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Meeting	Cabinet Resources Committee
Date	20 June 2012
<b>Subject</b>	<b>Final Outturn and Performance Report 2011/12</b>
Report of	Cabinet Member for Resources and Performance
Summary	To consider the Final Outturn and Performance Report for 2011/12 and instruct officers to take appropriate action.
Officer Contributors	Maria G. Christofi – Assistant Director, Financial Services Catherine Peters – Head of Finance, Closing & Monitoring Antony Russell – Finance Manager, Closing & Monitoring
Status (public or exempt)	Public
Wards affected	Not applicable
Enclosures	Appendix A – Performance Report Appendix B – 2011/12 Revenue Outturn Position Appendix C – 2011/12 Capital Outturn Position Appendix D – Capital Adjustments 2011/12 and 2012/13 Appendix E – Special Parking Account Appendix F – Virements
For decision by	Cabinet Resources Committee
Function of	Executive
Reason for urgency / exemption from call-in	Not applicable
Contact for further information:	Antony Russell, Finance Manager, Closing & Monitoring, 020 8359 7862

## **1. RECOMMENDATIONS**

- 1.1 That the 2011/12 Performance Report, Revenue Budget and Capital Outturn position be noted.**
- 1.2 That the Capital approvals and slippage of £9.257m as outlined in tables 9 and 10 be approved.**
- 1.3 That Directors take appropriate action to improve performance against those corporate performance, Human Resources (HR), project and risk measures where Q4 performance remains a challenge (Sections 9.3, 9.4, 9.10 and Appendix A).**
- 1.4 That the Earmarked Reserves and Provisions contained in table 7 be approved.**
- 1.5 That Provision for Bad Debt position contained in table 14 be approved.**
- 1.6 That the Final Special Parking Account be noted in Appendix E.**
- 1.7 That the Barnet Homes leaseholder contributions in table 13 be noted.**
- 1.8 That the Agency Staff costs for the financial year 2011/12 in table 15 be noted.**
- 1.9 That the proposed 2011/12 capital additions and deletions totalling £0.031m as set out in Appendix D and the related funding implications in 2011/12 as set out in table 11 be approved.**
- 1.10 That the proposed 2012/13 capital additions totalling £0.533m as set out in Appendix D and the related funding implications in 2012/13 as set out in table 12 be approved.**
- 1.11 That the following on-going virements in 2012/13 be approved:**
  - £2.765m is requested within the Commercial Directorate to re-align the budgets within Information Systems. There is a nil impact on the service budgets. (paragraph 9.15.1)**
  - £16.506m is requested within the Housing service to realign the budget to reflect the transfer of Housing Needs & Resources to The Barnet Group. There is a nil impact on the service budgets. (paragraph 9.15.1)**
  - £25.037m is requested within the Special Parking Account to realign the budget to reflect the transfer of Parking Services to an External Service Provider (NSL). There is a nil impact on the service budgets. (paragraph 9.15.1)**
  - £0.195m is requested within the Hendon Cemetery and Crematorium service to realign the budget to reflect the restructure of the service team and consequent increased income opportunities. (paragraph 9.15.1)**
- 1.12 That the following on-going virement in 2012/13 be approved as part of the One Barnet programme:**
  - £0.220m is requested from services listed in Appendix F to Adult Social Care & Health to consolidate budgets in respect of payments to be made to Your Choice Barnet. (paragraph 9.15.1)**

- **£0.537m is requested as part of the customer services transformation programme for 2012/13 (£0.657 full year effect for 2013/14 onwards). As part of this programme a number of functions are transferring from service departments below into the customer services team:**
  - **£0.171m Parking in 2012/13 (full year effect of £0.187m for 2013/14 onwards).**
  - **£0.050m Youth in 2012/13 (full year effect to be confirmed for 2013/14 onwards).**
  - **£0.316m Adults in 2012/13 (full year effect of £0.470m for 2013/14 onwards).**

**The budgets associated with these functions need to be transferred into the customer services team. (paragraph 9.15.1)**

**1.12 That the following contingency transfers for 2012/13 and on-going be approved:**

- **£0.500m from contingency for 2012/13 and on-going be approved to fund the Leisure budget pressure that has arisen pending the implementation of the Leisure Review. (paragraph 9.16.1)**
- **£0.210m from contingency for 2012/13 and on-going be approved for Environment Planning & Regeneration to fund the additional duties the Flood Risk Regulations 2009 (FRR 2009) and the Flood and Water Management Acts 2010 (FWMA 2010) have put on the Council. The Department for Environment, Food and Rural Affairs (DEFRA) have allocated additional funding to enable the discharging of these duties. (paragraph 9.16.1)**

**1.13 That the proposed draw down of £6.453m from the Transformation Reserve as set out in section 9.17 and table 16 are approved.**

**2. RELEVANT PREVIOUS DECISIONS**

- 2.1 Council, 1 March 2011 (Decision item 8) – approved item 5.1.2 of the report of Cabinet 14 February 2011 - Council Budget and Council Tax 2011/12.
- 2.2 Cabinet Resources Committee, 29 June 2011 (Decision item 5) – approved the Outturn 2010/11.
- 2.3 Cabinet Resources Committee, 28 July 2011 (Decision item 5) – approved Month 2 Monitoring 2011/12.
- 2.4 Cabinet Resources Committee, 27 September 2011 (Decision item 9) – approved Quarter 1 Monitoring 2011/12.
- 2.5 Cabinet Resources Committee, 14 December 2011 (Decision item 9) – approved Quarter 2 Monitoring 2011/12.
- 2.6 Cabinet Resources Committee, 28 February 2012 (Decision item 6) – approved Quarter 3 Monitoring 2011/12.
- 2.7 Council, 6 March 2012 (Decision item 4.1.1) – approved the Council Budget and Council Tax 2012/2013.
- 2.8 Cabinet Resources Committee, 04 April 2012 (Decision item 13) – approved the Provisional Outturn Report 2011/12.

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

- 3.1 Robust budget and performance monitoring are essential to ensuring that there are adequate and appropriately directed resources to support delivery and achievement of Council priorities and targets as set out in the Corporate Plan. In addition, adherence to the Prudential Framework ensures capital expenditure plans remain affordable in the longer term and that capital resources are maximised.
- 3.2 'Ensure our support services effectively serve the organisation through high quality, high value services' and 'Manage resources and assets effectively and sustainably' represent two of the seven key objectives underlying the corporate priority 'Better services with less money' and the strategic objectives.
- 3.3 Relevant Council strategies and policies include the following:
- Corporate Plan 2011-13;
  - Medium Term Financial Strategy;
  - Treasury Management Strategy;
  - Debt Management Strategy;
  - Insurance Strategy;
  - Risk Management Strategy; and
  - Capital, Assets and Property Strategy.

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

- 4.1 The revised forecast level of balances needs to be considered in light of the risks identified in 4.2 below.
- 4.2 Various projects within the Council's revenue budget and capital programme are supported by time-limited grants. Where there are delays to the implementation of these projects, there is the risk the associated grants will be lost. If this occurs either the projects will be aborted or a decision to divert resources from other Council priorities will be required.

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

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

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

- 6.1 Robust budget and performance monitoring plays an essential part in enabling an organisation to deliver its objectives efficiently and effectively.
- 6.2 Use of Resources implications are covered within Section 9 of the body of the report and in the attached appendices.
- 6.3 The final outturn of £283.689m has resulted in no change to the General Fund balances of £15.780m. The General Fund balance therefore remains above the recommended target level of £15m.

### **7. LEGAL ISSUES**

- 7.1 Section 151 of the Local Government Act 1972 states that "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”.

- 7.2 Section 28 of the Local Government Act 2003 imposes a statutory duty on the Council 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 Council must take such action as it considers necessary to deal with the situation.
- 7.3 Under the Equality Act 2010, the council and all other organisations exercising public functions on its behalf must have due regard to the need to: a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; b) advance equality of opportunity between those with a protected characteristic and those without; c) promote good relations between those with a protected characteristic and those without. The ‘protected characteristics’ referred to are: age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex and sexual orientation. With respect to a) the ‘protected characteristics’ also include marriage and civil partnership.

## **8. CONSTITUTIONAL POWERS**

- 8.1 The Council’s Constitution, in Part 3, Responsibility for Functions, sets out in paragraph 3.6 the functions of the Cabinet Resources Committee including:
- (a) Monitor the trading position of appropriate Council services, carry out debt analysis and look at income sources and charging policies;
  - (b) To write off debt;
  - (c) To determine external or cross-boundary trading limit; and
  - (d) Approval of schemes not in performance management plans but not outside the Council’s budget or policy framework.
- 8.2 The Council’s Constitution, Part 4, Financial Regulations Part 1 section 4.17 states the Chief Finance Officer will report in detail to Cabinet Resources Committee at least four times a year on the revenue and capital budgets and wider financial standing in addition to two summary reports at the beginning and end of the financial year.

## 9. BACKGROUND INFORMATION

### 9.1 2011/12 Revenue Monitoring

9.1.1 The final outturn summary of 2011/12 is reflected in table 1 below. This provides a comparison of the final outturn position in comparison with the revised budget position. A breakdown of revenue monitoring by each service directorate is set out in Appendix B.

**Table 1: 2011/12 Revenue Outturn Analysis – Summary**

Description	Revised Budget £'000	Final Outturn 2011/12 £'000	Final Outturn Variation £'000	Provisional Outturn Variation £'000	Change £'000	Final Outturn 2010/11 £'000
Adult Social Care	98,897	98,896	(1)	-	(1)	95,819
Central Expenses	59,345	59,345	-	-	-	51,081
Chief Executive	11,047	10,819	(228)	(295)	67	11,620
Childrens Services (incl. DSG)	54,595	54,512	(83)	(549)	466	47,020
Commercial Services	15,958	15,851	(107)	238	(345)	15,786
Corporate Governance	5,873	5,678	(195)	(129)	(66)	5,706
Deputy Chief Executive	13,096	12,987	(109)	(31)	(78)	12,573
Environment, Planning & Regeneration	25,514	25,601	87	568	(481)	27,985
<b>2011/12 General Fund Outturn</b>	<b>284,325</b>	<b>283,689</b>	<b>(636)</b>	<b>(198)</b>	<b>(438)</b>	<b>267,590</b>
Housing Revenue Account	4	-	(4)	-	(4)	-
<b>Total 2011/12 Outturn</b>	<b>284,329</b>	<b>283,689</b>	<b>(640)</b>	<b>(198)</b>	<b>(442)</b>	<b>267,590</b>
Non Specific Grant	(99,505)	(99,505)	-	-	0	(20,492)
Aggregate External Finance	(35,905)	(35,837)	68	-	68	(94,556)
Collection Fund Surplus	-	-	-	-	-	(1,998)
Council Tax (Collection Fund Transfers	(155,466)	(155,466)	-	-	-	(153,005)
Reserves	6,547	7,119	572	-	572	2461
<b>Use of Balances</b>	-	-	-	<b>(198)</b>	<b>198</b>	-
<b>General Fund Balances as at 01/04/11</b>	<b>(15,780)</b>	<b>(15,780)</b>	-	-	-	-
<b>General Fund Balances as at 31/03/12</b>	<b>(15,780)</b>	<b>(15,780)</b>	-	-	-	-

9.1.2 The Council has a balanced position at the end of 2011/12. This has meant that Council's level of balances is able to remain the same as last year at £15.780m which is in excess of the target level of general fund balances of £15m.

**Table 2: General Fund Balances**

	£'000
General Fund Balances b/fwd 1 April 2011	(15,780)
Budgeted Use of Balances	-
Outturn Variation	-
General Fund Balances 31st March 2012	(15,780)

Within the overall position there is an overspend in Environment Planning & Regeneration of £0.087m. This is made up of overspends on Highway Inspections & Maintenance of £1.968m and lower than expected income on the Special Parking Account of £0.326m. This is reduced by underspends across the directorate.

There are underspends or nil variances across the other services. The largest underspends being in the Chief Executive service (£0.228m) which is primarily due to part year vacancies and reduced staffing costs and in Corporate Governance (£0.195m) where the recovery of court costs has been greater and the Members allowances lower than anticipated.

## 9.2 Variance from Provisional Outturn Report

The table 3 below compares the Provisional Outturn position and the Final Outturn positions. Comments are provided where there are variances between the positions.

**Table 3: Details of changes since Provisional Outturn Report**

Service	Final Outturn 2011/12 Variance £'000	Provisional Outturn 2011/12 Variance £'000	Change £'000	Comment
Adult Social Care	(1)	-	(1)	
Central Expenses	-	-	-	
Chief Executive	(228)	(295)	67	Underspend on supplies and services and staffing less than previously projected
Children's Services (excl. DSG)	(83)	-	(83)	Additional income received relating to non-recurrent schools support services
Dedicated Schools Grant	-	(549)	549	DSG underspend transferred to earmarked reserve in order to carry forward to 2012/13
Commercial Services	(107)	238	(345)	Valuation Office agreed to refund business rate charges at Hendon Town Hall, due to incorrect assessment. Along with additional unanticipated rental income
Corporate Governance	(195)	(129)	(66)	Lower court costs in March than anticipated in Legal.
Deputy Chief Executive	(109)	(31)	(78)	Savings on Staffing
Environment Planning and Regenera	87	568	(481)	Favourable movement from Provisional Outturn due to a higher than expected surplus on PSL activity, higher than forecast March income within Building Control and Parking and recovery of consultants costs from developers.
<b>Total</b>	<b>(636)</b>	<b>(198)</b>	<b>(438)</b>	

## 9.3 Year End Performance Against the 2011/12 Corporate Plan Targets

9.3.1 Between quarters 1 and 4, good progress was made in delivering the 2011/12 Corporate Plan, with two key trends being particularly positive: Firstly, the organisation has met the majority of its targets, with 65% met by quarter 4 compared with 54.6% in quarter 1. Secondly, a higher percentage of targets had a positive direction of travel at the end of the year than at the beginning, with 72% of targets in quarter 4 showing a positive direction of travel compared with 61% in quarter 1.

9.3.2 **Emerging or escalating challenges:** There has been an increase in the number of homelessness acceptances over the quarter, with the final figure for the year representing an increase of 45% from quarter 3. The rate of increase of acceptances has accelerated in each quarter of the year. There has also been a 17% increase in the take up of nightly temporary accommodation, which is now 14% above the target. In addition, user satisfaction with planning services (46.2%) is substantially below target (63%).

9.3.3 In Customer Services there has been a significant (9%) deterioration in the overall satisfaction with the quality of all customer interactions, with an overall outturn of 62% satisfaction against a target of 85%.

9.3.4 Three Adult Social Care indicators: avoidable readmissions, mortality from cardiovascular disease, and mortality from all types of cancer, have reduced.

9.3.5 **Established challenges:** In addition to the emerging issues outlined above, there are a number of ongoing performance challenges in quarter 4:

- Child protection planning: Whilst there has been a steady reduction in the number of children who are subject of a child protection plan, the quarter 4 figure is significantly above the year start baseline.
- Attainment gap: We remain below target for the children's targets relating to the attainment gap between those receiving free school meals and their peers and KS 2 and KS4.
- Call centre performance: The overall performance of the council's call centres remains off target, with 63% of calls answered within 20 seconds against a corporate target of 75%. This level of performance does however reflect an improvement from quarter 1 (which was 48.3%).
- Freedom of information: Performance remains off target. While there has been slight improvement during the course of 2011/12, there has been deterioration from the quarter 3 position of 77.2%, with 75.3% of requests answered in 20 working days against the target of 90%.
- Pledgebank: Only four services, Adult Social Care and Health, Chief Executive's, Environment, Planning and Regeneration, and Deputy Chief Executive's have met the target of every service to support at least three Pledgebank initiatives.
- Regeneration: The completed number of dwellings on regeneration estates is below the end of year target of 431 homes, with 297 completions over the previous 12 months.

9.3.6 **Successes:** There are a number of areas where performance has been notably strong in quarter four. These include potholes, with over 94% of "intervention level" potholes now repaired within 48 hours. In Adult Social Care and Health there was a 50% increase in the number of carers assessments completed and a high proportion of older people still at home within 91 days of being discharged. The target for Right to Control was also met. In Children's Services there was a significant (29%) improvement in the number of children placed in out of borough or residential placements. These areas of performance improvement have resulted in more efficient services to residents (e.g. pothole repairs) and to specific customer groups. Finally, although the end of year target for overall **value for money** was missed, our level of performance of 72.3% of council services rated as being relatively low cost and high performance is the highest outturn of any London council.

#### 9.4 **Performance on HR/People Measures**

9.4.1 Although there remain significant challenges, there has been improvement over the year for HR-related measures between quarter 1 and quarter 4. A higher proportion of performance reviews were completed during the year, absence reporting has increased to 91.9%, and in quarter 4 absence levels have reduced.

#### 9.5 **Housing Revenue Account**

9.5.1 The Housing Revenue Account (HRA) has reported an underspend of £3.576m in 2011/12. This surplus is transferred to HRA balances and has resulted in a balance at 31 March 2012 of £7.806m



**Table 4: Housing Revenue Account – 2011/12 Outturn Analysis**

	Provisional outturn £'000	Movement £'000	Final Outturn £'000
<b>2011/12 Housing Revenue Account Outturn</b>	(1,802)	(1,774)	(3,576)
Allocations agreed from HRA balances	-	-	-
HRA balance as at 01/04/2011	(4,230)	-	(4,230)
<b>Projected balances at 31/03/2012</b>	<b>(6,032)</b>	<b>(1,774)</b>	<b>(7,806)</b>

**9.6 School Balances**

9.6.1 The balances held by schools, net of outstanding loans to the General Fund have increased by £0.361m to £15.089m as at 31 March 2012.

**Table 5: Balances held by Schools**

Balances held by Schools under delegated schemes	As at 31/03/2011 £'000	As at 31/03/2012 £'000	Increase/ (Decrease) £'000
Nursery	540	474	(66)
Primary	8,674	10,793	2,119
Secondary	5,121	3,375	(1,746)
Special	609	891	282
<b>Total</b>	<b>14,944</b>	<b>15,533</b>	<b>589</b>
Less outstanding General Fund advances to Schools	(216)	(444)	(228)
<b>Net Position</b>	<b>14,728</b>	<b>15,089</b>	<b>361</b>

**9.7 Dedicated Schools Grant**

9.7.1 The Dedicated Schools Grant Outturn position for 2011/12 shows that there was no variation.

**Table 6: Dedicated Schools Grant**

Description	Revised Budget £'000	Final Outturn 2011/12 £'000	Final Outturn Variation £'000	Provisional Outturn Variation £'000	Change £'000
Dedicated Schools Grant	(1,911)	(1,911)	-	(549)	549

**9.8 Table 7: Provisions and Earmarked Reserves**

	B/fwd 01 April 2011 £'000	In year related expenditure £'000	Written back in year £'000	Additions approved £'000	C/fwd 31 March 12 £'000
Provisions	19,108	(10,313)	(505)	2,011	10,301

	B/fwd 01 April 2011 £'000	In year related expenditure £'000	Written back in year £'000	Additions approved £'000	C/fwd 31 March 12 £'000
Central - Capital	0	0	0	1,000	1,000
Central - Financing	0	(302)	0	3,138	2,836
Central - Infrastructure	0	0	0	1,518	1,518
Central - Risk	13,220	(526)	0	4,406	17,100
Central - Service Development	0	0	0	5,100	5,100
Central - Transformation	9,396	(4,398)	0	10,000	14,998
Service - DSG	2,350	(2,350)	0	2,109	2,109
Service - Housing Benefits	4,568	(660)	0	241	4,149
Service - NLSR	1,440	(193)	0	2,020	3,267
Service - Other	5,562	(3,652)	(359)	5,732	7,283
Service - PFI	3,568	(333)	0	0	3,235
Service - Street Lighting	0	0	0	2,101	2,101
Special Parking Account	409	0	0	0	409
<b>Total</b>	<b>40,513</b>	<b>(12,414)</b>	<b>(359)</b>	<b>37,365</b>	<b>65,105</b>

**9.9 2011/12 Capital Programme Outturn Summary**

9.9.1 The total expenditure during 2011/12 on the Council's Capital programme was £57.806m, most of which was spent on Schools and other Children related projects (£19.942m) and the Housing Revenue Account (£21.663m). This compares to a total spend of £84.353m in 2010/11. Table 8 summarises the expenditure by each service.

**Table 8: Capital Programme Position**

<b>Service</b>	<b>£'000</b>
Adult Social Care	838
Central Expenses	410
Chief Executive	990
Children's Service	19,942
Commercial Services	1,193
Corporate Governance	2
Deputy Chief Executive	37
Environment Planning & Regeneration	12,731
<b>Non-HRA Total</b>	<b>36,143</b>
Housing (HRA)	21,663
<b>Grand Total</b>	<b>57,806</b>

9.9.2 A summary of slippage for which approval is sought (Recommendation 1.2) is shown in tables 9 and 10, with a detailed breakdown shown in Appendix C.

9.9.3 Subject to approval, slippage will be rolled forward to 2012/13 in order to fund the continuation of programmes.

**Table 9: Capital Programme approvals**

Capital Programme Description	Total Slippage £'000
<b>Adult Social Care &amp; Health</b>	
Mental Health and Adults Personal Social Services Allocations	(8)
<b>Central Expenses</b>	
Capitalised Redundancies	(590)
<b>Chief Executive Services</b>	
Chief Executive Services	(330)
<b>Childrens Services</b>	
Schools Access Initiatives	(25)
Schools Modernisation & Access Improvement Programmes	(1,559)
Temporary Expansions - Allocated	(443)
Other Temporary Expansions	(1,351)
Broadfields	(8)
Other Permanent Expansions - Allocated	(68)
Surestart Programme	(153)
Major School Rebuild Total	(2)
Primary Schools Capital Investment Programme	53
East Barnet Schools Rebuild	(615)
Other Schemes	(868)
<b>Capital Schemes Managed by Schools</b>	
Capital Schemes Managed by Schools	798
<b>Commercial Services</b>	
Commercial Services	(585)
<b>Corporate Governance</b>	
Corporate Governance Projects	-
<b>Deputy Chief Executive Services</b>	
Deputy Chief Executive Services	(510)
<b>Environment, Planning &amp; Regeneration</b>	
Closed Circuit Television	-
Greenspaces & Leisure	194
Highways - TfL	(1,787)
Highways - non-TfL	(600)
Parking	(210)
Waste	(14)
Housing Association Programme	-
General Fund Regeneration	(327)
Disabled Facilities Projects	(300)
Housing Management System	-
Other Projects	(32)
<b>Housing - HRA</b>	
<b>Total HRA</b>	83
<b>Total Capital Programme</b>	(9,257)

9.9.4 In addition to approval sought within this report for slippage, approval has already been granted by the Cabinet Resources Committee throughout the year to reschedule expenditure on various capital projects into 2012/13. By considering these approvals

alongside the approvals sought within this report, an assessment of the overall picture of capital programme performance during 2011/12 can be made.

**Table 10: Capital Programme Slippage**

Service Area	Original Budget (including prior years slippage)	In-year Slippage	In-year Additions / Deletions	Current Budget	Actual Spend	Outturn Slippage	Total Slippage (In-year plus Outturn)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adult Social Care	1,137	(1,033)	742	846	838	(8)	(1,041)
Central Expenses	5,088	(4,088)	-	1,000	410	(590)	(4,678)
Chief Executive Services	1,373	(53)	-	1,320	990	(330)	(383)
Children's Service	49,399	(33,141)	5,359	21,617	16,576	(5,041)	(38,182)
Capital Schemes Managed by Schools	2,568	-	-	2,568	3,366	798	798
Commercial Services	9,233	(7,480)	24	1,777	1,193	(584)	(8,064)
Corporate Governance	31	(29)	-	2	2	-	(29)
Deputy Chief Executive Services	512	-	35	547	37	(510)	(510)
Environment, Planning & Regeneration	29,441	(15,712)	2,077	15,806	12,731	(3,075)	(18,787)
<b>General Fund Programme</b>	<b>98,782</b>	<b>(61,536)</b>	<b>8,237</b>	<b>45,483</b>	<b>36,143</b>	<b>(9,340)</b>	<b>(70,876)</b>
HRA Capital	21,936	(1,801)	1,445	21,580	21,663	83	(1,718)
<b>Total Capital Programme</b>	<b>120,718</b>	<b>(63,337)</b>	<b>9,682</b>	<b>67,063</b>	<b>57,806</b>	<b>(9,257)</b>	<b>(72,594)</b>

9.9.5 Cabinet Resources Committee are asked to approve the proposed capital additions totalling £0.031m in 2011/12 (recommendation 1.9). Appendix D details the proposed additions to the capital programme with the related funding implications shown in table 11 below.

**Table 11: 2011/12 Capital Funding Changes**

Service	Grant	S106/ Other	Capital Receipts	Revenue	Borrowing	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Childrens Services	7	-	-	-	-	7
Commercial Services	-	-	151	-	-	151
Deputy Chief Executive Services	-	-	(510)	-	-	(510)
Environment, Planning & Regeneration	276	-	0	45	-	321
<b>Total General Fund Programme</b>	<b>283</b>	<b>-</b>	<b>(359)</b>	<b>45</b>	<b>-</b>	<b>(31)</b>

9.9.6 Cabinet Resources Committee are asked to approve the proposed capital additions totalling £0.533m in 2012/13 for Environmental, Planning and Regeneration (recommendation 1.10). Appendix D details the proposed additions to the capital programme with the related funding implications shown in table 12 below.

**Table 12: 2012/13 Capital Funding Changes**

Service	Grant	S106/ Other	Capital Receipts	Revenue	Borrowing	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Environment, Planning & Regeneration	25	508	-	-	-	533
<b>General Fund Programme</b>	<b>25</b>	<b>508</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>533</b>

## **9.10 Performance on Key Projects, including those in the One Barnet Programme**

9.10.1 Further details of the key projects can be found in Appendix A.

### **9.11 Barnet Homes Leaseholder Contributions**

9.11.1 Barnet Homes collects Leaseholder contributions towards the cost of improvements and major works in the council's social housing stock. The fall in major works debt overall is due to a reduction in the value of projects being undertaken post-Decent Homes, leading

to lower start of works invoice values (start of works invoices are generally but not exclusively billed at 90% of the total estimated works value) compared to the previous financial year which was particularly impacted by start of works invoicing for the Granville Road Tower Blocks programme.

9.11.2 This scheme is largely responsible for the increase in debt over 1 year old. Due to the exceptionally high values involved in this project (£23k per unit, estimated total leaseholder value £899k) the Leaseholder Services team have been working closely with the leaseholders to explore the most viable and sustainable payment options and will continue to do so once the interim accounts are billed now that works have completed on site. Collection rates for major works projects generally continue to be high and are continuously improving.

**Table 13: Leaseholder – Major Works Debt Comparison**

Age of Debt	As at 31/03/11 £'000	As at 31/03/12 £'000
Under 6 months	1,820	382
Between 6 months and 1 year	468	58
Over 1 year	904	1,900
<b>Total</b>	<b>3,192</b>	<b>2,340</b>

## 9.12 Provision for Bad Debt

9.12.1 The Bad Debt provision as at 31 March 2012 is £24.591m. This reflects the estimated proportion of all short-term debt which, based on historical loss experience, will not be recovered. A breakdown of this figure is shown in table 14 below.

**Table 14: Provision for Bad Debt**

Service	2010/11 Provision required balance B/FWD £'000	2011/12 Provision required balance C/FWD £'000	Movement £'000	Write offs / special adjustments £'000	Variance %
Adult Social Care	740	889	149	(378)	20%
Childrens Services	127	111	(16)	(16)	-13%
Corporate	102	50	(52)	(141)	-51%
E&O	269	189	(80)	(111)	-30%
Hous GF	4,150	4,417	267	(248)	6%
Planning	97	23	(74)	(17)	-76%
Parking	-	249	249	-	-
<b>General Fund Total</b>	<b>5,485</b>	<b>5,928</b>	<b>443</b>	<b>(911)</b>	<b>8%</b>
HRA	1,822	1,758	(64)	-	-4%
Collection Fund	14,106	13,254	(852)	-	-6%
<b>Grand Total</b>	<b>21,413</b>	<b>20,940</b>	<b>(473)</b>	<b>(911)</b>	<b>-2%</b>

### 9.13 Agency Staff

9.13.1 Table 15 shows a service breakdown of all Agency Staff expenditure in the financial year 2011/12.

**Table 15: Agency Staff Costs**

Directorate	2010/11	Quarter 1 2011/12 ***	Quarter 2 2011/12 ***	Quarter 3 2011/12 ***	Quarter 4		
	Total Agency & Consultants expenditure £'000	Total Agency & Consultants expenditure £'000	Total Agency & Consultants expenditure £'000	Total Agency & Consultants expenditure £'000	Agency Spend £'000	Consultants Spend £'000	Total Agency and Consultants Expenditure* £'000
Adult Social Care	2,218	200	512	451	579	238	817
Chief Executive' Service	1,025	134	262	355	647	486	1,133
Childrens' Services	8,241	455	3,196	3,193	1,103	2,595	3,698
Commercial **	3,273	309	768	807	717	1,693	2,410
Corporate Governance	234	72	50	81	210	9	219
Deputy Chief Executive	2,867	584	880	648	431	4	435
Environment, Planning & Regeneration	5,244	2,200	1,106	735	588	794	1,382
<b>Totals</b>	<b>23,102</b>	<b>3,954</b>	<b>6,774</b>	<b>6,270</b>	<b>4,275</b>	<b>5,819</b>	<b>10,094</b>

\* Data as at 31st March 2012 includes revenue (£5.255m) and capital spend (£4.839m)

\*\* Commercial includes "One Barnet" project expenditure £0.182m (Agency) and £1.628m (Consultants).

\*\*\* Qtr's 1, 2, and 3 have been adjusted to account for previous year outstanding commitments and after date manual changes in year.

### 9.15 Virements

In accordance with the financial regulations the following virements require member approval (recommendation 1.11) and are detailed further in Appendix F.

9.15.1 There are a number of virements, they are detailed below :-

- £2.765m is requested within the Commercial Directorate to re-align the budgets within Information systems. There is a nil impact on the service budgets.
- £16.506m is requested within the Housing service to realign the budget to reflect the transfer of Housing Needs and Resources to The Barnet Group. There is a nil impact on the service budgets
- £25.037m is requested within the Special Parking Account to realign the budget to reflect the transfer of Parking Services to an External Service Provider (NSL). There is a nil impact on the service budgets.
- £0.195 is requested within the Hendon Cemetery and Crematorium service to realign the budget to reflect the restructure of the service team and consequent increased income opportunities. There is a nil impact on the service budgets.
- A recurrent virement is requested for £0.220m in 2012/13 from the following services listed below to Adult Social Care & Health to consolidate budgets in respect of payments to be made to Your Choice Barnet:
  - Payroll (£0.030m)
  - Information Systems (£0.110m)
  - Human Resources (£0.010m)
  - Finance (£0.070m)
- £0.537m is requested as part of the customer services transformation programme for 2012/13 (£0.657 full year effect for 2013/14 onwards). As part of this programme a number of functions are transferring from service departments below into the customer services team:

- £0.171m Parking in 2012/13 (full year effect of £0.187m for 2013/14 onwards).
- £0.050m Youth in 2012/13 (full year effect to be confirmed for 2013/14 onwards).
- £0.316m Adults in 2012/13 (full year effect of £0.470m for 2013/14 onwards).

The budgets associated with these functions need to be transferred into the customer services team.

## **9.16 Movements to and from contingency**

9.16.1 Approval is requested for the following contingency transfers for 2012/13 and on-going:

- £0.500m from contingency for 2012/13 and on-going be approved to fund the Leisure budget pressure that has arisen pending the implementation of the Leisure Review.
- £0.210m from contingency for 2012/13 and on-going be approved for Environment Planning & Regeneration to fund the additional duties the Flood Risk Regulations 2009 (FRR 2009) and the Flood and Water Management Acts 2010 (FWMA 2010) have put on the Council. The Department for Environment, Food and Rural Affairs (DEFRA) have allocated additional funding to enable the discharging of these duties.

## **9.17 Drawdown from Reserves**

9.17.1 The One Barnet programme has created capacity within the Council to run a significant programme of change. As was stated in the Business Plan for 2012/13 to 2014/15 (approved by Cabinet on 20 February 2012), this corporate change programme is forecast to deliver over £16m in base budget savings by 2014/15. This will have been achieved through significant changes to the way in which public services are delivered in Barnet, such as the creation of a Local Authority Trading Company.

9.17.2 At Cabinet on 20 February 2012, the extension of this corporate change programme to include 5 new major projects was approved. These are forecast to deliver £11.7m in base budget savings by 2014/15.

9.17.3 The five new projects are focussed on:

- Community Safety,
- Early Intervention,
- Health Integration and Demand Management,
- Strategic Review of Leisure and
- Street Scene.

The first iteration of business cases for each of these five projects is now being developed. These 'Strategic Outline Cases' have been developed with input from elected members, the public, Council staff and those of partner organisations. They explore how we can effectively manage demand for public services through the promotion of healthy and safe individuals and communities, people taking responsibility for their own actions, local involvement in - and tailoring of - support, and a well designed public realm.

9.17.4 This management of demand is an essential element of delivering significant savings within the Council's future business plans, which are likely to be set against the backdrop of an even more challenging spending review for 2014/15 onwards. Approval at this stage is requested for funding to develop business cases for these projects, further funding will be contingent on the approval of these subsequent business cases.

9.17.5 In addition to the five new projects, it is proposed that three 'enabling' projects are also run. The first is the implementation of the Information Management Strategy, which will ensure that information management policy is implemented so that it consistently reflects best practice and complies with relevant legislation. The second is the extended improvements to our Customer Services, which includes the centralisation of customer services functions in services as diverse as Adult Social Care and Health and Revenue and Benefits.

9.17.6 The third project is the reorganisation of the Council's staffing structure. The restructuring was approved at General Functions in April 2012. It delivers significant revenue savings by reducing the number of senior posts in the organisation and strengthens the Councils contracting and delivery arrangements. Further details are contained in the General Functions Report.

9.17.7 These projects will, together, ensure that the Council is operating in the business-like and effectively managed manner required to ensure that we realise the ongoing financial and non-financial benefits of the One Barnet programme and that we can deliver the improvements identified in the new projects' business cases. Supporting all of the above is the continued running of the Council's programme management office.

9.17.8 To ensure the adequate funding of this enhanced programme of change, £10m is being added to the Transformation Reserve. Cabinet Resources Committee are asked to approve the expenditure of £6.140m of this within 2012/13, to fund the initiatives described above. The table below provides a breakdown of the predicted use of this money. The requested sum includes the totality of funding required for the three enabling projects and the Health Integration and Demand Management project. It also includes the funding for the development of Outline Business Cases for the other projects, and the funding of the programme management office through the year.

**Table 16: Drawdown from Reserves**

<b>Project</b>	<b>Forecast Funding Required (2012-15)</b>	<b>Specific amount to be approved by CRC on 20/06/2012</b>
	<b>£m</b>	<b>£m</b>
Early Intervention	£1.1	£0.0
Health and Social Care Integration	£1.1	£1.1
Community Safety	£1.0	£0.149
Street Scene	£2.1	£0.191
Programme Management Office	£2.2	£1.8
Corporate Restructure	£0.9	£0.9
Customer Services Transformation	£1.4	£1.4
Information Management Strategy	£0.6	£0.6
Contingency	£0.6	£0.0
<b>Total</b>	<b>£11.000</b>	<b>£6.140</b>



**10. LIST OF BACKGROUND PAPERS**

10.1 None.

<b>Cleared by Finance (Officer's initials)</b>	<b>MC</b>
<b>Cleared by Legal (Officer's initials)</b>	<b>SCS</b>