

Performance Report, Quarter Four, 2011-12

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## A. Corporate performance overview

### 1. Corporate performance dashboard

The methodology for calculating these health ratings is explained in appendix 15 of this report.

Directorate	Corporate Plan performance	Revenue budget actual variance £'000	Capital actual variance £'000	HR/People	Key project rating
Adult Social Care and Health	3.5	(1)	(8)	-1.5	-1
Children's Service	2	(83)	(5,041)	-3	n/a
Environment, Planning & Regeneration	6	87	(3,075)	-3	-2
Commercial Services	-1.5	(107)	(584)	2.5	6.5
Deputy Chief Executive's Service	-2.5	(109)	(510)	-1	5.5
Chief Executive's Service (incl. Customer Services & Libraries)	-1	(228)	(330)	-3.5	-1
Corporate Governance	0.5	(195)	-	0.5	n/a
Central Expenses	n/a	-	(590)	n/a	n/a
<b>Totals<sup>1</sup></b>	<b>0.5</b>	<b>(636)</b>	<b>(10,138)<sup>2</sup></b>	<b>-3</b>	<b>-0.5</b>

<sup>1</sup> Organisational totals are based on a simple sum of overall RAG ratings for each service, where each colour is given a number e.g. green equals 1, red equals -1 as set out in appendix 15.

<sup>2</sup> Excluding capital schemes managed by schools.

## 2: Corporate Plan performance - corporate overview

Directorate	Total no. of Corp Plan indicators	RAG ratings				Positive/neutral DoT	Negative DoT	No. of indicators expected to report data in Q4
		Green	Green amber	Red amber	Red			
Adult Social Care and Health	15	6	3	0	4	9	2	15*
Children's Services	15	3	4	2	2	9	2	13**
Environment , Planning & Regeneration	15	10	0	0	4	10	1	15**
Commercial Service	5	1	0	1	2	2	2	4
Deputy Chief Executive	3	0	0	1	2	2	0	3
Chief Executive's Service	14	4	0	0	5	7	2	10*
Corporate Governance	3	1	1	0	1	2	1	3
<b>Total</b>	<b>70</b>	<b>25 (44%)</b>	<b>8 (14%)</b>	<b>4 (7%)</b>	<b>20 (35%)</b>	<b>41</b>	<b>10</b>	<b>63</b>

\* A CPI has no target so has no RAG rating so has not been included in the statistics

\*\* A CPI due to be reported is still awaiting data and has not been included in the statistics

### 3: Corporate risks

The following is the 5 X 5 impact and probability 'heat map' highlighting the number of risks and their ratings:

PROBABILITY	Score:		IMPACT				
			1	2	3	4	5
			Negligible	Minor	Moderate	Major	Catastrophic
	5	Almost Certain	0	0	0	0	0
	4	Likely	0	0	0	4	0
	3	Possible	0	0	4	5	1
	2	Unlikely	0	0	0	0	0
	1	Rare	0	0	0	0	0

The risk profile of the Council has changed from quarter 3 to 4, primarily due to some of the risk ratings reducing over this time, Procurement, development and infrastructure, waste and increased treasury risk still remain highly rated risks. The Street Lighting PFI risk has reduced and changed with a more sustainable solution being worked through. There were no escalation of risks from the Directorate to the Corporate Risk Register, however it is proposed to close the risk relating to the Revenue and Benefit system conversion to the Directorate Risk Register as there are no longer any risks pertaining to corporate objectives.

Short-term risks are considered procurement and business continuity, we would expect these to be mitigated by quarter 2 of 2012-13. Risks are monitored by senior management teams and considered monthly by Statutory Officers.

Those rated as 12 and above on the above 'heat map' are listed below:

Risk	Current Assessment Impact Probability Rating			Control Actions	Risk Status	Target Date (Priority)	Target Assessment Impact Probability Rating		
<b>ORG0006 – Reputational/Financial</b> Procurement- failure to deliver value for money, uncommercial contracts with suppliers.	Major 4	Likely 4	High 16	Consolidate procurement activity within the Commercial Directorate <i>In progress</i> Develop and implement an up to date procurement strategy <i>In progress</i> Deliver actions as set out in Procurement Controls and Monitoring Action Plan. Audit to take place w/c 26 March 2012. <i>In progress</i>	Treat	30/06/2012  On-going  On-going	Moderate 3	Unlikely 2	Medium Low 6

Risk	Current Assessment Impact Probability Rating			Control Actions	Risk Status	Target Date (Priority)	Target Assessment Impact Probability Rating		
<b>ORG0010 – Reputational/Strategic</b> Development and infrastructure – Development within the Borough through the medium-term is planned to deliver 8,800 new homes and an increase in population of 20,000 by 2015. There is a risk that funding and delivery mechanisms will not be in place to deliver the necessary physical, green and social infrastructure to accommodate the requirements of an increased population.	Major 4	Likely 4	High 16	Consider opportunities around TIF, particularly for BX/CR TIF Board established, external consultant appointed to consider options, development partners providing necessary information on infrastructure costs. <i>In Progress</i>	Treat	On-going	Moderate 3	Possible 3	Medium High 9
				Adopt a Community Infrastructure Levy (CIL) charging schedule for Barnet Draft tariff estimated Report to Regeneration Board July 2011 Adoption by June 2012 <i>In Progress</i>		30/06/2012			
				Develop a corporate approach to infrastructure delivery and securing of funding Develop a robust Infrastructure Delivery Plan and funding delivery matrix <i>In Progress</i>		On-going			
				Development of CIL tariff for Barnet anticipated introduction Summer 2012 <i>In Progress</i>		On-going			
<b>ORG0011 – Compliance/Strategic</b> Waste management and sustainability – The cost of waste disposal will increase significantly in the medium-term due to landfill tax increases and the procurement of new waste disposal facilities by the NLWA. The loss of £258.4m PFI credits presents further risk to the affordability and progress of the procurement. Waste minimisation, collection and recycling arrangements will significantly impact on cost and the amount of waste sent for disposal. In addition, the carbon reduction scheme will impose financial penalties in respect of wider sustainability	Major 4	Likely 4	High 16	NWLA Procurement risk register maintained and updated including review at Waste Project Board meetings. Ongoing <i>In Progress</i>	Treat	31/03/2012 (Normal)	Major 4	Likely 4	High 16
				Make progress at NLWA meetings, critical review of NLWA papers, with additional support from specialist consultant Ongoing <i>In Progress</i>		31/03/2012 (Normal)			
				Develop, implement and review Waste Action Plan Ongoing <i>In Progress</i>		31/03/2012 (Normal)			
				Annual communications plan to include more targeted communications based on the intelligence available. <i>In Progress</i>		15/05/2012 (Normal)			

Risk	Current Assessment			Control Actions	Risk Status	Target Date (Priority)	Target Assessment		
	Impact	Probability	Rating				Impact	Probability	Rating
issues. Government likely to further increase penalties/incentives. Risk – increased waste sent for disposal at significantly increased cost. Lack of progress on wider sustainability agenda attracting additional carbon commitment penalties.				Establish & Embed Carbon Reduction Commitment Steering Group to strengthen management focus on Carbon Reduction commitment Work in progress Review in Progress following 2011 reporting <i>In Progress</i> Prepare business case for members' decision on future waste collections <i>In Progress</i> Prepare business case for members' decision on future involvement with NLWA, including decision on Inter Authority Agreement. <i>In Progress</i>		03/04/2012 (Normal)  15/05/2012 (Normal)  15/05/2012 (Normal)			
<b>ORG0015 - Financial</b> There is an enhanced risk around treasury in respect of creditworthiness of banks across the globe as a result of the current Eurozone crisis. The potential break up of the Euro and associated defaults could leave banks around the world exposed to bad debts. The Council therefore needs to review its treasury strategy continuously to ensure that the most prudent course of action is taken in respect of Council funding.	Major 4	Likely 4	High 16	Continual monitoring of deposits <i>In Progress</i>	Treat	On-going	Major 4	Possible 3	Medium High 12
<b>ORG0019 - Financial</b> Street Lighting PFI Contract. Contractor has struggled to deliver the required standards and as a consequence has suffered large financial adjustments. Contractor has indicated this is not sustainable and has threatened to withdraw from contract. The financial implications could be up to 50% increase annually potentially	Catastrophic 5	Possible 3	High 15	Working on proposed amendments to contract to improve sustainability - general service provision alterations Process has stalled pending resolution of issues preventing progress with the CMs installation on which other changes are dependent. Process has now re-commenced and the Waiver Funds have now been deposited. Works Order to be raised to commence work on CMS installation April/May.	Treat	31/05/2012 (Normal)	Catastrophic 5	Unlikely 2	Medium High 10

Risk	Current Assessment Impact Probability Rating			Control Actions	Risk Status	Target Date (Priority)	Target Assessment Impact Probability Rating		
equating to £2.25m annually.				<p><i>In Progress</i></p> <p>Working on proposed amendments to contract to improve sustainability - Invest a Safe Programme Agreements</p> <p><i>In Progress</i></p> <p>A report has been drafted providing detailed explanation analysis of risks &amp; options to reduce some of the risks. This report may require consideration at CDG to progress to action. Due to the additional issues arising this Paper has been up-dated and submitted to the Directorate with a subsequent request to provide further information on cost impact for each option.</p> <p><i>In Progress</i></p> <p>Now gained agreement with all parties including Banks to proceed with the Energy Savings programme and this will have a positive impact on sustainability of the contract. Therefore there is still a possibility of the contractor walking away at the point at which the financial liability is reduced to the minimum point. This is expected to be May 2012. Hence the next review will be in 2012.</p> <p><i>In Progress</i></p>		<p>05/01/2013 (Normal)</p> <p>20/05/2012 (Normal)</p> <p>31/05/2012 (Normal)</p>			
<p><b>ORG0001 – Reputational/Strategic</b></p> <p>Transformation – The Council's strategic agenda is defined by the One Barnet programme which is designed to transform public services to Barnet citizens, working with our partners and the community, in the context of severe resource constraint. Risk – failure to deliver One Barnet effectively, with declining service performance and citizen satisfaction. Leading to sub-optimal commercial arrangements</p>	Major 4	Possible 3	Medium High 12	<p>Ensure effective governance arrangements with both Cabinet Members and senior management engaged.</p> <p>Ensure clear understanding of programme deliverables.</p> <p><i>In Progress</i></p> <p>Benefits Realisation Framework Business Case Framework in place with estimated programme costs and benefits. Framework for benefits to be completed in new year.</p> <p>Work continuing on mapping of benefits. 09/01 Workshops are commencing with project managers in order to populate</p>	Treat	<p>31/03/2011 (Normal)</p> <p>27/01/2012 (Normal)</p>	Minor 2	Possible 3	Medium Low 6

Risk	Current Assessment Impact Probability Rating			Control Actions	Risk Status	Target Date (Priority)	Target Assessment Impact Probability Rating		
with third parties.				benefit profiles and to agree a mechanism for the management and tracking of benefits. <i>In Progress</i>					
<b>ORG0002 – Financial</b> Central government support has been cut and our response has been agreed by Cabinet. Given the slow recovery of the economy there is a risk that the government will make further cuts to local government funding. Risk – given the scale of the savings there will be key concerns in delivering those savings over the next 4 years and managing to deliver services in times of such uncertainty.	Major 4	Possible 3	Medium High 12	Risk assessment of savings plans Services to work through savings plans <i>In Progress</i>	Treat	On-going	Moderate 3	Possible 3	Medium High 9
<b>ORG0004 – Reputational/Internal Control</b> Governance – The Council faces a period of major change with potential impact on core governance systems and processes. Risk – breakdown in core governance systems leading to financial loss or reputational damage.	Major 4	Possible 3	Medium High 12	Comprehensive performance management reporting process including key risks at Directorate and Corporate level. Ongoing action <i>Implemented</i>	Treat	30/06/2012 (Normal)	Moderate 3	Unlikely 2	Medium Low 6
<b>ORG0014 - Financial</b> ORG0014 - Financial RISK: new revenues and benefits systems went live February however with process inefficiencies, data conversion issues and batch processes running slowly. In addition, due to the downtime from December to February, the main billing exercise took two weeks to process compared to 3/4 days initially specified. Significant backlog of workload is required to be processed. When the Council	Major 4	Possible 3	Medium High 12	Legal advice ongoing <i>In Progress</i> Constant monitoring and reporting of risks, issues and progress through the various departments and companies involved. ongoing <i>In Progress</i> Source better solution with Civica for hosting <i>In Progress</i>	Treat	31/08/2011 (Normal) 01/09/2011 (Normal)  31/08/2011 (Normal)	Moderate 3	Possible 3	Medium High 9



Risk	Current Assessment Impact Probability Rating			Control Actions	Risk Status	Target Date (Priority)	Target Assessment Impact Probability Rating		
needs to submit its grant subsidy claim for March 2012 the risk will be that the LA error will not be in the tolerable ranges which would result in the threshold being lost circa £1.2m. As at the end of June 2011 the threshold is currently at £500k. LA error is intervening period between receipt and assessment of the claim - with a backlog situation this will always be the case.									
<b>ORG0018 - Business Continuity</b> Momentum is growing towards the London 2012 Games, and the level of involvement and responsibility Barnet is required to take to support activities and events is increasing. The Council has a number of responsibilities to fulfil, which require resourcing. In addition there is a risk that robust business continuity plan may not be in place throughout the period of the Olympics to take account of: managing community events, ensuring emergency planning procedures are in place and maintaining business as usual.	Major 4	Possible 3	Medium High 12	Review Action Plan on a monthly basis with Team <i>In Progress</i>	Treat	27/07/2012 (Normal)	Moderate 3	Unlikely 2	Medium Low 6

Proposed closure of risks to the Directorate Risk Register:

Risk	Current Assessment Impact Probability Rating			Control Actions	Risk Status	Target Date (Priority)	Target Assessment Impact Probability Rating		
<b>ORG0014 - Financial</b> ORG0014 - Financial RISK: new revenues and benefits systems went live February however with process inefficiencies, data conversion	Major 4	Possible 3	Medium High 12	Legal advice ongoing <i>In Progress</i> Constant monitoring and reporting of risks, issues and progress through the various departments and companies involved. ongoing	Treat	31/08/2011 (Normal) 01/09/2011 (Normal)	Moderate 3	Possible 3	Medium High 9

Risk	Current Assessment Impact Probability Rating			Control Actions	Risk Status	Target Date (Priority)	Target Assessment Impact Probability Rating		
issues and batch processes running slowly. In addition, due to the downtime from December to February, the main billing exercise took two weeks to process compared to 3/4 days initially specified. Significant backlog of workload is required to be processed. When the Council needs to submit its grant subsidy claim for March 2012 the risk will be that the LA error will not be in the tolerable ranges which would result in the threshold being lost circa £1.2m. As at the end of June 2011 the threshold is currently at £500k. LA error is intervening period between receipt and assessment of the claim - with a backlog situation this will always be the case.				<i>In Progress</i> Source better solution with Civica for hosting <i>In Progress</i>		31/08/2011 (Normal)			

## B. Whole council summary tables

### 4: Key finance indicators

Indicator		2011/12 (Position at 31/03/12)	2010/11 (Position at 31/03/11)	Achieved /Trend
<b>1 Revenue Expenditure</b>				
(a) Balances and Reserves:				
(i) General Fund Balance	£'m	15.78	15.78	
(ii) HRA Balances	£'m	7.81	4.23	
(iii) School Balances	£'m	15.09	14.73	
(b) Performance against Budget: Variations:				
(i) Overspends	£'m	9.39	13.77	
(ii) Underspends	£'m	10.03	13.37	
<b>2 Capital Expenditure</b>				
(i) Total Slippage	£'m	72.59	49.71	
<b>3 Debt Management</b>				
(i) Total Debt Outstanding over 30 days	£'m	4.97	5.46	
(i) Total Debt Outstanding over 12 months	£'m	1.54	1.58	
(iii) Council Tax - % paid	%	96	95.6	
<b>4 Creditor Payment Performance</b>				
(i) % of Creditors paid within 30 days	%	98.5	98.17	

***5: Revenue budget – see table 1 of main report***

***6: Capital budget – see tables 8 and 10 of main report***

## Appendix A

### 7: Human Resource/People performance - corporate overview

#### Key corporate HR targets and indicators

Performance Indicator	Period covered	Target	Amber criteria	Q4 Actual (No.)	Q4 Actual % of total	Q4 (numerator/denominator)	Target Variance	Q4 DoT	Benchmarking
Attendance									
Average number of absence days per employee (Rolling year)	April 11 – March 12	6	6 - 6.5	7.7	N/A	20939.8/2735.3	-28.3%	0.0%	10.1 days (CIPFA, All Members & other Unitary Authorities 2011)
Average number of absence days per employee this quarter (target is seasonally adjusted)	Jan 12 – March 12	1.51	1.5 - 1.7	1.9	N/A	5133.5/2690.4	-25.8%	▲5%	2.25 days (CIPFA, All Members & other Unitary Authorities 2011)
% managers submitting a monthly absence return	Jan 12 – March 12	100%	>90%	419	91.9%	419/456	8.1%	▲24%	N/A : measure applicable to LBB only
% objectives set for eligible staff only	Jan 12 – March 12	100%	>90%	Next reported in Quarter 1 2012/2013					N/A
% mid year performance reviews undertaken for eligible staff only	Jan 12 – March 12	100%	>90%	Next reported in Quarter 3 2012/2013					N/A
Cost									
Variance of total payroll to budget	Jan 12 – March 12	£32,731,645	+/-5%	£32,824,580	0.3%	32824580/32731645	0.3%	▲94.1%	N/A : measure applicable to LBB only

## Appendix A

	Period covered	Q4 Actual (No.)	Q4 Actual % of total	Q4 (numerator/ denominator)	DoT Q4 %	Benchmarking
Percentage of top 5% earners that are female	As at 31 March 2012	78	51.3%	76/152	▲ 1.4%	Women in leadership posts 49.9% (CIPFA, All Members & other Unitary Authorities 2011)
Number of BME employees as % of total employees	As at 31 March 2012	911	32.7%	911/2789	▬ 0.0%	Black and Minority Ethnic local population 33.1% (State of the Borough June 2011)
Number of declared disabled staff as % of total employees	As at 31 March 2012	78	2.7%	78/2929	▬ 0.0%	2.33% (CIPFA, All Members & other Unitary Authorities 2011)
<b>Employee Relations</b>						
High Risk - Employee Relations cases as % of total cases	As at 31 March 2012	6	6.9%	6/87	▼ 22.5%	N/A : measure applicable to LBB only

## Staff numbers by service area

	ESTABLISHMENT				OCCUPANCY				Variance	OTHER	
	Permanent	Fixed Term	Vacant	TOTAL	Permanent	Fixed Term	Agency / Interim	TOTAL		Consultants	Casual
Adult Social Care	259.38	20.79	116.21	396.38	264.90	21.59	70	356.49	-39.89	5	10
Children's Service	663.87	124.90	128.34	917.11	676.72	141.95	100	918.67	1.56	2	330
Chief Executives Service	302.86	36.83	52.34	392.03	305.17	36.94	35	377.11	-14.92	0	4
Commercial Service	110.91	26.00	24.17	161.08	113.31	22.00	41	176.31	15.23	2	0

## Appendix A

Corporate Governance	63.59	9.50	15.49	88.58	63.87	11.50	19	94.37	5.79	1	2
Deputy Chief Executive Service	131.45	36.91	30.47	198.83	135.45	43.02	38	216.47	17.64	3	8
Environment Planning and Regeneration	748.30	52.22	140.63	941.15	759.79	59.39	162	981.18	40.03	18	85

## 8: Key projects – corporate overview

Service Area	Red Status	Amber Status	Green Status	Nil Return/Not enough information provided
Adult Social Services	1			
Chief Executive's Office	1			
Children's Services				
Commercial Services	3	1	10	
Deputy Chief Executive including One Barnet		3	7	
Environment, Planning & Regeneration	5		4	1
<b>Totals</b>	<b>10</b>	<b>4</b>	<b>21</b>	<b>1</b>

The table gives an overview of all active key projects and their status. The status of the reported projects is based on progress against key milestones for the quarter. Where there are no key milestones for Quarter 4 the project is reported the same as the previous quarter unless evidence of change/progress has been provided to the Project Assurance team. In addition, this table also includes those projects that have been asked for a highlight report but not submitted one (see Nil Return column)

## C. Methodology for traffic light ratings

### 1.1 Thresholds for awarding directorate-level health rating traffic lights

	Green	Green Amber	Red Amber	Red
	Good performance	Good, with some concerns	Some concerns	Serious concerns
Revenue & capital budget mgt - variance % (above and below)	0%	< 0.5%	0.5 - 1%	More than 1%
Corporate Plan & HR performance scores	More than 2	0.5 to 2	-1 to 0.	Less than -1

### 1.2 Method for producing the Corporate Plan, HR/People and Project health ratings

Each individual performance indicator is traffic lighted according to the same four point traffic light scale: Green, Green Amber, Red Amber and Red. Points for each are awarded, as shown in the table below, and then added together to produce the overall health rating score for each directorate.

	Points for each indicator
Green	1
Green Amber	0.5
Red Amber	-0.5
Red	-1

For example, if there were four indicators in a particular directorate and each achieved one of the four traffic lights, the net result would be a score of 0 and this would produce a Red Amber overall health rating, based on the table above in paragraph 1.2.

### 1.3 Method for producing individual performance indicator traffic light ratings

Any target that is met achieves a Green traffic light. Targets that have not been met, but where 80% or more of the targeted improvement has been achieved, will be given a Green Amber traffic light.

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

If the targeted improvement is below 80% but above 65% the indicator will get a Red Amber rating.

For example, if the baseline is 80 people and the target is 100 people, the targeted improvement is 20. 80% of 20 is 16, so the outturn would need to be at least 96 people to

achieve Green Amber and at least 93 people to achieve a Red Amber.

Whilst initial traffic lights will be based on this objective criteria, they may subsequently be changed through discussion between Directorates and the Performance team, based on the individual circumstances and prospects for each target. Where this has occurred it will be clearly stated in the report with the reasons given.

The criteria for red and amber traffic lights for HR/People measures differs for each indicator; the amber criteria for each is shown alongside the indicator in the individual data tables.

In addition to the above criteria, Any performance indicator that is less than 10% off target and has a positive direction of travel will automatically qualify to be amber rated. Both of the following criteria need to be met if a service is to have a red-rated performance indicator amended to either a green-amber or a red-amber:

#### For an indicator to be rated as Green amber:

1. No more than 5% off target, and;
2. A positive direction of travel

#### For an indicator to be rated as Red amber:

1. Between >5% and no more than 10% off target, and;
2. Positive direction of travel or negative direction of travel not in excess of 2.5% (if the service has a clear story and improvement activity in place)