 were called in for a Police and Criminal Evidence Act 1984 (PACE) interview and appropriate legal action was taken. The first Community Protection Notices (CPNs) were served in relation to anti-social behaviour towards neighbours; and a second successful prosecution has been brought by the Community Protection team to the Crown Court for unlicensed street trading with more in the pipeline.</p> <p>Test purchases were carried out with the Police and four instances of sales to underage persons occurred resulting in enforcement action.</p>
<b>Cemetery and Crematorium</b>	<p>Hendon Cemetery and Crematorium were awarded the Institute of Cemetery and Crematorium Management (ICCM) Gold Standard for their burial and cremation service for the third year running.</p> <p>Steps were put in place to address the shortage of future burial space, including a policy on the re-use of graves, freeing up additional capacity within the grounds of Hendon Crematorium; and securing an</p>

Service	Update on service area
	<p>agreement by Members to purchase a new cemetery. Negotiations with Westminster on the new site have been successful and terms of the exchange of contracts are being agreed. Members also supported the council policy of providing cemetery provision.</p> <p>Capital investment was approved to develop Hendon Crematorium, including refurbishment of the Gate House into main offices, café, reception and a bereaved quiet room by summer 2018; and the North and South Chapels have been decorated. The Mess Hut will also be rebuilt.</p> <p>Phase 1 of the new courtyard mausoleums has been built and are being actively marketed. Three individual mausoleum slots and a family mausoleum have been sold.</p> <p>£624,621.60 income has been generated in comparison with £354,039.90 in 2014.</p>
<b>Highways Network Management</b>	<p>Substantial volumes of work were completed for Year 3 (2017/18) of the Network Recovery Programme (NRP), including footway and carriageway re-surfacing at a cost of c.£7m. Year 4 (2018/19) was approved by Environment Committee for £7.2m; and the works schedule is in development.</p> <p>The Proactive Patching programme covered 10,261 square metres (149 roads), repairing 872 potholes and surface defects a cost of c.£350k before they worsened and presented a greater risk to Highway users.</p> <p>Significant progress was made on the LIP and Area Committee programmes, with 79 schemes completed and several schemes being progressed either in design or with the contractor for construction.</p> <p>The Highway Adoption Policy was approved by Environment Committee in July 2017, providing additional powers to enforce illegal crossings.</p> <p>The highway network in Barnet has been subject to ongoing wear and tear exacerbated by freezing conditions and heavy use. The winter programme issued 65 gritting instructions due to extreme weather conditions; over 20,000 gulleys were cleaned to minimise flooding; and 8,654 highway safety inspections were completed.</p> <p>Category 1 and 2 responsive repairs were transferred to Conway Aecom from the DLO in July 2017. IT and resource issues impacted on performance throughout the year, in particular relating to reporting; of which some issues remain unresolved. The council is finalising an action plan with the contractor to ensure all known issues are captured and resolutions are agreed going forward.</p>

## Budget outturn

Revenue							
Service	Original Budget £000	Revised Budget £000	Outturn £000	Variance from Revised Budget Adv/(fav) £000	Reserve Move-ments £000	Variance after Reserve Move-ments Adv/(fav) £000	Variance after Reserve Move-ments Adv/(fav) %
Re	(824)	321	7,021	6,700	(2,746)	3,954	1,231.8

- 1.16 The overspend of £3.954m for **Re** represents 1,231.8% of the total delivery Unit budget (£0.321m). This figure is after reserve drawdowns of £2.746m. The overspend primarily relates to two one-off items that were resolved late in the financial year. The first key variance related to £4.5m included within the calculation of guaranteed income in the General Fund which, following legal advice, is instead accounted for within the HRA. The second one-off item is contractual amount of £2.647m liable to Re upon the award of Planning Permission for Tranche 1 Phase 1 of the development pipeline or the 30th April 2018, whichever is the sooner. As the liability relates to periods prior to 2017/18, although this has been recognised in 2017/18 it has been funded from earmarked reserves. An agreement with Re to defer an element of both the management fee and guaranteed income provided an in year £1m favourable variance reducing the overspend.

Capital						
Service	2017/18 Revised Budget £000	Additions/ (Deletions) £000	(Slippage)/ Accelerated Spend £000	2017/18 Outturn £000	Variance from Approved Budget £000	Variance from Approved Budget %
Re	74,634	(582)	(35,973)	38,079	(36,555)	(49.0)

- 1.17 The **Re** capital programme has decreased by £36.555m. £33.320m of this relates to Brent Cross land acquisitions as the CPO process and subsequent legal challenge has resulted in acquisitions being delayed to 2018/19, and £2.114m relates to investments in roads and pavements where works have been delayed until 2018/19.

## Performance indicators

- 1.18 Corporate Plan and Commissioning Plan indicators for Re have been reported to the ARG, Housing and Environment Committees. Two indicators in the Environment Commissioning Plan have not met the EOY target:
- KPI 2.1-2.3 (NM) Highways defects made safe within agreed timescales
  - TSLKPI02 Appropriate response to statutory deadlines in relation to the Licensing and Gambling Act.



	Green	Green Amber	Red Amber	Red	Improved/ Same	Worsened	Monitor only	No. indicators
Re <sup>9</sup>	82% (66)	9% (7)	0% (0)	9% (7)	59% (47)	41% (33)	6	86

1.19 The contract with Re also includes a number of operational contract indicators (KPIs). Nine contract indicators have not met the EOY target<sup>10</sup>.

- **KPI002 (ENF) Prosecution and direct action (RAG rated RED)** – 34.4% against EOY target of 60%. A focus on backlog and case load reduction has resulted in this indicator not meeting target. Prosecutions and direct actions rose to 32 from 14 last year. However, the ratio of prosecutions referred within the target period fell due to 1) the number of referrals taken from the backlog; and 2) being unable to recommend for prosecution or direct action either because the defendant had demonstrated a willingness to work towards compliance or had adequate justification for any failure to do so. The prosecution phase of the backlog will continue into 2018/19 affecting achievement of the target (due to the increased number of referrals). The number of cases closed and notices served should fall in 2018/19, as phases 1 and 2 of the backlog are now complete.
- **EH07 Unit cost of disabled adaptations (RAG rated RED)** – £7,756 against EOY target of £7,500. Performance was impacted by high value cases, inflation and indexation.
- **KPI 1.9 NM Annual programme relating to cyclic bridge maintenance (RAG rated GREEN AMBER)** - 94.7% against EOY target of 100%. 18 of 19 sites programmed for maintenance were carried out.
- **KPI 2.2 NM Highways Category 1 defects rectification timescales completed on time (48 hours) (RAG rated RED)** – 87.5% against EOY target of 100%. This represents 1,986 out of 2,270 up to end February 2018. IT and resources issues experienced by delivery partners impacted on performance. Some of these issues remain unresolved. The council is finalising an action plan with delivery partners to ensure all known issues are captured and resolutions are agreed going forward.
- **KPI 2.3 NM Highways Category 2 defects rectification completed on time (RAG rated RED)** – 73% against EOY target of 100%. This represents 1,573 out of 2,163 up to end February 2018. Parked cars obstructing access for repairs, along with IT and resource issues with delivery partners impacted on performance. As with KPI 2.2 above, some of these issues remain unresolved. The council is finalising an action plan with delivery partners to ensure all known issues are captured and resolutions are agreed going forward.
- **KPI 2.4 NM Insurance investigations completed on time (14 days) (RAG rated RED)** – 99% against EOY target of 100%. This represents 293 out of 296 investigations. Two cases were late in June 2017 and another one was late in

<sup>9</sup> Includes indicators in the Corporate Plan and ARG, Housing and Environment Commissioning Plans reported in Part B.

<sup>10</sup> Note this does not represent a contractual fail, as contractual targets are set for the month or quarter not the year.



September 2017. These were all due to administration errors. Internal processes were reviewed to prevent future occurrences.

- **KPI 2.7 NM Processing of vehicle crossover applications - timescale for providing quotes (RAG rated GREEN AMBER)** – 99.7% against EOY target of 100%. 318 out of 319 crossover applications were completed on time. A staffing issue in September 2017 resulted in a single case being delayed by seven days.
- **KPI 3.7 NM Section 74 (S74) Compliance and sanctions correctly imposed for failures (RAG rated GREEN AMBER)** – 99.8% against EOY target of 100%. The snowfall and freezing temperatures in December 2017 and February 2018 meant that inspections couldn't be carried out for safety reasons. Whilst every effort is made to inspect all sites within the target timeframe each month, risk assessments must be made to ensure safety of the workforce and all other road users.
- **SKPI 5 Improve customer satisfaction in development and regulatory services (DRS) (RAG rated RED)** – 68% against EOY target of 82.5%. Feedback based on surveys submitted up until the last week of March 2018 shows a slight decline on last year (69%). The final outturn will be confirmed in May 2018.

Contract Indicators (not met target)									
Ref		Indicator	Polarity	Period Covered	2017/18 EOY Target	2017/18 EOY Result	2016/17 EOY Result	DOT Long Term (From EOY 2016/17)	Benchmarking
KPI	KPI002 (ENF)	Prosecution and direct action	Bigger is Better	Apr 2017 - Mar 2018	60%	34.4% (R)	50%	▼ Worsening	No benchmark available
KPI	EH07	Unit cost of disabled adaptations	Smaller is Better	Apr 2017 - Mar 2018	£7,500	£7,756 (R)	£6,762	▼ Worsening	No benchmark available
KPI	KPI 1.9 NM	Annual programme relating to cyclic bridge maintenance	Bigger is Better	Apr 2017 - Mar 2018	100%	94.7% (GA)	100%	▼ Worsening	No benchmark available
KPI	KPI 2.2 NM	Highways Category 1 defects rectification timescales completed on time (48 hours)	Bigger is Better	YTD as at Feb 2018	100%	87.5% (R)	99.8%	▼ Worsening	No benchmark available
KPI	KPI 2.3 NM	Highways Category 2 defects rectification timescales completed on time	Bigger is Better	YTD as at Feb 2018	100%	73% (R)	99.9%	▼ Worsening	No benchmark available
KPI	KPI 2.4 NM	Insurance investigations completed on time (14 days)	Bigger is Better	Apr 2017 - Mar 2018	100%	99.0% (R)	99.4%	▼ Worsening	No benchmark available

Contract Indicators (not met target)									
Ref		Indicator	Polarity	Period Covered	2017/18 EOY Target	2017/18 EOY Result	2016/17 EOY Result	DOT Long Term (From EOY 2016/17)	Benchmarking
KPI	KPI 2.7 NM	Processing of vehicle crossover applications - timescale for providing quotes	Bigger is Better	Apr 2017 - Mar 2018	100%	99.7% (GA)	100%	▼ Worsening	No benchmark available
KPI	KPI 3.7 NM	Section 74 (S74) compliance and sanctions correctly imposed for failures	Bigger is Better	Apr 2017 - Mar 2018	100%	99.8% (GA)	100%	▼ Worsening	No benchmark available
Super KPI	SKPI 5	Customer satisfaction in development and regulatory services	Bigger is Better	Apr 2017 - Mar 2018	82.5%	68% (R)	69%	▼ Worsening	No benchmark available

## Risk management

1.20 Any high level joint risks with Re have been reported to the ARG Committee.

## Contract variations

1.21 Three contract variations were approved for Re in 2017/18, with a value of -£688k (see table 16). None were approved in the last quarter.

**Table 16: Number and value of contract variations approved (2017/18)**

	Q1 2017/18	Q2 2017/18	Q3 2017/18	Q4 2017/18	Total
Value of contract variations	£0	-£533,709	-£154,500	N/A	<b>-£688,209</b>
Number of contract variations	1	1	1	0	<b>3</b>
Number of contract variations with no financial impact	1	0	0	0	1
Number of contract variations with financial impact	0	1	1	0	2

## Special projects initiation requests

1.22 24 SPIRS were approved for Re in 2017/18, with a value of £4.4m (see table 17). Seven of these were approved in the last quarter (see table 18).

**Table 17: Number and value of SPIRS approved (2017/18)**

	Q1 2017/18	Q2 2017/18	Q3 2017/18	Q4 2017/18	Total
Value of SPIRS	£538,863	£1,349,801	£451,230	£2,040,835	<b>£4,380,729</b>
Number of SPIRS	3	1	13 <sup>11</sup>	7	<b>24</b>

**Table 18: SPIRS approved (Q4 2017/18)**

Ref	Title	Description	Project Type	Status at 31 Mar 2018	Financial Impact (over the life of the project)	Service Impacted
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<sup>11</sup> Figure differs to that reported in Q3 2017/18 (14) as a result of data quality checks and better management of information.

Ref	Title	Description	Project Type	Status at 31 Mar 2018	Financial Impact (over the life of the project)	Service Impacted
HW 037	Watling Car Park	Improvement works on Watling Car Park as part of TW3	Capital	Approved	£20,000	Highways
HW 035	Plot 9a and Short Street Car Park Design	Detailed design for electric vehicle charging points (EVCP) parking for Colindale	Capital	Approved	£10,000	Highways
HW 033	Network Recovery Plan (NRP 3)	Highways Network Recovery Plan Part 3 (Re fees)	Capital	Approved	£714,229	Highways
HW 034	Local Implementation Plan (LIP) 2017/18	Annual Local Implementation Plan (Re fees)	Grant	Approved	£1,164,900	Highways
RG0 13	Freight Consolidation 2017/18	Mayor's Air Quality Fund - Freight Consolidation	Grant	Approved	£50,000	Regulatory
SPR 044	Colindale Parks Project Manager	Project Manager for the Colindale Regeneration Project	Capital	Approved	£65,063	Regeneration
SPR 048	Article 4 Direction	Businesses to Residential uses	Revenue	Approved	£16,643	Planning

## **2 REASONS FOR RECOMMENDATIONS**

- 2.1 These recommendations are to provide this Committee with the necessary information to oversee the performance of the council's strategic contracts. This paper enables the council to meet the budget agreed by Council on 7 March 2017.

## **3 ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 None.

## **4 POST DECISION IMPLEMENTATION**

- 4.1 None.

## **5 IMPLICATIONS OF DECISION**

### **5.1 Corporate Priorities and Performance**

- 5.1.1 The report provides an overview of performance for the year, including budget outturns for revenue and capital, update on service areas, indicators that have not met target and management of high level risks, along with any variations in CSG and Re contracts.
- 5.1.2 The EOY 2017/18 results for all Corporate Plan and Commissioning Plan indicators are published on the Open Barnet portal at <https://open.barnet.gov.uk/dataset>
- 5.1.3 Robust budget and performance monitoring are essential to ensure 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 and Commissioning Plans. In addition, adherence to the Prudential Framework ensures capital expenditure plans remain affordable in the longer term and that capital resources are maximised.
- 5.1.4 Relevant council strategies and policies include the following:
- Corporate Plan 2015-2020
  - Corporate Plan - 2016/17 Addendum and 2017/18 Addendum
  - Commissioning Plans
  - Medium Term Financial Strategy
  - Treasury Management Strategy
  - Debt Management Strategy
  - Insurance Strategy
  - Risk Management Framework
  - Capital, Assets and Property Strategy.
- 5.1.5 The priorities of the council are aligned to the delivery of the Health and Wellbeing Strategy.
- 5.2 Resources (Finance and Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

- 5.2.1 The budget outturns for CSG and Re are included in the report. More detailed information on financial performance will be provided to Committee in separate papers.

### **5.3 Social Value**

- 5.3.1 The Public Services (Social Value) Act 2012 requires people who commission public services to think about how they can also secure wider social, economic and environmental benefits. Before commencing a procurement process, commissioners should think about whether the services they are going to buy, or the way they are going to buy them, could secure these benefits for their area or stakeholders. The council's contract management framework oversees that contracts deliver the expected services to the expected quality for the agreed cost. Requirements for a contractor to deliver activities in line with Social Value will be monitored through this contract management process.

### **5.4 Legal and Constitutional References**

- 5.4.1 Section 151 of the Local Government Act 1972 states that: "without prejudice to section 111, every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs". Section 111 of the Local Government Act 1972, relates to the subsidiary powers of local authorities.
- 5.4.2 Section 28 of the Local Government Act 2003 (the Act) imposes a statutory duty on a billing or major precepting authority to monitor, during the financial year, its income and expenditure against the budget calculations. If the monitoring establishes that the budgetary situation has deteriorated, the authority must take such action as it considers necessary to deal with the situation. Definition as to whether there is deterioration in an authority's financial position is set out in sub-section 28(4) of the Act.
- 5.4.3 The council's Constitution, Article 7 Committees, Forums, Working Groups and Partnerships, sets out the functions of the Financial Performance and Contracts Committee as being Responsible for the oversight and scrutiny of:
- The overall financial performance of the council
  - The performance of services other than those which are the responsibility of the: Adults & Safeguarding Committee; Assets, Regeneration & Growth Committee; Children, Education & Safeguarding Committee; Community Leadership & Libraries Committee; Environment Committee; or Housing Committee
  - The council's major strategic contracts including (but not limited to):
    - Analysis of performance
    - Contract variations
    - Undertaking deep dives to review specific issues
    - Monitoring the trading position and financial stability of external providers
    - Making recommendations to the Policy & Resources Committee and/or theme committees on issues arising from the scrutiny of external providers
  - At the request of the Policy & Resources Committee and/or theme committees consider matters relating to contract or supplier performance and other issues and making recommendations to the referring committee

- To consider any decisions of the West London Economic Prosperity Board which have been called in, in accordance with this Article.

5.4.4 The council's Financial Regulations can be found at:

<http://barnet.moderngov.co.uk/documents/s46515/17FinancialRegulations.doc.pdf>

5.4.5 Section 2.4.3 states that amendments to the revenue budget can only be made with approval as per the scheme of virements table below:

Virements for allocation from contingency for amounts up to and including £250,000 must be approved by the Chief Finance Officer
Virements for allocation from contingency for amounts over £250,000 must be approved by Policy and Resources Committee
Virements within a service that do not alter the approved bottom line are approved by the Service Director
Virements between services (excluding contingency allocations) up to and including a value of £50,000 must be approved by the relevant Chief Officers
Virements between services (excluding contingency allocations) over £50,000 and up to and including £250,000 must be approved by the relevant Chief Officer and Chief Finance Officer in consultation with the Chairman of the Policy and Resources Committee and reported to the next meeting of the Policy and Resources Committee
Virements between services (excluding contingency allocations) over £250,000 must be approved by Policy and Resources Committee.

## 5.5 Risk Management

5.5.1 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 that 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.

5.5.2 The revised forecast level of balances needs to be considered in light of the risk identified in 5.4.1 above.

## 5.6 Equalities and Diversity

5.6.1 The Equality Act 2010 requires organisations exercising public functions to demonstrate that due regard has been paid to equalities in:

- Elimination of unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010.
- Advancement of equality of opportunity between people from different groups.
- Fostering of good relations between people from different groups.

5.6.2 The Equality Act 2010 identifies the following protected characteristics: age; disability; gender reassignment; marriage and civil partnership, pregnancy and maternity; race; religion or belief; sex and sexual orientation.

5.6.3 In order to assist in meeting the duty the council will:

- Try to understand the diversity of our customers to improve our services.



- Consider the impact of our decisions on different groups to ensure they are fair.
- Mainstream equalities into business and financial planning and integrating equalities into everything we do.
- Learn more about Barnet's diverse communities by engaging with them.

This is also what we expect of our partners.

5.6.4 This is set out in the council's Equalities Policy together with our strategic Equalities Objective - as set out in the Corporate Plan - that citizens will be treated equally with understanding and respect; have equal opportunities and receive quality services provided to best value principles.

5.6.5 Progress against the performance measures we use is published on our website at: [www.barnet.gov.uk/info/200041/equality\\_and\\_diversity/224/equality\\_and\\_diversity](http://www.barnet.gov.uk/info/200041/equality_and_diversity/224/equality_and_diversity)

## 5.7 Corporate Parenting

5.7.1 In line with Children and Social Work Act 2017, the council has a duty to consider Corporate Parenting Principles in decision-making across the council. There are no implications for Corporate Parenting in relation to this report.

## 5.8 Consultation and Engagement

5.8.1 During the process of formulating budget and Corporate Plan proposals for 2015-2020 onwards, four phases of consultation took place:

Phase	Date	Summary
Phase 1: Setting out the challenge	Summer 2013	The council forecast that its budget would reduce by a further £72m between 2016/17 and 2019/20, setting the scene for the PSR consultation
Phase 2: PSR consultation to inform development of options	October 2013 - June 2014	Engagement through Citizen's Panel Workshops which focused on stakeholder priorities and how they would want the council to approach the Priorities and Spending Review An open 'Call for Evidence' asking residents to feedback ideas on the future of public services in Barnet.
Phase 3: Engagement through Committees	Summer 2014	Focus on developing commissioning priorities and MTFS proposals for each of the 6 committees Engagement through Committee meetings and working groups

Phase	Date	Summary
Phase 4: Strategic Plan to 2020 Consultation	December 2014 – March 2015	A series of 6 workshops with a cross section of residents recruited from the Citizens Panel and Youth Board, plus two workshops with users <sup>12</sup> of council services. An online survey (17 December 2014 – 11 February 2015)

## 5.9 Insight

- 5.9.1 The report identifies key budget, performance and risk information in relation to the strategic contracts.

## 6 BACKGROUND PAPERS

- 6.1 Council, 3 March 2015 (Decision item 12) – approved Business Planning 2015/16 – 2019/20, including the Medium-Term Financial Strategy.  
<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=692&MId=7865&Ver=4>
- 6.2 Council, 14 April 2015 (Decision item 13.3) – approved Corporate Plan 2015-2020.  
<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=162&MId=7820&Ver=4>
- 6.3 Council, 4 April 2016 (Decision item 13.1) – approved 2016/17 addendum to Corporate Plan.  
<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=162&MId=8344&Ver=4>
- 6.4 Council, 7 March 2017 – approved 2017/18 addendum to Corporate Plan.  
<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=162&MId=8819&Ver=4>

<sup>12</sup> One “service user” workshop was for a cross section of residents who are users of non-universal services from across the council. The second workshop was for adults with learning disabilities.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

## AGENDA ITEM 13

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