
Meeting	Cabinet Resources Committee
Date	18 October 2012
Subject	Quarter 1 Monitoring 2012/13
Report of	Cabinet Member for Resources and Performance
Summary	To consider the Quarter 1 Monitoring 2012/13 report 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 – Revenue Monitoring Directorate Appendix C – Capital Programme Adjustments Appendix D – Capital Monitoring Analysis Appendix E – Virements Requiring Member Approval Appendix F – One Barnet Budgeted Projections Appendix G – Corporate Risk Register
For decision by	Cabinet Resources Committee
Function of	Executive
Reason for urgency / exemption from call-in	Not applicable
Contact for further information:	Catherine Peters, Head of Finance, Closing & Monitoring, 020 8359 7142

1. RECOMMENDATIONS

- 1.1 That Directors take appropriate action to ensure costs are kept within budget and income targets are met. (Paragraph 9.1.2)**
- 1.2 That Directors take appropriate action to improve performance against those corporate performance, Human Resources (HR), project, and risk measures where quarter one performance remains a challenge (Sections 9.3, 9.14, and Appendix A).**
- 1.3 That the following virements for this financial year and on-going be approved:**
- **£0.023m is requested within the Environment, Planning & Regeneration Directorate to re-align the budget across Traffic Development to ensure the budgets reflect the costs and nature of this service provision. There is a nil impact on the service's budget. (Paragraph 9.4.1)**
 - **£0.005m is requested within the Environment, Planning & Regeneration Directorate to re-align the Highways income budget to ensure it reflects the costs and nature of this service provision. There is a nil impact on the service's budget. (Paragraph 9.4.1)**
 - **£0.654m is requested to re-align employee insurance budgets within the Environment, Planning & Regeneration Directorate to reflect current staffing structures. There is a nil impact on the service's budget. (Paragraph 9.4.1)**
 - **£0.631m is requested within the Environment, Planning & Regeneration Directorate to re-align the Highways Inspection/Maintenance budgets. There is a nil impact on the service's budget. (Paragraph 9.4.1)**
 - **£0.171m is requested within the Chief Executive Directorate for 2012/13 (£0.187m full year effect from 2013/14 onwards) to re-align the budget across Customer Services to ensure the budgets reflect the costs and nature of this service provision. There is a nil impact on the service's budget. (Paragraph 9.4.1)**
 - **£0.722m is requested as part of the customer services transformation programme for 2012/13 (£0.963 full year effect for 2013/14 onwards) to transfer a number of functions, and the associated budgets, from the Revenues & Benefits Service into the Customer Services team. (Paragraph 9.4.1)**
- 1.4 That the following transfer from contingency for this financial year and on-going be approved:**
- **£0.500m on-going transfer from Contingency to Environment, Planning and Regeneration for 2012/13 and future years to fund pressures on planning and building control income. (Paragraph 9.5.1)**
- 1.5 That the following transfers from contingency for inflation for this financial year and on-going be approved (Paragraph 9.5.2):**
- **£1.311m for Adult Social Care**
 - **£0.014 for Chief Executive**
 - **£0.502m for Children's Service**
 - **£0.329m for Commercial Services**
 - **£0.747m for Environment, Planning and Regeneration**
- 1.6 That the Agency Costs for the first quarter be noted. (Paragraph 9.6.1)**

- 1.7 That the write off of debts for:**
- **Council Tax of £0.206m; and**
 - **Business Rates debts of £0.839m approved under the Chief Finance Officer's authority be noted. (Paragraphs 9.7.2)**
- 1.8 That Directors ensure that those capital projects in their services are managed closely to ensure they are delivered within budget and in accordance with the agreed timeframe. (Paragraph 9.8.1)**
- 1.9 That the proposed 2012/13 capital additions/deletions totalling £1.423m and slippage of £1.970m as set out in Table 5 and Appendix C and the related funding implications summarised in table 6 be approved.**
- 1.10 That the proposed 2013/14 capital additions/deletions totalling £0.894m and related funding implications as set out in table 7 and appendix C be approved.**
- 1.11 That the Corporate Risk Register at Appendix G be noted.**
- 1.12 That the following proposed drawdowns from the Transformation Reserves are approved:**
- **£0.627m to fund the increased costs of Wave 1 Projects. (Paragraph 9.13.1)**
 - **£0.227m to fund the development of Strategic Outline Case for the Early Intervention Project. (Paragraph 9.13.3)**
 - **£0.232m to fund the development of Outline Business Case for the Strategic Review of Sports and Physical Activity. (Paragraph 9.13.4)**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Council, 6 March 2012 (Decision item 4.1.1) – approved the Council Budget and Council Tax 2012/2013.**
- 2.2 Cabinet Resources Committee, 20 June 2012 (Decision item 9) – approved the 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 Relevant Council strategies and policies include the following:**
- **Corporate Plan 2012-13;**
 - **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 risk 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 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. 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 projected overspend of £2.738m is forecast to reduce General Fund balances from £15.780m to £13.042m. The General Fund balances are therefore forecast to fall below the recommended target level of £15m. Service recovery plans should be aiming to ameliorate any significant budget variances and bring the forecast level of balances back up to the recommended level.

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, states in paragraph 3.6 the functions of the Cabinet Resources Committee including:

- Monitor the trading position of appropriate Council services, carry out debt analysis and look at income sources and charging policies;
- To write off debt;
- To determine external or cross-boundary trading limit; and
- 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 2012/13 Revenue Monitoring

9.1.1 Table 1 below provides a summary of the 2012/13 outturn analysis compared to the revised budget position. As at the end of Quarter 1 the actual net General Fund spend was £88.772m. This represents 32% of the revised budget. The position for the end of the year has been forecast and it is currently anticipated that this will be an overspend of £2.738m. A breakdown of revenue monitoring by each service directorate is set out in Appendix B.

Table 1: 2012/13 Revenue Quarter 1 Analysis – Summary

Description	Original Budget £'000	Revised Budget as at 30/06/12 £'000	Forecast Outturn as at 30/06/12 £'000	Forecast Outturn Variation as at 30/06/12 £'000	2011/12 Outturn £'000	Performance			
						Green	Green Amber	Red Amber	Red
Adult Social Care	95,815	95,733	95,734	1	98,896	5	1	-	-
Central Expenses	63,143	61,549	61,549	-	59,345	-	-	-	-
Chief Executive	16,131	16,949	17,299	350	10,819	2	-	1	2
Childrens Services (net of DSG)	57,701	57,614	57,616	2	56,423	1	3	-	1
Commercial Services	14,363	14,162	14,860	698	15,851	3	1	-	-
Corporate Governance	5,859	5,800	5,807	7	5,678	-	-	-	1
Deputy Chief Executive	5,505	6,130	6,130	-	12,987	1	2	-	4
Environment, Planning & Regeneration	22,472	23,011	24,691	1,680	25,601	5	-	1	3
Total 2010/11 General Fund Forecast	280,989	280,948	283,686	2,738	285,600	17	7	2	11
Allocations agreed from GF Balances	-	-	-	-	-	-	-	-	-
General Fund Balances as at 01/04/12	-	-	-	(15,780)	-	-	-	-	-
Projected General Fund Balances (excluding schools balances) at 31/03/13	-	-	-	(13,042)	-	-	-	-	-

Description	Original Budget £'000	Revised Budget as at 30/06/12 £'000	Forecast Outturn as at 30/06/12 £'000	Forecast Outturn Variation as at £'000
Housing Revenue Account	-	-	(3,172)	(3,172)

9.1.2 Directors are reminded that they are accountable for any budget variations within their services and the associated responsibility to ensure costs and income are managed within agreed budgets. To ensure this is successfully achieved, it is essential that

Directors develop action plans for all significant emerging variances, with the aim of ensuring that overall expenditure is kept within their total budget available.

9.2 Commentary about Revenue Outturn

9.2.1 The Council's overall position has declined since setting the Budget. The quarter 1 forecast has resulted in a projected overspend of £2.738m. The Council's forecast level of balances have fallen below the recommended level of £15m, and are currently projected to be £13.042m. Service recovery plans should be aiming to ameliorate any significant budget variances and bring the forecast level of balances back up to the recommended level.

9.2.2 Specific areas for concern are in the Chief Executive, Commercial Services, and Environment, Planning and Regeneration Directorates.

9.2.3 The Chief Executive Directorate is forecasting an overspend of £0.350m which includes the following movements:

- Assistant Chief Executive Service are forecasting an overspend of £0.073m as a result of less income than anticipated.
- Library Services are projecting an overspend of £0.100m due to higher than anticipated staffing costs.
- A Customer Services and Registration overspend of £0.150m due to some delays in programme implementation.

9.2.4 The forecast overspend in Commercial Services of £0.698m is primarily due to the following:

- Property services and asset management have forecast an overspend of £0.739m which is due to overspends on business rates (assessments are currently being reviewed); high security costs and also some shortfall in income.

9.2.5 The forecast overspend in Environment, Planning & Regeneration of £1.680m is due to the following:

- The Special Parking account has a projected overspend of £1.220m. Parking recovery plans are being developed and initial steps have been taken for the introduction of discounted parking vouchers for sale through retailers.
- Car park income has been affected by the impacts of the recession and this has resulted in a forecast overspend of £0.604m. Tariffs are being reduced in September to increase usage and credit card machines are to be introduced into car parks in the winter.
- A shortfall is projected on professional fee income and there is early pressure on responsive highways repairs resulting in a forecast overspend of £0.311m.
- Recycling income projection has been reduced due to lower prices being received for aluminium and plastics. In addition there is cost pressure from contract inflation. This has resulted in a forecast overspend of £0.268m
- A delay in the implementation of the Central Management System (CMS) has resulted in a forecast overspend of £0.225m.
- The overspends are being managed by higher than expected income of £0.313m, staff vacancies of £0.230m, a Street scene/waste vehicle leases forecast underspend of £0.154m and a Housing forecast underspend of £0.313m.

The figures above are as at the end of June 2012 position, they do not however reflect the anticipated impact of the Parking recovery plan, which has been put in place by the Directorate and is expected to improve the outturn position by approximately £1.02m.

9.2.6 Specific areas for concern (highlighted above) are high risk areas and it is important to ensure the budget and performance of the service is managed so it is not a continuing budget pressure into next year's budget.

9.2.7 Of the £13.301m of savings that the council needed to deliver as part of the 2012/13 budget setting process, £1.937m are still being identified as high risk. The remainder have been implemented or are on course to being implemented in line with original timescales. For the high risk savings, alternative proposals or action plans are being developed by services.

Table 2: Savings Monitor – key risks and remaining issues outstanding

Service	Service area	Savings Type	Description of saving	2012/13 £'000
Adult Social Care	Across Services	Efficiencies	Efficiencies through joint procurement with the NHS for Continuing Health Care.	(200)
Chief Executive	Libraries	Efficiencies	Implementation of RFID self-service in all sites (for book loans and issues).	(60)
Chief Executive	Libraries	Efficiencies	Shared services partnership. To consider options to work with another local authority, including a review of the home and mobile library service, schools library service, and provision of online resources.	(25)
Chief Executive	Libraries	Efficiencies	Delivery of library strategy - cessation of LBB run library within Hampstead Garden	(85)
Chief Executive	Libraries	Efficiencies	Creation of new landmark library in Arts Depot.	(100)
Chief Executive	Libraries	Income	Increasing fees and charges, using vending machines, selling merchandise.	(20)
Chief Executive	Revenues and Benefits	Efficiencies	R&B restructure for 2012/13.	(35)
Chief Executive	Revenues and Benefits	Efficiencies	R&B restructure for 2012/13 Reductions in staffing budget as a result of assorted initiatives re customer self service and other strategic proposals for new service delivery.	(265)
Commercial Services	IS	Efficiencies	Further review of contracts and supplier costs on consolidation (IS).	(20)
Commercial Services	IS	Efficiencies	IS Transformation - Reduced supplier costs.	(95)
Commercial Services	IS	Efficiencies	IS Transformation - Reduced software licensing costs.	(76)
Commercial Services	Procurement	Efficiencies	Review of Council contracts.	(440)
Commercial Services	Estates	Efficiencies	Reduction in costs of maintaining properties pending sale.	(120)
Commercial Services	Estates - Mill Hill depot	Efficiencies	Savings in Facilities Management and Security from relocation of depot.	(10)
Commercial Services	Estates - Property Services	Efficiencies	Property Services - increased charging to services and projects	(10)
Commercial Services	Estates - Public offices	Income	Office consolidation	(170)
Environment, Planning & Regeneration	Highways	Service Reductions	Reprofiling the new column installation programme for street lighting and investing the saving in new technology to include energy measures which will reduce energy consumption.	(200)
Environment, Planning & Regeneration	Revenue Income Optimisation	Income	Charging for parking in the boroughs 7 remaining free car parks.	(6)
Total				(1,937)

9.3 **Q1 performance against the 2011/13 Corporate Plan Indicators (CPIs)**

9.3.1 There are 50 CPIs in the 2011-13 Corporate Plan. In quarter 1, 38 of these reported data. Of these, 47.4% of targets were met (18 targets rated green) and 52.6% were missed (20 targets rated red, red-amber or green amber) in quarter 1. This is compared to quarter 4 where 44% were met and 56% were not met.

9.3.2 Key performance issues in quarter one are:

- There has been an increase in the amount of time spent by households in **emergency accommodation** from 25.8 to 26.8 weeks.
- Satisfaction with **face to face** customer services is low, with 63.1% of customers asked saying they are satisfied with the service they received.
- The corporate indicator for **complaints** is red, with 63.4% of all complaints responded to within policy guidelines against a target of 80%.
- 17.2% of staff have not had their individual end of year performance reviews completed against a target of 0%. Nearly 25% of staff have not had their objectives for 2012/13 completed and signed off against a corporate target of 0%.
- Overall **Staff absence** levels remain above the target of 6 days at 7.5 days over the last 12 months.
- Performance within **Customer Services** is below the target with 63.4% of calls answered in 20 seconds against a target of 75%.
- There was small reduction in the **recycling** rate from 34.8% to 33.6%, against a target of 36.7%.
- 76.7% of **FOIs** are responded to within the allocated timescale. This represents a small improvement in FOI performance since quarter 1, but performance remains below the corporate target of 90%.

9.3.3 A summary of performance against corporate priorities can be found in Appendix A. Detailed performance reports for each council directorate are published on the council's website: http://www.barnet.gov.uk/info/930240/service_performance/324/service_performance.

9.4 **Virements**

9.4.1 In accordance with the financial regulations the following virements require member approval (Recommendation 1.3) and are detailed further in Appendix E:

- £0.023m is requested within the Environment, Planning & Regeneration Directorate to re-align the budget across Traffic Development to ensure the budgets reflect the costs and nature of this service provision. There is a nil impact on the service's budget.
- £0.005m is requested within the Environment, Planning & Regeneration Directorate to re-align the Highways income budget to ensure it reflects the costs and nature of this service provision. There is a nil impact on the service's budget.
- £0.654m is requested to re-align employee insurance budgets within the Environment, Planning & Regeneration Directorate to reflect current staffing structures. There is a nil impact on the service's budget.
- £0.631m is requested within the Environment, Planning & Regeneration Directorate to re-align the Highways Inspection/Maintenance budgets. There is a nil impact on the service's budget.
- £0.171m is requested within the Chief Executive Directorate for 2012/13 (£0.187m full year effect from 2013/14 onwards) to re-align the budget across Customer Services to ensure the budgets reflect the costs and nature of this service provision. There is a nil impact on the service's budget.
- £0.722m is requested as part of the customer services transformation programme for 2012/13 (£0.963 full year effect for 2013/14 onwards) to transfer a number of functions, and the associated budgets, from the Revenues & Benefits Service into the Customer Services team.

9.5 Movements to and from Contingency

9.5.1 The Environment, Planning and Regeneration directorate are requesting a base budget transfer for 2012/13 and future years of £0.500m from contingency to fund pressures on planning and building control income due to the tough economic conditions currently experienced in the housing market (Recommendation 1.4).

9.5.2 Table 3 details the on-going inflation requests submitted by services (Recommendation 1.5). The inflation for Commercial Services relates to rates. Environment, Planning and Regeneration is due to the Street Lighting PFI contract, recycling, rates and highways responsive maintenance. Chief Executive's also relates to rates. Adults Social Services and Children's Services are due to contracts.

Table 3: Inflation per service area

Service	Inflation £'000
Adult Social Care	1,311
Chief Executives	14
Childrens Services	502
Commercial Services	329
Environment, Planning & Regeneration	747
Total	2,903

9.6 Agency Costs

9.6.1 The table below details all agency staff costs incurred for quarter 1 of 2012/13.

Table 4: Agency Costs to 30 June 2012

Service	2011/12	2012/13 Quarter 1		
	Total Agency & Consultants expenditure £'000	Agency Spend £'000	Consultants Spend £'000	Total Agency and Consultants Expenditure* £'000
Adult Social Care	1,980	584	41	625
Chief Executive	1,884	434	132	566
Childrens Services	10,542	669	662	1,331
Commercial Services**	4,294	526	453	979
Corporate Governance	423	100	1	101
Deputy Chief Executive	2,547	199	27	226
Environment, Planning & Regeneration	5,424	448	83	531
Totals	27,094	2,960	1,399	4,359

* Data as at 30th June 2012 includes revenue (£2.816m) and capital spend (£1.543m)

**Commercial includes "One Barnet" project expenditure £0.170m (Agency) and £0.446m (Consultants) for 12/13.

9.7 Write off of debt under Chief Finance officer's Authority

9.7.1 The constitution gives the Chief Finance Officer the authority, as an Executive function, to write-off individual debts up to £5,000, subject to discussion with the Assistant Director – Legal and through DPR. This action is then reported retrospectively to Cabinet Resources Committee.

9.7.2 The amount written off for Council Tax and Business Rates is £0.206m and £0.839m respectively.

9.8 2012/13 Capital Programme Monitoring

9.8.1 Directors are reminded they need to continue to ensure that capital projects are closely managed during 2012/13 to ensure that they are delivered within budget and in accordance with the agreed timeframe.

9.9 2012/13 Capital Monitoring Analysis

9.9.1 Table 5 gives a summary of the 2012/13 capital programme. The capital monitoring summary and scheme details by service directorate is set out in Appendix D.

Table 5: 2012/13 Capital Quarter 1 Analysis – Summary

Service	2012/13 Latest Approved Budget £'000	Additions/ Deletions recommended to Sept CRC £000	Slippage / Accelerated Spend recommended to Sept CRC £'000	2012/13 Budget (including Sept CRC) £'000	Forecast to year-end £'000	Variance from Revised Budget £'000
Adult Social Care	1,658	37	-	1,695	1,695	37
Central Expenses	2,178	-	-	2,178	2,178	-
Chief Executive	3,983	-	-	3,983	3,983	-
Childrens Services	51,010	1,337	-	52,347	52,347	1,337
Commercial Services	18,523	(75)	-	18,448	18,448	(75)
Corporate Governance	29	-	-	29	29	-
Deputy Chief Executive	-	-	-	-	-	-
Environment, Planning & Regeneration	24,321	124	(1,970)	22,475	22,475	(1,846)
General Fund Programme	101,702	1,423	(1,970)	101,155	101,155	(547)
HRA Capital	21,440	-	-	21,440	21,440	-
Total Capital Programme	123,142	1,423	(1,970)	122,595	122,595	(547)

9.10 Proposed changes to the 2012/13 Capital Programme

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

Table 6: 2012/13 Capital Funding Changes

Service	Grants £'000	S106 / Other £'000	Capital Receipts £'000	Revenue £'000	Borrowing £'000	Total £'000
Adult Social Care	-	-	37	-	-	37
Central Expenses	-	-	-	-	-	-
Chief Executive	-	-	-	-	-	-
Childrens Services	-	-	38	1,299	-	1,337
Commercial Services	-	-	(75)	-	-	(75)
Corporate Governance	-	-	-	-	-	-
Deputy Chief Executive	-	-	-	-	-	-
Environment, Planning & Regeneration	(1,411)	132	(190)	-	(377)	(1,846)
General Fund Programme	(1,411)	132	(190)	1,299	(377)	(547)
HRA Capital	-	-	-	-	-	-
Total Capital Programme	(1,411)	132	(190)	1,299	(377)	(547)

9.10.2 The main changes relate to:-

- Children’s service capital programme additions for the Dedicated Schools Grant (DSG) as agreed at the schools forum in Feb 2012 for Oakleigh 14 – 19 SEN (£0.880m), IS capital for Swift in Children’s service (£0.218m) and the Menorah Foundation primary places (£0.100m).
- Additions for Swift in Adults (£0.037m) and deletions in Commercial services (£0.075m)
- Additions to the Disabled Facilities Grant Mandatory (£1.243)m
- The programmes with slippage are; The Waste programme (£1.270m) and the General fund regeneration for Mill Hill (£0.700m). This spend is planned to be incurred in future years and has been re-profiled appropriately.

9.11 Proposed changes to the 2013/14 Capital Programme

9.11.1 Appendix C gives details of the proposed changes to the Capital Programme for 2013/14. These additions/deletions are within the Environment, Planning and Regeneration service for the Outer London Fund. Table 7 shows the related funding implications.

Table 7: 2013/14 Capital Funding Changes

Service	Grants £'000	S106 / Other £'000	Capital Receipts £'000	Revenue £'000	Borrowing £'000	Total £'000
Environment, Planning & Regeneration	655	26	-	-	213	894

9.12 Corporate Risk Register

9.12.1 The Corporate Risk Register is a summary of the main risks that the Council faces and describes the Control Actions put in place to mitigate these risks. The Corporate Risk Register can be found as Appendix G to this report.

9.13 One Barnet programme

9.13.1 Appendix F details the latest budgeted figures for each project currently in the One Barnet Programme. The total budget for Wave 1 Projects is £9.220m. To date, £7.275m has been spent, of which £0.914m has been spent in 2012/13 (the remainder was spent in 2010/11 and 2011/12). The total projected spend for the projects through to 2014/15 is £9.847m. This would result in an overspend of £0.627m. Cabinet Resources Committee are asked to approve an additional drawdown of £0.627m from the Transformation Reserve to fund the increased costs of the Wave 1 Projects (Recommendation 1.12).

9.13.2 The additional cost of the programme is driven by the timescales for the NSCSO and DRS projects, with contract start for these now expected to be in April and May 2013 respectively. Current projections show that there are combined savings over and above those in the Medium Term Financial Strategy (MTFS) from the NSCSO and DRS projects. The DRS procurement is an innovative contract that requires sufficient legal advice to ensure that the contract is robust and will deliver the best value for money for the Council.

9.13.3 Cabinet Resources Committee are asked to approve the drawdown of £0.227m from the Transformation Reserve, within 2012/13 to fund the development of Strategic Outline Case for the Early Intervention Project (Recommendation 1.12).

9.13.4 The forecasted funding required to fund the development of Outline Business Case for the Strategic Review of Sports and Physical Activity is £0.232m and Cabinet Resources Committee is asked to approve the drawdown of this from the Transformation Reserve within 2012/13 (Recommendation 1.12).

9.13.5 A key contract supporting the work of the One Barnet programme is the 'Implementation Partner' contract. This was awarded to Agilisys (working with iMPower) for a 3 year period through to November 2013.¹ This contract has provided the council with access to the wide range of specialisms required to run a complex organisational change programme, such as commercial and business case expertise.

9.13.6 The 'One Barnet Framework'² specified that *"the number and complexity of projects will evolve as benefits are realised and the scope of further work needed to deliver the programme objectives becomes clearer."* This has been the case, and this has been reflected in a broad range of work being commissioned through the Implementation Partner contract. Cabinet Resources Committee are advised that this has amounted to £3.9 million of work to date (figures as of 3rd August, 2012). To date, the Council has committed to £5.6m of further work as a result of future business cases.

9.13.7 Through this broad input into the One Barnet programme, the Implementation Partner has played a key role in the successful achievement of the programme's benefits. The programme is currently on track to deliver c.£111 million in savings, which exceeds the original forecast of £103 million. The programme is also on track to deliver the large majority of its non-financial benefits. As of July 2012, 93% of the programme's 115 identified benefits had either been delivered, were on track for delivery without requiring significant corrective action. On this basis, it can be clearly shown that the contract is delivering positive outcomes for the Council in line with expectations when it was awarded. Consequently, it is perceived to be providing good value for money.

9.14 Key projects, including One Barnet programme

9.14.1 In quarter 1 there are a total of 56 projects, five of which are reporting as red and in the case of one, no information has been submitted to Corporate Project Assurance. The projects rated as red are listed below:-

1. Depot Relocation – Commercial Service
2. SOC Eye Maps Replacement – Commercial Service (IS)
3. Blesses Dominic Temporary Accommodation – Children's Service
4. Summerside Primary FSU Refurbishment – Children's Service

10. LIST OF BACKGROUND PAPERS

10.1 None.

Cleared by Finance (Officer's initials)	MC / JH
Cleared by Legal (Officer's initials)	SS

¹ Delegated Powers Report serial no. 1134.

² Approved by Cabinet, 29 November 2010, Decision 6.