

MEETING

PERFORMANCE AND CONTRACT MANAGEMENT COMMITTEE

DATE AND TIME

TUESDAY 28TH NOVEMBER, 2017

AT 7.00 PM

VENUE

HENDON TOWN HALL, THE BURROUGHS, LONDON NW4 4BG

**TO: MEMBERS OF PERFORMANCE AND CONTRACT MANAGEMENT COMMITTEE
(Quorum 3)**

Chairman: Councillor Anthony Finn BSc (Econ) FCA
Vice Chairman: Councillor Sury Khatri BSc (Hons) MSc (Lond)

Councillor Jess Brayne	Councillor Kathy Levine	Councillor Arjun Mittra
Councillor Geof Cooke	Councillor John Marshall	Councillor Barry Rawlings
Councillor Joan Scannell	Councillor Shimon Ryde	Councillor Peter Zinkin

Substitute Members

Gabriel Rozenberg	Lisa Rutter	Caroline Stock
Alison Moore	Paul Edwards	Dr Devra Kay

In line with the Constitution's Public Participation and Engagement Rules, requests to submit public questions or comments must be submitted by 10AM on the third working day before the date of the committee meeting. Therefore, the deadline for this meeting is Thursday 23rd November at 10AM. Requests must be submitted to Salar Rida 020 8359 7113 salar.rida@barnet.gov.uk

**You are requested to attend the above meeting for which an agenda is attached.
Andrew Charlwood – Head of Governance**

Governance Service contact: Salar Rida 020 8359 7113 salar.rida@barnet.gov.uk

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ASSURANCE GROUP

ORDER OF BUSINESS

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1.	Minutes of the Previous Meeting	5 - 10
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3.	Declarations of Members Disclosable Pecuniary Interests and Non-Pecuniary Interests	
4.	Report of the Monitoring Officer (if any)	
5.	Public Questions and Comments (if any)	
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12.	Any Other Items that the Chairman Decides are Urgent	
13.	Motion to Exclude the Press and Public	
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Decisions of the Performance and Contract Management Committee

12 September 2017

Members Present:-

AGENDA ITEM 1

Councillor Anthony Finn (Chairman)
Councillor Sury Khatri (Vice-Chairman)

Councillor Shimon Ryde
Councillor Peter Zinkin
Councillor John Marshall
Councillor Joan Scannell
Councillor Kathy Levine
Councillor Geof Cooke
Councillor Barry Rawlings
Councillor Arjun Mittra

Also in attendance

Councillor Paul Edwards (substitute)

Apologies for Absence

Councillor Jess Brayne

1. MINUTES OF THE PREVIOUS MEETING

The Chairman, Councillor Anthony Finn opened the meeting.

It was **RESOLVED** that the minutes of the previous meeting held on 4th July 2017, be agreed as a correct record.

2. ABSENCE OF MEMBERS

Apologies for absence were received from Councillor Jess Brayne who was substituted by Councillor Paul Edwards.

3. DECLARATIONS OF MEMBERS DISCLOSABLE PECUNIARY INTERESTS AND NON-PECUNIARY INTERESTS

The following interests were declared at the meeting:

Councillor	Agenda item(s)	Interests declared
John Marshall	7, 10	Non-pecuniary interest by virtue of being a Council appointed Director for Barnet Group, Your Choice 2 Barnet and Barnet Homes.
Sury Khatri	7	Non-pecuniary interest by virtue of being a Trustee of NW7 Hub which runs the Mill Hill Partnership Library.

Arjun Mittra	7, 10	Non-pecuniary interest by virtue of being tenant of Barnet Homes, currently working for the GLA and as a relative (his mother) owned a pre-school nursery which received funding through Barnet Council.
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4. REPORT OF THE MONITORING OFFICER (IF ANY)

None.

5. PUBLIC QUESTIONS AND COMMENTS (IF ANY)

The Committee noted the responses to the Public Questions which were published and circulated prior to the meeting. During the meeting, the Committee also received a number of supplementary questions from Mr John Dix which were responded to verbally by Officers.

6. MEMBERS' ITEMS (IF ANY)

There were none.

7. QUARTER 1 2017/18 PERFORMANCE MONITORING REPORT

The Chairman introduced the report. The Committee noted the new format of the performance monitoring report as adopted at its previous meeting.

Following a query from the Committee, Mr James Mass Assistant Director Community Wellbeing joined the table. Mr Mass provided an update on the challenges around finding suitable care packages in the community and the ongoing programme of work to address this.

In connection with the Corporate Indicator CPI AC/S25 (p. 37) it was agreed that the Questionnaire would be circulated to the Committee. **(Action)**

The Committee asked what measures have been taken in response to the fine which was issued for non-completion of the 2016 pension scheme return.

The Director of Resources, Anisa Darr informed the Committee about the actions taken to improve the administration of the scheme. She noted that the action plan has been reported to the Local Pension Board on 11 September 2017 and will be monitored on an ongoing basis.

It was noted that lessons learnt will be applied to other areas within the organisation. Ms Darr further explained that measures will be taken to ensure that generic email addresses will be used which can be monitored more easily in line with a list of deadlines for submission of various documents.

The Committee requested that the Benchmarking data be obtained and analysis to be completed to differentiate between inner and outer London Boroughs, in connection with

the data used for CP Indicator CG/S12 (RPS – Biannual, p.75). It was noted that this would in turn provide a more balanced comparison. **(Action)**

Officers noted the request from the Committee to provide information about the Council Tax collection from empty properties, both as a figure and as a percentage. **(Action)**

In relation to financial data and figures, the Committee requested that data be rounded up to the nearest pound. **(Action)**

The Committee requested that the Children, Education, Libraries and Safeguarding Committee consider two issues in respect of Family Services. **(Action)**

- How the quality of the social work practice is being monitored rather than the process (page 49) and
- What is being done to manage the performance regarding children in care with three children or more placements moves indicator (page 51)

In respect of agency staff within Adults and Communities, the Committee requested that the General Functions Committee consider the below. **(Action)**

- Recruitment and retention of staff related to strategic risk, STR001 (p. 109) and in light of the potential impact of Brexit.

It was **RESOLVED** that:

- 1. The Committee scrutinised the overall performance of the council, in relation to: the Corporate Plan; Theme Committee Commissioning Plans and Contracts; and (if necessary) made recommendations to other relevant committees on the policy and commissioning implications.**
- 2. The Committee noted the Q1 2017/18 revenue position, as detailed in paragraph A.12-A.13 and in Appendix B.**
- 3. The Committee noted the additions and deletions (which include virements) and accelerations and slippages in the capital programme, as detailed in paragraph A.14-A.15 and in Appendix C.**
- 4. The Committee noted the savings delivered in Q1 2017/18, as detailed in paragraph A.16.**
- 5. The Committee noted the agency costs for 2017/18, as detailed in paragraph A.17.**
- 6. The Committee noted the strategic risks, as detailed in paragraph A.25-A.29, and the corporate risk register which includes high level service/joint risks set out in Parts B and C and in full in Appendix A.**

8. PERFORMANCE OF THE CONTRACT FOR SPECIALIST INFORMATION ADVICE AND ADVOCACY

The Chairman welcomed and introduced the report which was requested by the Committee at its previous meeting.

Mr James Mass, Assistant Director Adults and Communities and Mr Sam Raffell, Care Quality Service Manager joined the table. Mr Raffell presented the report which sets out an overview of the performance of the Specialist Information Advice and Advocacy service contract provided by the Barnet CAB.

It was **RESOLVED**:

That the Committee noted the quality of performance of the Specialist Information and Advice service provided by Barnet Citizen's Advice Bureau.

9. PROCUREMENT - REVIEWING CHANGES TO WIDER PROCUREMENT PROCEDURES

Mr Chris Dawson, Procurement transformation lead (CSG) joined the meeting and presented this item to the Committee. The Committee highlighted the importance of engagement with providers, particularly in respect of transformation of data prior to contract end dates.

The Chairman moved a motion, which was seconded and agreed, to amend the wording of the second recommendation to read as follows:

*The Committee is asked to note that officers will **ensure** the implementation of the improvements that will be made to wider procurement procedures as set out under section 4 of this report.*

It was therefore **RESOLVED** that:

- 1. The Performance and Contract Management Committee noted the outcome of the procurement review.**
- 2. The Committee noted that officers will ensure the implementation of the improvements that will be made to wider procurement procedures as set out under section 4 of this report.**

10. THE BARNET GROUP ANNUAL REPORT 2016/17

The Chairman welcomed the annual report of The Barnet Group for 2016/17. Mr Troy Henshall, Chief Executive and Mr Mike Gerrard, Finance Director joined the table and presented the report.

Following a request from the Committee, Mr Gerrard stated that the introductory paragraph of the annual report will be amended to reflect the accurate position of the pension statement. **(Action)**

RESOLVED that:

The Performance and Contract Management Committee noted The Barnet Group Annual Report 2016/17.

11. COMMITTEE FORWARD WORK PROGRAMME

The Committee noted the standing item on the agenda which lists the business items for 2017-2018.

The Committee agreed to consider removing the 16th January 2018 and moving the standing item on Business Planning to the 27th February 2018 meeting. (**Action**)

RESOLVED:

That the Committee considered and commented as above on the items included in the 2017- 2018 work programme in Appendix A.

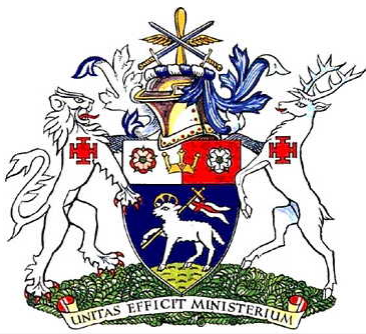
12. ANY OTHER ITEMS THAT THE CHAIRMAN DECIDES ARE URGENT

None.

The meeting finished at 9.59 pm

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AGENDA ITEM 7



Performance and Contract Management Committee

28 November 2017

Title	Treasury Management – Mid Year Review
Report of	Director of Resources
Wards	All
Status	Public
Urgent	No
Key	No
Enclosures	Appendix 1 Mid – Year Treasury Management Report
Officer Contact Details	George Bruce, Head of Treasury, CSG george.bruce@barnet.gov.uk - 0208 359 7126

Summary

Council approved the Treasury Management Strategy Statement (“TMSS”) for 2017-18 on 7th March 2017. The CIPFA Treasury Management Code of Practice requires a mid-year review of activities and compliance with the TMSS. The attached report demonstrates compliance with the limits contained within the TMSS.

Recommendations

The Performance and Contract Management Committee is invited to note the report.

1. WHY THIS REPORT IS NEEDED

- 1.1 The Chartered Institute of Public Finance and Accountancy’s (CIPFA) Code of Practice on Treasury Management (revised 2011) was adopted by this Council on 3 January 2003. The code requires an annual Treasury Management Strategy Statement (“TMSS”) to be approved by Council and

mid-year and annual out-turn reports to be prepared and scrutinised. Attached is the mid-year report for 2017-18.

- 1.2 The mid-year report is designed to discuss treasury progress against the activity projected in the TMSS and compliance with the limits set out therein.
- 1.3 The report indicates that capital expenditure is projected to be significant (£65.5 million) less than estimated in the TMSS and as a consequence the year-end projected gross debt is £394 million compared with the TMSS projection of £504 million. This lower debt projection also factors in reductions in cash balances to reduce the need for borrowing. Currently (as at 10 November) actual debt of £320 million is unchanged from the start of the year.
- 1.4 All the limits, including capital expenditure, borrowing and investment counterparty, set out in the TMSS have been complied with in the period.
- 1.5 Section 9 of the report highlights two issues of interest. Firstly, that CIPFA are consulting on revisions to the code of practice that will bring non-treasury investments within the scope of the 2018-19 TMSS.
- 1.6 Secondly, changes to European regulations, Markets in Financial Instruments Directive, will result in UK local authorities being reclassified to retail from professional investors, with an option to elect for professional status. As discussed in section 9.2 of the report, the Director of Resources has concluded that the procedures in place at the Council are sufficiently robust to enable the Council to forego the additional protections available to retail investors. The disadvantage of retail status is that our fund investments are only available to professional investors and the brokers and treasury advisors we use are not regulated to provide service to retail clients. The Council has made elections for professional status with all advisors, brokers and counterparties. These elections can be reversed at any time. In order to meet the requirements of professional investor status, training will be offered to the Committee (and the Policy & Resources Committee) in advance of seeking approval to the 2018-19 TMSS.

2. REASONS FOR RECOMMENDATIONS

- 2.1 The preparation and review of a treasury management mid-year review is required by CIPFA's treasury management Code of Practice.

3 ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

3.1 There are no proposed changes to the TMSS and no breaches to report.

4 POST DECISION IMPLEMENTATION

4.1 No action is required by Officers. Preparation of the 2018-19 TMSS is underway.

5 IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

5.1.1 The TMSS forms part of the Council's Corporate Plan for 2015-20.

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

5.2.1 The report discusses financial and budgetary issues.

5.2.2 There are no performance and value for money, staffing, IT, Property or Sustainability implications arising from this report.

5.3 Social Value

5.3.1 There are no social value issues in connection with the report.

5.4 Legal and Constitutional References

5.4.1 The Council's Constitution – Article 7 specifies the terms of reference of the Performance and Contract Management Committee to include "Specific responsibility for risk management and treasury management performance."

5.4.2 Section 15 of the Local Government Act 2003 requires local authorities 'to have regard (a) to such guidance as the Secretary of State may issue, and (b) to such other guidance as the Secretary of State may by regulations specify'. The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 in Regulation 24 require local authorities to have regard to the TM Code of Practice. Investment guidance issued by the Department for Communities and Local Government (DCLG) which came into effect from 1st April 2010 requires investment policy to emphasise security and liquidity over income.

5.5 Risk Management

5.5.1 The Council has the freedom to adopt its own treasury management policies. The CIPFA code of practice, which specifies the format and frequency of reporting, is part of the risk management procedures for treasury.

5.6 Equalities and Diversity

5.6.1 Treasury management is concerned with the affordability of borrowing and the

security of investments. Optimising the outcomes from treasury decisions contributes to the overall financial health of the Council.

The 2010 Equality Act outlines the provisions of the Public Sector Equalities Duty which requires Public Bodies **to have due regard** to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010
- advance equality of opportunity between people from different groups
- foster good relations between people from different groups

The broad purpose of this duty is to integrate considerations of equality and keep them under review in decision making, the design of policies and the delivery of services.

5.7 Consultation and Engagement

5.7.1 The TMSS forms part of the Corporate Plan and is consulted on as part of the plan.

6 BACKGROUND PAPERS

6.1 Full Council, 7 March 2017 – Business Planning, item 11.1 Appendix I

<https://barnetintranet.moderngov.co.uk/mgChooseDocPack.aspx?ID=8819>

**London Borough of Barnet
Treasury Management Strategy Statement
and Annual Investment Strategy
Mid-year Review Report 2017/18**

1 Background

The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before considering optimising investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

Accordingly, treasury management is defined as:

“The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

2 Introduction

The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2011) was adopted by this Council on 3 January 2003.

The primary requirements of the Code are as follows:

1. Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
2. Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
3. Receipt by the full council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a **Mid-year Review Report** and an Annual Report (stewardship report) covering activities during the previous year.
4. Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
5. Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Council the delegated body is Performance and Contract Management Committee:

This mid-year report has been prepared in compliance with CIPFA's Code of Practice on Treasury Management, and covers the following:

- An economic update for the first part of the 2017/18 financial year;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Council's capital expenditure (prudential indicators);

- A review of the Council's investment portfolio for 2017/18;
- A review of the Council's borrowing strategy for 2017/18;
- A review of compliance with Treasury and Prudential Limits for 2017/18.

No changes to the 2017/18 TMSS are proposed.

3 Economics and interest rates

3.1 Economics update

UK. After the UK economy surprised on the upside with strong growth in 2016, growth in 2017 has been disappointingly weak; quarter 1 came in at only +0.3% (+1.7% y/y) and quarter 2 was +0.3% (+1.5% y/y) which meant that growth in the first half of 2017 was the slowest for the first half of any year since 2012. The main reason for this has been the sharp increase in inflation, caused by the devaluation of sterling after the referendum, feeding increases in the cost of imports into the economy. This has caused, in turn, a reduction in consumer disposable income and spending power and so the services sector of the economy, accounting for around 75% of GDP, has seen weak growth as consumers cut back on their expenditure. However, more recently there have been encouraging statistics from the manufacturing sector which is seeing strong growth, particularly as a result of increased demand for exports. It has helped that growth in the EU, our main trading partner, has improved significantly over the last year. However, this sector only accounts for around 11% of GDP so expansion in this sector will have a much more muted effect on the average total GDP growth figure for the UK economy as a whole.

The Monetary Policy Committee (MPC) meeting of 14 September 2017 surprised markets and forecasters by suddenly switching to a much more aggressive tone in terms of its words around warning that Bank Rate will need to rise. The Bank of England Inflation Reports during 2017 have clearly flagged up that they expected CPI inflation to peak at just under 3% in 2017, before falling back to near to its target rate of 2% in two years' time. Inflation actually came in at 2.9% in August, (this data was released on 12 September), and so the Bank revised its forecast for the peak to over 3% at the 14 September meeting MPC. With unemployment falling to only 4.3%, the lowest level since 1975, and improvements in productivity being so weak, the amount of spare capacity in the economy was significantly diminishing towards a point at which the Bank needed to take action. In addition, the MPC took a more tolerant view of low wage inflation as this now looks like a common factor in nearly all western economies as a result of increasing globalisation. However, the Bank was also concerned that the withdrawal of the UK from the EU would effectively lead to a decrease in such globalisation pressures in the UK, and so would be inflationary over the next few years.

The Bank acted on the above concerns by increasing the Bank Rate to 0.5% on 1st November pointing to the reduced slack in the economy with unemployment at a 42 year low. The minutes of the meetings suggested that any future increases in Bank Rate would be expected to be at a gradual pace and to a limited extent. As at the start of October, short sterling rates are indicating that financial markets do not expect a second increase until May 2018 with a third increase in November 2019. However, some forecasters are flagging up that they expect growth to improve significantly in 2017 and into 2018, as the fall in inflation will bring to an end the negative impact on consumer spending power while a strong export performance will compensate for weak services sector growth. If this scenario were to materialise, then the MPC would have added reason to embark on a series of slow but gradual increases in Bank Rate during 2018. While there is so much uncertainty around the Brexit negotiations, consumer confidence, and business confidence to spend on investing, it is far too early to be confident about how the next two years will pan out.

EU. Economic growth in the EU (the UK's biggest trading partner) has been lack lustre for several years after the financial crisis despite the ECB eventually cutting its main rate to -0.4% and embarking on a massive programme of Quantitative Easing (QE). However, growth picked up in 2016 and now looks to have gathered ongoing substantial strength and momentum thanks to this stimulus. GDP growth was 0.5% in quarter 1

(2.0% y/y) and 0.6% in quarter (2.3% y/y). However, despite providing massive monetary stimulus, the European Central Bank is still struggling to get inflation up to its 2% target and in August inflation was 1.5%. It is therefore unlikely to start on an upswing in rates until possibly 2019.

USA. Growth in the American economy has been volatile in 2015 and 2016. 2017 is following that path again with quarter 1 coming in at only 1.2% but quarter 2 rebounding to 3.1%, resulting in an overall annualised figure of 2.1% for the first half year. Unemployment in the US has also fallen to the lowest level for many years, reaching 4.4%, while wage inflation pressures, and inflationary pressures in general, have been building. The Fed has started on a gradual upswing in rates with three increases since December 2016; and there could be one more rate rise in 2017 which would then lift the central rate to 1.25 – 1.50%. There could then be another four more increases in 2018. At its June meeting, the Fed strongly hinted that it would soon begin to unwind its \$4.5 trillion balance sheet holdings of bonds and mortgage backed securities by reducing its reinvestment of maturing holdings.

Chinese economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus; medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and credit systems.

Japan is struggling to stimulate consistent significant growth and to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy.

3.2 Interest rate forecasts

The Council’s treasury advisor, Capita Asset Services, has provided the following forecast:

	NOW	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
BANK RATE	0.50	0.50	0.50	0.50	0.50	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.25	1.25	1.25
3 month LIBID	0.40	0.40	0.40	0.40	0.40	0.60	0.60	0.60	0.70	0.90	0.90	1.00	1.20	1.20	1.20
6 month LIBID	0.45	0.50	0.50	0.50	0.60	0.80	0.80	0.80	0.90	1.00	1.00	1.10	1.30	1.30	1.40
12 month LIBID	0.65	0.70	0.80	0.80	0.90	1.00	1.00	1.10	1.10	1.30	1.30	1.40	1.50	1.50	1.60
5 yr PWLB	1.50	1.50	1.60	1.60	1.70	1.80	1.80	1.90	1.90	2.00	2.10	2.10	2.20	2.30	2.30
10 yr PWLB	2.10	2.10	2.20	2.30	2.40	2.40	2.50	2.60	2.60	2.70	2.70	2.80	2.90	2.90	3.00
25 yr PWLB	2.70	2.80	2.90	3.00	3.00	3.10	3.10	3.20	3.20	3.30	3.40	3.50	3.50	3.60	3.60
50 yr PWLB	2.40	2.50	2.60	2.70	2.80	2.90	2.90	3.00	3.00	3.10	3.20	3.30	3.30	3.40	3.40

Capita Asset Services undertook its last review of interest rate forecasts on 7th November after the quarterly Bank of England Inflation Report. The previous meeting of the MPC had increased the Bank Rate to 0.5% and indicated slow but gradual increases in the rate thereafter.

The overall balance of risks to economic recovery in the UK is currently to the downside but huge variables over the coming few years include just what final form Brexit will take, when finally agreed with the EU.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- UK economic growth and increases in inflation are weaker than we currently anticipate.
- Weak growth or recession in the UK's main trading partners - the EU and US.
- Geopolitical risks in Europe, the Middle East and Asia, which could lead to increasing safe haven flows.
- A resurgence of the Eurozone sovereign debt crisis.
- Weak capitalisation of some European banks.
- Monetary policy action failing to stimulate sustainable growth and to get inflation up consistently to around monetary policy target levels.

The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates include: -

- The pace and timing of increases in the Fed. Funds Rate causing a fundamental reassessment by investors of the relative risks of holding bonds as opposed to equities and leading to a major flight from bonds to equities.
- UK inflation returning to significantly higher levels causing an increase in the inflation premium inherent to gilt yields.

For LB Barnet with its significant capital expenditure plans and future borrowing requirements as set out in the 2017/18 TMSS, the expectation of interest rate increases but uncertainty as to extent and timing has implications for borrowing decisions.

4 Treasury Management Strategy Statement and Annual Investment Strategy update

The Treasury Management Strategy Statement (TMSS) for 2017/18 was approved by this Council on 7 March 2017. There are no policy changes to the TMSS; the details in this report update the position in the light of the updated economic position and budgetary changes already approved.

5 The Council's Capital Position (Prudential Indicators)

This part of the report is structured to update:

- The Council's capital expenditure plans;
- How these plans are being financed;
- The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow; and
- Compliance with the limits in place for borrowing activity.

5.1 Prudential Indicator for Capital Expenditure

This table shows the revised estimates for capital expenditure and the changes since the capital programme was agreed as part of the Budget.

Capital Expenditure	2017/18 as shown in TMSS £'000	2017/18 Approved budget £'000	2017/18 Revised Estimate £'000
Non-HRA	306,686	319,339	259,616
HRA	77,118	89,214	58,686
Total	383,804	408,553	318,302

There have been new additions to the capital programme of £4.8 million and projected slippage of £95.1 million (Non-HRA £71.1m and HRA £24.0m).

5.2 Changes to the Financing of the Capital Programme

The table below draws together the main strategy elements of the capital expenditure plans (above), highlighting the original supported and unsupported elements of the capital programme, and the expected financing arrangements of this capital expenditure. The borrowing element of the table increases the underlying indebtedness of the Council by way of the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision). This direct borrowing need may also be supplemented by maturing debt and other treasury requirements.

Capital Expenditure Financing	2017/18 as shown in TMSS £'000	2017/18 Approved budget £'000	2017/18 Revised Estimate £'000
Capital receipts	59,182	82,256	60,692
Capital Grants	56,124	77,170	58,225
Capital Reserves	47,554	37,531	26,528
Revenue	37,018	39,867	41,335
Total Financing	199,878	236,824	186,780
Borrowing requirement	183,926	171,729	131,522
	383,804	408,553	318,302

Projected changes for the capital programme have resulted in a reduced new borrowing requirement of £40.2 million.

5.3 Changes to the Prudential Indicators for the Capital Financing Requirement (CFR), External Debt and the Operational Boundary

The table below shows the CFR, which is the underlying external need to incur borrowing for a capital purpose. It also shows the expected debt position over the period, how this has changed compared with the estimate contained within the TMSS and the debt headroom based on the operational boundary for debt.

	31 March 2017 Actual	2017/18 as shown in TMSS	2017/18 Revised Estimate
Prudential Indicator - Capital Financing Requirement			
	£'000	£'000	£'000
CFR - Non Housing	234,415	409,939	341,181
CFR - Housing	201,614	228,145	216,157
Total CFR	<u>436,029</u>	<u>638,084</u>	<u>557,338</u>
Net movement in CFR		<u>202,055</u>	<u>121,309</u>
Prudential Indicator - the operational boundary for external debt			
	Actual	TMSS Projection	Revised Projection
	£'000	£'000	£'000
Borrowing	304,080	488,006	378,389
Other Long term liabilities	16,034	15,661	15,661
Total debt (year-end position)	<u>320,114</u>	<u>503,667</u>	<u>394,050</u>
TMSS Operational boundary		614,063	614,063
Debt headroom available		110,396	220,013

Due to slippage in the capital programme as noted above, the projected year end CFR has reduced by £80.7 million to £557.3 million.

The impact on projected debt is that the current forecast year-end borrowing is £378.4 million, which is an increase in the year of £73.9 million, much lower than the original increase projected of £183.6 million. It would not be a surprise if further slippage in the capital programme resulted in less year-end debt than projected above. Further details of the net debt position are given below.

5.4 Limits to Borrowing Activity

The first key control over the treasury activity is a prudential indicator to ensure that over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose. Gross external borrowing should not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2017/18 and the next two financial years. This allows some flexibility for limited early borrowing for

future years. The Council has approved a policy for borrowing in advance of need which will be adhered to if this proves prudent.

Estimate of the net debt position	31 March 2017 Actual £'000	As at 30 September 2017 £'000	2017/18 Revised Estimate £'000
Borrowing	304,080	304,080	378,389
Other long term liabilities	16,034	16,034	15,661
Treasury investments	-80,200	-100,000	-30,200
Net debt	<u>239,914</u>	<u>220,114</u>	<u>363,850</u>
CFR	436,029		557,338

The Director of Resources reports that no difficulties are envisaged for the current or future years in complying with this prudential indicator.

A further prudential indicator controls the overall level of borrowing. This is the Authorised Limit which represents the limit beyond which borrowing is prohibited, and needs to be set and revised by Members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

Authorised limit for external debt	2017/18 original indicator £'000	current position £'000	2017/18 Revised Estimate £'000
Borrowing	598,029	304,080	378,389
other long term liabilities	<u>31,034</u>	<u>16,034</u>	<u>15,661</u>
Total	629,063	320,114	394,050

* Includes on balance sheet PFI schemes and finance leases etc.

The projected year end position is significantly lower than the authorised limit for external debt.

6 Investment Portfolio 2017/18

In accordance with the Code, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite. As shown by forecasts in section 3.2, it is a very difficult investment market in terms of earning the level of interest rates commonly seen in previous decades as rates are very low and in line with the current 0.25% Bank Rate. The continuing potential for a re-emergence of a Eurozone sovereign debt crisis, and its impact on banks, prompts a low risk and short term strategy. Given this risk environment and the fact that increases in Bank Rate are likely to be gradual and unlikely to return to the levels seen in previous decades, investment returns are likely to remain low.

The Council held £100.0m of investments as at 30 September 2017 (£80.2m at 31 March 2017) and the investment portfolio yield for the first six months of the year is 0.39% against a 7 day LiBID benchmark) of 0.11%.

A full list of investments held as at 30th September 2017 is in appendix 1:

The Director of Resources confirms that the approved limits within the Annual Investment Strategy were not breached during the first six months of 2017/18.

The Council's budgeted investment return for 2017/18 is £1.7 million and performance for the year to date is significantly below budget with a projection of £0.5 million. Cash balances are being minimised to avoid taking on additional debt as was projected in the TMSS. The recent increase in bank rate offers the scope to earn additional interest.

The treasury team continues to abide by the counterparty limits set out in the TMSS. Daily reports on credit rating are received and monitored. The treasury portfolio is signed off daily by the Head of Treasury and all deals are approved by Capita before completion.

Investment Counterparty criteria

Although the current treasury plan is to minimise investment balances (and therefore minimise borrowing needs) there will always be core cash balances due to the prudence built into treasury forecasting and the need to ensure liquidity. As demonstrated above, treasury balances invested in traditional cash and money market instruments are generating minimal returns. The investment strategy currently allows investment in a wide range of non-cash asset classes; bonds, property, commodities (gold) and equity via collective funds. Depending on the structure of the investment, individual limits of £10 million or £25 million are permitted.

As yet no investments have been made in non-traditional asset classes. However, opportunities are currently being investigated to make selective investments in long term bonds, property and low risk multi asset funds. When making these types of investments the emphasis will remain on low volatility and liquidity. Individual investments into non-traditional collective funds will not exceed £5 million. Advice is taken from Capita Treasury Solutions in structuring and allocating treasury investments.

7 Borrowing

As indicated above the current projected capital programme for 2017-18 requires additional borrowing of £74.3 million. Over the three years of the TMSS to March 2020, debt funded capital expenditure was projected at £322 million. As at September 2017 no new debt has been raised and cash balances of £100 million remain significant.

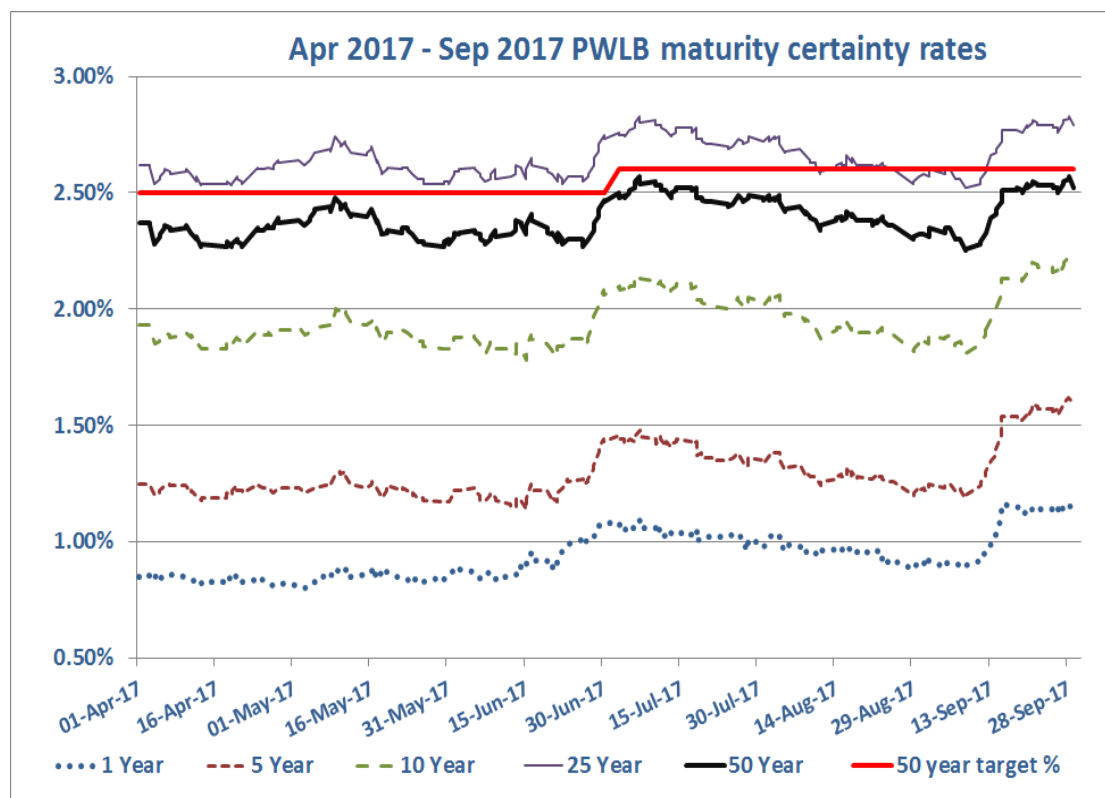
With Capita's projections in section three indicating that PWLB borrowing interest rates will gradually rise, consideration has been given to locking in borrowing rates to provide protection against increases in future costs. There are two reasons for not doing so; firstly the unpredictability of the scale and timing of the capital programme and secondly the cost of carrying excess cash with short term interest rate on high security investments yielding less than 0.5%.

Monitoring of both the capital programme and projections in interest rates are ongoing. Opportunities to fix borrowing rates for loans with a future commencement date are being investigated and it is anticipated that either new borrowing will be undertaken in 2017/18 or commitments will be entered into for future borrowing at agreed rates.

Historically, debt has been taken from both the PWLB and commercial banks, the latter being the LOBO loans. Opportunities to lock in future borrowing rates are not available through the PWLB but a number of insurance companies are interested in such arrangements, particularly for long term (20 year plus) debt.

The graph and table below show the movement in PWLB certainty rates for the first six months of the year to date:

PWLB certainty rates 1 April 2017 to 30 September 2017



The upward trend in rates is expected to continue as shown in 3.2. Therefore as soon as capital expenditure projections are seen as robust it would be prudent to fund, or at least part fund, to reduce the risks of increasing funding costs.

8 Debt Rescheduling

Debt rescheduling opportunities have been very limited in the current economic climate given the consequent structure of interest rates, and following the increase in the margin added to gilt yields which has impacted PWLB new borrowing rates since October 2010. No debt rescheduling has therefore been undertaken to date in the current financial year.

9 Other

9.1 Revised CIPFA Codes

The Chartered Institute of Public Finance and Accountancy, (CIPFA), is currently conducting an exercise to consult local authorities on revising the Treasury Management Code and Cross Sectoral Guidance Notes, and the Prudential Code. CIPFA is aiming to issue the revised codes during November.

A particular focus of this exercise is how to deal with local authority investments which are not treasury type investments e.g. by investing in purchasing property in order to generate income for the authority at a much higher level than can be attained by treasury investments. One recommendation is that local authorities should produce a new report to members to give a high level summary of the overall capital strategy and to enable members to see how the cash resources of the authority have been apportioned between treasury and non-treasury investments. Officers are monitoring developments and will report to members when the new codes have been agreed and issued and on the likely impact on this authority.

9.2 MIFID II

The EU has now set a deadline of 3 January 2018 for the introduction of regulations under MIFID II. These regulations will govern the relationship that financial institutions conducting lending and borrowing transactions will have with local authorities from that date. The Council has to date been classified as a professional investor. The classification is relevant to our treasury advisors and counterparties as they may have limitations on the types of clients they deal with and their client obligations (such as the format of reporting) varies depending on the status of each client.

Under revised MIFID II, local authorities will be classified as retail (the least able to understand financial products) investors. Our treasury advisors, brokers and some counterparties are not authorised to deal with retail investors. The regulations allow for local authorities to elect to be treated as professional investors. The Director of Resources has agreed that the Council should make this election. Information has been submitted to advisors, brokers and counterparties to substantiate our treasury, experience, expertise and procedures. Each of these parties will have to assess our competency. For the classes of investments we have used to date, it is likely that all our elections will be accepted. However, if we should seek to invest in asset classes for which we have little previous experience e.g. property, it is not certain that we will meet the criteria determined by counterparties for classification as professional investors.

Part of the justification for being treated as professional investors is that Councillors who sit on Committees that formulate and scrutinise treasury policy and activity are provided with training and receive advice from the Council's appointed treasury advisors. It is proposed that as part of the process for approving the treasury management strategy statement for 2018/19 training is provided to the members of the Policy and Resources Committee (responsible for the overall strategic direction of the Council's treasury management strategy) and members of the Performance and Contract Management Committee (responsible for scrutinising treasury management performance).


Investment Portfolio as at 30 September 2017

The table below lists the Council's treasury investments as at 30 September 2017.

	Balance £'000	Limit £'000	Long term credit rating (lowest)	Yield %	Maturity
Money Market Funds					
Federated Prime Rate	10,300	£25 million	AAA	0.20	daily
Aviva Liquidity	5,100	£25 million	AAA	0.18	daily
Invesco	8,600	£25 million	AAA	0.19	daily
Standard Life	11,000	£25 million	AAA	0.20	daily
Total Money Market	<u>35,000</u>				
Enhanced Cash Funds					
				Yield %	
Federated Prime Rate cash Plus	<u>20,000</u>	£25 million	AAA	0.53	one day notice
Local Authority Deposits					
				Yield %	
Lancashire County Council	5,000	£25 million		1.05	06-Nov-17
Stockport Metropolitan Borough Council	6,000	£25 million		0.30	22-Nov-17
Dudley Metropolitan Borough Council	5,000	£25 million		0.34	02-Jan-18
Total Local Authority	<u>16,000</u>				
Banks					
				Yield %	
Australian and New Zealand Banking Group	5,000	£25 million	AA3	0.22	31-Oct-17
Australian and New Zealand Banking Group	6,000		AA3	0.34	31-Jan-18
Goldman Sachs International Bank	17,500	£25 million	A	0.37	21-Dec-17
Bank of Scotland Call Account	500	£25 million	A	0.15	daily
Total Banks	<u>29,000</u>				
Total Investments	<u>100,000</u>				

In addition to the above, the Council's pension fund has cash balances of £1.9 million, mostly invested with Standard Life money market fund.

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	<p align="center">Performance and Contract Management Committee</p> <p align="center">28 November 2017</p>
<p>Title</p>	<p align="center">Quarter 2 2017/18 Performance Monitoring Report</p>
<p>Report of</p>	<p>Commercial Director</p>
<p>Wards</p>	<p>All</p>
<p>Status</p>	<p>Public</p>
<p>Urgent</p>	<p>No</p>
<p>Key</p>	<p>No</p>
<p>Enclosures</p>	<p>Appendix A: Corporate risk register Appendix B: Revenue forecast Appendix C: Capital forecast Appendix D: CSG contract benefit realisation tracking</p>
<p>Officer Contact Details</p>	<p>Alaine Clarke, Head of Performance and Risk alaine.clarke@barnet.gov.uk Gillian Clelland – Assistant Director of Finance (CSG) gillian.clelland@barnet.gov.uk</p>

<p>Summary</p>
<p>The report provides an overview of performance for Quarter 2 (Q2) 2017/18, including budget position for revenue and capital, progress on key activities, indicators that have not met target and management of high level risks, along with information on staffing, customer service and any variations in CSG and Re contracts. The report is structured into three parts:</p> <ul style="list-style-type: none"> • Part A: Overall performance (Corporate Plan) • Part B: Performance by Theme Committee (Commissioning Plans) • Part C: Contract performance for The Barnet Group, Cambridge Education, Customer and Support Group (CSG) and Regional Enterprise (Re).

Recommendations

1. The Committee is asked to scrutinise the overall performance of the council, in relation to: the Corporate Plan; Theme Committee Commissioning Plans and Contracts; and (if necessary) make recommendations to other relevant committees on the policy and commissioning implications.
2. The Committee is asked to note the Q2 2017/18 revenue position, as detailed in paragraph A.4-A.5 and in Appendix B.
3. The Committee is asked to note the additions and deletions (which include virements) and accelerations and slippages in the capital programme, as detailed in paragraph A.6-A.7 and in Appendix C.
4. The Committee is asked to note the savings delivered in Q2 2017/18, as detailed in paragraph A.8.
5. The Committee is asked to note the agency costs for 2017/18, as detailed in paragraph A.9.
6. The Committee is asked to note the strategic risks, as detailed in paragraph A.16, and the corporate risk register, which includes high level service/joint risks in Appendix A.

PART A: OVERALL PERFORMANCE (CORPORATE PLAN)

A.1 This report provides an overview of the council's performance and financial position, including progress on the top 15 key activities in the Corporate Plan. A summary of progress on these key activities is set out by Theme Committee below.

Children, Education, Libraries and Safeguarding Committee

1. **Delivering the family-friendly Barnet vision (Children's Services)** - after a recent Ofsted inspection Children's Services in Barnet are judged inadequate. A draft Improvement Action Plan setting out the Ofsted inspection findings, recommendations and a draft improvement plan was submitted at CELS Committee on 18 July 2017. The council is subject to intervention by the Department for Education (DfE) until services are improved. The DfE appointed Ms Frankie Sulke to be a Children's Commissioner for Barnet. She is due to report her findings in early December 2017. Her report will be considered by the Secretary of State who will give a statutory direction to the council about our improvement journey. The Children's Services Improvement Plan was submitted to Ofsted and the DfE on 13 October 2017. Ofsted has confirmed that the plan satisfactorily reflects the recommendations and priorities of the inspection report and will monitor its implementation. The first monitoring visit took place on 14 and 15 November 2017.
2. **Tackling gang activity** - the REACH¹ team has been established in partnership with MAC UK and is working alongside the youth work team to support vulnerable young people. The multi-agency approach to assessment and care planning has shown some early signs of improved assessment, including risk assessment, quality and

¹ REACH is a multi-professional and integrated core team within Family Services consisting of social work, clinical psychology, family therapy and youth work disciplines. It supports a specific cohort of children and young people who are subject to the greatest level of risk and vulnerability to improve their outcomes.

care planning; with children, young people and their families benefiting from a co-ordinated wrap-around response to meet their complex needs. The initial results will be tracked by Research in Practice to see whether this early impact has been sustained via the evaluation work that has now started. This work fits into the wider activity of the service involving Keeping Young People Safe, Targeted Youth Service, work with voluntary sector organisations, Youth Offending Team and the gangs panel.

Adults and Safeguarding Committee

3. **Implementing strength-based practice** – new programmes that support people with mental health and learning disabilities have continued to be embedded. Use of telecare in Barnet has been expanded with more than 25 per cent of existing social care service users now in receipt of a telecare package and the council's strategic telecare provider has been exploring how parts of the Supported Living care technology programme (that supports people with complex needs to live independently with the help of technology) might be delivered within residential care services. An event was held in July 2017 to showcase the council's work on strength-based practice to other local authorities from across the country.
4. **Integrating local health and social care** - good progress has been made in setting up the Care Closer to Home (CC2H) programme, with the first Care Closer to Home Integrated Network (CHIN)² in Burnt Oak to be opened in early 2018. The priority areas for Burnt Oak CHIN will be diabetes, paediatrics and social prescribing. The delivery plan is being updated for submission to North Central London (NCL) Sustainability and Transformation Plan (STP) programme in November 2017 and will include a proposed CHIN development approach for 2018/19. The council and Barnet Clinical Commissioning Group (CCG) have invested in a joint care pathway for people with dementia. Plans are underway to complete a specialist extra care scheme for people with dementia by summer 2018.

Assets, Regeneration and Growth Committee

5. **Regenerating Brent Cross Cricklewood** - in **Brent Cross North**, the applications for the shopping centre and early works were approved by the Planning Committee on 25 October 2017. In **Brent Cross South** – the First Phase Proposal and Business Case were approved by ARG Committee on 24 July 2017. Pre-application discussions have been progressing. Design workshops and consultation events have taken place with residents. In **Brent Cross Thameslink** – the focus of work this quarter has been on preparation for the Compulsory Purchase Order 3 (CPO3) public inquiry. Key statutory objections from Network Rail and North London Waste Authority were removed prior to the CPO3 Inquiry, which took place in September 2017. A decision is expected in Q1 2018/19. The CPO1 and CPO2 decision is still awaited and is expected in November 2017.
6. **Regenerating Colindale** - resources are being agreed to project manage a range of activities from public parks, public realm, highway improvement proposals and a proposed initiative to improve accessibility at Colindale Station. The Planning

² Care Closer to Home Integrated Networks (CHINs) will bring together GPs, nurses, pharmacists, social care staff, mental health and other professionals and community and voluntary sector groups in local clusters to support people to look after themselves and stay well. By keeping people well and helping them to remain independent, demand on the health and care system (including hospitals) will be reduced and the system will be more sustainable.

Committee approved the application for improvements to Montrose and Silkstream Parks on 28 September 2017. Discussions have taken place with TfL regarding the over station development proposal for Colindale Tube Station that will provide public realm improvements for Colindale Avenue. Discussions are underway with the GLA regarding their objection to the planning application for replacement of the Grahame Park Concourse.

- 7. Delivering the Development Pipeline** – works have continued on the new 53-bedroom extra care housing development at Moreton Close with progress made on the third story block and brickwork during September 2017. The strategic outline case for an extra care development at Stag House has been approved by the Development Pipeline Programme Board and the outline business case will be considered by ARG Committee in November 2017.

As part of Tranche 3 (Affordable housing on infill sites) two sites (Elmshurst Crescent and Basing Way) have been transferred to Open Door Homes during the quarter and works started on site. 27 homes for affordable rent will be delivered in total across these two sites. Planning, procurement and legal work has progressed for the other sites in the programme. The scheme at Underhill Court was determined by the Planning Committee on 28 September 2017 and The Croft was determined in October 2017.

Tranche 1 seeks to deliver 289 new homes of mixed tenure. Planning consent had been obtained for the bulk of the new homes in June 2015 with Moxon Street following in November 2016. A pre-contract services agreement with Wates concluded in September 2016 when the council opted not to proceed with Wates as the construction contractor. A report will be presented to ARG Committee detailing options for all five sites in due course.

- 8. Helping people into work** – work to support the roll out of the apprenticeship levy has continued. Eight apprentices have been taken on by the council so far this year, and preparations are being made to take on others. Support has been given to community schools who have been taking on Early Years and School Sports apprentices. To improve employment and skills in the borough, the council has been working with partners to develop a traineeship programme for young people who aren't quite ready for an apprenticeship. This opportunity will be targeted at care leavers and other priority groups. BOOST Childs Hill and BOOST Burnt Oak have engaged over 400 residents and supported over 100 people into work.
- 9. Improving planning and enforcement** – during the quarter, 99 per cent of planning decisions were made within statutory timescales. 429 requests to investigate an alleged breach of planning control were received; and 57 Enforcement Notices (excluding Planning Contravention Notices) were served. Of those requests that have not led to formal action (and the serving of an Enforcement Notice), more than half were cases where no breach of planning control had occurred, with the rest of the cases being resolved through informal negotiation or relating to breaches so minor that they did not warrant the taking of formal enforcement action.

Housing Committee

- 10. Grenfell fire** - following the tragic fire at Grenfell Tower in June 2017, Barnet Homes rapidly mobilised contractors to remove the cladding system on the three towers on the Granville Road estate in NW2, which had similar cladding panels as those on

Grenfell Tower. Whilst this work progressed, risk mitigating measures including 24/7 fire wardens were deployed for safety and reassurance of residents. Good progress has been made on developing options for a suitable cladding system replacement, with a decision expected to be made early in the next quarter. Resident communication has been extensive to ensure those impacted are kept informed and are able to feedback their views.

Best practice fire safety surveys for the 28 tower blocks included in the programme have been completed and a prioritised programme of works, including the installation of centrally controlled alarm system and sprinklers, was approved by the Housing Committee on 23 October 2017.

Environment Committee

11. **Modernising environmental services** - Street Scene has completed its move out of Mill Hill Depot and into the new Oakleigh Depot. The move to the modern purpose built facility went smoothly with no impact on frontline services. Shortly after the new Depot opened, senior managers met with local residents to seek feedback on any impact the facility may have had and agreed to some additional measures to help screen the site such as plants and trees. Further improvements for Green Spaces satellite depots are also in progress and should be finalised by the end of 2017/18. The old Mill Hill Site has been fully released for development. Barnet Waste Regulations went to Full Council on 31 October 2017 for adoption, following which a phased roll out of time banded collections will take place. New recycling collections for commercial waste are being offered to customers.
12. **Delivering highways improvements** – Year 3 of the £50m Network Recovery Programme (NRP) has commenced. Seven NRP footway resurfacing schemes have completed to date at a cost of £951k; along with five carriageway resurfacing schemes at a cost of £493k and 44 carriageway micro-asphalt resurfacing schemes at a cost of £748k. 402 patch repairs have been completed on 66 roads as part of the proactive patching programme, which was launched last quarter (with 49 per cent of the programme completed). Issues have been raised in relation to poor response times following service requests and officers will look to increase available resources to make sure that the service meets customer expectations in this area.

Community Leadership Committee

13. **Supporting those with multiple needs** - there are multiple strands of work that are seeking to support those with multiple needs. All Barnet CCG patients identified under the national Transforming Care Plan have been discharged. The robust multi-disciplinary admissions avoidance process is now well established and there have been no new admissions of adults with learning disabilities/autism with complex needs to assessment and treatment hospitals since June 2016. The impact of the process mitigates future risks and is also providing a good understanding of residents' needs.

Work is underway with the new service provider of substance misuse services to improve performance. A single point of access for information, advice and support with regards to substance misuse is in place, which includes a holistic and thorough health and wellbeing assessment. Work is in progress to link up substance misuse, mental health and domestic violence services to provide more integrated support.

An audit of Domestic Violence and Abuse (DVA) and Violence Against Women and Girls (VAWG) cases is being carried out where the victim or perpetrator has had co-existing mental health or substance misuse needs. This will provide a more in-depth understanding of learning opportunities and gaps in services.

There is also a large programme of work underway to tackle homelessness, focusing on early intervention, prevention, family mediation and reduction in the use of Temporary Accommodation (TA).

Central Services

- 14. Implementing The Way We Work programme** – this programme focuses on preparing the council’s workforce for the office move to Colindale, including ensuring staff have the right tools to be able to work from any location across the borough; and delivering the accommodation and travel arrangements that will enable staff to work effectively. The frame of the new building has been constructed up to the ninth floor and all roof stands, lift and core walls are complete. The brickwork on the ground floor is 85 per cent complete. A people plan is under development to review all contracts and policies to ascertain if they need to be amended to enable staff to change how they work; a comprehensive recruitment and retention strategy and plan is also under development and a training plan to ensure that all staff and partners receive training in changing how they work. A series of staff briefings have taken place and were attended by 900 staff.
- 15. Continuing to improve Customer Services** – the council is moving to a digital by default approach, which aims to get the majority of customer contact online. In the past year, webforms have increased by 32 per cent (from 16,364 to 21,566); and telephony, face-to-face and email volumes have all fallen (by at least 10 per cent). Customer Services has responded to 98 per cent of emails and webforms within the agreed timeframes. The two indicators, supporting the customer access strategy, to increase self-service contacts and reduce failure demand through right first time contacts have performed better than target (see table 10 in paragraph A.12). Satisfaction with customer service (across all channels excluding web) remains above target at 90 per cent. Satisfaction with the website remains above target at 55 per cent.

Corporate Plan indicators

A.2 The Q2 2017/18 position for the basket of indicators in the Corporate Plan has been set out in table 1 below. This shows that the majority of indicators (59%) have met target for the second quarter of the year; and most (72%) have improved or stayed the same since last year.

Table 1: Corporate Plan indicators (CPIs) (Q2 2017/18)

	Green	Green Amber	Red Amber	Red	Improved/Same	Worsened	Monitored only	No. of indicators
All CPIs	59% (13)	5% (1)	5% (1)	32% (7)	72% (21)	28% (8)	13	35

A.3 All Corporate Plan indicators for Central Services have met the quarterly target. All other Corporate Plan indicators, along with any Commissioning Plan indicators that have not met target, are captured in **Part B: Performance by Theme Committee**.

The quarterly results for all Corporate Plan and Commissioning Plan indicators are published on the Open Barnet portal at <https://open.barnet.gov.uk/dataset>

Corporate Plan Indicators³

Ref		Indicator	Polarity	2017/18 Annual Target	2017/18 Q2 Target	2017/18 Q2 Result	2017/18 Q1 Result	DOT Short Term (From Q1 2017/18)	2016/17 Q2 Result	DOT Long Term (From Q2 2016/17)	Benchmarking
CPI	CG/S22	Council Tax collection (Not in year)	Bigger is Better	98.5%	Monitor	98.5%	98.4%	↑	98.4%	↑	Outer London 97.0% (2016/17, DCLG)
CPI	CG/S23	Business rate collection (Not in year)	Bigger is Better	99.0%	Monitor	99.9%	99.1%	↑	98.2%	↑	Outer London 98.6% (2016/17, DCLG)
CPI	CG/S24	Overall satisfaction with customer services	Bigger is Better	89%	89%	90% (G)	90%	↔	90%	↔	No benchmark available
CPI	CG/S25	Satisfaction with the council's website	Bigger is Better	55%	53%	55% (G)	55%	↔	48%	↑	No benchmark available

³ The Monitor indicators have been included for information.

OVERVIEW OF BUDGET POSITION

A.4 The forecast General Fund revenue outturn (after reserve movements) is £280.402m, which is a projected overspend of £3.203m (1.2%) compared with the revised budget of £277.199m. See table 2 below.

Table 2: Revenue forecast (Q2 2017/18)

Service	Original Budget £000	Revised Budget £000	Q2 Projected Outturn £000	Variance from Revised Budget Adv/(fav) £000	Variance from Revised Budget Adv/(fav) %
Adults and Communities	87,145	87,184	87,379	196	0.2
Assurance	5,859	6,096	6,375	279	4.6
Central Expenses	52,723	43,507	42,207	(1,300)	(3.0)
Commissioning Group	33,834	34,109	34,607	498	1.5
CSG	21,161	21,836	22,036	200	0.9
Education and Skills	6,525	6,715	6,774	59	0.9
Family Services	52,445	58,471	59,816	1,345	2.3
Housing Needs and Resources (Barnet Homes)	5,560	5,560	6,970	1,411	25.4
Re	(824)	326	429	103	31.6
Street Scene	12,881	13,395	13,809	414	3.1
Total	277,309	277,199	280,402	3,203	1.2

A.5 The top contributors to the projected overspend are the Commissioning Group, Family Services and Housing Needs and Resources.

- The projected overspend for the Commissioning Group, which includes environment, parking and infrastructure, is £0.498m which represents 1.5% of the total Delivery Unit budget. The principal reasons for the forecast overspend are no budget for the out of hours service (GDIT); and the income budget for the registrar and mortuary services not being achieved.
- The projected overspend of £1.345m for Family Services represents 2.3% of the total Delivery Unit budget (£58.471m). The majority of the forecast overspend (£1.118m) relates to external placements and associated services. The contingencies within the forecast have been set at a pessimistic level and are being reviewed. The remainder of the forecast overspend relates to additional staffing, mainly in the Duty and Assessment Team, as directed by our improvement partner.
- The projected overspend of £1.411m for Housing Needs and Resources represents 25.4% of the total Delivery Unit budget (£5.560m). The forecast overspend is largely demand driven, however mitigating actions are being put in place to reduce this pressure in future years.

A.6 The projected outturn on the council's capital programme is £317.949m, £259.263m of which relates to the General Fund programme and £58.686m to the HRA capital programme. This is a variance of £90.604m less than the 2017/18 budget of £408.553m. Table 3 below summarises the actual expenditure, budget and variance by service.

Table 3: Capital forecast (Q2 2017/18)

Service	2017/18 Budget £000	Additions/ (Deletions) £000	(Slippage) / Accelerat ed Spend £000	Q2 2017/18 Foreca st £000	Forecast variance from Approve d Budget £000	Forecast variance from Approve d Budget %
Adults and Communities	2,035	(3)	-	2,032	(3)	(0.1)
Commissioning Group	51,863	(657)	(20,457)	30,749	(21,114)	(40.7)
Education and Skills	51,489	-	(20,000)	31,489	(20,000)	(38.8)
Family Services	18,605	-	(5,596)	13,009	(5,596)	(30.1)
Housing Needs and Resources (Barnet Homes)	45,424	-	(9,445)	35,979	(9,445)	(20.8)
Parking and Infrastructure	2,686	-	(350)	2,336	(350)	(13.0)
Re	142,574	11,337	(14,905)	139,006	(3,568)	(2.5)
Street Scene	4,663	-	-	4,663	-	-
General Fund Programme	319,339	10,677	(70,753)	259,263	(60,076)	(18.8)
HRA (Barnet Homes)	89,214	(6,551)	(23,977)	58,686	(30,528)	(34.2)
Total Capital Programme	408,553	4,126	(94,730)	317,949	(90,604)	(22.2)

A.7 The projected capital outturn is £90.604m (22.2%) lower than the latest approved budget, primarily due to slippage. The principal variances from budget and the reasons for these are as follows:

- Within the Commissioning Group capital programme, there is slippage of £10.000m on the Sports and Physical Activities project where final plans are still being completed, slippage of £6.300m on the ICT strategy project in relation to The Way We Work (TW3) and £1.200m on the Daws Lane Community Centre where the project is complete but the funds have been moved into 2018/19 to contribute towards the library being provided within the community centre.
- Within the schools capital programme, the overall budget has been reviewed and reprofiled to reflect a more realistic forecast spend. This has resulted in slippage of £20.000m to 2018/19.

- Within Family Services, there is slippage of £5.596m relating to the Meadow Close project, Youth Zone project, East Barnet Library project and the Family Services Estate project.
- The forecast capital outturn for Housing Needs and Resources shows slippage of £9.445m. The land transfer of 19 discrete sites to Open Door Homes (ODH) was delayed. Five sites have now transferred. A planned schedule of work is in place and reflected in the business plan. The contractor will be appointed once the land transfer is completed.
- The Re capital programme has decreased by £3.568m. This is due largely to slippage on regeneration schemes and highways schemes to 2018/19, offset by an addition in relation to Colindale Station.
- The HRA forecast shows a decrease of £30.528m. This is due to delays in a number of projects which are expected to slip to 2018/19 (Extra Care pipeline project, Dollis Valley Shared Equity, Moreton Close build and the acquisitions programme).

A.8 In 2017/18 the council budgeted to deliver £19.825m of savings. Table 4 below summarises by theme committee the value of savings that have been achieved against the savings programme. As at 30 September 2017, £18.738m of savings are expected to be delivered, which represents 94.5% of the target.

Table 4: Savings (Q2 2017/18)

Service	2017/18 MTFS Savings Target £000	Savings Achieved / Expected to be Achieved £000	Savings Unachiev- able £000	Savings Expected to be Achieved %
Adults and Safeguarding	4,867	4,867	-	100.0
Assets, Regeneration and Growth	4,976	4,783	193	96.1
Children, Education, Libraries and Safeguarding	3,656	3,512	144	96.1
Environment	3,965	3,315	650	83.6
Policy and Resources	2,361	2,261	100	95.8
	19,825	18,738	1,087	94.5

A.9 The council is working to reduce agency expenditure and for the year to 30 September 2017 it has reduced by £1.683m (18.6%) compared with the same period of 2016/17. Table 5 sets out by service the agency staff costs incurred during Q2 2017/18 compared with Q2 2016/17.

Table 5: Expenditure on Agency Staff (Q2 2017/18)

Service	Q2 2016/17 £000	Q2 2017/18 £000	Change %	2016/17 Full Year Actual £000	2017/18 Full Year Forecast * £000
Adults and Communities	1,715	1,890	10.2	3,862	3,412
Assurance	2	5	187.6	73	7
Education and Skills	24	6	-74.0	2	-
Family Services	3,811	3,233	-15.2	9,441	6,015
Commissioning Group	2,361	968	-59.0	4,657	1,611
HRA	-	-	-	36	590
Parking and Infrastructure	-	-	-	346	195
Re	-	-	-	91	150
Street Scene	1,128	1,256	11.3	2,686	1,760
Total	9,041	7,358	-18.6	21,194	13,740

*Does not include transformation projects

A.10 During Q2 2017/18 there has been an average of 1,690 staff in established posts (1,394 Full Time Equivalents (FTE)) within the four in-house services; along with an average of 312 agency staff (see tables 6a and 7 respectively).

The number of agency staff has continued to reduce (by a further 50 staff) across all services since the last quarter, including a reduction of 24 agency staff in Street Scene (see table 6a). A range of measures has been put in place to manage agency staff, including moving people onto permanent and fixed-term contracts, and in the past year there has been a reduction of 101 agency staff. **Note that these figures are not FTE. For comparison purposes the last two quarters' FTE position has been set out in Table 6b.*

Table 6a: Agency (Q2 2017/18)

	No. of agency staff*				
	Q2 2016/17	Q3 2016/17	Q4 2016/17	Q1 2017/18	Q2 2017/18
Adults and Communities	67	80	78	70	60
Commissioning Group	41	45	35	18	17
Family Services ⁴	141	156	156	117	104
Street Scene	164	176	172	156	132
Overall	413	458	441	362	312

*Figures not FTE and exclude Education and Skills

Source: HR Establishment Pack (average for the 3 months that make up each quarter)

⁴ This refers to the whole service, including libraries, and not just social care staff.

Table 6b: Agency FTE (Q2 2017/18)

	No. of agency FTE	
	Q1 2017/18	Q2 2017/18
Adults and Communities	52	35
Commissioning Group	18	11
Family Services ⁵	45	33
Street Scene	52	40
Overall	167	119

*Figures exclude Education and Skills

Source: HR (average for the 3 months that make up each quarter)

Table 7a: LBB staff headcount (Q2 2017/18)

	Headcount*				
	Q2 2016/17	Q3 2016/17	Q4 2016/17	Q1 2017/18	Q2 2017/18
Adults and Communities	276	272	281	290	299
Commissioning Group	173	177	186	218	213
Family Services	634	608	642	699	655
Street Scene	482	476	476	504	523
Overall	1,565	1,532	1,585	1,710	1,690

*Figures exclude vacancies and Education and Skills

Source: HR Establishment Pack (average for the 3 months that make up each quarter)

Table 7b: LBB staff full time equivalent (Q2 2017/18)

	FTE*				
	Q2 2016/17	Q3 2016/17	Q4 2016/17	Q1 2017/18	Q2 2017/18
Adults and Communities	248	241	249	257	266
Commissioning Group	168	166	175	202	195
Family Services	517	485	497	515	486
Street Scene	436	425	423	440	448
Overall	1,368	1,317	1,344	1,414	1,394

*Figures exclude Education and Skills

Source: HR Establishment Pack (average for the 3 months that make up each quarter)

A.11 Sickness absence has increased to 8.86 days from 7.85 days in the last quarter (and from 8.23 days in the last year); and continues to be higher than the 6 days target. Of particular concern, is the increase in sickness absence in Street Scene,

⁵ This refers to the whole service, including libraries, and not just social care staff.

which is now 12.96 days (compared with 10.47 days last quarter and 9.41 days last year) and in Adults and Communities, which is now 10.90 days (compared with 9.90 days last quarter and 8.77 days last year).

- There has been significant change in management within Street Scene during the quarter, including the employment of two new operation managers who started in post in August 2017, and the filling of the Head of Recycling and Waste Role in September 2017. The increase in sickness absence has been noted by the Street Scene Leadership Team and mitigations have been put in place by the new managers. Two Operational Managers, for Waste Collections and Street Cleansing Operations, will be leading on reducing the rate of sickness, both through improved daily and weekly processes, as well as tackling long term sickness with HR business partners. It is envisaged this will have a long term impact on managing and reducing sickness levels to a satisfactory level.
- Whilst short-term sickness absence in Adults and Communities has decreased the proportion of long-term sickness absence has increased, affecting the overall figure. There are a number of measures in place to address sickness absence including enhanced reporting, performance challenge session with the senior management team and enhanced HR support for managers taking staff through formal absence management processes.

Table 8: Sickness absence (Q2 2017/18)

	Average days lost per FTE (rolling 12 months)*				
	Q2 2016/17	Q3 2016/17	Q4 2016/17	Q1 2017/18	Q2 2017/18
Adults and Communities	8.77	9.55	9.71	9.90	10.90
Commissioning Group (incl. CEO)	4.12	3.79	3.94	4.22	4.35
Family Services	7.64	7.63	6.92	6.15	6.11
Street Scene	9.41	8.72	9.59	10.47	12.96
Overall	8.23	7.88	7.83	7.85	8.86

*Figures exclude Education and Skills

Source: HR Dashboard (average over rolling 12 months)

Progress on key activities

A.12 A progress update on The Way We Work (TW3) programme and Customer Services has been provided below.

- **Implementing The Way We Work programme** – this programme focuses on preparing the council’s workforce for the office move to Colindale, including ensuring staff have the right tools to be able to work from any location across the borough; and delivering the accommodation and travel arrangements that will enable staff to work effectively. The frame of the new building has been constructed up to the ninth floor and all roof stands, lift and core walls are complete. The brickwork on the ground floor is 85 per cent complete. A people plan is under development to review all contracts and policies to ascertain if they need to be amended to enable staff to change how they work; a comprehensive recruitment and retention strategy and plan is also under development and a training plan to

ensure that all staff and partners receive training in changing how they work. A series of staff briefings have taken place and were attended by 900 staff.

- **Continuing to improve customer services** – the council is moving to a digital by default approach, which aims to get the majority of customer contact online. Table 9 shows contact volumes for the quarter compared with the same time last year. Webforms have increased by 32 per cent (from 16,364 to 21,566); although the volume was slightly lower than last quarter where it spiked at 23,399 due to council tax queries. Telephony, face-to-face and email volumes have fallen (by at least 10 per cent). Customer Services responded to 98 per cent of emails and webforms within the agreed timeframes (see table 10). The two indicators, supporting the customer access strategy, to increase self-service contacts and reduce failure demand through right first time contacts have performed better than target (see table 10).

Table 9: Contact Centre volumes (Q2 2017/18)

	Q2 2016/17	Q2 2017/18	Change
Webforms	16,364	21,566	32%
Telephony	317,209	284,447	-10%
Face-to-face	22,565	18,983	-16%
Emails	5,161	4,541	-12%

A.13 To ensure the council maintains its focus on customers, a range of customer indicators are monitored via a dashboard (see table 10). This shows that 75 per cent of indicators (12 of 16) have met the quarterly target. Of particular note are:

- **Customer satisfaction** – satisfaction with customer service (across all channels excluding web) remains above target at 90 per cent. Satisfaction with the website remains above target at 55 per cent, as a result of the sustained efforts by staff in responding to customer feedback and fixing IT issues quickly. Web satisfaction achieved third place in the GovMetric channel satisfaction index league in August 2017. However, Barnet Homes’ website has under-performed at 29 per cent, against an internal target of 50 per cent. To address this, a new web portal has been developed and is being tested prior to full launch.
- **Complaints and Members’ enquiries** – there has been a fall in the complaints closure rate to 88 per cent, largely as a result of records not being updated in Street Scene rather than customers not being responded to on time. Resources have been allocated to clearing the backlog in Street Scene and it is expected that the closure rate will achieve target next quarter. 99.8 per cent of Members’ enquiries have been responded to within the agreed timeframes.
- **Contact centre** - calls answered has remained on target at 95 per cent. However, Barnet Homes’ performance has fallen to 89 per cent. Performance improvements expected as a result of the introduction of an improved automated call management system (IVR) were hampered for the first two weeks of launch as a result of a system bug. Performance for the remainder of the quarter showed improvement, which should be maintained and result in an overall improvement next quarter. **Waiting times for non-appointments** (four minutes and 34 seconds) has

worsened but remains well within the five minutes target. This was due to the unplanned absence of three members of staff in September 2017.

- **Cases delivered within agreed timeframes⁶** - has significantly improved this quarter (now 92 per cent), but remains short of the 94 per cent target. Revenues and Benefits have the biggest influence on this figure, accounting for over 80 per cent of cases. The service has recovered from the drop in performance at the start of the year, due to the annual council tax cycle, and is now performing at 95 per cent. However, performance in Street Scene (72 per cent) and Re (86 per cent) remains below the 94 per cent target. Staff shortages in Street Scene had resulted in cases not being closed on the system (Lagan) last quarter, creating a backlog of mainly missed bin collection cases. These are expected to be cleared during the next quarter. Re's performance has been affected by Highways (71 per cent), which accounts for the largest volume of Re cases. To improve performance service requests will be distributed more widely across teams and templates will be developed to allow responses to common enquiries to be made more quickly. The performance of these services had impacted on **customers requiring additional support** last quarter, which fell to 88 per cent. This has now recovered and is above target at 96 per cent overall.
- **Desk phones answered** – this has significantly improved this quarter (now 85 per cent), but remains short of the 95 per cent target. 89 per cent of externally-originating calls were answered. The improvement from last quarter is partly due to better reporting that has been put in place, which allows duplicated calls to be removed from the data. The focus is being maintained in this area, with frequent reminders sent to staff and discussions held with under-performers; as well as an ongoing project to improve the integrity of the core data.

Table 10: Customer experience dashboard (Q2 2017/18)

Indicators	Q2 2017/18 Target	Q1 2017/18	Q2 2017/18	DoT
Customers that rate customer service as 'Good' (GovMetric)	89%	90%	90%	➔
Customers that rate the website as 'Good' (GovMetric)	53%	55%	55%	➔
Self-service contacts	42%	44%	46%	⬆
Right first time contacts	78%	81%	80%	⬇
CSG Webforms responded to within SLA (5 days)	95%	99%	98%	⬇
CSG Emails responded to within SLA (5 days)	95%	99%	98%	⬇
Complaints responded to within SLA	90%	93%	88%	⬇
Members Enquiries responded to within SLA (5 days)	98%	99%	100%	⬆

⁶ A 'case' is defined as 'an action incumbent on the council. This could include tasks such as fixing a boiler or arranging housing for a resident.

Indicators	Q2 2017/18 Target	Q1 2017/18	Q2 2017/18	DoT
Members Enquiries cases closed in 5 days	-	79%	81%	↑
Contact centre calls answered in total, including IVR ⁷	95%	96%	95%	↓
Cases delivered within SLA ⁸	94%	83%	92%	↑
Cases delivered within SLA for customers needing additional support	94%	88%	96%	↑
Case Closure Survey (sum of 'Very good' and 'Good' ratings)	65%	62%	61%	↓
Non-appointment average wait (min) ⁹	5 min	2 min 30 sec	4 min 34 sec	↓
Appointment average wait (min) ¹⁰	5 min	0 sec	0 sec	→
FOIs resolved within SLA	90%	96%	95%	↓
Council desk phones answered in total	95%	77%	85%	↑

OVERVIEW OF CORPORATE RISKS

A.14 The corporate risk register (Appendix A) includes strategic risks and high level service/joint risks (scoring 15 and above). Risks are managed in line with the council's risk management framework, where the following definitions apply:

- Tolerate – this means **accepting the risk** with the existing controls and mitigations in place
- Treat – this means **actively managing the risk** through the implementation of additional mitigating actions.

A.15 The risk registers are live documents with new risks emerging and risk scores changing at any time. The risks set out in the corporate risk register provide a snapshot in time (as at end September 2017).

Strategic risk register

A.16 The strategic risk register includes 19 risks overall, which are being managed in line with the council's risk management framework. Five are high level risks with a residual risk score¹¹ of 15 or above. The first is being managed as 'tolerate' and the other four are being managed as 'treat'.

- **STR004 - Future financial pressures and uncertainty (risk score 20)**. This risk relates to the uncertainty and lack of clarity on the impact of changes in the national and regional political landscape. This risk is being managed as tolerate as there is

⁷ Re, CSG and Barnet Homes. Barnet Homes target is 92%.

⁸ Data covers Parking, Assisted Travel, Highways and Planning and Revenues and Benefits

⁹ Average wait time = 1,188 hours/15,594 visits. The figure excludes 3,383 non-appointment visits to Housing Options. Average wait times for Housing Options has increased from 9 min 15 sec to 9 min 42 sec (Q1 to Q2).

¹⁰ 6 pre-booked appointments,

¹¹ The residual risk score is an assessment based on how the risk is currently being managed. It considers how well the controls and/or mitigations currently in place are working.

little more that Barnet Council can do to minimise the risk of central government changing policy. Existing mitigations centre on regular liaison with central government contacts and lobbying.

- **STR007 - Significant safeguarding incident (risk score 15).** The risk of a significant safeguarding incident occurring can never be completely mitigated. However, the likelihood will be reduced through practice improvement and quality assurance activity within Adults and Communities and Family Services. The 2017/18 Practice Improvement Plan in Family Services addresses a legacy of poor practice, and its delivery has been subsumed into the Improvement Plan developed in response to the Ofsted rating. This quarter has seen an improvement in the operation of the MASH and improved management structures being put into place across the service, leading to better decision-making. Supervision and practice standards also help to control this risk, as well as quality assurance activity. Teams have increased their use of group supervision, which will lead to an improvement in the quality of reflective practice. Quality assurance has improved with the embedding of a refined audit function, with the latest Practice Week also helping to improve understanding of the impact of changes so far. Family Services have implemented the multi-disciplinary team (REACH) in partnership with MAC UK to deliver intensive, wrap-around interventions for high risk adolescents. The multi-agency approach to assessment and care planning has shown some early signs of improved assessment, including risk assessment, quality and care planning; with children, young people and their families benefiting from a co-ordinated wrap-around response to meet their complex needs. The initial results will be tracked by Research in Practice to see whether this early impact has been sustained via the evaluation work that has now started. Within Adults and Communities, internal peer audits and external audits are carried out to review safeguarding practice. These inform training, group work and one-to-one sessions with staff. The Safeguarding Adults Board has oversight of quality of safeguarding practice and hosts several working groups that influence practice – such as Making Safeguarding Personal. Regular supervisions are held with frontline professional staff to discuss safeguarding cases.
- **STR003 - Delivery of transformation programmes (risk score 15).** The mitigating actions are intended to ensure that transformation programmes are delivered to deadline and within budget. The allocation of transformation resources is reviewed at least monthly with CSG to ensure there are no major gaps in resources. Audits are currently underway on some transformation programmes and are planned for the Customer Transformation Programme and The Way We Work Programme later in the year. Any recommendations from these, and other relevant audits, will be implemented to strengthen delivery of transformation programmes.
- **NEW - STR020 - Lack of fully functioning Adults case management system (risk score 15).** This new risk relates to the substantial remedial work required to the Mosaic case management system. If the programme plan to complete this work is not agreed and implemented in a timely manner, the lack of a fully functioning case management system will have an impact on key business processes that may become unable to function, and on data or information that may become incomplete or misunderstood. A joint programme board is in place to drive delivery with escalation routes into the Barnet Partnership senior structures. Timescales have been agreed for development of a confirmed programme plan covering the remedial

work and these are being closely monitored by Capita and the council. Regular reports are being used to confirm that frontline social care business processes are running to expectations and that any issues are quickly identified.

- **NEW - STR021 - Delivery of Ofsted Improvement Plan (risk score 15).** This new risks relates to the Ofsted Improvement Plan not being delivered across the partnership quickly enough, which could lead to outcomes for children, young people and families not improving at the pace required. The Improvement Plan has been submitted to Ofsted and measures featured in the plan are being put into action. Progress on delivery is being monitored monthly by the Children Services Improvement Board and is being overseen by the Barnet Safeguarding Children's Board (BSCB). Essex County Council is providing strategic and operational advice and support to ensure that performance improves at the right pace. Fortnightly briefings are being held with staff about the Improvement Plan and how it is relevant to practice within specific teams.

Additional risk information

- A.17 Central Services risks are held on the Customer Strategy, Communications and Assurance (CSCA) and Growth, Resources and Commercial (GRC) service risk registers, which are being managed in line with the risk management framework. There are 19 risks on the CSCA risk register and 14 risks on the GRC risk register. None are high level risks with a residual risk score of 15 or above.
- A.18 High level risks on other service and joint risk registers are outlined in **Part B: Performance by Theme Committees** or **Part C: Contract Performance**.

PART B: PERFORMANCE BY THEME COMMITTEE (COMMISSIONING PLANS)

Theme Committee performance indicators

- B.1 The Q2 2017/18 position for the basket of indicators in the Theme Committee Commissioning Plans has been set out in table 11 below. This shows the majority of indicators (73%) have met target for the second quarter of the year; and most (59%) have improved or stayed the same since last year.
- B.2 The indicators that have not met target (RAG rated as Amber and Red) have been outlined for each Theme Committee (in the relevant section below), with detailed comments provided for indicators RAG rated as Red¹².

Table 11: Theme Committee Indicators (Q2 2017/18)

Theme Committee	Green	Green Amber	Red Amber	Red	Improved/Same	Worsened	Monitored only	No. indicators
Central Services	100% (2)	0% (0)	0% (0)	0% (0)	100% (4)	0% (0)	0	4
Adults and Safeguarding	53% (8)	7% (1)	7% (1)	33% (5)	56% (10)	44% (8)	4	22
Public Health and Wellbeing	50% (6)	0% (0)	8% (1)	42% (5)	46% (5)	55% (6)	1	12
CELS	100% (14)	0% (0)	0% (0)	0% (0)	69% (9)	31% (4)	10	23
ARG	75% (3)	0% (0)	0% (0)	25% (1)	50% (4)	50% (4)	0	8
Housing	92% (12)	0% (0)	0% (0)	8% (1)	63% (12)	37% (7)	1	20
Environment	56% (5)	11% (1)	0% (0)	33% (3)	67% (6)	33% (3)	1	10
Community Leadership	0% (0)	0% (0)	0% (0)	0% (0)	25% (1)	75% (3)	1	5
All CPIs and SPIs¹³	73% (50)	3% (2)	3% (2)	22% (15)	59% (51)	41% (35)	18	104

¹² Target not met and less than 65% of targeted improvement achieved.

¹³ CPI = Corporate Plan indicator; SPI = Commissioning Plan indicator.

ADULTS AND SAFEGUARDING COMMITTEE

B.3 The priorities for Adults and Safeguarding Committee are to implement strength-based practice; integrate local health and social care services to prevent crises and help individuals stay well and in their own homes; diversify Barnet's accommodation offer to help more people live independently; transform day care provision to ensure that people remain active and engaged through access to employment and volunteering; and improve the borough's leisure facilities to support and encourage active and healthy lifestyles.

Budget position

Revenue					
Service	Original Budget £000	Revised Budget £000	Q2 Projected Outturn £000	Variance from Revised Budget Adv/(fav) £000	Variance from Revised Budget Adv/(fav) %
Adults and Communities	87,145	87,184	87,379	196	0.2

B.4 The revenue budget for Adults and Communities is forecast to overspend by £0.196m. Adult Social Care (ASC) has experienced increasing complexity and demand for services since 2014/15. Following intensive work within the service in relation to a new operating model focused on a strength-based approach and substantial corporate investment by the council, as well as allocation of funding from the BCF/iBCF (Better Care Fund) to mitigate this increased complexity and demand, care costs are currently being forecast to come in on budget. As social care is a demand led service, the position may change if demand or complexity increases during the year above forecast levels. The current overspend position is in relation to expenditure on staffing and the cost pressure of needing to employ agency staff to cover front line roles while recruitment has been underway, alongside recruitment costs. Some of these costs are being mitigated though underspends on other staffing budgets, including holding posts vacant while recruitment is underway and not using agency staff unless business critical.

The Deprivation of Liberty Safeguards (DOLS) service continues to be a significant cost pressure in 2017/18, as a result of Supreme Court judgements in 2014/15 and a loss of grant funding since 2015/16.

Capital						
Service	2017/18 Budget £000	Additions/ (Deletions) £000	(Slippage) / Accelerat ed Spend £000	Projected Outturn £000	Variance from Approved Budget Adv/(Fav) £000	Slippage %
Adults and Communities	2,035	(3)	-	2,032	(3)	-

- B.5 The capital outturn for Adults and Communities is currently expected to be in line with budget.

Progress on key activities

- B.6 Social care services for adults have a key role to play in improving the lives of Barnet's most vulnerable residents. The council works with housing, education and health sector partners to enable people to stay independent, in control of their lives and live for longer in their own homes. A progress update on key activities has been provided below.

- **Implementing strength-based practice** – the new mental health enablement pathway and targeted programme of work with adults with learning disabilities have continued to be embedded.

Use of telecare in Barnet has been expanded with more than 25 per cent of existing social care service users now in receipt of a telecare package and the council's strategic telecare provider has been exploring how parts of the Supported Living care technology programme (that supports people with complex needs to live independently with the help of technology) might be delivered within residential care services. An event was held in July 2017 to showcase the council's work on strength-based practice to other local authorities from across the country.

The new Local Area Co-ordination Service will go live in the next quarter. This will focus on localised community engagement and working one-to-one with adults and their families to achieve their wellbeing outcomes, self-manage their needs and help them to stay independent for as long as possible.

- **Integrating local health and social care** - good progress has been made in setting up the Care Closer to Home (CC2H) programme, with the first Care Closer to Home Integrated Network (CHIN) in Burnt Oak to be opened in in early 2018. The priority areas for Burnt Oak CHIN will be diabetes, paediatrics and social prescribing.

The delivery plan is being updated for submission to North Central London (NCL) Sustainability and Transformation Plan (STP) programme in November 2017 and will include a proposed CHIN development approach for 2018/19.

The council and Barnet Clinical Commissioning Group (CCG) have invested in a joint care pathway for people with dementia. The council is continuing to build on the successful launch (in 2016) of the Barnet Dementia Action Alliance (DAA) by working with partners to support communities to take practical actions to enable people to live well with dementia. The DAA has an action plan that sets out key activities to make Barnet a Dementia Friendly Borough. Plans are underway to complete a specialist extra care scheme for people with dementia by summer 2018. Overall, Barnet continues to achieve a good dementia diagnosis rate.

Barnet has continued to perform well on the North Central London (NCL) Transforming Care Partnership (TCP) objectives. All Barnet TCP patients have been discharged to supported living (with the exception of a group of eight patients within a specialist residential service who are subject to legal orders that require consent to any planning for a move). The admissions avoidance process has continued to be effective with no new admissions to hospitals in 2017.

- **Diversifying Barnet's ASC accommodation offer** - the council continues to mobilise the new range of accommodation and support options, which will ensure that people have flexible, person-centred services that are able to respond to their specific needs and enable them to be supported in the community and develop their independence.

The council has re-opened the framework to attract more specialist mental health providers. This will ensure the Accommodation and Support offer is responsive to the varied needs of mental health clients, so that they get the right support to enable them to remain in the community and avoid them escalating to more acute services and to support people to become more independent. The tender went live on 4 September 2017 and will close on 30 October 2017.

- **Transforming day care provision** – the new approved provider list for Day Opportunity and Employment Support services will be ready to be mobilised in November 2017. The approved provider list is made up of six separate support solutions (three related to employment support/retention and three that are related to day opportunity provision). The new services will provide a greater choice of person centred options enabling service users with a range of different needs to develop their resilience and their independence and should support people to live well in the community and reduce the need for more intensive and high cost interventions avoiding people unnecessarily escalating to higher dependency services.
- **Expanding evidence-based prevention and early support** - the council has continued to expand its evidence-based prevention and early support offer to help people maximise their independence and wellbeing and achieve the outcomes they want. The newly commissioned provider for assistive technology has been carrying out extensive engagement to ensure more people can access the service, which will support them to live independently for longer and provide assurance for family members and carers.

Further improvements have been made to ensure the delivery of high quality information and advice to support people in making informed choices about their health and wellbeing. For example, changes have been made to the ASC web pages and support offer documents; and engagement activity has been carried out by staff and Barnet's Voluntary and Community Sector (VCS). The council has continued to work with the VCS to expand its prevention offer and consider how gaps can be addressed collaboratively through non-commissioned solutions.

- **Prioritising the needs of carers** – the council has continued to prioritise the needs of carers and ensure they are valued as expert partners in supporting working age adults and older people to live independently. Information and advice on the ASC webpages has been updated, enabling carers to make informed choices about their own health and wellbeing; and the support offer to carers has been expanded. Monthly training has been organised for staff to raise awareness of the support available for carers and improve practice; whilst the commissioned provider for carers and young carers support services has continued to promote the support available across the borough and has initiated a new campaign called "It's Barnet's Business" to further raise awareness of carers. Further progress has been made

on the Carers and Young Carers Strategy Action Plan, including training on carers assessments and support planning; delivery of the specialist dementia support service; and an information session for World Alzheimer's Day on supporting carers of adults with dementia. The local account for Adults and Communities has been published, setting out information on key activities for carers in 2016/17.

- **Implementing the new ASC case management system** – work has continued to finalise the configuration of Mosaic and embed the system. As set out in the strategic risk, STR020, substantial remedial work is required to the Mosaic case management system. Timescales have been agreed for development of a confirmed programme plan covering the remedial work and these are being closely monitored by Capita and the council. Re-planning to complete the other elements of the programme, including de-commissioning the previous case management system (Swift) is underway with the aim to sign off the plan by December 2017.
- **Improving leisure facilities and physical activity** – the procurement of a new leisure management has been completed. Proposed commitments to be delivered throughout the contract term will seek to deliver facility investments in addition to supporting a range of health benefits, working with partners to develop leisure provision, whilst providing financial sustainability through an annual management fee paid to the council.

In July 2017, Barnet Council was awarded £2m of Sport England Strategic Investment Funding. This contribution will directly support the redevelopment of Barnet Cophall Leisure Centre and a new leisure facility in New Barnet.

The second Fit and Active Barnet (FAB) Partnership Board was held in September 2017, which included stakeholder consensus to develop a 'FAB' campaign to run throughout 2018 to encourage increased activity.

Performance indicators

Adults and Safeguarding

B.7 Six Adults and Safeguarding indicators in the Corporate Plan have not met the quarterly target; and one indicator in the Adults and Safeguarding Commissioning Plan has not met the quarterly target.

- **AC/S29 Number of instances of information, advice and guidance provided to carers (RAG rated RED)** – 1,256 against a target of 1,650. Monthly training has been provided to staff to improve practice and increase awareness of the support available for carers. An "It's Barnet Business" campaign has been promoted by the carers' services provider to raise awareness of carer services in Barnet.
- **AC/S4 Percentage of adults with learning disabilities in paid employment (RAG rated RED AMBER)** – 10% against a target of 10.3%. This represents 77 people in paid employment out of a cohort of 770. An improvement project is being led within the Learning Disabilities service, building on a programme of targeted case reviews carried out in the last two quarters to look at the longer-term care and support options available for learning disabilities individuals.

- **AC/S6 Percentage of adults with mental health needs who live independently, with or without support (RAG rated GREEN AMBER)** – 81.8% against a target of 82%. The number of adults in stable accommodation has increased by 27 since the end of Q1 2017/18 (from 545 to 572) but this has been offset by an increased cohort size. New accommodation and support options have been introduced in 2017/18, including a range of supported living services available through a single framework agreement and these are being promoted through case reviews where appropriate.
- **AC/S9 Permanent admissions to residential and nursing care homes, per 100,000 population age 65+ (RAG rated RED)** – 185.0 against a target of 162.7. The target for the rate of admissions to residential care for older adults is profiled seasonally as we expect to see a greater rate of admissions during autumn and winter months. While admissions have exceeded the seasonal target they are still well under 50 per cent of the annual target and will continue to be closely monitored during the remainder of the year. Work to contain the number of residential admissions is ongoing. It includes joint work with NHS partners to promote access to early intervention, reablement-focused services as well as longer-term preventative work focusing on provision of strength-based social care to individuals and provision of a broader range of accommodation and support options across the borough.
- **AC/C12 Number of delayed transfers of care from hospital per 100,000 population (aged 18+) which are attributable to both NHS and ASC (RAG rated RED)** – 10.7 against a target of 7.4.
- **AC/C13 Number of delayed transfers of care from hospital, and those which are attributable to ASC, per 100,000 population (RAG rated RED)** – 5.5 against a target of 2.5.
The data for this indicator is published two months after the month it relates to; therefore Q2 2017/18 data refers to September 2016 to August 2017. In August and September 2017 the council's local data suggested an improvement in performance, particularly in relation to delayed days at two of the main NHS providers, the Royal Free and Central London Community Healthcare. An improvement plan has been put in place to streamline discharge pathways and improve capacity in the local social care market, and this is being monitored through twice weekly programme board meetings. Some issues have been identified with data that has been submitted in the past by NHS providers, which has meant Barnet's performance has been recorded as worse than it is in reality and the council is working closely with NHS organisations to revalidate the submissions against local data and resubmit the returns to NHS England.
- **AC/S8 Percentage of new clients, older people accessing enablement (RAG rated RED)** - 52.9% against a target of 64%. Following a review of the criteria for referrals into reablement services in July 2017, as part of a restructure of the social care Front Door in 2017/18 there has been a drop in the number of referrals. The impact of these is being monitored by the service.

Public Health

- B.8 Six indicators in the Public Health and Wellbeing Commissioning Plan have not met the quarterly target.

- **PH/S3 Excess weight in 10-11 year olds (RAG rated RED AMBER)-** 34.4% against a target of 32.6%. Barnet has a number of initiatives in place to decrease levels of excess weight in 10-11 year olds. The Healthy Weight Nurse team works individually with children and parents/carers identified as above the 98th centile for weight. Recently, a new top priority school list based on National Child Weight Management Programme (NCMP) results has been developed to help target work in particular schools to help reduce obesity levels. A new initiative around trans fats is being delivered with secondary schools. Currently, work is underway looking at the possibility of expanding the weight management service offer to teenagers too.
- **PH/C6 People with needs relating to STIs contacting a service who are offered to be seen or assessed with an appointment or as a 'walk-in' within two working days of first contacting the service (RAG rated RED)** - 95% against a target of 98%. To provide a more integrated sexual and reproductive health service, the service has moved over to Central North West London (CNWL). Commissioners are working closely with the provider to ensure patients are seen within 48 hours of contact.
- **PH/S13 New attendances of all under 25 year olds tested for chlamydia (RAG rated RED)** – 61.9% against a target of 70%. There were 260 (under 25 year olds) first time attendees to a sexual health clinic in Q1 2017/18, of which 161 were tested for Chlamydia. This service has also moved over to CNWL. Commissioners are working closely with the provider to ensure that eligible under-25 year olds are tested for chlamydia to reduce the prevalence in this target group.
- **PH/C11 Drug users successfully completing drug/alcohol treatment - non-opiate users (RAG rated RED)** – 29.9% against a target of 32.7%.
- **PH/C12 Drug users successfully completing drug/alcohol treatment - alcohol users (RAG rated RED)** - 31.7% against a target of 37.3%.
- **PH/C13 Drug users successfully completing drug/alcohol treatment - non-opiate and alcohol users (RAG rated as RED)** - 19.1% against a target of 30.7%. This result is based on those in treatment for both alcohol and non-opiates simultaneously, where 21 clients successfully completed treatment out of total of 110.

In August 2017, an Action Plan was created to increase delivery and move all cohorts into the upper quartile. Monthly targets have been reviewed across both Treatment and Recovery Hubs in Barnet (i.e. Hendon Lane and Edgware Hospital). As part of the Action Plan, all successful completions are reviewed and reports have been expanded to show as much information as possible e.g. identifying low usage services users and information to identify gaps to ensure the correct and relevant support is in place for the end of their treatment. In reviewing the offer locally it has been highlighted that there may be a lack of non-opiate specific groups (e.g. crack cocaine and/or cannabis) and a plan will be set up during the next quarter to support this cohort.

Adults and Safeguarding Indicators

Corporate Plan Indicators¹⁴

Ref		Indicator	Polarity	2017/18 Annual Target	2017/18 Q2 Target	2017/18 Q2 Result	2017/18 Q1 Result	DOT Short Term (From Q1 2017/18)	2016/17 Q2 Result	DOT Long Term (From Q2 2016/17)	Benchmarking
CPI	AC/S29	Number of instances of information, advice and guidance provided to carers	Bigger is Better	3,300	1,650	1,256 (R)	724	↑	1,649	↓	No benchmark available
CPI	AC/S25	Percentage of Social Care Direct customers who are satisfied or very satisfied with the service they have received post resolution	Bigger is Better	85%	85%	92% (G)	96%	↓	91%	↑	No benchmark available
CPI	AC/C17	Percentage of contacts that result in a care package	Smaller is Better	Monitor	Monitor	5.2% ¹⁵	18.2%	↑	18.8%	↑	No benchmark available

¹⁴ The Monitor indicators have been included for information.

¹⁵ This indicator is subject to data quality issues relating to the Mosaic implementation and is likely to be revised in subsequent quarters.

Corporate Plan Indicators¹⁴

Ref		Indicator	Polarity	2017/18 Annual Target	2017/18 Q2 Target	2017/18 Q2 Result	2017/18 Q1 Result	DOT Short Term (From Q1 2017/18)	2016/17 Q2 Result	DOT Long Term (From Q2 2016/17)	Benchmarking
CPI	AC/S3 (ASCOF 1G)	Percentage of adults with learning disabilities who live in their own home or with their family	Bigger is Better	65%	63.8%	70% (G)	70%	↔	66%	↑	CIPFA 68.8% London 70.1% (2015/16, ASCOF)
CPI	AC/S4 (ASCOF 1E)	Percentage of adults with learning disabilities in paid employment	Bigger is Better	10.8%	10.3%	10.0% (RA)	9.9%	↑	9.4%	↑	CIPFA 9.9% London 7.5% (2015/16, ASCOF)
CPI	AC/S5 (ASCOF 1F)	Percentage of adults with mental health needs in paid employment	Bigger is Better	7.5%	6.9%	6.9% (G)	7.6%	↓	5.8%	↑	CIPFA 6.5% London 5.0% (2015/16, ASCOF)
CPI	AC/S6 (ASCOF 1H)	Percentage of adults with mental health needs who live independently, with or without support	Bigger is Better	83%	82%	81.8% (GA)	83.1%	↓	83.2%	↓	CIPFA 74.4% London 73.5% (2015/16, ASCOF)

Corporate Plan Indicators¹⁴

Ref		Indicator	Polarity	2017/18 Annual Target	2017/18 Q2 Target	2017/18 Q2 Result	2017/18 Q1 Result	DOT Short Term (From Q1 2017/18)	2016/17 Q2 Result	DOT Long Term (From Q2 2016/17)	Benchmarking
CPI	AC/S9 ASCOF 2A (2)	Permanent admissions to residential and nursing care homes, per 100,000 population age 65+	Smaller is Better	500	162.7	185.0 (R)	58.9	↓	169.7	↓	CIPFA 445.2 London 516.5 (2015/16, ASCOF)
CPI	AC/C12	Number of delayed transfers of care from hospital per 100,000 population (aged 18+) which are attributable to both NHS and Adult Social Care	Smaller is Better	7.3	7.4	10.7 (R)	9.9	↓	8.3	↓	CIPFA 8.8 London 7.8 (2015/16, ASCOF)

Corporate Plan Indicators¹⁴

Ref		Indicator	Polarity	2017/18 Annual Target	2017/18 Q2 Target	2017/18 Q2 Result	2017/18 Q1 Result	DOT Short Term (From Q1 2017/18)	2016/17 Q2 Result	DOT Long Term (From Q2 2016/17)	Benchmarking
CPI	AC/C13 (ASCOF 2C/2)	Number of delayed transfers of care from hospital, and those which are attributable to adult social care, per 100,000 population	Smaller is Better	2.5	2.5	5.5 (R)	5.5	↔	3.8	↓	CIPFA 3.6 London 3.3 (2015/16, ASCOF)
CPI	AC/C14	Permanent admissions to residential and nursing care homes, per 100,000 population age 18-64*	Smaller is Better	15	8	1.6 (G)	0.0	↓	5.1	↑	No benchmark available
CPI	AC/C16	Number of referrals to hospital social work teams	Smaller is Better	Monitor	Monitor	627	225	↓	364	↓	No benchmark available

Corporate Plan Indicators¹⁴

Ref		Indicator	Polarity	2017/18 Annual Target	2017/18 Q2 Target	2017/18 Q2 Result	2017/18 Q1 Result	DOT Short Term (From Q1 2017/18)	2016/17 Q2 Result	DOT Long Term (From Q2 2016/17)	Benchmarking
CPI	AC/C21	Working age adults who have moved out of residential care into stable accommodation	Monitor	Monitor	Monitor	4.08	5.53	Monitor	New for 2017/18	New for 2017/18	No benchmark available

Commissioning Plan Indicators (not met target)¹⁶

Ref		Indicator	Polarity	2017/18 Annual Target	2017/18 Q2 Target	2017/18 Q2 Result	2017/18 Q1 Result	DOT Short Term (From Q1 2017/18)	2016/17 Q2 Result	DOT Long Term (From Q2 2016/17)	Benchmarking
SPI	AC/C19	Proportion of referrals that result in an assessment	Monitor	Monitor	Monitor	22.8%	31.2%	Monitor	New for 2017/18	New for 2017/18	No benchmark available

¹⁶ The Monitor indicators have been included for information.

Commissioning Plan Indicators (not met target)¹⁶

Ref		Indicator	Polarity	2017/18 Annual Target	2017/18 Q2 Target	2017/18 Q2 Result	2017/18 Q1 Result	DOT Short Term (From Q1 2017/18)	2016/17 Q2 Result	DOT Long Term (From Q2 2016/17)	Benchmarking
SPI	AC/S27	Percentage of customer contacts into Social Care Direct resolved at first point of contact	Bigger is Better	Monitor	Monitor	72.1%	63.7%	↑	50%	↑	No benchmark available
SPI	AC/S8	Percentage of new clients, older people accessing enablement	Bigger is Better	65%	64%	52.9% (R)	65.8%	↓	53.2%	↓	England 15% CIPFA 17% (2015/16, NHS England)
SPI	AC/C20	Number of safeguarding concerns received	Monitor	Monitor	Monitor	721	462	Monitor	New for 2017/18	New for 2017/18	No benchmark available

Public Health Indicators¹⁷

Commissioning Plan Indicators (not met target)

¹⁷ Reported a quarter in arrears, so data is for Q1 2017/18.

Ref		Indicator	Polarity	2016/17 Annual Target	Q1 2017/18 Target	Q1 2017/18 Result	Q4 2016/17 Result	DOT Short-Term (From Q4 2016/17)	Q1 2016/17 Result	DOT Long-Term (From Q1 2016/17)	Benchmarking
SPI	PH/S3	Excess weight in 10-11 year olds (overweight or obese)	Smaller is Better	32.6%	32.6%	34.4% (RA)	34.4%	↔	32.6%	↓	England 34.2%; London 38.1% (September 2017, PHOF)
SPI	PH/C6	People with needs relating to STIs contacting a service who are offered to be seen or assessed with an appt or as a 'walk-in' within two working days of first contacting the service	Bigger is Better	98%	98%	95.0% (R)	97.3%	↓	100%	↓	No benchmark available
SPI	PH/S13	New attendances of all under 25 year olds tested for chlamydia	Bigger is Better	70%	70%	61.9% (R)	85.2%	↓	52.0%	↑	No benchmark available

Commissioning Plan Indicators (not met target)											
Ref		Indicator	Polarity	2016/17 Annual Target	Q1 2017/18 Target	Q1 2017/18 Result	Q4 2016/17 Result	DOT Short-Term (From Q4 2016/17)	Q1 2016/17 Result	DOT Long-Term (From Q1 2016/17)	Benchmarking
SPI	PH/C11	Drug users successfully completing drug/alcohol treatment - non-opiate users	Bigger is Better	32.7%	32.7%	29.9% (R)	29.3%	↑	32.1%	↓	National 39.9% (September 2017, National Adult Quarterly Activity Partnership Report)
SPI	PH/C12	Drug users successfully completing drug/alcohol treatment - alcohol users	Bigger is Better	37.3%	37.3%	31.7% (R)	33.5%	↓	37.6%	↓	National 39.5% (September 2017, National Adult Quarterly Activity Partnership Report)
SPI	PH/C13	Drug users successfully completing drug/alcohol treatment - non-opiate and alcohol users	Bigger is Better	30.7%	30.7%	19.1% (R)	25%	↓	29.1%	↓	National 35.7% (September 2017, National Adult Quarterly Activity Partnership Report)

Risk management

B.9 Adults and Safeguarding risks are held on the Adults, Communities and Health and Public Health risk registers.

B.10 The Adults, Communities and Health risk register includes 28 risks overall, which are being managed in line with the council's risk management framework. Six are high level risks with a residual risk score of 15 or above. All are being managed as 'treat'.

- **AC002 - Failure of care provider (risk score 16) and AC003 - Unacceptable level of quality services provided by care providers (risk score 16).** These risks are being addressed through a programme of quality assurance, practice improvement and provider support. A health and social care project group is leading development of an enhanced offer for care homes to deliver improved quality of services and reduce risk of failure. The council has trialled joint monitoring of nursing homes with Barnet CCG using the Birmingham Quality Assessment Framework. Health funding has been agreed for nursing resources co-allocated within the council to roll out clinical training for providers to improve management of long term conditions and end of life. Additional staff have been appointed and further recruitment is underway for both community and accommodation based sectors working on practice sharing and strategic improvement. The Delivery Unit has purchased a contract management and monitoring system to improve analysis of trends and support early intervention, and piloting joint approach to monitoring the market across London as developed by London ADASS commissioning leads.
- **NEW - AC027 - Implementation of new IT systems (risk score 16).** If new IT systems are not implemented effectively this could lead to reduced financial control, lack of compliance with statutory duties and potentially harm to individuals. Work has continued on the implementation of the Mosaic case management system, which is likely to continue until the end of the year. This is the most significant new IT system being implemented within the service; other smaller-scale systems are on track to complete implementation in 2017/18.
- **AC019 - Capacity in the provider market (risk score 16, increased from 12).** This is being addressed by ongoing delivery of the five year Commissioning Plan and commissioning strategies; strategically reviewing market capacity; and working with the market as a whole, making a programme of best practice and improvement initiatives available to the provider sector. The council is strategically reviewing market capacity (residential, enablement, homecare, short term extra care) and regular monitoring of referrals into specialist schemes to ensure these are sustainable. Work is ongoing to monitor the potential impact of Brexit on the social care market, including on workforce recruitment and retention. Additionally, iBCF funding is intended to enable local authorities to quickly provide stability and extra capacity in local care systems.
- **AC001 - Increased overspend in 2017/18 to meet statutory duties (risk score 15).** This risk is being addressed by an in-year recovery plan, which includes tighter spending controls and more senior management involvement on care spend. The new social care monies allocated by Central Government have been allocated to

priority areas of spend and the Adults and Communities budget has been re-profiled to reflect projected demand more closely. There has been a particular focus on providing care which meets the challenges the council and its NHS partners face in relation to increased demand from hospital settings; preventative services have also received additional funding with a new local area coordination model being launched to support delivery. The ongoing work to implement the Mosaic case management system has meant that interim measures are required to provide assurance for the reports that provide the financial forecasts.

- **AC004 - Surge in demand from NHS (risk score 15).** This is being addressed by senior managers attending monthly meetings between Barnet Council, the Clinical Commissioning Group and NHS Provider Trusts to discuss and manage pressures in the system. During the quarter, the council has engaged in Discharge to Assess, review of sign off protocols across the system. The Department of Health have set new targets which focus on improving numbers of Delayed Transfers of Care (DTOCs) across the acute and community systems which will continue to increase pressure on the hospital social work service.

B.11 The Public Health risk register includes four risks overall, which are being managed in line with the council's risk management framework. None are high level risks with a residual risk score of 15 or above.

CHILDREN, EDUCATION, LIBRARIES AND SAFEGUARDING (CELS) COMMITTEE

B.12 The priorities for the CELS Committee are to work with partners to make Barnet the most family-friendly borough in London by 2020; ensure effective and robust safeguarding arrangements for vulnerable children and young people; ensure education that is among the best in the country; and deliver a 21st Century library service.

Budget position

Revenue					
Service	Original Budget £000	Revised Budget £000	Q2 Projected Outturn £000	Variance from Revised Budget Adv/(fav) £000	Variance from Revised Budget Adv/(fav) %
Family Services	52,445	58,471	59,816	1,345	2.3
Education and Skills	6,525	6,715	6,774	59	0.9

B.13 As at Q2 2017/18, the revenue budget for Family Services is forecast to overspend by £1.345m. The majority of the forecast overspend (£1.118m) relates to external placements and associated services. The contingencies within the forecast have been set at a pessimistic level and are being reviewed. The remainder of the forecast overspend relates to staffing and in particular the need to pay market rates to recruit and retain staff.

The forecast revenue outturn for Education and Skills is broadly in line with budget.

Capital						
Service	2017/18 Budget £000	Additions/ (Deletions) £000	(Slippage) / Accelerated Spend £000	Projected Outturn £000	Variance from Approved Budget Adv/(Fav) £000	Slippage %
Family Services	18,605	-	(5,596)	13,009	(5,596)	(30.1)
Education and Skills (including schemes managed by schools)	51,489	-	(20,000)	31,489	(20,000)	(38.8)

B.14 Within Family Services, there is slippage of £5.596m in the capital programme as at Q2 2017/18.

- The Meadow Close project is slipping £2.900m to 2018/19 as planning permission is required for works to be carried out.

- The Youth Zone project is slipping £1.200m to 2018/19 due to the planning phase taking longer than originally anticipated.
- The East Barnet Library Project is also re-profiling £0.500m into 2018/19 as it is aligned with the leisure centre delivery at Victoria Park which has slipped into 2018/19.
- The Family Services Estate project is slipping £1.000m as resources are yet to be allocated

Within the schools capital programme, the overall budget has been reviewed and reprofiled to reflect a more realistic forecast spend. This has resulted in slippage of £20.000m to 2018/19.

Progress on key activities

B.15 The effective safeguarding of vulnerable children and young people remains at the heart of what the council does; and this commitment will not change as local services evolve. The Commissioning Plan outlines the council's vision to make Barnet the most family-friendly borough in London by 2020 and to embed a resilience-based model of practice to identify issues early and support families to build their resilience. A progress update on key activities has been provided below.

Family Services

- **Delivering the family-friendly vision (Children's Services)** - after a recent Ofsted inspection Children's Services in Barnet are judged inadequate. A draft Improvement Action Plan setting out the Ofsted inspection findings, recommendations and a draft improvement plan was submitted at CELS Committee on 18 July 2017. The council is subject to intervention by the Department for Education (DfE) until services are improved. The DfE appointed Ms Frankie Sulke to be a Children's Commissioner for Barnet. She is due to report her findings in early December 2017. Her report will be considered by the Secretary of State who will give a statutory direction to the council about our improvement journey. The Children's Services Improvement Plan was submitted to Ofsted and the DfE on 13 October 2017. Ofsted has confirmed that the plan satisfactorily reflects the recommendations and priorities of the inspection report and will monitor its implementation. The first monitoring visit took place on 14 and 15 November 2017.

In the light of the Ofsted judgement, activity has been refocused on ensuring high quality social work practice. The plan is based around seven improvement themes; Governance, Leadership and Partnership, Embedding Practice Leadership, Right interventions - right time (thresholds), Improving Assessment for children, Improving planning for children and Effective communications and engagement to drive culture change.

To achieve improvement in these areas, resource is being directed to scrutinise, challenge and support practice to ensure that improving outcomes for children is at the heart of what we do across the partnership and council children receive timely interventions at the right level for their needs across the system, risk is identified and responded to swiftly, and children's plans are outcome focused and robustly monitored, to ensure that when change is not being achieved, action is taken to improve their circumstances.

At the heart of the improvement approach is the strengthened Quality Assurance and Workforce Development activities, which have been aligned to ensure there is sufficient oversight and scrutiny of practice quality, and also ensure that when gaps in skills and knowledge are identified the workforce development offer is rapid and responsive; to give practitioners the support they need to improve the quality of their work with children and families.

At Council on 25 July 2017 it was agreed that monitoring of the Improvement Action Plan and the associated operational indicators will be through CELS Committee. Where the Ofsted inspection focused on the *quality* of social work practice, the indicators reported for Family Services in Q2 2017/18 are more *process* driven and include data on take-up of services, placements and costs of provision. The latest report to CELS Committee is available online at <http://barnet.moderngov.co.uk/ieListDocuments.aspx?MIId=8694&x=1>

- **Tackling gang activity** – the REACH¹⁸ team has been established in partnership with MAC UK and is working alongside the youth work team to support vulnerable young people. The multi-agency approach to assessment and care planning has shown some early signs of improved assessment, including risk assessment, quality and care planning; with children, young people and their families benefiting from a co-ordinated wrap-around response to meet their complex needs. The initial results will be tracked by Research in Practice to see whether this early impact has been sustained via the evaluation work that has now started. This work fits into the wider activity of the service involving Keeping Young People Safe, Targeted Youth Service, work with voluntary sector organisations, Youth Offending Team and the gangs panel.

Education and Skills

- **Ensuring the attainment and progress of children in Barnet schools remains in the top 10% nationally** - at the end of the quarter, the percentage of Barnet primary schools rated as 'good' or 'outstanding' was 95.4% (83 out of 87 schools) (London average 93%) and for secondary schools was 95.5% (21 out of 22 schools) (London average 89%). All of Barnet's Special Schools, Pupil Referral Units and Nursery Schools with an Ofsted rating have been rated as 'good' or 'outstanding'.

All children starting in Reception or Year 7 in September 2017 have been offered a school place. In-year applications continue to be received. The planning application for the new secondary school, the Ark Pioneer, was granted by the Planning Committee on 25 October 2017.

- **Delivering a 21st Century library service** - Colindale, North Finchley, Osidge, Golders Green Chipping Barnet and Hendon libraries have re-opened following a period of refurbishment and re-modelling. Finchley Church End library has also re-opened in brand new premises, as part of the Gateway House development. At each of these sites, self-service opening is now being offered through technology that enables residents to enter and use library services during unstaffed hours. As

¹⁸ REACH is a multi-professional and integrated core team within Family Services consisting of social work, clinical psychology, family therapy and youth work disciplines. It supports a specific cohort of children and young people who are subject to the greatest level of risk and vulnerability to improve their outcomes.

each library has re-opened, staff have been on hand to help residents to register to use self-service opening and to become familiar with the technology. Well over 17,000 residents have now registered to use the service. Four partnership libraries are successfully established: Kisharon Child's Hill Library, NW7 HUB is operating Mill Hill Library and Inclusion Barnet is operating South Friern and East Barnet Libraries.

No finding has yet been received in relation to the notification by the Minister for Arts, Heritage and Tourism that the Department for Digital, Culture, Media and Sport (DCMS) is treating concerns raised in December 2016 by Barnet residents regarding the changes to Barnet's library service as a formal complaint under Section 10 (1) (a) of the Public Libraries and Museum Act 1964. It is important to note that the decision by the DCMS to treat the correspondence as a formal complaint is not an assessment of whether the council is failing in its duties relating the provision of public library services.

Performance indicators

B.16 All CELS indicators in the Corporate Plan and Commissioning Plan have met the quarterly target.

Corporate Plan Indicators¹⁹

Ref		Indicator	Polarity	2017/18 Annual Target	2017/18 Q2 Target	2017/18 Q2 Result	2017/18 Q1 Result	DOT Short Term (From Q1 2017/18)	2016/17 Q2 Result	DOT Long Term (From Q2 2016/17)	Benchmarking
CPI	FS/C42	Percentage of children newly placed in London Borough of Barnet foster care	Bigger is Better	Monitor	Monitor	9.3%	33.0%	↓	New for 2017/18	New for 2017/18	No benchmark available
CPI	FS/C43	Ratio of children subject to: CAF: CiN: CP: LAC (per 10,000)	Monitor	Monitor	Monitor	79.1 60.9 16.8 36.8	95.7 51.5 38.1 15.7	Not comparable	New for 2017/18	New for 2017/18	No benchmark available
CPI	FS/S15	Percentage of care leavers age 19 – 21 in education, employment or training	Bigger is Better	51%	51%	61.5% (G)	63.1%	↓	58.6%	↑	Statistical Neighbours 51.4% London 54% England 49% (2015/16, LAIT)

¹⁹ The Monitor indicators have been included for information.

Corporate Plan Indicators¹⁹

Ref		Indicator	Polarity	2017/18 Annual Target	2017/18 Q2 Target	2017/18 Q2 Result	2017/18 Q1 Result	DOT Short Term (From Q1 2017/18)	2016/17 Q2 Result	DOT Long Term (From Q2 2016/17)	Benchmarking
CPI	CES/S1	Percentage of primary schools rated as 'good' or better	Bigger is Better	95.5% ²⁰	95.5%	95.4% (as at Sep 17) (G)	94.3%	↑	94.3%	↑	London 93.4% England 89.7% (April 2017, Watchsted)
CPI	CES/S3	Percentage of secondary schools rated as 'good' or better	Bigger is Better	95.8% ²¹	95.8%	95.5% (as at Sep 17) (G)	95.5%	↔	91.7%	↑	London 89% England 78% (April 2017, Watchsted)

Commissioning Plan indicators (not met target)²²

Ref		Indicator	Polarity	2017/18 Annual Target	2017/18 Q2 Target	2017/18 Q2 Result	2017/18 Q1 Result	DOT Short Term (From Q1 2017/18)	2016/17 Q2 Result	DOT Long Term (From Q2 2016/17)	Benchmarking
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²⁰ When the primary indicator was set, the target of 95.5% of primary schools being good or better meant achieving 86/90 schools at good or better. The current performance in Q2 is 83/87 schools.

²¹ When the secondary indicator was set, the target of 95.8% of secondary schools being good or better meant achieving 23/24 schools at good or better. The current performance in Q2 is 21/22 schools.

²² The Monitor indicators have been included for information.

Commissioning Plan indicators (not met target)²²

Ref		Indicator	Polarity	2017/18 Annual Target	2017/18 Q2 Target	2017/18 Q2 Result	2017/18 Q1 Result	DOT Short Term (From Q1 2017/18)	2016/17 Q2 Result	DOT Long Term (From Q2 2016/17)	Benchmarking
SPI	FS/C17	Number of Children Missing from Care (during reporting period)	Smaller is Better	Monitor	Monitor	36	35	↓	44	↑	No benchmark available
SPI	FS/C44	Number of times serious incident response protocol triggered (youth violence)	Smaller is Better	Monitor	Monitor	0	0	↔	New for 2017/18	New for 2017/18	No benchmark available
SPI	FS/S5	Number of children adopted	Bigger is Better	13	Monitor	3	2	↑	3	↔	No benchmark available
SPI	FS/C45	Percentage of agency social workers	Smaller is Better	10%	11%	9.4%	10.9%	↑	New for 2017/18	New for 2017/18	No benchmark available

Commissioning Plan indicators (not met target)²²

Ref		Indicator	Polarity	2017/18 Annual Target	2017/18 Q2 Target	2017/18 Q2 Result	2017/18 Q1 Result	DOT Short Term (From Q1 2017/18)	2016/17 Q2 Result	DOT Long Term (From Q2 2016/17)	Benchmarking
SPI	FS/C19	Number of Children in Care further than 20 miles from Borough	Monitor	Monitor	Monitor	56	70	Monitor	70	Monitor	No benchmark available
SPI	FS/C46	Actual placement days	Monitor	Monitor	Monitor	105160	11730	Monitor	New for 2017/18	New for 2017/18	No benchmark available
SPI	FS/C47	Average gross cost per placement	Monitor	Monitor	Monitor	543.06	294.54	Monitor	New for 2017/18	New for 2017/18	No benchmark available
SPI	FS/C48	Income for joint placements	Monitor	Monitor	Monitor	£2,044,149	£1,889,612	Monitor	New for 2017/18	New for 2017/18	No benchmark available

Risk management

B.17 CELS risks are held on the Children and Young People and Cambridge Education risk registers.

B.18 The Children and Young People risk register includes 22 risks overall, which are being managed in line with the council's risk management framework. Three are high level risks with a residual risk score of 15 or above. These are being managed as 'treat', with the exception of the latter which is being managed as 'tolerate'.

- **FS001 - Significant child safeguarding incident (risk score 16).** This will always be a significant risk for the service, with previous Practice Improvement Plans addressing a legacy of poor practice. The Ofsted action plan builds on previous work within the service to improve practice and is being rolled out, with impact on practice being monitored. Revised management structures are being put in place across the service, which will lead to improved decision-making.
- **NEW - FS023 – Delivery of Ofsted Action Plan (risk score 15).** This risk relates to the Ofsted Action Plan not being delivered across the partnership quickly enough, which could lead to outcomes for children, young people and families not improving at the pace required. A robust action plan to take recommendations forward has been developed and is being monitored closely through daily touchdowns, weekly improvement meetings and the monthly Social Work Improvement Board. Potential barriers around IT and HR not moving quickly enough to support work around system improvement and recruitment have been identified. The Chief Executive has been working with these services to resolve issues that could prevent rapid progress.
- **FS019 – Relocation of unaccompanied minors (risk score 16, increased from 12).** The relocation of unaccompanied minors and increase in Unaccompanied Asylum Seeking Children (UASC) could lead to increases in the child in care population, resulting in budgetary pressures. The risk score has increased as the number of UASC is consistently high, and has been steadily increasing. A number of short term measures have been put into place to manage the increase in demand, including the conversion of posts within the Onwards and Upwards Team to Social Workers. However, longer term demand and financial modelling is being undertaken to ensure that we have the right investment and model to respond to future demand in this area.

B.19 The Cambridge Education joint risk register includes 22 risks overall, which are being managed in line with the council's risk management framework. None are high level risks with a residual risk score of 15 or above.

ASSETS, REGENERATION AND GROWTH (ARG) COMMITTEE

B.20 The priorities for ARG Committee are to facilitate the building of more than 20,000 new homes by 2025, as part of several major regeneration programmes, including at Brent Cross, and through brownfield redevelopment; continue to help residents access employment; invest in key town centres and make Barnet the best place in London to be a small business.

Progress on key activities

B.21 A progress update on key activities has been provided below. Further information on the regeneration programme is set out in paragraph C.16.

- **Regenerating Brent Cross Cricklewood**

Brent Cross North – the applications for the shopping centre and early works were considered by the Planning Committee on 25 October 2017 and approved. Early ‘critical’ works including tree felling, invasive species treatment and vegetation clearance are due to commence in November 2017. Hammerson Standard Life (HSL) has been taking forward the process of obtaining a contractor.

Brent Cross South – the First Phase Proposal and Business Case were approved by ARG Committee on 24 July 2017. Pre-application discussions have been progressing. Design workshops and consultation events have taken place with residents.

Brent Cross Thameslink – the focus of work this quarter has been on preparation for the Compulsory Purchase Order 3 (CPO3) public inquiry. Key statutory objections from Network Rail and North London Waste Authority were removed prior to the CPO3 Inquiry, which took place in September 2017. A decision is expected in Q1 2018/19. The CPO1 and CPO2 decision is still awaited and is expected in November 2017.

- **Regenerating Colindale** - the Colindale programme is taking shape with resources being agreed to project manage a range of activities from public parks, public realm, highway improvement proposals and a proposed initiative to improve accessibility at Colindale Station.

The Planning Committee approved the application for improvements to Montrose and Silkstream Parks on 28 September 2017. The construction tender package and costs are now being prepared. Work has progressed on a Liveable Neighbourhood Bid to support walking and cycling routes in Colindale, which was submitted to TfL in October 2017. Discussions have also taken place with TfL regarding the over station development proposal for Colindale Tube Station that will provide public realm improvements for Colindale Avenue. A Memorandum of Understanding has been agreed with TfL, which provides a framework for negotiations going forward regarding future funding and delivery of the station.

Discussions are underway with the GLA regarding their objection to the planning application for replacement of the Grahame Park Concourse.

- **Delivering the Development Pipeline** – works have continued on the new 53-bedroom extra care housing development at Moreton Close with progress made on the third story block and brickwork during September 2017.

The Development Pipeline Programme Board has approved the strategic outline case for an extra care development at Stag House. The outline business case is due to be considered by ARG Committee in November 2017.

As part of Tranche 3 (Affordable housing on infill sites) two sites (Elmshurst Crescent and Basing Way) have been transferred to Open Door Homes during the quarter and works started on site. 27 homes for affordable rent will be delivered in total across these two sites. Planning, procurement and legal work has progressed for the other sites in the programme.

The scheme at Underhill Court was determined by the Planning Committee on 28 September 2017 and The Croft was determined in October 2017. This leaves just five schemes to be submitted to the Planning team and determined before the end of the year. All schemes where a contractor has not been identified will go through a two-stage tender process to ensure that competitive pricing is achieved while alongside ensuring a benefit of contractor contribution to buildability.

Tranche 1 seeks to deliver 289 new homes of mixed tenure. Planning consent had been obtained for the bulk of the new homes in June 2015 with Moxon Street following in November 2016. A pre-contract services agreement with Wates concluded in September 2016 when the council opted not to proceed with Wates as the construction contractor. A report will be presented to ARG Committee detailing options for all five sites in due course.

- **Helping people into work** – work to support the roll out of the apprenticeship levy has continued. Eight apprentices have been taken by the council on so far this year, and preparations are being made to take on others. Support has been given to community schools who have been taking on Early Years and School Sports apprentices. To improve employment and skills in the borough, the council has been working with partners to develop a traineeship programme for young people who aren't quite ready for an apprenticeship. This opportunity will be targeted at care leavers and other priority groups. BOOST Childs Hill and BOOST Burnt Oak have engaged over 400 residents and supported over 100 people into work.
- **Investing in key town centres and making Barnet the best place in London to be a small business** - residents of Golders Green have been invited to give their views on the town centre, which will support the development of a Town Centre Strategy. A draft Supplementary Planning Document for North Finchley Town Centre has been developed for consultation next quarter.

The Barnet Spacehive Community Fund – a platform for crowdfunding projects, has attracted a lot of attention. A number of projects in Barnet's town centres have successfully reached their target, including the Barnet Teenage Market, Syrian Kitchen and Love Burnt Oak Community Kitchen.

Performance indicators

B.22 One ARG indicator in the Corporate Plan has not met the quarterly target.

- **CG/C25 Income from estate (RAG rated RED)** - £1.56m against a target of £1.88m. There has been a lag in invoicing due to Property services being unable to bill for income owed due to some lease agreements still being negotiated. Once the lease agreements have been completed, Property services will invoice for the rental fees.

Corporate Plan Indicators²³

Ref		Indicator	Polarity	2017/18 Annual Target	2017/18 Q2 Target	2017/18 Q2 Result	2017/18 Q1 Result	DOT Short Term (From Q1 2017/18)	2016/17 Q2 Result	DOT Long Term (From Q2 2016/17)	Benchmarking
CPI	KPI001 (A&A)	Compliance with planning application statutory timescales (for major, minor, other applications)	Bigger is Better	75%	75%	86.4% (G)	86.1%	↑	83.1%	↑	No benchmark available
CPI	REGEN KPI01	New Homes Completed ²⁴	Bigger is Better	2,313	Monitor	282	241	↑	192	↑	No benchmark available
CPI	CG/C25	Income from the estate	Bigger is Better	£3.76m ²⁵	£1.88m	£1.56m (R)	£1.10m	↑	£1.5m	↑	No benchmark available
CPI	CG/S27	Percentage of council spend (excluding direct debits) with local businesses	Bigger is Better	Monitor	Monitor	36%	42%	↓	51%	↓	No benchmark available

²³ The Monitor indicators have been included for information.

²⁴ This measures all new homes in the borough, including as part of regeneration schemes and private development schemes.

²⁵ Published proposed annual target of £3.37m now finalised as £3.76m

Corporate Plan Indicators²³

Ref		Indicator	Polarity	2017/18 Annual Target	2017/18 Q2 Target	2017/18 Q2 Result	2017/18 Q1 Result	DOT Short Term (From Q1 2017/18)	2016/17 Q2 Result	DOT Long Term (From Q2 2016/17)	Benchmarking
CPI	CG/S1	Unemployment (of people on out of work benefits)	Smaller is Better	Monitor	Monitor	4.9% - (Jul 16 – Jun 17)	5.0% (Apr 16 - Mar 17)	↑	5.2% (Jul 15 - Jun 16)	↑	London 5.5% National 4.6% (July 16 - June 2017, Nomisweb)

Commissioning Plan indicators (not met target)²⁶

Ref		Indicator	Polarity	2017/18 Annual Target	2017/18 Q2 Target	2017/18 Q2 Result	2017/18 Q1 Result	DOT Short Term (From Q1 2017/18)	2016/17 Q2 Result	DOT Long Term (From Q2 2016/17)	Benchmarking
SPI	CG/C26	Barnet council apprenticeships	Bigger is Better	44	Monitor	5	3	↑	8	↓	No benchmark available

²⁶ The Monitor indicators have been included for information.

Risk management

B.23 ARG risks are held on the Re joint risk register. This includes 31 risks overall, which are being managed in line with the council's risk management framework. None are high level risks with a residual risk score of 15 or above.

HOUSING COMMITTEE

B.24 The priorities for Housing Committee will be to increase the supply of housing and build more affordable homes through the development pipeline; tackle homelessness through prevention, use of temporary accommodation and housing in the private rented sector; drive up the quality of the private rented sector; and provide suitable housing to support vulnerable people.

Budget position

Revenue					
Service	Original Budget £000	Revised Budget £000	Q2 Projected Outturn £000	Variance from Revised Budget Adv/(fav) £000	Variance from Revised Budget Adv/(fav) %
Housing Needs and Resources (Barnet Homes)	5,560	5,560	6,970	1,411	25.4

B.25 The projected overspend of £1.411m for Housing Needs and Resources represents 25.4% of the total Delivery Unit budget (£5.560m). The forecast overspend is largely due to a shortfall in rental income as a result of temporary accommodation rents being fixed at January 2011 Local Housing Allowance rates, in addition to income loss from hostels, temporary accommodation preventions, one-off private sector leasing prepayments and an increase in the bad debt provision.

Capital						
Service	2017/18 Budget £000	Additions/ (Deletions) £000	(Slippage) / Accelerated Spend £000	Projected Outturn £000	Variance from Approved Budget Adv/(Fav) £000	Slippage %
Housing Needs & Resources (Barnet Homes)	45,424	-	(9,445)	35,979	(9,445)	(20.8)
HRA (Barnet Homes)	89,214	(6,551)	(23,977)	58,686	(30,528)	(26.9)

B.26 The forecast capital outturn for Housing Needs and Resources shows slippage of £9.445m as at Q2 2017/18. The land transfer of 19 discrete sites to Open Door Homes (ODH) was delayed. Five sites have now transferred. A planned schedule of work is in place and reflected in the business plan. The contractor will be appointed once the land transfer is completed. In addition, the micro sites project is still in the feasibility stage and will now not start until 2018/19.

B.27 The HRA capital forecast shows slippage of £30.528m at Q2 2017/18. The Extra Care pipeline project will now not start until 2018/19 (£15.300m). The buy-back part of the Dollis Valley project is now complete, however the remaining budget relating to shared equity costs will now not happen until 2018/19 (£3.300m). The Moreton Close build will not complete in 2017/18, resulting in £3.700m slippage. The acquisitions programme is anticipated to only complete a further three properties this year, slipping the remainder into 2018/19 (£3.000m).

Progress on key activities

B.28 With Barnet now having the largest population of any borough in London and continuing to grow, the Commissioning Plan outlines the council's housing priorities (as in paragraph B.27 above). A progress update on the key activities has been provided below.

16. **Grenfell fire** - following the tragic fire at Grenfell Tower in June 2017, Barnet Homes rapidly mobilised contractors to remove the cladding system on the three towers on the Granville Road estate in NW2, which had similar cladding panels as those on Grenfell Tower. Whilst this work progressed, risk mitigating measures including 24/7 fire wardens were deployed for safety and reassurance of residents. Good progress has been made on developing options for a suitable cladding system replacement, with a decision expected to be made early in the next quarter. Resident communication has been extensive to ensure those impacted are kept informed and are able to feedback their views.

Best practice fire safety surveys for the 28 tower blocks included in the programme have been completed and a prioritised programme of works, including the installation of centrally controlled alarm system and sprinklers, was approved by the Housing Committee on 23 October 2017.

- **Tackling homelessness** - new mitigations have been put in place, focusing on early intervention, prevention, family mediation and reduction in the use of Temporary Accommodation (TA). For example, the Customer Ready Team supports prevention activity by collecting all documentation ahead of customers' housing appointments, enabling the expanded specialist Prevention Team more time to complete casework and tenancy sustainment activities; the TA Reduction Project supports customers with move on opportunities; and the Family Mediation Pilot supports housing applicants who might become homelessness due to exclusion by their families and friends. These mitigations have delivered positive results. Overall numbers in TA have reduced to 2,675 (from 2,887 same time last year). The let2barnet team has procured 325 units in the private rented sector (YTD). Homelessness preventions delivered through the early intervention strategy have increased to 283 (532 YTD). To further increase affordable supply, 50 units will be purchased out of London, as part of the second phase of the acquisitions programme. A total of 20 properties had completed and a further 24 properties were undergoing the conveyancing process, representing a total of £7.15m of the £8m capital budget committed by the end of the quarter.
- **Driving up the quality of the private rented sector** – there are now 533 HMOs licensed in Barnet and 650 landlords have been accredited under the London Landlord Accreditation Scheme. 18 empty properties have been brought back into

residential use through advice and/or enforcement, bringing the total to 56 (year to date). A long-term empty property purchased by the council through CPO action was sold at auction. Gas Safety Week in September 2017 was used as a vehicle to raise awareness of issues with defective gas appliances, how people can help themselves to stay safe and how the council can assist where landlords are not taking the appropriate action. The HMO Licensing team attended the International Orientation fair at Middlesex University advising new students about the requirement for landlords to licence.

- **Providing suitable housing to support vulnerable people** – the new build extra care scheme at Moreton Close remains on schedule for completion in 2018/19.

Performance indicators

B.29 All Housing indicators in the Corporate Plan have met the quarterly target. However, one indicator in the Housing Commissioning Plan has not met the quarterly target.

- **BH/S4 Current arrears as a percentage of debit (RAG rated RED)** – 3.5% against a target of 3.1%. This variance equates to £209k of a £58m annual debit. There have been a series of IT system issues, including 1) a failure to record Housing Benefit and cash files onto the QL system, as well as a failure to receive cash files from CSG; and 2) an IT systems failure affecting new direct debit payments loading onto the Auddis system, which led to delays in collecting some housing rent payments. These issues have been resolved now.

Analysis has shown a steady increase in arrears within certain groups and bands of arrears. A more detailed analysis of trend data will be undertaken to identify any improvements that can be made to internal processes and systems.

Corporate Plan Indicators²⁷

Ref		Indicator	Polarity	2017/18 Annual Target	2017/18 Q2 Target	2017/18 Q2 Result	2017/18 Q1 Result	DOT Short Term (From Q1 2017/18)	2016/17 Q2 Result	DOT Long Term (From Q2 2016/17)	Benchmarking
CPI	REGEN KPI05	Delivery of affordable housing completions	Bigger is Better	112	Monitor	113	68	↑	100	↑	No benchmark available
CPI	BH/S2	Number of Homelessness Preventions	Bigger is Better	1,050	225	532 (G)	249	↑	450	↑	Rank 2 nd quartile (2016/17, DCLG)
CPI	BH/C4	Numbers of households in Temporary Accommodation	Smaller is Better	2,600	2,725	2,675 (G)	2,692	↑	2,887	↑	Rank 28 (out of 33 London Boroughs) (Q4 2016/17, DCLG)
CPI	BH/KPI 9	Families with Children in Temporary Accommodation ²⁸	Smaller is Better	Monitor	Monitor	64.4%	65.1%	↑	New for 2017/18	New for 2017/18	No benchmark available
CPI	EH02I	Compliance with Licensing Requirements for Houses in Multiple Occupation	Bigger is Better	60%	60%	69.4% (G)	64.0%	↑	68.7%	↑	No benchmark available

²⁷ The Monitor indicators have been included for information.

²⁸ New indicator – target set as Monitor for 2017/18 whilst baseline identified.

Commissioning Plan indicators (not met target) ²⁹											
Ref		Indicator	Polarity	2017/18 Annual Target	2017/18 Q2 Target	2017/18 Q2 Result	2017/18 Q1 Result	DOT Short Term (From Q1 2017/18)	2016/17 Q2 Result	DOT Long Term (From Q2 2016/17)	Benchmarking
SPI	BH/S3	Length of stay in Emergency Temporary Accommodation (ETA)	Smaller is Better	Monitor	Monitor	49.16	56.1	↑	55.6	↑	No benchmark available
SPI	BH/C2	Percentage of those households in Emergency Temporary Accommodation (ETA) pending enquiries or found to be intentionally homeless	Smaller is Better	Monitor	Monitor	32.2%	32.9%	↑	29.1%	↓	Rank 25 (out of 33 London Boroughs (Q4 2016/17, DCLG))

²⁹ The Monitor indicators have been included for information.

Commissioning Plan indicators (not met target)²⁹

Ref		Indicator	Polarity	2017/18 Annual Target	2017/18 Q2 Target	2017/18 Q2 Result	2017/18 Q1 Result	DOT Short Term (From Q1 2017/18)	2016/17 Q2 Result	DOT Long Term (From Q2 2016/17)	Benchmarking
SPI	BH/S4	Current tenant arrears as a percentage of the annual rent debit	Smaller is Better	2.9%	3.1%	3.5% (R)	3.2%	↓	3.3%	↓	Rank 2 (Q4 2016/17, Housemark)
SPI	CG/S21	Delivery of 10% affordable homes as wheelchair or accessible units	Bigger is Better	Monitor	Monitor	0 units	0 units	↔	1 unit	↓	No benchmark available
SPI	EH04A	Number of empty properties brought back into residential use	Bigger is Better	100	Monitor	18	40	↓	75	↓	No benchmark available

Commissioning Plan indicators (not met target)²⁹

Ref		Indicator	Polarity	2017/18 Annual Target	2017/18 Q2 Target	2017/18 Q2 Result	2017/18 Q1 Result	DOT Short Term (From Q1 2017/18)	2016/17 Q2 Result	DOT Long Term (From Q2 2016/17)	Benchmarking
SPI	EH04B	Number of private tenanted properties with Category 1 hazards (as defined by the Housing Act 2004) reduced to Category 2 (Cat 2) hazards	Bigger is Better	165	Monitor	22	44	↓	24	↓	No benchmark available

Risk management

B.30 Housing risks are held on The Barnet Group joint risk register. This includes nine risks overall, which are being managed in line with the council's risk management framework. One is a high level risk with a residual risk score of 15 or above. This is being managed as 'treat'.

- **NEW - TBG009 – Ensuring availability of funding for meeting best practice in fire safety (risk score 16).** This risk relates to the approach that the council and Barnet Homes are taking to ensure best practice in relation to fire safety in council tower blocks, and the need to ensure that funding is available for this. In the last quarter, a project board led by the council's CEO met regularly to review progress against key mitigations, including arranging the removal of Aluminium Composite Material (ACM) cladding at Granville Road, development of a costed programme of works to move beyond legislative requirements to deliver best practice in fire safety, and updating of the HRA Business Plan to take account of additional investment in fire safety measures. Progress was reported to the Housing Committee on 23 October 2017, where an updated HRA Business Plan was approved and the Committee agreed to recommend to Policy and Resources Committee that the additional investment in fire safety measures be increased from £10m to £17.5m.

ENVIRONMENT COMMITTEE

B.31 The priorities for Environment Committee are parks and open spaces; recycling and waste collection; using street cleaning and more enforcement; parking and highways management.

Budget position

Revenue					
Service	Original Budget £000	Revised Budget £000	Q2 Projected Outturn £000	Variance from Revised Budget Adv/(fav) £000	Variance from Revised Budget Adv/(fav) %
Parking and Infrastructure	9,155	9,368	9,372	5	0.1
Street Scene	12,881	13,395	13,809	414	3.1

B.32 As at Q2 2017/18, parking and infrastructure is forecast to be in line with budget.

B.33 The projected overspend of £0.414m for Street Scene represents 3.1% of the total Delivery Unit budget (£13.395m). The overspend relates to increased costs of staffing and equipment and a project to reduce these costs has commenced. There are also currently unachieved savings that were to be delivered through the alternative delivery model and a restructure to deliver these is pending. The service is holding vacancies pending that restructure. The income target for trade waste is currently forecast to be overachieved.

Capital						
Service	2017/18 Budget £000	Additions/ (Deletions) £000	(Slippage) / Accelerated Spend £000	Projected Outturn £000	Variance from Approved Budget Adv/(Fav) £000	Slippage %
Parking and Infrastructure	2,686		- (350)	2,336	(350)	(13.0)
Street Scene	4,663		- -	4,663	-	-

B.34 The forecast capital outturn for Parking and Infrastructure shows slippage from budget of £0.350m which relates to the lines and signs project.

The Street Scene capital programme is currently forecast to be within budget.

Progress on key activities

B.35 Barnet is a green and leafy borough and this is one of the reasons people want to live here. The council is modernising environmental services to help keep the environment green, clean and safe; whilst delivering highways improvement and investing in parks and open spaces. A progress update on key activities has been provided below.

- **Modernising environmental services** - Street Scene has completed its move out of Mill Hill Depot and into the new Oakleigh Depot. The move to the modern purpose built facility went smoothly with no impact on frontline services. Shortly after the new Depot opened, senior managers met with local residents to seek feedback on any impact the facility may have had and agreed to some additional measures to help screen the site such as plants and trees. Further improvements for Green Spaces satellite depots are also in progress and should be finalised by the end of 2017/18. The old Mill Hill Site has been fully released for development. Consultation with staff has been ongoing to enable a restructure proposal to go to General Functions Committee in November 2017. The 18-month Business Plan is being finalised to ensure modernised resilient services can be delivered, whilst frontline staff are supported to do their jobs. Barnet Waste Regulations went to go to Full Council on 31 October 2017 for adoption, following which a phased roll out of time banded collections will take place. New recycling collections for commercial waste are being offered to customers.
- **Delivering highways improvements** – A new Damage to Highways team has undertaken inspections and repairs covering circa 1,000 development sites in response to damaged highways and footways caused by building works.

Year 3 of the £50m Network Recovery Programme (NRP) has commenced. Seven NRP footway resurfacing schemes have completed to date at a cost of £951k; along with five carriageway resurfacing schemes at a cost of £493k and 44 carriageway micro-asphalt resurfacing schemes at a cost of £748k. 402 patch repairs have been completed on 66 roads as part of the proactive patching programme, which was launched last quarter. 49 per cent of the programme has been completed. Issues have been raised in relation to poor response times following service requests and officers will look to increase available resources to make sure that the service meets customer expectations in this area.

42 Local Implementation Plan (LIP) schemes are at various stages of design and development. Two schemes have been approved by area committee and will be implemented later this year. Squires Lane 20mph scheme consultation has been completed and will be implemented later in the year.

The Highway Adoption Policy was approved by Environment Committee in July 2017, providing additional powers to enforce illegal crossings.

- **Investing in parks and open spaces** – a Steering Group to oversee the delivery of the Playing Pitch Strategy has been established in partnership with Sport England, England and Wales Cricket Board, England Hockey, Football Association, Lawn Tennis Association and Rugby Football Union. The master planning exercise for the creation of a Sports Hub at Copthall is nearing completion; and additional master planning exercises have commenced for the creation of Sports Hubs at West Hendon Recreation Ground and Barnet Playing Fields, improvements to Victoria Park and the North West Green Belt sites (Scratchwood, Moat Mount and Barnet Woods). Planning consent has been obtained for the Development of Silkstream Valley Park and the design concept has been agreed with the developer for the re-development of Heybourne Park. A Tree Strategy including a five-year Strategic Tree Planting Programme has been developed and adopted.
- **Delivering regulatory services** – see paragraph C.16 for an update on services delivered by the Re contract.

Performance indicators

B.36 Two Environment indicators in the Corporate Plan (first two indicators) have not met the quarterly target; and two indicators in the Environment Commissioning Plan have not met the quarterly target (latter two indicators).

- **KPI 2.1-2.3 (NM) Highways defects made safe within agreed timescales (RAG rated RED)** – Fail. The result for this composite indicator cannot be determined due to data for KPI 2.3 (NM - Category 2 defects) still being finalised for September 2017.
- **SS/S3 Percentage of household waste sent for reuse, recycling and composting (RAG rated RED)** – 39.3% against a target of 43.7% for Q1 2017/18. There has been a slight drop in performance from the same time last year (39.4%) due to a decrease in kerbside dry co-mingled tonnages, third party recycling tonnages, waste electrical tonnages and food waste tonnages.
- **SS/C1 Waste tonnage – residual per household (RAG rated GREEN AMBER)** – 160.69kg per household against a target of 154.16kg per household. There has been a positive reduction in residual waste of 4.88kg per household in the past year. However, the tonnage of residual waste being disposed of by households continues at a high level and Barnet's performance was ranked in the lowest quartile of the 33 London Boroughs in the final 2016/17 outturn. Current residual waste bin capacity at houses remains high, with standard capacity being 240 litres per week, and a number of properties having in excess of this capacity.
- **SS/C2 Waste tonnage – recycling per household (RAG rated RED)** – 104.09kg per household was recycled against a target of 119.64kg per household for Q1 2016/17. There has been a negative reduction in recycling of 3.68kg per household in the past year. A dry recycling contamination plan is being developed to address the rise in contaminated recycling collections (8.53% compared with 8.32% last year) and recycling messages in Barnet First.

Corporate Plan Indicators											
Ref		Indicator	Polarity	2017/18 Annual Target	2017/18 Q2 Target	2017/18 Q2 Result	2017/18 Q1 Result	DOT Short Term (From Q1 2017/18)	2016/17 Q2 Result	DOT Long Term (From Q2 2016/17)	Benchmarking
CPI	KPI NM 2.1-2.3	Highways defects made safe within agreed timescales	Bigger is Better	100%	100%	Fail ³⁰ (R)	98.4%	Not comparable	Data not available	Data not available	No benchmark available
CPI	SS/S3	Percentage of household waste sent for reuse, recycling and composting	Bigger is Better	42%	43.7%	39.3% (R)	32.7% (Q4 2016/17)	↑	39.4%	↓	Rank 7 (out of 25 London Boroughs) (Q1 2017/18, Wasteflow)

Commissioning Plan indicators (not met target)											
Ref		Indicator	Polarity	2017/18 Annual Target	2017/18 Q2 Target	2017/18 Q2 Result	2017/18 Q1 Result	DOT Short Term (From Q1 2017/18)	2016/17 Q2 Result	DOT Long Term (From Q2 2016/17)	Benchmarking

³⁰ Result cannot be determined as Re still finalising September 2017 data for KPI 2.3 (NM) Highways Category 2 Defects Rectification completed on time

Commissioning Plan indicators (not met target)											
Ref		Indicator	Polarity	2017/18 Annual Target	2017/18 Q2 Target	2017/18 Q2 Result	2017/18 Q1 Result	DOT Short Term (From Q1 2017/18)	2016/17 Q2 Result	DOT Long Term (From Q2 2016/17)	Benchmarking
SPI	SS/C1	Waste tonnage – residual per household	Smaller is Better	590.85k g HH	154.16k g HH (Q1 2017/18)	160.69k g HH (GA) (Q1 2017/18)	150.23k g HH (Q4 2016/17)	↓	165.57kg HH (Q1 2016/17)	↑	.Rank 21 (out of the 25 London Boroughs) (Q1 2017/18, Wasteflow)
SPI	SS/C2	Waste tonnage – recycling per household	Bigger is Better	427.97k g HH	119.64k g HH (Q1 2017/18)	104.09k g HH (R) (Q1 2017/18)	72.99kg HH (Q4 2016/17)	↑	107.77kg HH (Q1 2016/17)	↓	No benchmark available

Risk management

B.37 Environment risks are held on the Environment and Parking and Infrastructure risk registers. The Environment risk register includes 33 risks and Parking and Infrastructure risk register includes 14 risks, which are being managed in line with the council's risk management framework. There are no high level risks with a residual risk score of 15 or above.

COMMUNITY LEADERSHIP COMMITTEE

B.38 The priorities for Community Leadership Committee are to co-ordinate a partnership approach for addressing persistent anti-social behaviour, crime, domestic violence (DV) and violence against women and girls (VAWG); emergency planning, preparedness and response; and supporting community activity, including grant funding and use of assets.

Progress on key activities

B.39 The council's vision for the community is to ensure crime levels remain low and people feel safe to live and work in Barnet; communities are stronger and more cohesive; whilst being prepared for an emergency and responding quickly should a situation arise. A progress update on the key activities has been provided below.

- **Community safety** - Barnet is one of London's safest boroughs with a low crime rate. In the last 12 months (to August 2017) there were 67 crimes per 1,000 residents in Barnet, which was 7th lowest rate of total crime per person out of all 32 London boroughs. The rate of violent crime is even lower: Barnet had the 3rd lowest rate of violent crime with 5.8 Violence with Injury offences per 1,000 population. In the current rolling 12 months (to October 2017) there has been a 7 per cent reduction in burglary (from 3,680 offences down to 3,406).

In order to build on the successes achieved in reducing burglaries in Barnet, the council and police have implemented a joint project to expand the Automatic Number Plate Recognition (ANPR) camera coverage across the borough. The cameras are monitoring the key routes into Barnet 24 hours a day. These cameras will help prevent crime involving vehicles and will provide information and evidence to catch and convict offenders.

17. **Supporting those with multiple needs** - there are multiple strands of work that are seeking to support those with multiple needs. All Barnet CCG patients identified under the national Transforming Care Plan have been discharged. The robust multi-disciplinary admissions avoidance process is now well established and there have been no new admissions of adults with learning disabilities/autism with complex needs to assessment and treatment hospitals since June 2016. The impact of the process mitigates future risks and is also providing a good understanding of residents' needs.

Work is underway with the new service provider of substance misuse services to improve performance. A single point of access for information, advice and support with regards to substance misuse is in place, which includes a holistic and thorough health and wellbeing assessment. Work is in progress to link up substance misuse, mental health and domestic violence services to provide more integrated support.

An audit of Domestic Violence and Abuse (DVA) and Violence Against Women and Girls (VAWG) cases is being carried out where the victim or perpetrator has had co-existing mental health or substance misuse needs. This will provide a more in-depth understanding of learning opportunities and gaps in services.

There is also a large programme of work underway to tackle homelessness, focusing on early intervention, prevention, family mediation and reduction in the use of Temporary Accommodation (TA).

- **Co-ordinating a package of measures to support community activity** – Barnet’s crowdfunding platform, Barnet Together, launched in July 2017. 19 community projects have been pitched since the launch and six of these have achieved their fundraising target, five of which did not require any financial contribution from the council.

Volunteering opportunities have continued to be promoted, including in a borough-wide communications campaign – and the impact of this work was reflected in the positive results of the latest residents’ perceptions survey in Spring 2017, which showed that 30 per cent of residents volunteered regularly (up from 23 per cent in Spring 2016). For staff, a new intranet page on volunteering has been created and a ‘lunch and learn’ dementia-friends training session was held in September 2017.

A new Barnet Community webpage is in development, which will showcase how residents and businesses can get more involved in the community and signpost community and voluntary groups to support available to them in the borough. This will be launched next quarter. An update on the delivery of the Community Participation Strategy will be shared with the Community Leadership Committee in November 2017

- **Emergency planning, preparedness and response** – local Counter Terrorism officers delivered a briefing and awareness session to Members at Hendon Town Hall. They were shown the three new ‘Run, Hide, Tell’ videos recently released by the National Counter Terrorism Security Office, which are available online. They include guidance on what to do should you be caught up in an incident.

In July 2017, the Emergency Planning Manager, along with colleagues from the Community Engagement team, attended the Youth Practitioners Forum to deliver a presentation on emergency resilience and young people. The idea of involving children and young people in planning for emergencies via a range of fun activities was well received and new opportunities for joint working have been initiated.

The Barnet Borough Resilience Forum met in July 2017 and was attended by a wide range of multi-agency resilience partners. The purpose of the forum is to share information and experiences following recent incidents, undertake joint planning and resilience exercises and agree emergency response arrangements for major incidents in the borough.

The Barnet Emergency Response team has continued to support local, live, multi-agency exercises along with faith and voluntary groups from the local community and, when required, have mobilised timely and effective responses to a series of emergency incidents within the borough in support of the Police and Fire Brigade.

The council has continued to assist the London Borough of Kensington and Chelsea and London Borough of Camden in the wake of the Grenfell Tower incident with mutual aid to support the Emergency Control Centre, Rest Centres, Local Authority Liaison function and provided volunteers, Housing Assessment and Social Work staff to the Grenfell Assistance Centre. The Emergency Planning team

remain involved in the debrief and feedback from this incident, including identifying lessons to be learned by local authorities and other agencies.

An update on the council's emergency planning arrangements and the work of the Borough Resilience Forum will be provided to Community Leadership Committee in November 2017. Business continuity arrangements have continued to be embedded to ensure the maintenance of priority and critical services during internal incidents.

Performance indicators

B.40 All Community Leadership indicators in the Corporate Plan and Commissioning Plan have met the quarterly target.

Corporate Plan Indicators³¹

Ref		Indicator	Polarity	2017/18 Annual Target	2017/18 Q2 Target	2017/18 Q2 Result	2017/18 Q1 Result	DOT Short Term (From Q1 2017/18)	2016/17 Q2 Result	DOT Long Term (From Q2 2016/17)	Benchmarking
CPI	CG/C33	Overall crime rate in Barnet – Total Notifiable Offences	Smaller is Better	Sustain Reduction	Monitor	67.58	66.9	↓	New for 2017/18	New for 2017/18	No benchmark available

Commissioning Plan Indicators (not met target)³²

Ref		Indicator	Polarity	2017/18 Annual Target	2017/18 Q2 Target	2017/18 Q2 Result	2017/18 Q1 Result	DOT Short Term (From Q1 2017/18)	2016/17 Q2 Result	DOT Long Term (From Q2 2016/17)	Benchmarking
SPI	CG/C2	Percentage of repeat cases of Domestic Violence to MARAC	Smaller is Better	Monitor	Monitor	14%	8.3%	↓	2.9%	↓	National 25% (April 2015 - March 2016, Safelife)

³¹ The Monitor indicators have been included for information.

³² The Monitor indicators have been included for information.

Commissioning Plan Indicators (not met target)³²

Ref		Indicator	Polarity	2017/18 Annual Target	2017/18 Q2 Target	2017/18 Q2 Result	2017/18 Q1 Result	DOT Short Term (From Q1 2017/18)	2016/17 Q2 Result	DOT Long Term (From Q2 2016/17)	Benchmarking
SPI	CG/C3	Sanction Detection Rate of 'Domestic Abuse - Violence with Injury' Offences	Bigger is Better	Monitor	Monitor	28.1%	30.4%	↓	35%	↓	Met Police 34.5 (12 months to June 2017)
SPI	CG/C4	Proven re-offending rate (Ministry of Justice)	Smaller is Better	Monitor	Monitor	22.0%	19.6%	↓	23.1%	↑	London 24% (July 2014-June 2015, Ministry of Justice)
SPI	CG/C27	Racist & Religious Hate Crime	Smaller is Better	Monitor	Monitor	667	717	↑	608	↓	No benchmark available

Risk management

B.41 Community Leadership risks are held on the Customer Strategy, Communications and Assurance (CSCA) service risk register. See paragraph A.17 above.

PART C: CONTRACT PERFORMANCE

C.1 This section provides an overview of contract performance, focusing on information to demonstrate compliance and value for money. This is in addition to information already captured as part of Theme Committee Commissioning Plans.

THE BARNET GROUP

C.2 The Barnet Group is a Local Authority Trading Company (LATC) created in 2012 and has three subsidiary organisations:

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

A progress update on Barnet Homes, TBG Open Door and YCB has been provided below³³.

Service	Update on service area
Barnet Homes	<p>There has been a continued focus on Tackling homelessness, with new mitigations put in place further reducing the numbers in temporary accommodation. In relation to Fire Safety, the removal of the cladding system on the three tower blocks on the Granville Road in NW2 was completed. Best practice surveys of all 28 blocks have been completed and a prioritised programme of works was approved by the Housing Committee on 23 October 2017.</p> <p>Preparatory work for implementation of both the Homelessness Reduction Act (April 2018) and Universal Credit (February 2018) are underway to ensure the continued effectiveness of services in response to impending changes.</p>
TBG Open Door	<p>The transfer of a number of sites to Open Door Homes (ODH) was delayed. Five sites have now transferred. ODH are working with Letters of Intent or Pre-Contract Services Agreements to be ready to appoint contractors to the main contract as soon as planning permission is in place and the sites are transferred.</p>
Your Choice Barnet	<p>Your Choice Barnet has supported 10 people into employment to date and continues to identify positive outcomes with the people supported by the services. There has been ongoing dialogue with the council over action that is being taken with regard to referrals and recruitment.</p>

C.3 Corporate Plan and Commissioning Plan indicators and joint risks with The Barnet Group have been reported in the Housing Committee section (see paragraphs B.33-

³³ There is no update on TBG Flex. As an internal employment company, it does not have any performance or activity measures.

B.34). One Commissioning Plan indicator has not met the quarterly target - **BH/S4 Current arrears as a percentage of debit** - and has been reported in paragraph B.29.

	Green	Green Amber	Red Amber	Red	Improved/Same	Worsened	Monitored only	No. indicators
The Barnet Group ³⁴	88% (14)	0% (0)	0% (0)	13% (2)	69% (11)	31% (5)	3	19

C.4 The Barnet Group also reports on a number of operational indicators (KPIs). One KPI has not met the quarterly target.

- **BH/KPI 10 Total number of new build starts on site (RAG rated as RED)** – 80 against a target of 150. The Open Door Homes (ODH) Board approved to enter building contracts and start on site for 90 homes during the quarter. However, only 27 resulted in actual starts on site. This was primarily due to a delay in the transfer of sites from the council to ODH, which has now been resolved. Three further sites with seven homes should transfer in the next quarter.

³⁴ Includes indicators in the Corporate Plan and Housing Commissioning Plan reported in Part B.

Contract Indicators (not met target)

Ref		Indicator	Polarity	2017/18 Annual Target	2017/18 Q2 Target	2017/18 Q2 Result	2017/18 Q1 Result	DOT Short Term (From Q1 2017/18)	2016/17 Q2 Result	DOT Long Term (From Q2 2016/17)	Benchmarking
KPI	BH/KPI 10	Total number of new build starts on site	Bigger is Better	211	150 (cumulative)	80 (cumulative) (R)	53	↑	New for 2017/18	New for 2017/18	No benchmark data

CAMBRIDGE EDUCATION

C.5 In April 2016, Barnet entered into a new seven year strategic partnership with Cambridge Education to provide the council's education services. The partnership was established in consultation with Barnet schools to maintain Barnet's excellent education offer; the council's relationship with Barnet schools; and achieve the budget savings target for the service up to 2020.

C.6 Cambridge Education's budget, key activities, indicators (in the Corporate Plan and Commissioning Plan) and risks have been captured as part of the CELS Committee section (see paragraphs B.12-B.21).

	Green	Green Amber	Red Amber	Red	Improved/Same	Worsened	Monitored only	No. indicators
Cambridge Education ³⁵	92% (11)	8 (1)	0% (0)	0% (0)	100% (10)	0% (0)	0	12

C.7 The contract with Cambridge Education also includes a number of operational contract indicators (KPIs). One contract indicator has not met the quarterly target.

- **CES/S4ii Responses to Member enquiries (RAG rated GREEN AMBER)** – 96% against a target of 100% (1/16). This was the result of one missed enquiry on Special Educational Needs (SEN) where an administrative issue resulted in a delay. Cambridge Education has checked their processes to avoid any recurrence.

C.8 Provisional results from the Department for Education (DfE) are available for the national examinations and assessments that took place across the primary and secondary phases in summer 2017. Final confirmed Primary results will be available later in the autumn term and final secondary results will be published early in the New Year and reported to CELS Committee.

C.9 Joint risks with Cambridge Education have been reported in the CELS Committee section (see paragraph B.17).

³⁵ Includes indicators in the Corporate Plan and CELS Commissioning Plan reported in Part B.

Contract Indicators (not met target)

Ref		Indicator	Polarity	2017/18 Annual Target	2017/18 Q2 Target	2017/18 Q2 Result	2017/18 Q1 Result	DOT Short Term (From Q1 2017/18)	2016/17 Q2 Result	DOT Long Term (From Q2 2016/17)	Benchmarking
KPI	CES/S4 4ii	Responses to members' enquiries within target timescale	Bigger is Better	100%	100%	96% (GA)	100%	↓	95%	↑	No benchmark available

CUSTOMER AND SUPPORT GROUP (CSG)

C.10 The CSG is delivered by Capita and includes the following services: Corporate Programmes, Customer Services, Estates, Finance, Human Resources, Information Systems, Procurement, Revenues and Benefits, and Safety, Health and Wellbeing. A progress update on each service area has been provided below.

Service	Update on service area
Corporate Programmes	<p>CSG delivers the council's large-scale transformation and capital programmes and projects. During the quarter, work delivered has included completion of the Depot Relocation programme, enabling the vacation of Mill Hill East Depot; supporting the go-live of full self-service across Libraries; continuing with the design stages for delivering primary, secondary and special educational needs school places; supporting the OJEU procurement process to appoint a new Leisure Provider; supporting management of the Strategic Construction Partnership; and concluding the pre-start on site activities for the Tarling Road Community Centre.</p>
Customer Services	<p>See paragraph A.12 for Customer Services satisfaction measures.</p> <p>Customer satisfaction continued to perform well with Face to Face (F2F) achieving two consecutive months of first place in the GovMetric channel satisfaction index league table across more than 70 councils. Also web satisfaction rose to third place in August 2017. All KPI's for the quarter were met. One PI 'calls answered in SLA' was not met (75% against an 80% target) due to training requirements.</p> <p>Members enquiries responded to within five days (target 95%) has been achieved consistently and has continued to improve throughout the quarter, particularly within Re, where there is now a dedicated Member Liaison Officers for each Area Committee.</p> <p>In terms of channel shift, the Civica Direct Debit form along with web content improvements and updates to Annual Billing inserts has contributed towards channel shift for the Revenue and Benefits service.</p> <p>Social Care Direct service has successfully transitioned to the new operating model. The team has returned to its original size of seven advisors, with the funding for additional staff moving into Adult Social Care, to focus on prevention and early intervention.</p>
Estates	<p>An Estates improvement plan has been put in place following slow progress in addressing outstanding issues and a low commissioner satisfaction score. This encompasses audit actions and the acceleration of existing action plans to ensure delivery against the output specification. It also includes a team restructure across the Property and Building Services teams. The Property Services Team has delivered c.700 asset valuations and completed four land transfers.</p>

Service	Update on service area
Finance	<p>The statutory deadline of 30 September 2017 to approve the Statement of Accounts and Pension Fund accounts was met by Finance. However, the audited Whole of Government Accounts were submitted late on 9 October 2017 due to issues with Government's portal.</p> <p>A meeting was held with the Pensions Regulator to discuss the non-completion of the 2016 Scheme Return. A rectification plan is in place to address the Pensions Administration deficiencies, which led to the notice; and a report has been presented to the Pension Fund Committee and Local Pension Board.</p> <p>An improvement plan to address issues identified in the 2016/17 accounts closure process and audit has been developed. This will focus on the main accounts and incorporate the Pension Fund accounts. This will be reported to Audit Committee in November 2017.</p>
Human Resources (HR)	<p>The priority areas for HR to be included in a People Plan have been determined. Work has continued on supporting the roll out of The Way We Work (TW3) pilots; recruitment and retention of social care staff; agency spend reduction; and the Ofsted improvement plan.</p> <p>The Core HR Upgrade has been completed. This was a technical upgrade to transfer over to new infrastructure and an upgraded version of the software. The upgrade provides additional functionality for improved reporting.</p> <p>Performance Review Pay Awards have been paid following a detailed moderation process. This is the first time this process of pay uplifts has been used.</p> <p>Following the Pensions remedy notice, the HR team has worked closely with the Pensions team to tighten up on the reporting and governance in place, including quality checks and improved transparency of data.</p>
Information Systems	<p>In response to feedback, IT has put more focus on Problem Management, Major Incidents and Service Reviews this quarter, which has assisted them in reducing major incidents by over 20 per cent in comparison to the last quarter.</p> <p>Use of 'Service Now' self-service has significantly increased to 629 in September 2017 (from 23 in May 2017).</p> <p>Office 365 and Unified Communications, which will support the move to Colindale and more flexible working, are being piloted over a six week period,</p>

Service	Update on service area
Procurement	<p>The evaluation for Leisure Management Services has been concluded; along with completion of a key planning tender for housing construction (Upper and Lower Fosters Master), iteration of the Brent Cross Thameslink Procurement strategy, and development of a Competitive Dialogue procedure for Children, Adolescents, Mental Health services (CAMHS).</p> <p>A Procurement strategic workplan was agreed in July 2017 by the Procurement Board and good progress has been made against this, including new Terms of Reference for the Procurement Board, and starting development of an overarching contract management strategy that takes a risk-based approach to managing council contracts. A review of Contract Procedure Rules is planned during 2017/18 to ensure that controls are appropriate and support effective operational delivery. Audit recommendations are progressing and all actions are due for completion in November 2017.</p>
Revenue and Benefits	<p>Revenues and Benefits achieved all three KPI's for the quarter. Discretionary Housing Payment is back within target and expected to remain on track for the rest of the year.</p> <p>Direct Debit take up has risen from 85,161 at the end of March 2017 to 88,949 at the end of September 2017 (4.4% increase). Work continues to identify additional customers to encourage uptake of Direct Debit.</p> <p>A new suite of online forms will be added to the self-service options currently available and these will be integrated into the MyAccount offering as part of the Customer Transformation Programme later in the year. The new platform will also allow the introduction of electronic billing for Council Tax customers.</p>
Safety, Health and Wellbeing (SHaW)	<p>The SHaW team completed an increased number of audits in September 2017 and assisted with the move to the new Depot to ensure H&S was paramount.</p> <p>A new Contractor Management process has been introduced to Delivery Units and CSG Estates as a pilot with full implementation to be rolled out from 31 March 2018. Ongoing support was provided to Delivery Unit's liaising with H&S champions in supporting staff and providing improved information and guidance through communication via microsites, campaigns and the SHaW intranet site.</p>

Budget position

Revenue					
Service	Original Budget £000	Revised Budget £000	Q2 Projected Outturn £000	Variance from Revised Budget Adv/(fav) £000	Variance from Revised Budget Adv/(fav) %
CSG	21,161	21,836	22,036	200	0.9

C.11 The projected overspend of £0.200m for CSG represents 0.9% of the total Delivery Unit budget (£21.836m). Income is forecast to be below budget due to a shortfall in schools traded income and in print / photocopying recharges, offset by higher than budgeted recovery of court costs.

Performance indicators

C.12 Two Corporate Plan indicators for CSG - satisfaction with customer service and satisfaction with the website - have been captured as part of Central Services (see paragraph A.13). Both indicators have met the quarterly target.

	Green	Green Amber	Red Amber	Red	Impro ved/ Same	Worse ned	Monit or only	No. indicat ors
CSG ³⁶	62% (23)	3% (1)	0% (0)	35% (13)	76% (22)	24% (7)	0	37

C.13 The contract with CSG also includes a number of operational indicators (KPIs). 14 KPIs have not met the quarterly target resulting in a contractual failure.

- **HR16 CSG/C13 DBS Verification Adults (RAG rated GREEN AMBER)** – 99.1% against a target of 100%. The HR team had intermittent IT issues that prevented access to DBS applications affecting performance.
- **HR17a CSG/C14 Payroll Accuracy - Payroll Error Rates (RAG rated RED)** – 0.7% against a target of 0.1%. Payroll accuracy was missed in July 2017 due to an issue with overtime arrears calculation, which resulted in overpayments. Affected staff were notified and a rectification plan put in place. Performance in August 2017 and September 2017 was back within target.
- **FIN29 CSG/C29 Budget forecasting - % variance to budget (RAG rated RED).** This indicator has failed due to data not being finalised.
- **FIN32 CSG/C32 External audit completed (RAG rated RED).** This indicator has failed due to a delay in issuing the Audit Completion Report from the external auditors. A Service Improvement Plan has been developed to address the issues identified in the 2016/17 audit process.

³⁶ Includes indicators in the Corporate Plan reported in Part A under Central Services.

- **User satisfaction and commissioner satisfaction indicators (RAG rated RED).**

Two surveys are carried out each year on internal customer satisfaction with the services provided by Capita – one for service users and one for commissioners (i.e. those who use the strategic aspects of services). The contractual target is for satisfaction to be in the upper quartile for councils using a CIPFA benchmark. Since last year satisfaction has increased (mostly in IT), with the exception of estates and procurement. This is in the context of significant savings being delivered through the Capita contract. All areas remain below the upper quartile targets and Capita has been asked to set out its plans to improve satisfaction to meet these in the coming years. It should be noted that the response rate was relatively small (around 50 per cent of users in most areas), which impacts on the representativeness of the results.

Contract Indicators (not met target)											
Ref	Indicator	Polarity	2017/18 Annual Target	2017/18 Q2 Target	2017/18 Q2 Result	2017/18 Q1 Result	DOT Short Term (From Q1 2017/18)	2016/17 Q2 Result	DOT Long Term (From Q2 2016/17)	Benchmarking	
KPI	HR16 CSG/C13	DBS Verification Adults	Bigger is Better	100%	100%	99.13% (GA)	100%	↓	100%	↓	No benchmark available
KPI	HR17a CSG/C14	Payroll Accuracy - Payroll Error Rates	Smaller is Better	0.1%	0.1%	0.7% (R)	0.12%	↓	0.1%	↓	No benchmark available
KPI	FIN29 CSG/C29	Budget forecasting - % variance to budget	Smaller is Better	0%	0%	Fail ³⁷ (R)	Pass	↓	Pass	↓	No benchmark available
KPI	FIN32 CSG/C32 (Annual)	External audit completed	Bigger is Better	Report submitted by 18 July 2017	Report submitted by 18 July 2017	Fail ³⁸ (R)	Not reported in Q1 2017/18	Not reported in Q1 2017/18	Not reported in Q2 2016/17	Not reported in Q2 2016/17	No benchmark available
KPI	IS14 CSG/C10	User Satisfaction - IT	Bigger is Better	3.79	3.79	3.27 (R)	No survey in Q1 2017/18	No survey in Q1 2017/18	2.38	↑	No benchmark available
KPI	HR19 CSG/C17	User satisfaction - HR	Bigger is Better	4	4	2.82 (R)	No survey in Q1 2017/18	No survey in Q1 2017/18	2.69	↑	No benchmark available

³⁷ Result yet to be agreed, until then the KPI failed.

³⁸ Report not submitted on time.

Contract Indicators (not met target)											
Ref		Indicator	Polarity	2017/18 Annual Target	2017/18 Q2 Target	2017/18 Q2 Result	2017/18 Q1 Result	DOT Short Term (From Q1 2017/18)	2016/17 Q2 Result	DOT Long Term (From Q2 2016/17)	Benchmarking
KPI	PR23 CSG/C23	User satisfaction - Procurement	Bigger is Better	3.28	3.28	2.47 (R)	No survey in Q1 2017/18	No survey in Q1 2017/18	2.85	↓	No benchmark available
KPI	ES27 CSG/C28	User satisfaction - Estates	Bigger is Better	4.12	4.12	3.14 (R)	No survey in Q1 2017/18	No survey in Q1 2017/18	3	↑	No benchmark available
KPI	FIN34 CSG/C34	User satisfaction - Finance	Bigger is Better	3.41 (Upper quartile score)	3.41 (Upper quartile score)	2.49 (R)	No survey in Q1 2017/18	No survey in Q1 2017/18	2.42	↑	No benchmark available
KPI	Super KPI39c CSG/C40	Commissioner Satisfaction - Corporate IS	Bigger is Better	3.45 (Upper quartile score)	3.45 (Upper quartile score)	2.75 (R)	No survey in Q1 2017/18	No survey in Q1 2017/18	1.74	↑	No benchmark available
KPI	Super KPI 39e CSG/C42	Commissioner Satisfaction – HR	Bigger is Better	3.8	3.8	2.36 (R)	No survey in Q1 2017/18	No survey in Q1 2017/18	2.20	↑	No benchmark available

Contract Indicators (not met target)											
Ref		Indicator	Polarity	2017/18 Annual Target	2017/18 Q2 Target	2017/18 Q2 Result	2017/18 Q1 Result	DOT Short Term (From Q1 2017/18)	2016/17 Q2 Result	DOT Long Term (From Q2 2016/17)	Benchmarking
KPI	Super KPI39d CSG/C4 1	Commissioner Satisfaction - Procurement	Bigger is Better	3.32	3.32	2.98 (R)	No survey in Q1 2017/18	No survey in Q1 2017/18	2.95	↑	No benchmark available
KPI	Super KPI39b CSG/C3 9	Commissioner Satisfaction - Estates	Bigger is Better	3.85 (Upper quartile score)	3.85 (Upper quartile score)	1.69 (R)	No survey in Q1 2017/18	No survey in Q1 2017/18	2.03	↓	No benchmark available
KPI	Super KPI 39f CSG/C4 3	Commissioner Satisfaction – Finance	Bigger is Better	3.68	3.68	2.62 (R)	No survey in Q1 2017/18	No survey in Q1 2017/18	2.57	↑	No benchmark available

Risk management

C.14 The CSG joint risk register includes 43 risks overall, which are being managed in line with the council's risk management framework. Two are high level risks with a residual risk score of 15 or above. These are being managed as 'treat'.

- **CSG26 - Inadequate awareness of LBB staff relating to data protection (risk score 15).** This risk focuses on inadequate security controls and governance training for council staff that could lead to a loss of sensitive personal information or breach of data protection. The risk is being mitigated through training and communications, along with ensuring PSN compliance is in place and security standards are applied to all projects. Training has been included in the GDPR action plan
- **CSG38 - Failure to develop income quick wins (risk score 15).** The risk focuses on the failure to develop income quick wins to meet the budget income target. The risk is being mitigated by reviewing case priorities and identifying resources to lead on the quick win initiative programme, which will work in conjunction with the investment model. The new Service Improvement Plan and structure will be fundamental to meeting income targets. In the short term the Estates Service has the ability to draw on wider Capita resource if required. There is increased senior management resource and focus on these activities.

Contract variations

C.15 There have been four variations to the CSG contract in the last quarter (see table 12 below).

Table 12: Contract variations (Q2 2017/18)

Ref	Title	Description	Change Raised by	Status at 30 Sep 2017	Financial Impact (over the life of the contract)	Service Impacted
No financial impact						
CR128	Correction of RPO time on CR123	RPO for Tier 2 system was changed from 1 hour to 48 hours, this reference was made in error	Service Provider	Approved	£0.00	Information Systems
CR131	CIPFA survey amendments Jun 2018	Amendments to CIPFA survey for Year 4 (An addition to the agreed changes from CR81)	Service Provider	Approved	£0.00	All
With financial impact						

Ref	Title	Description	Change Raised by	Status at 30 Sep 2017	Financial Impact (over the life of the contract)	Service Impacted
CR127	Extension CR074 - NNDR Analyse Local RV finder and forecasting service.	Providing analysis of rating list to identify improved properties and appeals forecasting. In 2015/16 the annual cost of £11,000 generated additional income of £383,000 for LB Barnet's share of business rates	Authority	Approved	£66,000.00	Revenues and Benefits
CR136	Choose care	Full and final closure and settlement of Schedule 44 : Choose care service, and its obligations and liabilities	Service Provider	Approved	-£29,954.24	Adults

REGIONAL ENTERPRISE (RE)

C.16 Re is the joint venture with Capita to deliver a full range of property, development and regulatory services. A progress update on each service area has been provided below, along with an update on the Re review.

Service	Update on service area
Re review	The outcome of the review will be reported to Performance and Contract Management Committee on 28 November 2017. The Member Working Group has agreed the headline findings and conclusions.
Planning (Development Control)	<p>429 requests to investigate an alleged breach of planning control were received during the quarter; and 57 Enforcement Notices (excluding Planning Contravention Notices) were served. Of those requests that have not led to formal action (and the serving of an Enforcement Notice), more than half were cases where no breach of planning control had occurred, with the rest of the cases being resolved through informal negotiation or relating to breaches so minor that they did not warrant the taking of formal enforcement action.</p> <p>A planning enforcement notice requiring the demolition of several cabins and buildings used as dwellings was upheld after a public inquiry earlier this year. And, following a court hearing, a rare Enforcement Order suspending the immunity periods and allowing enforcement action out of time where the owner has sought to deceive the Local Planning Authority (LPA) as to the age, lawfulness or existence of a development was obtained for a house in Clifton Gardens that had been converted into flats. An Enforcement Notice will be served demanding that the land be restored to a single dwelling house.</p>
Building Control	99 per cent of planning decisions were made within statutory timescales, above the 98 per cent target.
Strategic Planning	<p>Barnet Community Infrastructure Levy (CIL) receipts totalled £4.3m (compared to £3.6 million last quarter) and TfL CIL receipts totalled £477k (compared to £2.1 million last quarter). £334k was collected to pay for s106 planning obligations (compared to £3.1m last quarter). S106 income is variable. The Q1 2017/18 figures were high because of receipt of £2.3m from one scheme as an affordable housing payment, as well as a number of smaller contributions. Next quarter, c£4.7m is anticipated from a s106 for a development in Colindale for works to Colindale Station.</p> <p>Further to Audit recommendations in May 2017, Exacom, an integrated system for management of CIL and s106 funding has been implemented to improve the tracking of funds. From 1 October 2017 onwards, CIL notices will be issued from the new system. Good progress has been made on migrating over historic data, with about 50 per cent of CIL and 10 per cent of s106 transferred.</p> <p>The 2017 Architecture Awards competition has been launched to promote well-designed buildings and open spaces. All short-listed</p>

Service	Update on service area
	<p>properties will be visited by a judging panel, with the winner announced at an award ceremony in November 2017. Residents will be able to vote for their favourite shortlisted project to decide the 'People's Choice Award'.</p>
Regeneration	<ul style="list-style-type: none"> • Brent Cross Cricklewood and Colindale (see paragraph B.21 above). • Dollis Valley - the Dollis Valley Partnership Board meeting took place on the 13 September 2017 for all partners to provide an update on their respective areas around regeneration. Phase 2A construction has been completed. London & Quadrant (L&Q) have moved all tenants due in Phase 2A into their respective new homes. L&Q confirmed Phase 2B resident choices are all complete. Tenants for Phase 2B are anticipated to be moved early next year with the remainder moves anticipated to be completed by the end of next year. The Planning Application for Phase 3 has been submitted. The Plan, if approved, will deliver 115 new units. The developer is reporting projected viability issues on the later phases of the scheme and officers are discussing options with their technical team. • Grahame Park - all handovers on Plot 6 have completed four months ahead of contract with provision of 92 units in total, of which 45 private, 39 shared ownership and 8 social rent. Countryside will now vacate Plot 9A to hand back to the council (to be used as electric car parking for the new office). Approval of the outline business case for the Colindale Community Hub was given at ARG Committee on 4 September 2017. This will deliver a new fit-for-purpose Community, Health and Children's Centre for the residents and the wider area. The planning applications for plots 10, 11 and 12 are progressing through the planning process and are due for consideration at Planning Committee on 23 November 2017. The Mayor of London has raised some significant challenges to the application concerning the level of social rented homes to be provided. The developer, Genesis, and council officers are working with GLA officers to find a solution. It is likely that plots 11 and 12 on the site of the existing concourse will need to be redesigned somewhat in order to provide additional homes. • Granville Road – 13 pram sheds have been acquired, with a further three proceeding. Terraquest (the land referencing service) has issued a survey to all residents to confirm details on land ownership. Feedback from Granville Estate's Residents' Association (GERA) has suggested that some residents were not happy with the exercise and would like further information about the development. In response, display boards are being put up in the local library, along with a new notice board on the estate with up-to-date plans and promotion of the new Granville LLP website. Work is continuing

Service	Update on service area
	<p>to deliver planning condition discharge and stopping up the necessary walkways etc. LFB are to be consulted regarding fire access during the works. The project is currently responding to the challenge of having two contractors on the same site following the removal of the high rise cladding. Project managers from both contractors are sensitive to resident issues.</p> <ul style="list-style-type: none"> • Mill Hill East - developers have sold and occupied 511 private and affordable dwellings. An offer in respect of the final plots is being progressed. • Stonegrove Spur Road - 81 units delivered. Whilst developments on site are nearing completion, Highways works have not been progressed to the standard expected by Highways England with outstanding actions expected of Barratts. Further meetings and discussions are taking place with Barratt to resolve the matter. • Upper and Lower Fosters – Allies and Morrison were appointed as Architects and Master Planners. Residents participated positively with the co design team following a number of Open and community steering group meetings. Ideas will be developed further via design iterations and complimented with a study tour in October 2017. Further site surveys have been commissioned around utilities and Highways to help inform the design process. A RIBA stage 1 design report is expected mid-November 2017. • West Hendon - three CPO2 properties were acquired during September 2017. In total 14 of 34 leasehold interests in CPO2 have been acquired. 230 resident surveys have been completed as part of the research conducted by trained residents in support of developing a Neighbourhood Development Strategy (anticipated mid-November 2017) and funded by the Metropolitan Housing Trust.
Environmental Health/Trading Standards	<p>Funding has been secured from the Greater London Authority (GLA) to progress a freight consolidation project to reduce pollution and congestion; and a new Scientific Consultant has been appointed to help progress this work.</p> <p>Trading Standards has achieved three successful prosecutions in relation to street trading/boards, resulting in £1,586 and £600 being awarded to the council from two of the cases. Two joint operations were undertaken with the Licensing team and the police. The first related to under age sales and the second to licensing compliance around the late night economy. Minor compliance issues were found and the Licensing team are working with the premises involved to resolve these. As part of London Trading Standards week staff carried out visits to retailers selling electrical products to check that items on sale were safe and had adequate safe usage instructions. Safety concerns were raised at eight premises and unsafe items destroyed.</p>

Service	Update on service area
	<p>A number of tobacco test purchases were undertaken with the police. Premises found selling to persons under the age of eighteen will be invited in for a Police and Criminal Evidence Act 1984 (PACE) interview and appropriate legal action taken.</p> <p>The Food Standards Agency (FSA) has accepted the action plan submitted in response to the audit in May 2017. The final audit report has been amended to better reflect some of the positives of the audit findings, along with the inspection deficit narrative to better explain the lower risk nature of the issues.</p> <p>Contraventions were found at meat manufacturer following a routine food standards inspection in August 2017. The FSA has been notified and the products recalled. Improvement Notices under the Food Information Regulations Act (2014) have been served on the premises..</p>
Cemetery and Crematorium	<p>The pre-sale of the new courtyard mausoleums that will be built in the autumn 2017 has been secured. The first twelve mausoleums will be built, with an option to build more depending on demand.</p>
Highways Network Management	<p>A new Damage to Highways team has undertaken inspections and repairs covering c1,000 development sites in response to damaged highways and footways caused by building works.</p> <p>Seven Network Recovery Programme (NRP) footway resurfacing schemes have completed to date at a cost of £951k; along with five carriageway resurfacing schemes at a cost of £493k and 44 carriageway micro-asphalt resurfacing schemes at a cost of £748k.</p> <p>402 patch repairs have been completed on 66 roads as part of the proactive patching programme, which was launched last quarter. 49 per cent of the programme has been completed.</p> <p>42 LIP schemes are at various stages of design and development. Two schemes have been approved by area committee and will be implemented later this year. Squires Lane 20mph scheme consultation has been completed and will be implemented later in the year.</p> <p>Following an investment in technology, additional recruitment and improved management processes, all 2,143 Highways safety inspections were completed on time for the second quarter this year.</p> <p>The Highway Adoption Policy was approved by Environment Committee in July 2017, providing additional powers to enforce illegal crossings.</p> <p>Category 1 responsive repairs have transferred to Conway Aecom. The work had been previously carried out by the in-house contractors (DLO).</p>

Budget position

Revenue					
Service	Original Budget £000	Revised Budget £000	Q2 Projected Outturn £000	Variance from Revised Budget Adv/(fav) £000	Variance from Revised Budget Adv/(fav) %
Re	(824)	326	429	103	31.6

C.17 As at Q2 2017/18, Re is forecasting an overspend of £0.103m which is mainly due to a shortfall in highways income.

Capital						
Service	2017/18 Budget £000	Additions/ (Deletions) £000	(Slippage) / Accelerat ed Spend £000	Projected Outturn £000	Variance from Approved Budget Adv/(Fav) £000	Slippage %
Re	142,574	11,337	(14,905)	139,006	(3,568)	(10.5)

C.18 The Re capital programme has decreased by £3.568m. The Carriageway project is underspending and £2.000m of capital budgets has been slipped to reflect a realistic spend in 2017/18. £8.160m of regenerations schemes have slipped to 2018/19 as a result of delays securing major service providers. This is offset by an addition of £11.200m relating to Colindale station which is funded by Section 106 funding. Other slippage is primarily as a result of fewer CPOs on the empty properties programme than anticipated, resulting in the re-profiling of the budget into future years.

Performance indicators

C.19 Corporate Plan and Commissioning Plan indicators for Re have been captured as part of the ARG, Housing and Environment Committee sections (see paragraphs B.22, B.29 and B.36). One Commissioning Plan indicator has not met the quarterly target - **KPI 2.1-2.3 (NM) Highways defects made safe within agreed timescales (RAG rated RED AMBER)** - and has been reported in paragraph B.36.

	Green	Green Amber	Red Amber	Red	Impro ved/ Same	Worse ned	Monit or only	No. indicat ors
Re ³⁹	91% (48)	0% (0)	2% (1)	8% (4)	71% (36)	29% (15)	11	64

C.20 The contract with Re also includes a number of operational indicators (KPIs). Four KPIs have not met the quarterly target resulting in a contractual failure.

³⁹ Includes indicators in the Corporate Plan and ARG, Housing and Environment Commissioning Plans reported in Part B.

- **EH07 Unit cost of disabled adaptations (RAG rated RED)** – £7,859 against a target of £7,500. Performance has been impacted by high value cases, inflation and indexation.
- **KPI 2.2 (NM) Highways Category 1 Defects Rectification Timescales completed on time (48 hours) (RAG rated RED)** - 98.2% against a target of 100% (7/387). Category 1 responsive repairs transferred to Conway Aecom In July 2017. The work had been previously carried out by the council's in-house contractors (DLO). Due to the complexity of the transfer process, it was anticipated that performance might drop in this initial period whilst the contractor adjusted to the new operation.
- **KPI 2.3 (NM) Highways Category 2 Defects Rectification completed on time (RAG rated RED)** – Fail. This indicator has been marked as 'fail' as the data for September 2017 is still being finalised. However, it is likely that the target will be missed based on the first two months of the quarter whereby 90% of jobs were completed within the required timescale. The Contractor has cited issues such as parked cars obstructing access to repair sites. Re is in discussions with the contractor regarding outstanding repairs. Consideration will be given to provision of advance notification to residents and motorists to reduce the incidence of obstruction caused by parked cars.
- **KPI 2.4 (NM) Highways Insurance Investigations completed on time (RAG rated RED AMBER)** - 98% against a target of 100%. The target was missed due to one late case in September 2017 (19/20). This was due to the case being accidentally deselected for processing. Once the issue was highlighted, the case was processed within 24 hours. A shared monitoring spreadsheet between Re and the Insurance Team should prevent such an issue occurring again.

Contract Indicators (not met target)											
Ref		Indicator	Polarity	2017/18 Annual Target	2017/18 Q2 Target	2017/18 Q2 Result	2017/18 Q1 Result	DOT Short Term (From Q1 2017/18)	2016/17 Q2 Result	DOT Long Term (From Q2 2016/17)	Benchmarking
KPI	EH07	Unit cost of disabled adaptations	Smaller is Better	£7,500	£7,500	£7,859 (R)	£6,126.3	↓	7,107.5	↓	No benchmark available
KPI	KPI 2.2 NM	Highways Category 1 Defects Rectification Timescales completed on time (48 hours)	Bigger is Better	100%	100%	98.2% (R)	99.2%	↓	Fail ⁴⁰	Not comparable	No benchmark available
KPI	KPI 2.3 NM	Highways Category 2 Defects Rectification completed on time	Bigger is Better	100%	100%	Fail ⁴¹ (R)	95.6%	Not comparable	Fail ⁴²	Not comparable	No benchmark available

⁴⁰ Data not provided, so recorded as Fail.

⁴¹ Re still finalising September 2017 data.

⁴² Data not provided, so recorded as Fail.

Contract Indicators (not met target)

Ref		Indicator	Polarity	2017/18 Annual Target	2017/18 Q2 Target	2017/18 Q2 Result	2017/18 Q1 Result	DOT Short Term (From Q1 2017/18)	2016/17 Q2 Result	DOT Long Term (From Q2 2016/17)	Benchmarking
KPI	KPI 2.4 NM	Highways Insurance Investigations completed on time	Bigger is Better	100%	100%	98% (RA)	96.6%	↑	100%	↓	No benchmark available

Risk management

C.21 Joint risks with Re have been reported in the ARG Committee section (see paragraphs B.23).

Contract variations

C.22 There has been one variation to contract in the last quarter. This relates to all services and refers to pre-payment of the annual service charge (see table 13 below).

Table 13: Contract variations (Q2 2017/18)

Ref	Title	Description	Change Raised by	Status at 30 Sep 2017	Financial Impact (over the life of the contract)	Service Impacted
Financial impact						
DRS 026	Re Annual Service Charge Pre-payment	Pre-payment of the Annual Service Charge (Sep 17-Jun 18)	Service Provider	Approved	-£500,000	All services

2 REASONS FOR RECOMMENDATIONS

- 2.1 These recommendations are to provide this Committee with the necessary information to oversee the performance of the corporate plan and service and contract performance. This paper enables the council to meet the budget agreed by Council on 7 March 2017.

3 ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 None.

4 POST DECISION IMPLEMENTATION

- 4.1 None.

5 IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 The report provides an overview of performance for the quarter, including budget position for revenue and capital, progress on key activities, indicators that have not met target and management of high level risks, along with information on staffing, customer experience and resident satisfaction, and any variations in CSG and Re contracts.

- 5.1.2 The quarterly results for all Corporate Plan and Commissioning Plan indicators are published on the Open Barnet portal at <https://open.barnet.gov.uk/dataset>

- 5.1.2 Robust budget and performance monitoring are essential to ensure that there are adequate and appropriately directed resources to support delivery and achievement of council priorities and targets as set out in the Corporate Plan and Commissioning Plans. In addition, adherence to the Prudential Framework ensures capital expenditure plans remain affordable in the longer term and that capital resources are maximised.

- 5.1.3 Relevant council strategies and policies include the following:

- Corporate Plan 2015-2020
- Corporate Plan - 2016/17 Addendum and 2017/18 Addendum
- Commissioning Plans
- Medium Term Financial Strategy
- Treasury Management Strategy
- Debt Management Strategy
- Insurance Strategy
- Risk Management Framework
- Capital, Assets and Property Strategy.

- 5.1.4 The priorities of the council are aligned to the delivery of the Health and Wellbeing Strategy.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property,

Sustainability)

5.3 Legal and Constitutional References

- 5.3.1 Section 151 of the Local Government Act 1972 states that: “without prejudice to section 111, every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs”. Section 111 of the Local Government Act 1972, relates to the subsidiary powers of local authorities.
- 5.3.2 Section 28 of the Local Government Act 2003 (the Act) imposes a statutory duty on a billing or major precepting authority to monitor, during the financial year, its income and expenditure against the budget calculations. If the monitoring establishes that the budgetary situation has deteriorated, the authority must take such action as it considers necessary to deal with the situation. Definition as to whether there is deterioration in an authority’s financial position is set out in sub-section 28(4) of the Act.
- 5.3.3 The council’s Constitution, Article 10 Committees, Forums, Working Groups and Partnerships, sets out the functions of the Performance and Contract Management Committee including:
- a. Overall responsibility for quarterly budget and performance, oversight of contract variations, including monitoring trading position and financial strategy of council services and external providers.
 - b. To make recommendations to Policy and Resources and Theme Committees on relevant policy and commissioning implications arising from the scrutiny of performance of council services and external providers.
 - c. Specific responsibility for risk management and treasury management performance.
 - d. Note the Annual Report of the Barnet Group Ltd.
- 5.3.4 The council’s Constitution, Financial Regulations Part 17, Financial Regulations section 4, paragraphs 4.4.9 - 11 state:
- Allocations from the central contingency relating to planned developments will be approved by the Chief Finance Officer (section 151 officer), in consultation with the Chairman of the Policy and Resources Committee, following the receipt from a Chief Officer of a fully costed proposal to incur expenditure that is in line with planned development (including full year effect).
Where there is a significant increase in the full year effect, the contingency allocation must be approved by the Policy and Resources Committee.
 - Allocations from the central contingency for unplanned expenditure, including proposals to utilise underspends previously generated within the service and returned to central contingency, will be approved by the Chief Finance Officer in consultation with the Chairman of Policy and Resources Committee.
Where there are competing bids for use of underspends, additional income or windfalls previously returned to central contingency, priority will be given to the service(s) that generated that return.
 - Allocations for unplanned expenditure over £250,000 must be approved by Policy and Resources Committee.
- 5.3.5 The Chief Finance Officer (section 151 officer) will report in detail to Performance

and Contract Management Committee at least four times a year, at the end of each quarter, on the revenue, capital budgets and wider financial standing.

5.3.6 The council's Constitution, Financial Regulations section 4 paragraph 4.4.3 states amendments to the revenue budget can only be made with approval as per the scheme of virements table below:

Virements for allocation from contingency for amounts up to £250,000 must be approved by the Section 151 Officer in consultation with appropriate Chief Officer
Virements for allocation from contingency for amounts over £250,000 must be approved by Policy and Resources Committee
Virements within a service that do not alter the bottom line are approved by Service Director
Virements between services (excluding contingency allocations) up to a value of £50,000 must be approved by the relevant Chief Officer
Virements between services (excluding contingency allocations) over £50,000 and up to £250,000 must be approved by Chief Officer and Chief Finance Officer in consultation with the Chairman of the Policy and Resources Committee and reported to the next meeting of the Policy and Resources Committee
Virements between services (excluding contingency allocations) over £250,000 must be approved by Policy and Resources Committee
Capital Virements
Performance and Contract Management approval is required for all capital budget and funding virements and yearly profile changes (slippage or accelerated spend) between approved capital programmes i.e. as per the budget book. The report must show the proposed: <ul style="list-style-type: none"> i) Budget transfers between projects and by year; ii) Funding transfers between projects and by year; and iii) A summary based on a template approved by the Section 151 Officer
Funding substitutions at year end in order to maximise funding are the responsibility of the Section 151 Officer.

5.4 Risk Management

5.4.5 Various projects within the council's revenue budget and capital programme are supported by time-limited grants. Where there are delays to the implementation of these projects, there is the risk that the associated grants will be lost. If this occurs either the projects will be aborted or a decision to divert resources from other council priorities will be required.

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

5.5 Equalities and Diversity

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

- Elimination of unlawful discrimination, harassment and victimisation and other

conduct prohibited by the Equality Act 2010.

- Advancement of equality of opportunity between people from different groups.
- Fostering of good relations between people from different groups.

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

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

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

This is also what we expect of our partners.

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

5.5.9 Progress against the performance measures we use is published on our website at: www.barnet.gov.uk/info/200041/equality_and_diversity/224/equality_and_diversity

5.6 Consultation and Engagement

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

Phase	Date	Summary
Phase 1: Setting out the challenge	Summer 2013	The council forecast that its budget would reduce by a further £72m between 2016/17 and 2019/20, setting the scene for the PSR consultation
Phase 2: PSR consultation to inform development of options	October 2013 - June 2014	Engagement through Citizen's Panel Workshops which focused on stakeholder priorities and how they would want the council to approach the Priorities and Spending Review An open 'Call for Evidence' asking residents to feedback ideas on the future of public services in Barnet.
Phase 3: Engagement through Committees	Summer 2014	Focus on developing commissioning priorities and MTFS proposals for each of the 6 committees Engagement through Committee meetings and working groups
Phase 4: Strategic Plan to	December 2014 – March 2015	A series of 6 workshops with a cross section of residents recruited from the

2020 Consultation		Citizens Panel and Youth Board, plus two workshops with users ⁴³ of council services. An online survey (17 December 2014 – 11 February 2015)
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6 BACKGROUND PAPERS

- 6.3 Performance and Contract Management Committee, 12 May 2015 (Decision Item 7) – approved Final Outturn and Quarter 4 Monitoring Report 2014/15
<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=693&MId=7873&Ver=4>
- 6.4 Council, 3 March 2015 (Decision item 12) – approved Business Planning 2015/16 – 2019/20, including the Medium-Term Financial Strategy.
<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=692&MId=7865&Ver=4>
- 6.5 Council, 14 April 2015 (Decision item 13.3) – approved Corporate Plan 2015-20.
<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=162&MId=7820&Ver=4>
- 6.4 Council, 4 April 2016 (Decision item 13.1) – approved 2016/17 addendum to Corporate Plan
<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=162&MId=8344&Ver=4>
- 6.5 Council, 7 March 2017 – approved 2017/18 addendum to Corporate Plan
<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=162&MId=8819&Ver=4>

⁴³ One “service user” workshop was for a cross section of residents who are users of non-universal services from across the council. The second workshop was for adults with learning disabilities.

Risk ID	Short Risk Title	Long Description	Risk Owner	Nature of Risk	Controls and mitigations in place	Residual Risk (with controls in place)			Target Risk		Response Option	Direction of Travel (from previous quarter)
						Impact	Likelihood	Risk Score	Impact	Likelihood		
Strategic risks (19)												
STR004	Future financial pressures and uncertainty	The uncertainty and therefore lack of clarity on impact of changes in the national and regional political landscape, legislative changes and local government funding changes (e.g. lack of new funding for pressures in Adult Social Care and business rates localisation) that affect LBB services could lead to further reduction of the in-year budget resulting in non-achievement of MTFs target, reduction in service quality, resident dissatisfaction, deterioration of services, use of reserves and reputational damage. This could also have an impact on the existing overspend by increasing it.	Chief Executive	Finance	We have some contingency and reserves in place to mitigate the short term impact. We undertake forward planning, regularly updating our budget assumptions and monitoring the Government's fiscal announcements. However, we also maintain flexibility within existing plans to instigate recruitment freezes in non-front line services whilst long term plans are being put into place. We also maintain good contacts with central Government, to remain as informed as possible.	5	4	20	5	2	Tolerate	Same
STR007	Significant safeguarding incident	If Council services and partners do not effectively manage their relevant safeguarding risks, this could lead to a safeguarding incident resulting in potential harm to individuals and/or families, potential legal challenge, resident dissatisfaction, public scrutiny	Chief Executive	Statutory duty	Children: elements of the Practice Improvement Plan have been implemented, including training. We also have a supervision policy and practice standards, and undertake quality assurance activity. We adhere to Pan London safeguarding procedures and processes, and ensure scrutiny and oversight of safeguarding via assurance reports to the lead member, SCB Assurance, Barnet Safeguarding Board, and the Children's Services Improvement Board Adults: adherence to the London multi-agency safeguarding adults Policy & Procedures. Training programme. Supervision policy and practice standards. Quality assurance programme in place including case audit, supervision audit, performance monitoring. Assurance reports to SCB Assurance, Barnet Safeguarding Adults Board and PQA sub-group; also to Adults committee and HWB annually.	5	3	15	5	3	Treat	Same
STR003	Delivery of transformation programmes	If there are challenges with resource recruitment, changes in market conditions, changes in political decisions, change resistance, poor project management, budgetary management and engagement (staff and residents), this could lead to failure to deliver major transformation programmes, specifically Brent Cross, Mill Hill depot, Colindale office relocation, Adults & Communities ADM, Libraries programme and Social Care Practice Improvement and failure to maintain a balanced budget over the MTFs period resulting in resident dissatisfaction, disruption to services, financial loss, and reputational damage	Chief Executive	Finance	We have clear leadership in place through our Strategic Directors, and the decision-making process is well understood. Our governance structure is set up to support delivery, with member challenge through Performance and Contract Management Committee and Theme Committees. Our annual finance and business planning processes also support this.	5	3	15	5	2	Treat	Same
STR020 (New)	Lack of fully functioning case management system	If the programme plan to complete the substantial remedial work required to the Mosaic case management system is not agreed and implemented in a timely manner, the lack of a fully functioning case management system will have an impact on key business processes which may become unable to function, and on data and information which may become incomplete or misunderstood, This may lead in turn to a risk of harm to individuals, lack of compliance with statutory duties, financial loss or penalties, legal challenge, and reputational damage.	Assistant Director, Community & Well-being	Compliance	A joint programme board is in place to drive delivery with escalation routes agreed into the Barnet Partnership senior structures. Timescales have been agreed for development of a confirmed programme plan covering the remedial work, and these are being closely monitored by Capita and LBB. Regular reports are being used to confirm that frontline social care business processes are running to expectations and that any issues are quickly identified. Mitigation measures are in place to manage specific risks such as provider failure or bad debt, arising from delays to key business processes such as paying invoices or issuing bills to clients. Assurances have been sought in relation to information governance controls within the programme.	5	3	15	1	1	Treat	New

Risk ID	Short Risk Title	Long Description	Risk Owner	Nature of Risk	Controls and mitigations in place	Residual Risk (with controls in place)			Target Risk		Response Option	Direction of Travel (from previous quarter)
						Impact	Likelihood	Risk Score	Impact	Likelihood		
STR021 (New)	Delivery of Ofsted Improvement Plan	The Ofsted Improvement Plan is not delivered across the partnership quickly enough, which could lead to outcomes for children, young people and families not improving at the pace required, resulting in negative monitoring reports and future inspection outcomes.	Strategic Director of Children and Young People	Compliance; Reputational; Staffing and Culture	Delivery of robust action plan to take recommendations forward Monitoring of impact of action plan on outputs and outcomes for children, young people and families, and taking action if outcomes don't improve as expected Refresh of the Barnet Safeguarding Children's Board functions, membership and work programme Leadership from the Chief Executive to drive forward action plan, and galvanise resources from across Council to support improvement (including support services) Strong communication/engagement plan at all levels of the partnership and organisation, to keep the focus, energy and momentum at all level (particularly when moving at pace).	5	3	15	3	2	Treat	New
STR001	Sufficient skilled and experienced resources in the marketplace	If there is a challenging recruitment market that impacts the ability to recruit and retain the right staff with the right skills, and causes a lack of stability of senior management, this could lead to limitations in the competency and capability of the workforce to deliver statutory responsibilities and / or corporate objectives resulting in potential legal challenge, impact on financial targets - savings and income, reduced service to residents, reduced residents satisfaction, loss of corporate memory and reputational damage	Assistant Chief Executive	Compliance	There is a new unified reward package, focused on improving the offer to the market. We are building the Council's reputation externally, and have a tailored recruitment programme in place, as well as a graduate and apprentice programme. Our "The Way We Work" programme includes new offices in Colindale, and we are overall making Barnet a better place to work.	4	3	12	4	2	Treat	Same
STR006	Complexity of partnership working in the Borough	Differences of geographical footprint and governance structures of key strategic partners (e.g. NHS, NLWA) exacerbated by any changes in leadership may lead to conflicting priorities between partner agencies, including in the use of critical local infrastructure, resulting in non achievement of targets, increased risk of safeguarding incidents, resident dissatisfaction, ineffective allocation of resources and reputational damage	Chief Executive	Statutory Duty	We maintain good relationships with strategic partners, and have aligned our strategic plans where possible. We also hold regular update meetings with these partners, and members and senior officers are represented on key strategic boards.	4	3	12	4	2	Treat	Same
STR011	Impact of change in policies	If there is a change in policies or in priorities across the Council / for specific Committees, this would result in increased workloads across the council associated with reworking of strategies, impacting on finances and ability to operate within budget	Chief Executive	Business continuity	Decisions are made in accordance with legal advice, and the Council undertakes forward planning at the corporate level. The risk to the budget is controlled by the MTFs and business planning process, and members are fully engaged. A draft budget for 2017/18 is out for public consultation, and has been updated to reflect the Local Government Finance Settlement. Briefings have been sent to all councillors and senior management.	4	3	12	4	3	Tolerate	Same
STR012	Potential Health & Safety incident or negative impact on wellbeing of Barnet employees, Members and members of the public	If health & safety / compliance policies & procedures are not sufficiently developed, tested or adhered to by officers, Members or the Council's contractors, this could lead to an incident resulting in harm to Barnet employees/council members/members of the public, legal challenge and reputational damage	Chief Executive	Health and safety	H&S policies and processes around managing compliance are in place (available on the intranet), and the five civic buildings are being managed effectively. There are plans to identify gaps for other council stock (though these are not yet implemented). Training is undertaken so staff can find the right information, with some advertising on the intranet, and first team messaging to staff. Leaflets are distributed among the workforce. We have a web-based portal for referrals, with HR leading on some of these. There is a "split" service, allowing access to additional H&S advice available as required, but alongside Barnet-based staff with H&S knowledge of local issues carrying out monitoring activities (including H&S audits and inspections) as well as a statutory officer in place. We have systems to collect information on incidents, and undertake regular H&S audits and reports to senior officers and Committees.	4	3	12	4	2	Treat	Same

Risk ID	Short Risk Title	Long Description	Risk Owner	Nature of Risk	Controls and mitigations in place	Residual Risk (with controls in place)			Target Risk		Response Option	Direction of Travel (from previous quarter)
						Impact	Likelihood	Risk Score	Impact	Likelihood		
STR008	Successful challenge to the decision-making process	If statutory obligations to consult as are not considered as part of the decision making process by any part of the organisation (retained or commissioned) when they are required to be, this may lead to successful legal challenges to the decision-making process resulting in, judicial review of process, which has implications for officers and Members, and could lead to reputational damage	Chief Executive	Statutory Duty	Corporate advice and guidance on decision-making are in place, with a clearance process. Senior officers and members have oversight of decisions	5	2	10	5	2	Tolerate	Same
STR013	Effective response to internal and external changes (political and economic)	Due to the complex nature of services provided, demographic changes and macroeconomic changes, the Council may be unable to effectively respond in an agile way to internal and external changes (political and economic) resulting in not being able to deliver organisational objectives, financial impact and reputational damage	Chief Executive	Business continuity	The Council undertakes forward planning at the corporate level, as well as business planning. The corporate risk management framework and audit process also control this risk.	5	2	10	5	1	Treat	Same
STR019	Fire health and safety	Failure to sufficiently manage policies and procedures around H&S (including fire) could lead to an incident that results in structural damage to property, litigation/compliance breach; financial loss, personal injury or death.	Director of Resources	Health and safety	H&S policies and processes for managing compliance in respect of the council's estate and homes are in place; H&S audits and inspections are carried out in accordance with policy; and fire risk assessment (FRAs) are undertaken and reported and actioned for all residential housing managed by Barnet Homes and main housing association partners.	5	2	10	5	1	Treat	Increased
STR010	Potential Fraud, bribery or corruption incident	If there are ineffective internal controls, governance arrangements, and neither fit for purpose nor adhered to policies and procedures, this could lead to the Council being unable to prevent an incident of organised or high value fraud, bribery or corruption resulting in loss of revenue, cost to the business (disposal and prosecution), staffing issues and reputational damage	Section 151 Officer	Finance	<p>The Council observes financial regulations, internal controls and standing orders, and contract procedure rules. There is a counter-fraud framework, including a whistleblowing policy. The Council also has an employee code of conduct, which includes a gifts and hospitality policy, and other HR Policies are in place. There is oversight by the Audit Committee, a dedicated fully qualified independent fraud team (CAFT), and an internal audit team.</p> <p>The CAFT have a risk-based joint work plan (with Internal Audit) and also conduct proactive fraud drives and also the Fraud Awareness Programme and advice. CAFT conduct Fraud Risk Assessments and Data Matching initiatives (such as the National Fraud Initiative) in high fraud risk areas. They are able to respond to referrals of fraud and investigate them through to the appropriate outcome. They work closely with HR where internal fraud also raises disciplinary issues and also are the only authorised team to conduct financial investigations on behalf of the council under Proceeds of Crime Act.</p>	3	3	9	3	3	Treat	Same
STR016	Neglecting Corporate Parenting duty	The Council and its partners neglecting to fulfil their duty as Corporate Parents could lead to poorer outcomes for children in care and care leavers across key areas including education, health and placements, resulting in an increased gap between children in 'care/care leavers' and their peers in the shorter term and poorer outcomes in the longer term.	Strategic Director of Children and Young People	Statutory Duty	A joint motion by Councillors to Full Council in November 2015 resulted in a the Barnet Care Leavers Pledge. The Child in Care council has been refreshed and the advocacy service is active across Family Services. A Children's Services improvement plan is being implemented. The Virtual School has invested in a strong structure and resources are targeted to improve outcomes, including through the PEP process. The 'Onwards and Upwards' care-leaving service is located in a town centre, where care leavers can access support and a broad range of multi-agency services. Strategic links have been developed with key partners	3	3	9	3	2	Treat	Same
STR002	Capacity for business continuity responsiveness	If there is insufficient resource or capability to deal with crisis, such as those involving critical local infrastructure, and insufficient testing of Business Continuity Plans / incident response plans, the Council may be unable to respond effectively in the event of a crisis resulting in financial loss, disruption to services, resident dissatisfaction and reputational damage	Deputy Chief Executive	Business continuity	The Council has a corporate Business Continuity Strategy and Plan, and we maintain a network of business continuity leads, with quarterly meetings on this subject. We carry out bi-annual desktop tests, including live reporting. Plans are in development to test our arrangements through live scenarios.	4	2	8	4	2	Treat	Reduced

Risk ID	Short Risk Title	Long Description	Risk Owner	Nature of Risk	Controls and mitigations in place	Residual Risk (with controls in place)			Target Risk		Response Option	Direction of Travel (from previous quarter)
						Impact	Likelihood	Risk Score	Impact	Likelihood		
STR009	Contract management and clienting of contracts	If commercial and commissioning roles & responsibilities are not clearly defined or understood then this may lead to ineffective contract management & clienting, resulting in delivery of poor level of service or a financial loss/overspend	Chief Executive	Statutory Duty	We have a contract management framework, with policy and procedures in place for commercial and commissioning activity. The Council's Commercial Team oversee this work, with SROs. We undertake contract monitoring, and members have oversight through the Performance and Contract Monitoring Committee and the Audit Committee. Opportunities for improving this work have been highlighted through the CSG contract review.	4	2	8	3	2	Treat	Same
STR017	Exposure to cyber-security attack	Connecting to untrusted networks (such as the Internet) exposes IT networks to attacks that seek to compromise the confidentiality, integrity and availability of ICT and the information they store and process.	Director of Resources	Business Continuity	Policies and risk management approaches to protect IT networks developed and implemented; and security controls applied, including patch upgrades.	4	2	8	4	1	Treat	Same
STR018	Incident management	Failure to respond effectively to an information security incident (e.g. a cyber-security attack) that disrupts IT networks leading to a loss of access to information assets and disruption to council services.	Director of Resources	Business Continuity	Incident management policies in place to improve resilience, and support business continuity, including regular assessment of information assets.	4	2	8	4	1	Treat	Same
STR014	Implementation of Elections reviews	If the recommendations of the Smith Review into Barnet's election processes & procedures are not implemented, this could lead to an inability to deliver elections in compliance with national legislation and statutory guidance - raising the risk of: a successful challenge of election results, the loss of confidence in the electoral function, and ultimately a court ruling to re-run an election (with subsequent financial consequences and reputational damage)	Chief Executive as the Returning Officer	Statutory Duty	The recommendations of the Heath review were implemented (May/June 2016). The wider electoral services review independent Smith review was completed in November and presented at the November General Functions Committee. In summary, Dr Smith's review found that the Electoral Registration and Elections Services in Barnet has strong and effective professional knowledge and experience and is compliant with both the law and Electoral Commission guidance, but that there are areas in which the services can be challenged to perform at a higher level and achieve beyond compliance. Dr Smith's report proposed 16 recommendations for Barnet's Electoral Registration and Elections services. These recommendations were all accepted by the Council and the Returning Officer and initial responses were presented with further work for full implementation of the review's recommendations within 2017.	3	2	6	3	2	Treat	Reduced
High level service risks												
Adults, Communities and Health (6)												
AC002	Failure of care provider	A care provider could suddenly be unable to deliver services, due to: - provider going into administration - failure of regulatory inspection relating to quality of service - care provider chooses not to deliver services - HS&E breach leading to operational disruption to manage the situation, harm to individuals by not having their care and support needs met, unexpected financial consequences, breach of statutory duty,	Head of Integrated Care Quality	Business continuity	For contracted services, extensive due diligence is carried out before and during any contract. The Delivery Unit carries out ongoing contract management and monitoring to ensure it continues to engage with providers, complemented by relationship management work, and monitoring of individuals placed with providers. The Council also works with the market as a whole, making a programme of best practice and improvement initiatives available to the provider sector. A regular report setting out provider risks and concerns is circulated to the DASS and to the DU's Leadership team on a monthly basis and discussed through the regular DASS assurance meeting.	4	4	16	4	3	Treat	Same

Risk ID	Short Risk Title	Long Description	Risk Owner	Nature of Risk	Controls and mitigations in place	Residual Risk (with controls in place)			Target Risk		Response Option	Direction of Travel (from previous quarter)
						Impact	Likelihood	Risk Score	Impact	Likelihood		
AC003	Unacceptable level of quality services provided by care providers	Unacceptable levels of quality of services provided by care provider could lead to additional dedicated Barnet resource needing to be put in place to address the situation, resulting in reduced ability to manage BAU, financial consequences. If the additional resource is not able to address the underperformance of the care provider, this could also lead to harm to individuals, reputational consequences	Head of Integrated Care Quality	Compliance	For contracted services, extensive due diligence is carried out before and during any contract. The Delivery Unit carries out ongoing contract management and monitoring to ensure it continues to engage with providers, complemented by relationship management work, and monitoring of individuals placed with providers. The Council also works with the market as a whole, making a programme of best practice and improvement initiatives available to the provider sector. A regular report setting out provider risks and concerns is circulated to the DASS and to the DU's Leadership team on a monthly basis and discussed through the regular DASS assurance meeting.	4	4	16	3	3	Treat	Same
AC027	Implementation of new IT systems	Implementation of a number of new IT systems within Adults and Communities could lead to the risk that systems are not completely understood, remedial work is required to develop complete and accurate configuration, further training is required and processes are delayed or slowed, leading to risk of harm to individuals, lack of compliance with statutory duties, reduced financial control.	Assistant Director, Community & Wellbeing	Business continuity	The Council works closely with delivery partners including Capita and with the corporate IS function to ensure systems are implemented effectively and meet business needs. The Delivery Unit works closely with programme teams to ensure the scope of work is clear and the highest priority items are identified and completed as quickly as possible. Joint programme boards ensure risks and issues are highlighted and escalated to the senior management structures of both organisations. Use is made of assurance mechanisms including internal and external audit and specialist technical assurance commissioned as and when needed. For Barnet/Capita projects, there is a clear escalation line into the Barnet/Capita Partnership, which is tasked with ensuring issues are resolved rapidly and to the long term benefit of the Partnership.	4	4	16	1	1	Treat	New
AC019	Capacity in the provider market	Market conditions could create shortages in both generalist and specialist service provision (such as specialist accommodation or Personal Assistants) which in turn could drive up placement prices and challenge the Council's ability to meet service users' needs in accordance with its strategic objectives or within the desired budget.	Interim AD JCU	Compliance	The Council has developed commissioning strategies and a five year commissioning plan which is updated each year to ensure the market is kept informed about current and future direction. The Council also works with the market as a whole, making a programme of best practice and improvement initiatives available to the provider sector. The Delivery Unit carries out ongoing contract management and monitoring to ensure it continues to engage with providers, complemented by relationship management work, and monitoring of individuals placed with providers.	4	4	16	2	2	Treat	Increased
AC001	Increased overspend in 2017/18 to meet statutory duties	Adults & Communities Delivery Unit could have insufficient resources to meet its statutory duties due to operating in an environment in which there is inherent uncertainty in future demand for services, exacerbated by a potential inability to deliver savings, reduced ability to raise income from clients, the rising cost of care, other in year financial pressures due to unexpected demand, the increasing complexity and cost of care packages, and legislative changes. This could result in harm to individuals, legal challenge, worsening budget overspend, and reputational damage.	Adults and Communities Director	Compliance	The Council's budget management process (MTFS) forecasts demographic growth and pressures over a 3 year period. Budget and performance monitoring and management controls are used throughout the year. Work to reduce addressable spend (such as expenditure on agency staff) is being carried out in year. The Joint Strategic Needs Assessment will identify future demand pressures, and the Council will undertake initiatives focused on reducing and managing future demand in response, including the Adults' New Operating Model/ Alternative Delivery Vehicle which focus on reducing demand for services and finding more creative ways to manage complex need.	5	3	15	3	3	Treat	Same
AC004	Surge in demand from NHS	An unpredictable surge in demand from the NHS in situations where there is limited capacity could lead to the DU being unable to meet this demand within the NHS's required timescales. This could result in financial consequences, operational disruption leading to rushed decisions being made that have unintended negative consequences, potentially for individuals that have been discharged, and increased central government scrutiny.	Assistant Director Adult Social Care	Compliance	System-wide resilience money is available on top of BCF and IBCF funding. These are used across a number of activities whether to create extra capacity, increase assessment capability or support new initiatives such as Discharge to Assess. There are monthly meetings between LBB, CCG and NHS Provider Trusts to discuss & manage pressures in the system, and to deliver actions across the system. These include the A&E Delivery Board & Urgent Care Transformation Programme. There are regular calls throughout the week which focus on management of patients who are delayed in hospital.	3	5	15	3	3	Treat	Same

Risk ID	Short Risk Title	Long Description	Risk Owner	Nature of Risk	Controls and mitigations in place	Residual Risk (with controls in place)			Target Risk		Response Option	Direction of Travel (from previous quarter)
						Impact	Likelihood	Risk Score	Impact	Likelihood		
Children and Young People (3)												
FS001	Significant child safeguarding incident	Inappropriate response or poor decision-making around a case leads to a significant children's safeguarding incident, resulting in increased risk of significant harm or death of a child, and reputational damage.	Operational Director, Early Help, Children in Need and Child Protection	Statutory Duty	The Ofsted Action Plan has been developed - building on previous work to strengthen the service. Delivery of the plan is monitored regularly and overseen by a Board. Signs of Safety training is being rolled out as part of the toolkit to implement resilience-based practice across the service and partnership, which supports purposeful practice Supervision and practice standards help to control this risk, as well as quality assurance activity. We provide assurance reports to the lead member, SCB Assurance, Barnet Safeguarding Board, and the Social Work Improvement Board, to ensure scrutiny and oversight. The lead member meets monthly with service leads to provide oversight.	4	4	16	4	3	Treat	Reduced
FS023	Delivery of Ofsted Action Plan	The Ofsted Action Plan is not delivered across the partnership quickly enough, which could lead to outcomes for children, young people and families not improving at the pace required, resulting in negative monitoring reports and future inspection outcomes.	Director of Children's Services	Statutory Duty	Delivery of robust action plan to take recommendations forward. Monitoring of impact of action plan on outputs and outcomes for children, young people and families, and taking action if outcomes don't improve as expected Refresh of the Barnet Safeguarding Children's Board functions, membership and work programme Leadership from the Chief Executive to drive forward action plan, and galvanise resources from across Council to support improvement (including support services) Strong communication/engagement plan at all levels of the partnership and organisation, to keep the focus, energy and momentum at all level (particularly when moving at pace).	5	3	15	3	2	Treat	New
FS019	Relocation of unaccompanied minors	The relocation of unaccompanied minors and increase in UASC could lead to increases in the child in care population, resulting in budgetary pressures	Operational Director - Looked After Children and 0-25	Statutory Duty	Roll-out of Signs of Safety to build resilience in families. Family Group Conferencing service Contingencies in the budget for meeting the target group of UASC	4	4	16	3	2	Tolerate	Increased
High level joint risks												
Barnet Group (1)												
TBG009	Ensuring availability of funding for meeting best practise in fire safety	Financial risk due to extended H&S checks following Grenfell Tower Fire. There is a risk of escalating costs associated with requirements to ensure the safety of council tenants and leaseholders and meet the Council's wish to exceed the statutory minimum requirements and deliver best practise in relation to fire safety for council dwellings.	Strategic Lead Housing	Financial	HRA Business Plan has been updated and shown to be able to support £17.5m investment agreed by Housing Committee Oct 2017 Barnet Homes have provided costed and prioritised programme of fire safety improvements and housing committee has agreed to fund category 1 works Working with other London authorities to seek additional HRA flexibilities to meet cost of works Housing Committee has agreed to defer some works until outcome of Govt. Review of fire safety regulations expected Spring 2018.	4	4	16	4	3	Treat	New
Customer Support Group (2)												
CSG26	Inadequate Awareness of LBB staff	Inadequate security controls & governance training for LBB staff could lead to loss of sensitive personal information or breach of data protection resulting in contractual & DPA breaches, breaches of PCI compliance obligations, penalties & compensation	Information Security Manager	Information Governance	Training and awareness of all LBB staff in place Regular briefings and reminders PSN compliance in place and Capita group security standards applied to all projects Council Security forum, PEN tests, PCI tests and PSN compliance assessments in place and reviewed annually Audits completed on processes and controls with good compliance reported	5	3	15	2	2	Treat	Same

Risk ID	Short Risk Title	Long Description	Risk Owner	Nature of Risk	Controls and mitigations in place	Residual Risk (with controls in place)			Target Risk		Response Option	Direction of Travel (from previous quarter)
						Impact	Likelihood	Risk Score	Impact	Likelihood		
CSG38	Income target	As a result of staff turnover and service transformation, the service may fail to develop income quick-wins necessary to meet budget income target, resulting in a shortfall in reaching the income budget figure and a failure to offset the forecasted o/s in the managed budgets	Head of Estates	Finance	The new SIP and structure is fundamental to meeting income targets. the new structure will have increased expertise and capacity to enable enhanced income generation for the council. in the short term the Estates Service has the ability to draw on wider Capita resource if required. There is increased senior management resource and focus on these activities. Plan - CSG is reviewing its case priorities to identify resources who will lead on the quick win initiative programme, this will work in conjunction with the investment model.	3	5	15	1	1	Treat	Same

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Appendix B - Revenue forecast 2017/18

Adults and Communities

Description	Variations					Comments	% Variation of revised budget
	Original Budget £000	Revised Budget £000	Actuals to 30/09/2017 £000	Month 6 £000	Variation £000		
Performance & Improvement	1,411	1,457	629	1,418	(39)	Underspend due to part year vacancies whilst recruitment was underway and not using agency staff unless business critical.	-2.7%
Safeguarding	682	656	367	802	146	The Deprivation of Liberty Safeguards (DOLS) service continues to be a significant cost pressure in 2017/18, as a result of Supreme Court judgements in 2014/15 and a loss of grant funding since 2015/16.	22.2%
Care Quality	3,675	3,100	1,992	3,068	(32)	Underspend due to part year vacancies whilst recruitment was underway and not using agency staff unless business critical.	-1.0%
Community Well-being	541	604	(6,728)	607	3		0.4%
Customer Care	254	246	169	221	(25)	Underspend due to part year vacancies whilst recruitment was underway and not using agency staff unless business critical.	-10.3%
Customer Finance	840	851	359	849	(3)		-0.3%
Dir Adult Soc Serv & Health	518	115	45	115	0		0.0%
Integrated care - LD & MH	35,972	39,479	17,508	39,623	144	Adult social care has experienced increasing complexity and demand for services since 2014/15. Following intensive work within the service in relation to a new operating model focused on a strengths based approach and substantial corporate investment by the Council, as well as allocation of funding from the BCF/BCF to mitigate this increased complexity and demand, care costs are currently being forecast to come in on budget. As social care is a demand led service, the position may change if demand or complexity increases during the year above forecast levels. The current overspend position is in relation to expenditure on staffing and the cost pressure of needing to employ agency staff to cover front line roles while recruitment has been underway, alongside recruitment costs. Some of these costs are being mitigated though underspends on other staffing budgets.	0.4%
Integrated care - OP & DP	41,946	39,488	17,455	39,636	148	Adult social care has experienced increasing complexity and demand for services since 2014/15. Following intensive work within the service in relation to a new operating model focused on a strengths based approach and substantial corporate investment by the Council, as well as allocation of funding from the BCF/BCF to mitigate this increased complexity and demand, care costs are currently being forecast to come in on budget. As social care is a demand led service, the position may change if demand or complexity increases during the year above forecast levels. The current overspend position is in relation to expenditure on staffing and the cost pressure of needing to employ agency staff to cover front line roles while recruitment has been underway, alongside recruitment costs. Some of these costs are being mitigated though underspends on other staffing budgets.	0.4%
Prevention & Well Being	565	490	267	310	(180)	Underspend due to part year vacancies whilst recruitment was underway and not using agency staff unless business critical.	-36.7%
Social Care Management	741	696	410	731	35	Overspend due to additional staffing costs in relation to interims covering key posts.	5.0%
Total	87,145	87,184	32,472	87,379	196		0.2%

Within the revenue monitoring above, the number of cost centres that are projecting net overspends or underspends are:

a) cost centres over £100,000	28
b) cost centres over £50,000 where the cost centre's gross budget is less than £1m	19
c) Actions proposed to ensure that these overspends or underspends are not realised are reflected in the commentary above.	

Assurance

Description	Variations					Comments	% Variation of revised budget
	Original Budget £000	Revised Budget £000	Actuals to 30/09/2017 £000	Month 6 £000	Variation £000		
Elections	358	549	139	547	0		0.0%
Assurance Management	579	560	219	560	0		0.0%
Governance	2,158	2,168	1,052	2,168	0		0.0%
Internal Audit & CAFT	752	783	169	783	1		0.1%
HB Law	2,011	2,036	736	2,317	281	An underachievement in forecast income versus budget income of £457k from Harrow. The income target set is challenging to achieve by the service. This is partially offset by a £176k underspend in core hours.	13.8%
Total	5,859	6,096	2,314	6,375	279		4.6%

Within the revenue monitoring above, the number of cost centres that are projecting net overspends or underspends are:

a) cost centres over £100,000	
b) cost centres over £50,000 where the cost centre's gross budget is less than £1m	
c) Actions proposed to ensure that these overspends or underspends are not realised are reflected in the commentary above.	

Central Expenses

Description	Variations					Comments	% Variation of revised budget
	Original Budget £000	Revised Budget £000	Actuals to 30/09/2017 £000	Month 6 £000	Variation £000		
Capital Financing	16,780	16,780	187	16,780	0		0.0%
Car Leasing	2	0	0	0	0		0.0%
Central Contingency	12,403	3,186	0	1,886	(1,300)	Central contingency has not yet been fully allocated	-40.8%
Corporate Fees & Charges	234	234	(18)	234	0		0.0%
Corporate Subscriptions	194	194	152	194	0		0.0%
Early Retirement	3,577	3,577	85	3,577	0		0.0%
Local Area Agreement	105	105	75	105	0		0.0%
Levies	18,688	18,688	8,471	18,688	0		0.0%
Miscellaneous Finance	740	742	2,451	742	0		0.0%
Total	52,723	43,507	11,404	42,207	(1,300)		-3.0%

Within the revenue monitoring above, the number of cost centres that are projecting net overspends or underspends are:

a) cost centres over £100,000	
b) cost centres over £50,000 where the cost centre's gross budget is less than £1m	
c) Actions proposed to ensure that these overspends or underspends are not realised are reflected in the commentary above.	

Commissioning Group

Description	Variations					Comments	% Variation of revised budget
	Original Budget £000	Revised Budget £000	Actuals to 30/09/2017 £000	Month 6 £000	Variation £000		
Strategic Commissioning Board	560	567	349	590	23	Unfunded amount of salary costs £23k - funding stream to be reviewed for Q3	4.1%
Resources	930	736	11,262	705	(31)	Underspend to be offset against HR	-4.2%
Information Management	878	988	496	1,051	62	Consultants fees of £126k not funded or capitalised (to be reviewed) and £28k unfunded agency costs	6.3%
Programme & Resources	786	845	294	749	(96)	Underspend in salaries to meet overspend in Commercial Management.	-11.3%
- Commercial management	902	859	641	1,013	154	No budget for out of hours service. Additional staff to undertake RE and CSG review and no budget for non-salary costs	17.9%
Communications	639	646	506	702	55	Overspend due to communications budget income target (£100k) not expected to be realised with forecast income expectation of only £45k	8.6%
Commissioning Strategy	655	506	63	483	(23)	Currently forecasting an under spend due to posts being held vacant to help offset pressures elsewhere	-4.5%
Human Resources	33	203	132	219	16	Forecast over spend due to additional resource on Trade Union and interim HR post.	7.9%
Adults and Health	1,271	1,286	1,043	1,259	(27)	Staffing underspend in Joint Commissioning Unit	-2.1%
Children & Young People	256	331	547	373	42	Staffing overspend on Joint Commissioning Unit.	12.6%
Growth & Development	218	224	295	224	(0)		0.0%
Registrar service	(61)	(61)	(23)	257	318	Births, deaths and marriages is forecasting an overspend of £268k due mainly to the historic income budget not being achieved as a result of lower levels of marriage ceremonies. The mortuary is forecasting an overspend of £50k.	521.3%
Public Health	17,610	17,610	7,223	17,610	0		0.0%
Environment, Parking and Infrastructure							
- Environment	13,430	13,516	6,334	13,521	5		0.0%
- Highway Inspection/Maintenance	255	260	545	260	0		0.0%
- Parking	(538)	(538)	(325)	(538)	0		0.0%
- Special Parking Account	(10,210)	(10,210)	(250)	(10,210)	0		0.0%
- Street Lighting	6,218	6,339	3,140	6,339	0		0.0%
Total	33,834	34,109	32,270	34,607	498		1.5%

Within the revenue monitoring above, the number of cost centres that are projecting net overspends or underspends are:

a) cost centres over £100,000	
b) cost centres over £50,000 where the cost centre's gross budget is less than £1m	
c) Actions proposed to ensure that these overspends or underspends are not realised are reflected in the commentary above.	

Customer Support Group							
Description	Variations					Comments	% Variation of revised budget
	Original Budget £000	Revised Budget £000	Actuals to 30/09/2017 £000	Month 6 £000	Variation £000		
CSG Managed Budget	4,600	3,924	2,491	3,925	0		0.0%
CSG Management Fee	28,582	28,795	22,964	28,795	0		0.0%
CSG Income	(12,021)	(10,884)	(2,117)	(10,684)	200	Schools traded income shortfall	-1.8%
Total	21,161	21,836	23,338	22,036	200		0.9%

Within the revenue monitoring above, the number of cost centres that are projecting net overspends or underspends are:

- a) cost centres over £100,000
b) cost centres over £50,000 where the cost centre's gross budget is less than £1m
c) Actions proposed to ensure that these overspends or underspends are not realised are reflected in the commentary above.

Education and Skills

Description	Variations					Comments	% Variation of revised budget
	Original Budget £000	Revised Budget £000	Actuals to 30/09/2017 £000	Month 6 £000	Variation £000		
Education & Skills Management	6,525	6,715	5,091	6,718	3		0.0%
Edu Partnership & Commercial	0	0	(1,219)	55	55		100.0%
Post 16 Education & Skills	0	0	(53)	0	0		0.0%
School Improvement	0	0	(7)	0	0		0.0%
SEND & Inclusion	0	0	118	0	0	Actuals relate to costs that will be transferred to Cambridge Education	0.0%
Total (excluding SDM)	6,525	6,715	3,930	6,774	59		0.9%

Within the revenue monitoring above, the number of cost centres that are projecting net overspends or underspends are:

- a) cost centres over £100,000
b) cost centres over £50,000 where the cost centre's gross budget is less than £1m
c) Actions proposed to ensure that these overspends or underspends are not realised are reflected in the commentary above.

Family Services

Description	Variations					Comments	% Variation of revised budget
	Original Budget £000	Revised Budget £000	Actuals to 30/09/2017 £000	Month 6 £000	Variation £000		
Family Services Management	351	3,348	247	2,949	(399)	Budgets held centrally, not yet allocated and may be needed to be diverted to offset pressures across Family Services.	-11.9%
Commissioning & Business Imp.	2,970	2,885	1,203	3,030	145	Additional specialist project staffing and software for the Early Help Module	5.0%
Early Years	4,160	4,198	1,810	3,988	(210)	Early Years costs of £330k now charged to DSG Early Years Centrally Retained Funding.	-5.0%
Youth & Family Support	1,872	1,884	681	1,883	(0)		0.0%
Libraries & Comm.Engagemnt	4,222	4,532	2,595	4,532	0		0.0%
Social Care Management	1,745	1,673	1,302	1,121	(552)	Budget held here to cover spend on agency staff.	-33.0%
Intake and Assessment	7,168	7,856	3,763	8,726	870	3 months additional services of 3 x DATS Managers (£74k) and 8 x DATS Social Workers (£165k). The teams are reliant on agency & Barnet Group staff. Staffing is budgeted at the mid-point of the relevant pay scale across all services, to take into account staff turnover. However, in order to attract and retain staff, market rates are being paid, creating an estimated £463k. ECASS & Family Conferences pressure £155k.	11.1%
Permanence Trms & CorParenting	3,419	3,706	2,261	4,038	333	Staffing - agency offset by centrally held budget	9.0%
Placements	16,768	17,552	9,703	18,670	1,118	£1.118m relates mainly to external placements and associated services. The contingencies within the forecast have been set at pessimistic level and are being reviewed.	6.4%
Safeguarding	1,635	1,646	839	1,639	(7)		-0.4%
Workforce & Quality	1,041	1,044	315	1,051	7		0.7%
CSC 0-25	7,093	8,147	3,141	8,189	42	Transitions team staffing pressure	0.5%
Total	52,445	58,471	27,858	59,816	1,345		2.3%

Within the revenue monitoring above, the number of cost centres that are projecting net overspends or underspends are:

- a) cost centres over £100,000
b) cost centres over £50,000 where the cost centre's gross budget is less than £1m
c) Actions proposed to ensure that these overspends or underspends are not realised are reflected in the commentary above.

Housing Needs and Resources

Description	Variations					Comments	% Variation of revised budget
	Original Budget £000	Revised Budget £000	Actuals to 30/09/2017 £000	Month 6 £000	Variation £000		
Housing Needs Resources	5,560	5,560	758	6,971	1,411	Overspend reflects the differential between housing benefit levels and the actual costs the council incurs in leasing temporary accommodation from landlords.	25.4%
Total	5,560	5,560	758	6,971	1,411		25.4%

Within the revenue monitoring above, the number of cost centres that are projecting net overspends or underspends are:

- a) cost centres over £100,000
b) cost centres over £50,000 where the cost centre's gross budget is less than £1m
c) Actions proposed to ensure that these overspends or underspends are not realised are reflected in the commentary above.

Regional Enterprise

Description	Variations					Comments	% Variation of revised budget
	Original Budget £000	Revised Budget £000	Actuals to 30/09/2017 £000	Month 6 £000	Variation £000		
Guaranteed Income	(14,661)	(16,249)	(2,158)	(16,249)	0		0.0%
LBB Client Costs	-	-	-	27	27	LBB legal costs	100.0%
Re Management fee	14,739	16,639	25,077	16,431	(208)		-1.2%
Re Managed Budgets	(901)	(63)	(3,138)	220	284	Overspend mainly due to a shortfall in income for Highways	446.6%
Total	(824)	326	19,781	429	103		31.8%

Within the revenue monitoring above, the number of cost centres that are projecting net overspends or underspends are:

- a) cost centres over £100,000
b) cost centres over £50,000 where the cost centre's gross budget is less than £1m
c) Actions proposed to ensure that these overspends or underspends are not realised are reflected in the commentary above.

Street Scene

Description	Variations					Comments	% Variation of revised budget
	Original Budget £000	Revised Budget £000	Actuals to 30/09/2017 £000	Month 6 £000	Variation £000		
Business Improvement	327	696	274	538	(158)	Forecast underspend due to staff vacancies pending the restructure.	-22.8%
Green Spaces	3,956	4,136	2,056	4,146	10	Overspend due to the maintenance costs for King George Playing Fields.	0.2%
Recycling	364	0	14	2	2		100.0%
Waste	6,861	6,891	4,063	7,631	741	The overspend relates to increased costs of staffing and equipment; a project to reduce these costs has commenced. The service is also reviewing income targets.	10.7%
Street Cleansing	2,835	3,055	1,925	3,078	23		0.8%
Street Scene Management	542	294	200	496	202	The overspend is due to the inclusion of £200k ADM savings, to achieve which a restructure is pending.	68.7%
Trade Waste	(1,960)	(1,958)	(2,310)	(2,361)	(403)	The income target is projected to over achieve by £0.213m resulting in an overall over achievement of £0.403m as additional recharges to operations teams have not been reflected in this budget or the operations budgets.	-20.6%
Transport	(45)	281	1,389	279	(2)		-0.8%
Total	12,881	13,395	7,610	13,809	414		3.1%

Within the revenue monitoring above, the number of cost centres that are projecting net overspends or underspends are:

- a) cost centres over £100,000
b) cost centres over £50,000 where the cost centre's gross budget is less than £1m
c) Actions proposed to ensure that these overspends or underspends are not realised are reflected in the commentary above.

Dedicated Schools' Grant

Description	Variations					Comments	% Variation of revised budget
	Original Budget £000	Revised Budget £000	Actuals to 30/09/2017 £000	Month 6 £000	Variation £000		
Individual school budgets	139,265	139,265	131,327	139,856	591	NNDR pressure and reduced funding available to support the schools block	-0.4%
Growth Fund	1,300	1,300	889	1,300	0		0.0%
Central schools expenditure	1,652	1,652	440	1,652	0		0.0%
ESG retained funding	798	798	0	798	0		0.0%
Early years block	25,060	25,060	7,170	25,485	425		-1.7%
High needs block	43,578	43,578	23,453	43,920	342		-0.8%
DSG income	(209,821)	(209,821)	(110,043)	(209,821)	0		0.0%
DSG carry forward	(1,832)	(1,832)	(1,832)	(3,190)	(1,358)		-74.1%
Total	0	0	51,404	0	0	0.0%	

Within the revenue monitoring above, the number of cost centres that are projecting net overspends or underspends are:

- a) cost centres over £100,000 26
- b) cost centres over £50,000 where the cost centre's gross budget is less than £1m 24
- c) Actions proposed to ensure that these overspends or underspends are not realised are reflected in the commentary above.

Housing Revenue Account

Description	Variations					Comments	% Variation of revised budget
	Original Budget £000	Revised Budget £000	Actuals to 30/09/2017 £000	Month 6 £000	Variation £000		
HRA Other Income & Expenditure	(2,706)	(3,389)	(11,518)	(2,610)	779	Increased expenditure on housing management costs	23.0%
HRA Regeneration	669	1,351	238	810	(542)	Recovery of costs from developers for regeneration projects	-40.1%
HRA Surplus/Deficit for the year	2,185	2,185	0	1,865	(319)	Reduced contribution to HRA balances	-14.6%
Interest on Balances	(147)	(147)	0	(65)	82	Reduced interest receipts	-55.8%
Total	0	0	(11,280)	0	0		0.0%

Within the revenue monitoring above, the number of cost centres that are projecting net overspends or underspends are:

- a) cost centres over £100,000
- b) cost centres over £50,000 where the cost centre's gross budget is less than £1m
- c) Actions proposed to ensure that these overspends or underspends are not realised are reflected in the commentary above.

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Appendix C - Capital forecast 2017/18

	2017-18 Revised Budget	Additions/ Deletions Recommended	Slippage / Accelerated Spend Recommended	2017/18 Quarter 2	Variance from Approved Budget	% slippage of 2017/18	Comments
	£000	£000	£000	£000	£000	%	
Adults and Communities	2,035	(3)	-	2,032	(3)	0.0%	
Adults and Communities	2,035	(3)	-	2,032	(3)	0.0%	
	2017-18 Revised Budget	Additions/ Deletions Recommended	Slippage / Accelerated Spend Recommended	2017/18 Quarter 2	Variance from Approved Budget	% slippage of 2017/18	Comments
	£000	£000	£000	£000	£000	%	
Commissioning Group	51,863	(657)	(20,457)	30,749	(21,114)	-39.4%	There is slippage of £10m on the Sports and Physical Activities project where final plans are still being completed. Slippage of £6.3m on the ICT strategy project in relation to TW3 and £1.2m on the Daws Lane Community Centre where the project is complete but the funds have been moved into 2018/19 to contribute towards the library being provided within the community centre. The centre for independent living project has completed and the remaining £304k budget is no longer required.
Commissioning Group	51,863	(657)	(20,457)	30,749	(21,114)	-39.4%	
	2017-18 Revised Budget	Additions/ Deletions Recommended	Slippage / Accelerated Spend Recommended	2017/18 Quarter 2	Variance from Approved Budget	% slippage of 2017/18	Comments
	£000	£000	£000	£000	£000	%	
Modernisation Primary & Secondary	4,203	170	-	4,373	170	0.0%	
Urgent Primary Places							
Temporary Expansions - Allocated	1,127	(131)	-	996	(131)	0.0%	
Millbrook Park (MHE)	139	-	-	139	-	0.0%	
Orion Primary	75	-	-	75	-	0.0%	
Blessed Dominic/St James	488	-	-	488	-	0.0%	
Menorah Foundation	210	-	-	210	-	0.0%	
St Mary's and St Johns	196	-	-	196	-	0.0%	
Martin Primary	9	-	-	9	-	0.0%	
Oakleigh School	24	(21)	-	3	(21)	0.0%	
Beis Yakov	18	7	-	25	7	0.0%	
St Joseph's RC Junior & St Joseph's RC Infants School	27	-	-	27	-	0.0%	
Monkfrith	347	-	-	347	-	0.0%	
Wren Academy	234	-	-	234	-	0.0%	
London Academy	368	(202)	-	166	(202)	0.0%	
St Agnes School expansion	770	-	-	770	-	0.0%	
Childs Hill	-	-	-	-	-	0.0%	
East Barnet Schools Rebuild	200	-	-	200	-	0.0%	
Permanent Secondary Expansion Programme	21,036	46	(5,000)	16,082	(4,954)	-23.3%	Slippage is due to additional time required for Stage 2 design engagement and value engineering over stage 3 to alleviate cost pressure to budget.
Primary Programme	4,534	216	(4,000)	750	(3,784)	-88.2%	Slippage is due to delay in starting the project.
Secondary Programme	2,783	-	(2,000)	783	(2,000)	-71.9%	Budget holder reviewed and re-profiled the capital budgets to reflect a realistic spend in 2017/18. Consequently £2m has slipped to 2018/19.
SEN	3,692	-	(2,000)	1,692	(2,000)	-54.2%	Project has just started. Budget holder reviewed and re-profiled the capital budgets to reflect a realistic spend in 2017/18. £2m to be slipped.
Alternative Provision	4,647	-	(2,000)	2,647	(2,000)	-43.0%	The delay in spend is because additional information was required to be added to the final submission to the EFA. Budget holder agreed to slip £2m to be slipped.
Other Schemes	6,362	(85)	(5,000)	1,277	(5,085)	-78.6%	Budget holder has reviewed the contingency pot and re-profiled the capital budgets to reflect a realistic spend in 2017/18. Consequently £5m has been slipped to 2018/19.
Education and Skills	51,489	0	(20,000)	31,489	(20,000)	-38.8%	
	2017-18 Revised Budget	Additions/ Deletions Recommended	Slippage / Accelerated Spend Recommended	2017/18 Quarter 2	Variance from Approved Budget	% slippage of 2017/18	Comments
	£000	£000	£000	£000	£000	%	
Capital Schemes managed by Schools	-	-	-	-	-	0.0%	
Capital Schemes managed by Schools	-	-	-	-	-	0.0%	
	2017-18 Revised Budget	Additions/ Deletions Recommended	Slippage / Accelerated Spend Recommended	2017/18 Quarter 2	Variance from Approved Budget	% slippage of 2017/18	Comments
	£000	£000	£000	£000	£000	%	
Family Services	18,605	-	(5,596)	13,009	(5,596)	-30.1%	Meadow Close project is slipping £2.9m as planning permission is required for works to be carried out. The Youth Zone project is slipping £1.2m due to the planning phase taking longer than originally anticipated. East Barnet Library Project is reprofiling £0.5m into 2018/19 as it is aligned with the Leisure Centre delivery at Victoria Park which has slipped into 2018/19. The Family Services Estate project is slipping £1m as resources are yet to be allocated
Family Services	18,605	-	(5,596)	13,009	(5,596)	-30.1%	
	2017-18 Revised Budget	Additions/ Deletions Recommended	Slippage / Accelerated Spend Recommended	2017/18 Quarter 2	Variance from Approved Budget	% slippage of 2017/18	Comments
	£000	£000	£000	£000	£000	%	
Housing Needs Resources	45,424	-	(9,445)	35,979	(9,445)	-20.8%	The land transfer to Open Door has not completed and so the projects have slipped. A planned schedule of work is in place and reflected in the business plan. The contractor will be appointed once the land transfer is completed. The micro sites project is still in the feasibility stage and will not start until 2018/19.
Housing Needs Resources	45,424	-	(9,445)	35,979	(9,445)	-20.8%	
	2017-18 Revised Budget	Additions/ Deletions Recommended	Slippage / Accelerated Spend Recommended	2017/18 Quarter 2	Variance from Approved Budget	% slippage of 2017/18	Comments
	£000	£000	£000	£000	£000	%	
Parking and Infrastructure	2,686	-	(350)	2,336	(350)	-13.0%	The lines and signs projects have been re-profiled
Parking and Infrastructure	2,686	-	(350)	2,336	(350)	-13.0%	

	2017-18 Revised Budget	Additions/ Deletions Recommended	Slippage / Accelerated Spend Recommended	2017/18 Quarter 2	Variance from Approved Budget	% slippage of 2017/18	Comments
	£000	£000	£000	£000	£000	%	
Highways TIL	5,331	87	-	5,418	87	0.0%	
Highways non-TIL	17,369	-	(2,895)	14,474	(2,895)	-16.7%	The Carriageway project is underspending and £2m of capital budgets has been slipped to reflect a realistic spend in 2017/18.
Parking	-	-	-	-	-	0.0%	
General Fund Regeneration	112,495	11,250	(8,160)	115,585	3,090	-7.3%	The slippage to 2018/19 is as a result of delays securing major service providers. The £11.2m addition is for the Colindale station and is funded by S106.
Disabled Facilities Project	2,287	-	(500)	1,787	(500)	-21.9%	The budget has been re-profiled following fewer referrals received this year than expected.
Other Projects	5,092	-	(3,350)	1,742	(3,350)	-65.8%	Slippage is primarily as a result of fewer CPO's on the empty properties programme than anticipated, resulting in the reprofiling of the budget into future years.
Regional Enterprise	142,574	11,337	(14,905)	139,006	(3,568)	-10.5%	


	2017-18 Revised Budget	Additions/ Deletions Recommended	Slippage / Accelerated Spend Recommended	2017/18 Quarter 2	Variance from Approved Budget	% slippage of 2017/18	Comments
	£000	£000	£000	£000	£000	%	
Greenspaces	548	-	-	548	-	0.0%	
Data and Works Management system	326	-	-	326	-	0.0%	
Waste	3,729	-	-	3,729	-	0.0%	
Fuel storage	60	-	-	60	-	0.0%	
Street Scene	4,663	-	-	4,663	-	0.0%	
General Fund Programme	319,339	10,677	(70,753)	259,263	(60,076)	-22.2%	

	2017-18 Revised Budget	Additions/ Deletions Recommended	Slippage / Accelerated Spend Recommended	2017/18 Quarter 2	Variance from Approved Budget	% slippage of 2017/18	Comments
	£000	£000	£000	£000	£000	%	
Housing Revenue Account	89,214	(6,551)	(23,977)	58,686	(30,528)	-26.9%	The Extra Care pipeline project will now not start until 2018/19 (£15.3m) - budget slipped into 2018/19. The buy back part of the Dollis Valley project is almost complete however the remaining budget relating to shared equity costs will now not happen until 2018/19 (£3.3m). The Moreton Close build will not complete in 2017/18 resulting in £3.7m slippage and the Acquisitions programme is anticipated to only complete a further three properties this year, slipping the remainder into 2018/19 (£3.0m).
Housing Revenue Account	89,214	(6,551)	(23,977)	58,686	(30,528)	-26.9%	
Total Capital Programme	408,553	4,126	(94,730)	317,949	(90,604)	-23.2%	

Appendix D: Customer and Support Group Benefits Realisation

FINANCIAL YEAR	2013/14	2014/15	2015/16	2016/17	2017/18	Other years	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
1) CSG baseline - revenue	17,573	30,125	30,125	30,125	30,125	171,809	309,881
CSG baseline - capital	3,400						3,400
CSG managed budget	5,036	8,633	8,633	8,633	8,633	38,128	77,695
Total baseline	26,009	38,758	38,758	38,758	38,758	209,937	390,976
1b Payments made to Capita	35,963	24,482	26,672	48,571	6,363	123,545	265,596
1a Payments made to Capita in relation to pre contract and interim service agreement	14,933						14,933
Adjustment for payments not relating to CSG contract	(1,174)						(1,174)
Adjustment for refund of part of the Interim Service Agreement	(4,056)						(4,056)
Accrual Adjustment for payment in advance	(24,870)	2,094	(511)	(20,924)	21,690	22,521	-
Prepayment Discount					(471)		(471)
Managed budgets payments / Forecast	5,036	8,633	6,225	4,073	4,253	15,845	44,065
Total in year cost of transferring services comparable to baseline	25,831	35,208	32,386	31,720	31,835	161,911	318,892
Savings on core contract	177	3,549	6,372	7,038	6,923	48,027	72,085
2) Reducing number of Single Persons Discounts (net)	191	382	509	509	509	2,543	4,643
Reductions in SPD achieved (net of cost of service & gainshare)	714	409	709	777			2,608
Gainshare paid on achieving reductions and contractor costs	259	254	151	174			839
3) Additional Council Tax Income	-	81	377	484	484	2,420	3,846
Additional CT income achieved (net of cost of service & gainshare)	-	148	174	12			334
Gainshare paid on additional income	-	148	174	12			334
4) Additional income achieved (net of cost of service & gainshare)	359	411	447	343			1,560
Gainshare paid on additional income	209	350	412	304			1,275
CONTRACT YEAR	2013/14	2014/15	2015/16	2016/17	2017/18	Other years	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
5) Procurement savings on wider council spend guaranteed	624	5,916	2,634	3,393	4,234	30,173	46,974
Procurement savings achieved (net)	1,030	6,237	2,683	2,883			12,833
Gainshare paid on savings achieved	482	1,092	1,867	2,481			5,922
Savings expected	992	9,928	9,892	11,423	12,150	83,163	127,548
Savings made	2,280	10,754	10,384	11,052	6,923		41,393
FINANCIAL YEAR	2013/14	2014/15	2015/16	2016/17	2017/18	Other years	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
6) Actual Payments made to Capita in relation to contractual adjustments	324	1,680	1,754	4,511	1,195		9,463
7) Project Spend							
Capital -							
Schools build	535	2,182	1,350	995	208		5,270
Non Schools Investment	295	840	935	1,989	820		4,879
Transformation programme -							
Childrens & Families Portfolio	630	1,951	1,561	2,439	938		7,519
Adults & Health Portfolio	322	1,481	3,511	1,907	204		7,425
Environmental Portfolio	301	602	290	1,124	207		2,524
Growth & Development Portfolio		158	83		12		253
Central	344	3,062	4,308	4,865	2,438		15,017
Programme Management		717	698	2,452	148		4,015
Accrual Adjustment for payment in advance					807		807
Additional chargeable work outside of the contract							
Print and Postage, DBS checks, Occupational Health, etc.	381	837	911	1,040	206		3,375
IT requests (over and above refresh)		652	196	350	603		1,801
	2,808	12,483	13,843	17,161	6,591		52,886
Payments to Capita in relation to CSG	54,977	40,488	44,873	73,214	14,149		227,702
Actual amounts paid							

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	<p>Performance and Contract Management Committee</p> <p>28 November 2017</p>
<p>Title</p>	<p>Quarter 2 2017/18 Financial Monitoring Report</p>
<p>Report of</p>	<p>Director of Resources</p>
<p>Wards</p>	<p>All</p>
<p>Status</p>	<p>Public</p>
<p>Urgent</p>	<p>No</p>
<p>Key</p>	<p>No</p>
<p>Enclosures</p>	<p>Appendix A: Revenue forecast Appendix B (i): Capital forecast Appendix B (ii): Capital funding adjustments Appendix C: Prudential indicators Appendix D: Investments outstanding</p>
<p>Officer Contact Details</p>	<p>Gillian Clelland – Assistant Director of Finance (CSG) gillian.clelland@barnet.gov.uk</p>

Summary

The report provides an overview of the council's financial performance for the six months to 30 September 2017.

Capital and revenue forecasts

The General Fund **revenue projected outturn** is £280.402m, which is an adverse variance of £3.203m (1.2 per cent) compared with the revised budget of £277.199m. The overall variance is largely driven by overspends in Family Services and Housing Needs and Resources. The projected outturn on the council's **capital programme** is £317.949m, £259.263m of which relates to the General Fund programme and £58.686m to the HRA capital programme. This is a variance of £90.604m against the 2017/18 revised budget of £408.553m. Further information can be found in Appendices A and B.

Treasury forecasts

In compliance with the requirements of the Chartered Institute of Public Finance and

Accountancy (CIPFA) Code of Practice, this report provides Members with a summary report of the treasury management activity during the period to 31 March 2017. The Prudential Indicators have not been breached and a prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield.

As at 30 September 2017, investments totalled £100.000 million, achieving an average annual rate of return of 0.39 per cent against a benchmark average (London Interbank Bid Rate - LIBID) of 0.11 per cent.

Recommendations

1. The Committee is asked to note the Q2 2017/18 revenue position, as detailed in paragraph 1.2 and in Appendix A.
2. The Committee is asked to note the savings forecast to be delivered in Q2 2017/18, as detailed in paragraph 1.2.15.
3. The Committee is asked to note the forecast level of reserves and balances as detailed in paragraph 1.3.
4. The Committee is asked to note the additions and deletions (which include virements) and accelerations and slippages in the capital programme, as detailed in paragraph 1.4 and in Appendix B.
5. The Committee is asked to note the treasury position outlined in paragraph 1.6.

WHY THIS REPORT IS NEEDED

- 1.1 This report provides an overview of the council's financial performance for the six months to 30 September 2017. It is intended that this report is presented to the Committee on a twice yearly basis.

1.2 REVENUE FORECAST

General Fund

- 1.2.1 The forecast General Fund revenue outturn (after reserve movements) is £280.402m, which is a projected overspend of £3.203m (1.2 per cent) compared with the revised budget of £277.199m. See table 1 below.

Table 1: Revenue Forecast Outturn (Q2 2017/18)

Service	Original Budget £000	Revised Budget £000	Q2 Projected Outturn £000	Variance from Revised Budget Adv/(fav) £000	Variance from Revised Budget Adv/(fav) %
Adults and Communities	87,145	87,184	87,379	196	0.2
Assurance	5,859	6,096	6,375	279	4.6
Central Expenses	52,723	43,507	42,207	(1,300)	(3.0)
Commissioning Group	33,834	34,109	34,607	498	1.5

Service	Original Budget £000	Revised Budget £000	Q2 Projected Outturn £000	Variance from Revised Budget Adv/(fav) £000	Variance from Revised Budget Adv/(fav) %
CSG	21,161	21,836	22,036	200	0.9
Education and Skills	6,525	6,715	6,774	59	0.9
Family Services	52,445	58,471	59,816	1,345	2.3
Housing Needs and Resources (Barnet Homes)	5,560	5,560	6,970	1,411	25.4
Re	(824)	326	429	103	31.6
Street Scene	12,881	13,395	13,809	414	3.1
Total	277,309	277,199	280,402	3,203	1.2

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

1.2.2 The revenue budget for **Adults and Communities** is forecast to overspend by £0.196m. Adult Social Care (ASC) has experienced increasing complexity and demand for services since 2014/15. Following intensive work within the service in relation to a new operating model focused on a strength-based approach and substantial corporate investment by the council, as well as allocation of funding from the BCF/iBCF (Better Care Fund) to mitigate this increased complexity and demand, care costs are currently being forecast to come in on budget. As social care is a demand led service, the position may change if demand or complexity increases during the year above forecast levels. The current overspend position is in relation to expenditure on staffing and the cost pressure of needing to employ agency staff to cover front line roles while recruitment has been underway, alongside recruitment costs. Some of these costs are being mitigated though underspends on other staffing budgets, including holding posts vacant while recruitment is underway and not using agency staff unless business critical.

The Deprivation of Liberty Safeguards (DOLS) service continues to be a significant cost pressure in 2017/18, as a result of Supreme Court judgements in 2014/15 and a loss of grant funding since 2015/16.

1.2.3 **Assurance** is forecasting an overspend of £0.279m due to an underachievement of income, which is partly offset by an underspend on core hours.

1.2.4 As at Q2 2017/18, **Central Expenses** is forecast to underspend by £1.300m as central contingency has not yet been fully allocated.

1.2.5 The projected overspend for the **Commissioning Group**, which includes environment, parking and infrastructure, is £0.498m which represents 1.5 per cent of the total Delivery Unit budget. The forecast overspend is principally due to there being no budget for the out of hours service (GDIT) and the income budget for the registrar and mortuary services not being achieved.

1.2.6 The projected overspend of £0.200m for **CSG** represents 0.9% of the total Delivery Unit budget (£21.836m). Income is forecast to be below budget due to a shortfall in schools traded income and in print / photocopying recharges, offset by higher than budgeted recovery of court costs.

- 1.2.7 The forecast revenue outturn for **Education and Skills** as at Q2 is broadly in line with budget.
- 1.2.8 The projected overspend of £1.345m for **Family Services** represents 2.3 per cent of the total Delivery Unit budget (£58.471m). The majority of the forecast overspend (£1.118m) relates to external placements and associated services. The contingencies within the forecast have been set at a pessimistic level and are being reviewed. The remainder of the forecast overspend relates to staffing and in particular the need to pay market rates to recruit and retain staff.
- 1.2.9 The projected overspend of £1.411m for **Housing Needs and Resources** represents 25.4 per cent of the total Delivery Unit budget (£5.560m). The forecast overspend is largely due to a shortfall in rental income as a result of temporary accommodation rents being fixed at January 2011 Local Housing Allowance rates, in addition to income loss from hostels, temporary accommodation preventions, one-off private sector leasing prepayments and an increase in the bad debt provision.
- 1.2.10 As at Q2 2017/18, **Re** is forecasting an overspend of £0.103m which is mainly due to a shortfall in highways income.
- 1.2.11 The projected overspend of £0.414m for **Street Scene** represents 3.1% of the total Delivery Unit budget (£13.395m). The overspend relates to increased costs of staffing and equipment and a project to reduce these costs has commenced. There are also currently unachieved savings that were to be delivered through the alternative delivery model and a restructure to deliver these is pending. The service is holding vacancies pending that restructure. The income target for trade waste is currently forecast to be overachieved.

Housing Revenue Account (HRA)

- 1.2.12 As at 30 September 2017, the HRA is forecasting a surplus of £1.865m, compared to the budget of £2.185m.

Table 2: Housing Revenue Account Forecast

	Revised Budget £000	Q2 Projected Outturn £000	Variance from Budget Adv/(Fav) £000
Dwelling rents	(52,805)	(53,597)	(792)
Service and other charges	(8,852)	(9,136)	(284)
Housing management	20,298	20,983	685
Repairs and maintenance	7,486	7,486	-
Provision for bad debts	1,100	1,000	(100)
Regeneration	1,351	810	(542)
Capital charges	29,385	30,655	1,270
Interest on balances	(147)	(65)	82
Total	(2,185)	(1,865)	319

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

Income - Dwelling rents are projected to over recover by £0.792m. This is mainly due to lower than expected stock loss through the regeneration programme and also lower right to buy (RTB) sales. Tenant service charges, leasehold contributions and other non-dwelling income are projected to over recover by £0.284m.

Expenditure - Housing management costs mainly reflect the core management fee of £17.000m paid to Barnet Homes to manage the housing stock and are currently forecast to budget. The balance of £2.700m represents other demand-led costs and internal recharges. Management costs are projected to overspend by £0.685m which includes projections for a number of internal recharges to the HRA and the new Discretionary Housing Payments (DHPs) to Council tenants.

The repairs and maintenance budget of £7.486 relates to management fees paid to Barnet Homes for the repairs and maintenance of housing stock and refurbishment of void properties. This is forecast to budget as at Q2 and estimated spend includes day to day responsive and planned repairs.

The housing regeneration forecast is an underspend of £0.542m as a result of costs being partially recovered from developers on a number of regeneration schemes at Dollis Valley, Grahame Park, Stonegrove, West Hendon and Granville Road.

Capital charges which include depreciation, voluntary capital contributions and borrowing costs are projected to overspend by £1.270m. The depreciation forecast is now based on a projected year end depreciation charge of £23.200m and the resulting variance is fully compensated by underspends elsewhere in the HRA.

Dedicated Schools Grant (DSG)

1.2.14 The DSG budget at month 6 is projected to be a balanced position. However, there is currently an underlying pressure of £1.000m within High Needs top-ups which is being investigated. As reported to the Schools Forum, an additional draw down on reserves of £1.358m has increased the overall expenditure budget. This £1.358m relates to additional NNDR pressures, reduction to Individual Schools Budget (ISB) related funding (£0.591m), revised early years expenditure (£0.425m) and revised High Needs Place funding (£0.342m). The table below summarises the DSG position:

Table 3: Dedicated Schools Grant

	Revised Budget £000	Q2 Projected Outturn £000	Variance from Budget Adv/(Fav) £000
Schools			
- Individual Schools Budget	139,265	139,856	591
- Growth Fund	1,300	1,300	-
- Central schools expenditure	1,652	1,652	-
- ESG retained funding	798	798	-
Sub-total	143,015	143,606	591
Early Years Block	25,060	25,485	425
High Needs Block	43,578	43,920	342
Sub-total	211,653	213,011	1,358
DSG Income	(209,821)	(209,821)	-
DSG c/f	(1,832)	(3,190)	(1,358)
DSG Total	-	-	-

Savings

1.2.15 In 2017/18 the Council budgeted to deliver £19.825m of savings. Table 4 below summarises by Theme Committee the value of savings that have been achieved against the savings programme. As at 30 September 2017, £18.738m of savings are expected to be delivered by year end, which represents 94.5% of the target.

Table 4: Savings (Q2 2017/18)

Service	2017/18 MTFS Savings Target £000	Savings Achieved / Expected to be Achieved £000	Savings Unachiev-able £000	Savings Expected to be Achieved %
Adults and Safeguarding	4,867	4,867	-	100.0
Assets, Regeneration and Growth	4,976	4,783	193	96.1
Children, Education, Libraries and Safeguarding	3,656	3,512	144	96.1
Environment	3,965	3,315	650	83.6
Policy and Resources	2,361	2,261	100	95.8
	19,825	18,738	1,087	94.5

1.3 RESERVES AND BALANCES

General Fund Balance

1.3.1 The recommended limit for the council's General Fund balance is £12m and therefore the forecast revenue outturn results in the balance being £5.591m below this recommended limit. This reduction in the General Fund balance will need to be managed through the council's Medium Term Financial Strategy to ensure the balance is replenished as the reduced balance would not be sustainable given the risks the council faces over the short to long term.

Table 5: General Fund Balance

	£000
General Fund Balance brought forward 1 April 2016	(9,614)
Budgeted use of balance	-
Forecast variance	3,205
Forecast General Fund Balance 31 March 2017	(6,409)

Housing Revenue Account Balance

1.3.2 The Housing Revenue Account (HRA) has a budgeted contribution to balances of £2.185m in 2017/18. The forecast outturn for the year is a surplus of £1.865m, thus there is a forecast balance of £14.354m as at 31 March 2018.

Table 6: HRA Balance

	£000
HRA Balance brought forward 1 April 2017	(12,489)
Forecast surplus	(1,865)

Forecast HRA Balance 31 March 2018	(14,354)
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Dedicated Schools Grant Balance

- 1.3.3 There is a projected drawdown from the DSG balance in 2017/18 of £3.190m, which results in a forecast balance as at 31 March 2018 of £1.035.

Table 7: DSG Balance

	£000
DSG Balance brought forward 1 April 2017	(4,225)
Projected drawdown	3,190
Forecast DSG Balance 31 March 2018	(1,035)

Earmarked Reserves

- 1.3.4 The council has set aside specific amounts as reserves for future policy purposes or to cover contingencies. As at 1 April 2017 the council held reserves of £96.799m. The balance as at 31 March 2018 is forecast to be £63.550.

Table 8: Earmarked Reserves

Service Area	Reserves b/fwd 1 April 2017 £000	Forecast Drawdown £000	Contributions/ new reserves raised/ transfers £000	Reserves c/fwd 31 March 2018 £000
Central - Capital Financing	1,575	(1,439)	1,768	1,905
Central - Community Infrastructure Levy	16,178	(10,172)	10,629	16,635
Central - Infrastructure	20,393	(21,943)	8,903	7,353
Central - MTFS	15,425	(7,669)	2,000	9,756
Central - Risk	-	-	-	1,000
Central - Service Development	6,308	(2,404)	-	3,904
Central - Transformation	6,754	(2,254)	-	4,500
Service - Central expenses	7,268	(467)	-	6,801
Service - Education & Skills	14	(14)	-	-
Service - Commissioning	5,913	(2,981)	-	1,932
Service - Other	2,632	(401)	-	2,230
Sub-total General Fund Earmarked Reserves	82,460	(49,744)	23,300	56,015
Service - DSG	4,224	(3,190)	-	1,035
Service - Housing Benefits	1,030	-	-	1,030
Service - NLSR	604	-	-	605
Service - PFI	4,286	-	-	4,286
Service - Public Health	2,358	(1,300)	-	1,058
Special Parking Account (SPA)	1,837	(2,314)	-	(479)
Sub-total Ring-fenced Reserves	14,339	(6,804)	0	7,535
Total Earmarked Reserves	96,799	(56,548)	23,300	63,550

Provisions

- 1.3.5 Provisions are made where an event has taken place that gives the council a legal or constructive obligation that requires settlement by a transfer of economic benefits or service potential and a reliable estimate can be made of the amount of the obligation. For example, the council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation. As at 31 March 2017 the council held provisions of £49.926m. There have been no transfers to or from provisions in the half year to 30 September 2017.

Table 9: Provisions

Service Area	Provision b/fwd 1 April 2017 £000	2017/18 in-year expenditure £000	New provisions raised/ (written back)	Provision c/fwd 31 March 2018 £000
Bad and doubtful debts	32,256	-	-	32,256
Insurance	8,850	-	-	8,850
Service related provisions	2,481	-	-	2,481
Business Rates appeals	3,057	-	-	3,057
Other	282	-	-	282
	46,926	-	-	46,926

1.4 CAPITAL PROGRAMME

- 1.4.1 The projected outturn on the council's capital programme is £317.949m, £259.263m of which relates to the General Fund programme and £58.686m to the HRA capital programme. Table 10 below summarises the actual expenditure, budget and variance by service.

Table 10: Capital Forecast Outturn (Q2 2017/18)

Service	2017/18 Budget £000	Additions/ (Deletions) £000	(Slippage)/ Accelerated Spend £000	Q2 2017/18 Forecast £000	Forecast variance from Approved Budget £000	Forecast variance from Approved Budget %
Adults and Communities	2,035	(3)	-	2,032	(3)	(0.1)
Commissioning Group	51,863	(657)	(20,457)	30,749	(21,114)	(40.7)
Education and Skills	51,489	-	(20,000)	31,489	(20,000)	(38.8)
Family Services	18,605	-	(5,596)	13,009	(5,596)	(30.1)
Housing Needs and Resources (Barnet Homes)	45,424	-	(9,445)	35,979	(9,445)	(20.8)
Parking and Infrastructure	2,686	-	(350)	2,336	(350)	(13.0)
Re	142,574	11,337	(14,905)	139,006	(3,568)	(2.5)
Street Scene	4,663	-	-	4,663	-	-
General Fund Programme	319,339	10,677	(70,753)	259,263	(60,076)	(18.8)
HRA (Barnet Homes)	89,214	(6,551)	(23,977)	58,686	(30,528)	(34.2)
Total Capital Programme	408,553	4,126	(94,730)	317,949	(90,604)	(22.2)

1.4.2 The projected capital outturn is £90.604m (22.2%) lower than the latest approved budget, primarily due to slippage. The principal variances from budget and the reasons for these are as follows:

- Within the Commissioning Group capital programme, there is slippage of £10.000m on the Sports and Physical Activities project where final plans are still being completed, slippage of £6.300m on the ICT strategy project in relation to The Way We Work (TW3) and £1.200m on the Daws Lane Community Centre where the project is complete but the funds have been moved into 2018/19 to contribute towards the library being provided within the community centre.
- Within the schools capital programme, the overall budget has been reviewed and reprofiled to reflect a more realistic forecast spend. This has resulted in slippage of £20.000m to 2018/19.
- Within Family Services, there is slippage of £5.596m relating to the Meadow Close project, Youth Zone project, East Barnet Library project and the Family Services Estate project.
- The forecast capital outturn for Housing Needs and Resources shows slippage of £9.445m. The land transfer of 19 discrete sites to Open Door Homes (ODH) was delayed. Five sites have now transferred. A planned schedule of work is in place and reflected in the business plan. The contractor will be appointed once the land transfer is completed.
- The Re capital programme has decreased by £3.568m. This is due largely to slippage on regeneration schemes and highways schemes to 2018/19, offset by an addition in relation to Colindale Station.
- The HRA forecast shows a decrease of £30.528m. This is due to delays in a number of projects which are expected to slip to 2018/19 (Extra Care pipeline project, Dollis Valley shared equity, Moreton Close build and the acquisitions programme).

Funding of Capital Programme

1.4.3 Table 11 below shows the changes in the funding of the 2017/18 capital programme as a result of the slippage forecast at quarter 2.

Table 11: Funding of 2017/18 Capital Programme

Service Area	Grants £000	S106/ Other Contrib- utions £000	Capital Receipts £000	Revenue/ MRA £000	Borrow- ing £000	Capital Reserves £000	Total £000
Adults and Communities	-	-	-	-	(3)	-	(3)
Commissioning Group	(1,177)	-	(7,599)	-	(12,034)	(304)	(21,114)
Education and Skills (including schemes managed by Schools)	(11,345)	(2,211)	(1,387)	-	(5,057)	-	(20,000)
Family Services	-	-	-	-	(4,396)	(1,200)	(5,596)
Housing Needs Resources	-	(140)	(2,979)	(126)	(6,148)	(52)	(9,445)
Parking and Infrastructure	-	-	-	-	-	(350)	(350)
Regional Enterprise (Re)	(2,502)	10,492	(2,328)	(297)	(6,257)	(2,676)	(3,568)
Street Scene	(18)	(123)	-	-	141	-	-

Service Area	Grants £000	S106/ Other Contrib- utions £000	Capital Receipts £000	Revenue/ MRA £000	Borrow- ing £000	Capital Reserves £000	Total £000
General Fund Programme	(15,042)	8,018	(14,293)	(423)	(33,754)	(4,582)	(60,076)
HRA	(4,750)	95	(14,894)	2,308	(6,866)	(6,421)	(30,528)
Total Capital Programme	(19,792)	8,113	(29,187)	1,885	(40,620)	(11,003)	(90,604)

1.5 SUNDRY DEBT

Sundry debt write-offs

1.5.1 As part of the bi-annual monitoring process the council reports on all scheduled write-offs in excess of £5,000. The value of a write-off is determined at a debt value as per the council's financial regulations. Debts under £5,000 are approved by the Chief Finance Officer. Action taken to recover debt is as per the council's Income and Debt Management Policy. If an invoice is raised and remains unpaid, a 'dunning' process is initiated, as follows:

- Level 1 - a reminder is sent after 21 days
- Level 2 - a final notice is sent after 35 days, i.e. a further 14 days

The Income Team will review all Level 2 cases remaining outstanding greater than 49 days (allowing a further 14 days to pay after the Final Notice) to decide whether the debt recovery process should proceed.

Depending on the type of debt, customer and circumstances, the use of debt collectors or issuing proceedings in the County Court is considered. Each case is treated individually and the circumstances of each debt are assessed prior to a decision being made, in conjunction with the delivery unit, on the recovery of the debt.

1.5.2 No debts have been written off in the six months to 30 September 2017.

1.6 TREASURY MANAGEMENT

Treasury Outturn

1.6.1 In compliance with the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice this report provides Members with a summary report of the treasury management activity during the period to 30 September 2017. The Prudential Indicators have not been breached and a prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield. Further details of compliance with prudential indicators are contained in Appendix C and in the Treasury Management Mid-year Review elsewhere on the agenda.

The Local Government Act 2003 requires the council to set an Affordable Borrowing Limit, (the Authorised limit), irrespective of its indebted status. This is a limit which should not be breached. During the period to 30 September 2017, there were no breaches of the Authorised Limit and the Operational Boundary.

- 1.6.2 The council's timeframes and credit criteria for placing cash deposits and the parameters for undertaking any further borrowing are set out in the Treasury Management Strategy (TMS). The TMS Strategy for 2017/18 was approved by Council on 7 March 2017. The Treasury Management Strategy requires regular compliance reporting to this Committee to include an analysis of deposits made during the review period. This also reflects good practice and will serve to reassure this Committee that all current deposits for investment are in line with agreed principles as contained within the corporate Treasury Management Strategy.

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

Investment Performance

- 1.6.3 Investment deposits are managed internally. As at 30 September 2017, deposits outstanding were £100.000 million, achieving an average annual rate of return of 0.39 per cent against a benchmark average (London Interbank Bid Rate - LIBID) of 0.11 per cent. The list of deposits outstanding as at 31 March 2017 is attached as Appendix D and summarised in table below.

Table 12: Summary of Investments as at 30 September 2017

	£000
Local Authorities	16,000
Money Market Funds	35,000
UK Banks & Building Societies	29,000
Enhanced Cash Funds	20,000
TOTAL	100,000

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

Debt Management

- 1.6.4 The total value of long term loans as at 31 March 2017 was £304.080m. There has been no external borrowing in the financial year to date. The average rate for total borrowing for the half year ending 30 September 2017 was 3.89 per cent.

2 REASONS FOR RECOMMENDATIONS

- 2.1 These recommendations are to provide this Committee with the necessary information to oversee the performance of the corporate plan and service and contract performance. This paper enables the council to meet the budget agreed by Council on 7 March 2017.

3 ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

3.1 None.

4 POST DECISION IMPLEMENTATION

4.1 None.

5 IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

5.1.1 The report provides an overview of financial performance for the half year, including a full year forecast of revenue and capital expenditure

5.1.2 Robust budget monitoring is essential to ensure that there are adequate and appropriately directed resources to support delivery and achievement of council priorities and targets as set out in the Corporate Plan and Commissioning Plans. In addition, adherence to the Prudential Framework ensures capital expenditure plans remain affordable in the longer term and that capital resources are maximised.

5.1.3 Relevant council strategies and policies include the following:

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

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

5.3 Legal and Constitutional References

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

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

5.3.3 The council’s Constitution, in Article 7 Committees, Forums, Working Groups and Partnerships sets out the functions of the Performance and Contract Management Committee including:

- a) Overall responsibility for quarterly budget monitoring, including monitoring trading position and financial strategy of Council services and external providers.
- b) To make recommendations to Policy and Resources and Theme Committees on relevant policy and commissioning implications arising from the scrutiny of

performance of council services and external providers.

c) Specific responsibility for the following function within the council:

- a. Risk Management
- b. Treasury Management Performance

5.3.4 The council's Constitution, Financial Regulations Part 17, Financial Regulations section 4. paragraphs 4.4.9 - 11 state:

- Allocations from the central contingency relating to planned developments will be approved by the Chief Finance Officer (section 151 officer), in consultation with the Chairman of the Policy and Resources Committee, following the receipt from a Chief Officer of a fully costed proposal to incur expenditure that is in line with planned development (including full year effect).

Where there is a significant increase in the full year effect, the contingency allocation must be approved by the Policy and Resources Committee.

- Allocations from the central contingency for unplanned expenditure, including proposals to utilise underspends previously generated within the service and returned to central contingency, will be approved by the Chief Finance Officer in consultation with the Chairman of Policy and Resources Committee.

Where there are competing bids for use of underspends, additional income or windfalls previously returned to central contingency, priority will be given to the service(s) that generated that return.

- Allocations for unplanned expenditure over £250,000 must be approved by Policy and Resources Committee.

5.3.5 The Chief Finance Officer (section 151 officer) will report in detail to Performance and Contract Management Committee at least four times a year, at the end of each quarter, on the revenue, capital budgets and wider financial standing.

5.3.6 The council's Constitution, Part 17, Financial Regulations section 4 paragraph 4.4.3 states amendments to the revenue budget can only be made with approval as per the scheme of virements table below:

Virements for allocation from contingency for amounts up to £250,000 must be approved by the Section 151 Officer in consultation with appropriate Chief Officer
Virements for allocation from contingency for amounts over £250,000 must be approved by Policy and Resources Committee
Virements within a service that do not alter the bottom line are approved by Service Director
Virements between services (excluding contingency allocations) up to a value of £50,000 must be approved by the relevant Chief Officer
Virements between services (excluding contingency allocations) over £50,000 and up to £250,000 must be approved by Chief Officer and Chief Finance Officer in consultation with the Chairman of the Policy and Resources Committee and reported to the next meeting of the Policy and Resources Committee
Virements between services (excluding contingency allocations) over £250,000 must be approved by Policy and Resources Committee

Capital Virements
Policy & Resources Committee approval is required for all capital budget and funding virements and yearly profile changes (slippage or accelerated spend) between approved capital programmes i.e. as per the budget book. The report must show the proposed: <ul style="list-style-type: none"> i) Budget transfers between projects and by year; ii) Funding transfers between projects and by year; and iii) A summary based on a template approved by the Section 151 Officer
Policy and Resources Committee approval is required for all capital additions to the capital programme. Capital additions should also be included in the quarterly budget
monitoring report to Performance and Contracts Committee for noting.
Funding substitutions at year end in order to maximise funding are the responsibility of the Section 151 Officer.

5.4 Risk Management

5.4.1 Various projects within the council's revenue budget and capital programme are supported by time-limited grants. Where there are delays to the implementation of these projects, there is the risk that the associated grants will be lost. If this occurs either the projects will be aborted or a decision to divert resources from other council priorities will be required.

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

5.5 Equalities and Diversity

5.5.1 None in the context of this report.

5.6 Consultation and Engagement

N/A

Adults and Communities

Description	Variations					Comments	% Variation of revised budget
	Original Budget £000	Revised Budget £000	Actuals to 30/09/2017 £000	Month 6 £000	Variation £000		
Performance & Improvement	1,411	1,457	629	1,418	(39)	Underspend due to part year vacancies whilst recruitment was underway and not using agency staff unless business critical.	-2.7%
Safeguarding	682	656	367	802	146	The Deprivation of Liberty Safeguards (DOLS) service continues to be a significant cost pressure in 2017/18, as a result of Supreme Court judgements in 2014/15 and a loss of grant funding since 2015/16.	22.2%
Care Quality	3,675	3,100	1,992	3,068	(32)	Underspend due to part year vacancies whilst recruitment was underway and not using agency staff unless business critical.	-1.0%
Community Well-being	541	604	(6,728)	607	3		0.4%
Customer Care	254	246	169	221	(25)	Underspend due to part year vacancies whilst recruitment was underway and not using agency staff unless business critical.	-10.3%
Customer Finance	840	851	359	849	(3)		-0.3%
Dir Adult Soc Serv & Health	518	115	45	115	0		0.0%
Integrated care - LD & MH	35,972	39,479	17,508	39,623	144	Adult social care has experienced increasing complexity and demand for services since 2014/15. Following intensive work within the service in relation to a new operating model focused on a strengths based approach and substantial corporate investment by the Council, as well as allocation of funding from the BCF/iBCF to mitigate this increased complexity and demand, care costs are currently being forecast to come in on budget. As social care is a demand led service, the position may change if demand or complexity increases during the year above forecast levels. The current overspend position is in relation to expenditure on staffing and the cost pressure of needing to employ agency staff to cover front line roles while recruitment has been underway, alongside recruitment costs. Some of these costs are being mitigated though underspends on other staffing budgets.	0.4%
Integrated care - OP & DP	41,946	39,488	17,455	39,636	148	Adult social care has experienced increasing complexity and demand for services since 2014/15. Following intensive work within the service in relation to a new operating model focused on a strengths based approach and substantial corporate investment by the Council, as well as allocation of funding from the BCF/iBCF to mitigate this increased complexity and demand, care costs are currently being forecast to come in on budget. As social care is a demand led service, the position may change if demand or complexity increases during the year above forecast levels. The current overspend position is in relation to expenditure on staffing and the cost pressure of needing to employ agency staff to cover front line roles while recruitment has been underway, alongside recruitment costs. Some of these costs are being mitigated though underspends on other staffing budgets.	0.4%
Prevention & Well Being	565	490	267	310	(180)	Underspend due to part year vacancies whilst recruitment was underway and not using agency staff unless business critical.	-36.7%
Social Care Management	741	696	410	731	35	Overspend due to additional staffing costs in relation to interims covering key posts.	5.0%
Total	87,145	87,184	32,472	87,379	196		0.2%

Within the revenue monitoring above, the number of cost centres that are projecting net overspends or underspends are:

a) cost centres over £100,000

28

b) cost centres over £50,000 where the cost centre's gross budget is less than £1m

19

c) Actions proposed to ensure that these overspends or underspends are not realised are reflected in the commentary above.

Assurance

Description	Variations					Comments	% Variation of revised budget
	Original Budget £000	Revised Budget £000	Actuals to 30/09/2017 £000	Month 6 £000	Variation £000		
Elections	358	549	139	547	0		0.0%
Assurance Management	579	560	219	560	0		0.0%
Governance	2,158	2,168	1,052	2,168	0		0.0%
Internal Audit & CAFT	752	783	169	783	1		0.1%
HB Law	2,011	2,036	736	2,317	281	An underachievement in forecast income versus budget income of £457k from Harrow. The income target set is challenging to achieve by the service. This is partially offset by a £176k underspend in core hours.	13.8%
Total	5,859	6,096	2,314	6,375	279		4.6%

Within the revenue monitoring above, the number of cost centres that are projecting net overspends or underspends are:

a) cost centres over £100,000

b) cost centres over £50,000 where the cost centre's gross budget is less than £1m

c) Actions proposed to ensure that these overspends or underspends are not realised are reflected in the commentary above.

Central Expenses

Description	Variations					Comments	% Variation of revised budget
	Original Budget £000	Revised Budget £000	Actuals to 30/09/2017 £000	Month 6 £000	Variation £000		
Capital Financing	16,780	16,780	187	16,780	0		0.0%
Car Leasing	2	0	0	0	0		0.0%
Central Contingency	12,403	3,186	0	1,886	(1,300)	Central contingency has not yet been fully allocated	-40.8%
Corporate Fees & Charges	234	234	(18)	234	0		0.0%
Corporate Subscriptions	194	194	152	194	0		0.0%
Early Retirement	3,577	3,577	85	3,577	0		0.0%
Local Area Agreement	105	105	75	105	0		0.0%
Levies	18,688	18,688	8,471	18,688	0		0.0%
Miscellaneous Finance	740	742	2,451	742	0		0.0%
Total	52,723	43,507	11,404	42,207	(1,300)		-3.0%

Within the revenue monitoring above, the number of cost centres that are projecting net overspends or underspends are:

- a) cost centres over £100,000
- b) cost centres over £50,000 where the cost centre's gross budget is less than £1m
- c) Actions proposed to ensure that these overspends or underspends are not realised are reflected in the commentary above.

Commissioning Group

Description	Variations					Comments	% Variation of revised budget
	Original Budget £000	Revised Budget £000	Actuals to 30/09/2017 £000	Month 6 £000	Variation £000		
Strategic Commissioning Board	560	567	349	590	23	Unfunded amount of salary costs £23k - funding stream to be reviewed for Q3	4.1%
Resources	930	736	11,262	705	(31)	Underspend to be offset against HR	-4.2%
Information Management	878	988	496	1,051	62	Consultants fees of £126k not funded or capitalised (to be reviewed) and £28k unfunded agency costs	6.3%
Programme & Resources	786	845	294	749	(96)	Underspend in salaries to meet overspend in Commercial Management.	-11.3%
- Commercial management	902	859	641	1,013	154	No budget for out of hours service. Additional staff to undertake RE and CSG review and no budget for non-salary costs	17.9%
Communications	639	646	506	702	55	Overspend due to communications budget income target (£100k) not expected to be realised with forecast income expectation of only £45k	8.6%
Commissioning Strategy	655	506	63	483	(23)	Currently forecasting an under spend due to posts being held vacant to help offset pressures elsewhere	-4.5%
Human Resources	33	203	132	219	16	Forecast over spend due to additional resource on Trade Union and interim HR post.	7.9%
Adults and Health	1,271	1,286	1,043	1,259	(27)	Staffing underspend in Joint Commissioning Unit	-2.1%
Children & Young People	256	331	547	373	42	Staffing overspend on Joint Commissioning Unit.	12.6%
Growth & Development	218	224	295	224	(0)		0.0%
Registrar service	(61)	(61)	(23)	257	318	Births, deaths and marriages is forecasting an overspend of £268k due mainly to the historic income budget not being achieved as a result of lower levels of marriage ceremonies. The mortuary is forecasting an overspend of £50k.	521.3%
Public Health	17,610	17,610	7,223	17,610	0		0.0%
Environment, Parking and Infrastructure							
- Environment	13,430	13,516	6,334	13,521	5		0.0%
- Highway Inspection/Maintenance	255	260	545	260	0		0.0%
- Parking	(538)	(538)	(325)	(538)	0		0.0%
- Special Parking Account	(10,210)	(10,210)	(250)	(10,210)	0		0.0%
- Street Lighting	6,218	6,339	3,140	6,339	0		0.0%
Total	33,834	34,109	32,270	34,607	498		1.5%

Within the revenue monitoring above, the number of cost centres that are projecting net overspends or underspends are:

- a) cost centres over £100,000
- b) cost centres over £50,000 where the cost centre's gross budget is less than £1m
- c) Actions proposed to ensure that these overspends or underspends are not realised are reflected in the commentary above.

Customer Support Group

Description	Variations					Comments	% Variation of revised budget
	Original Budget	Revised Budget	Actuals to 30/09/2017	Month 6	Variation		
	£000	£000	£000	£000	£000		
CSG Managed Budget	4,600	3,924	2,491	3,925	0		0.0%
CSG Management Fee	28,582	28,795	22,964	28,795	0		0.0%
CSG Income	(12,021)	(10,884)	(2,117)	(10,684)	200	Schools traded income shortfall	-1.8%
Total	21,161	21,836	23,338	22,036	200		0.9%

Within the revenue monitoring above, the number of cost centres that are projecting net overspends or underspends are:

- a) cost centres over £100,000
- b) cost centres over £50,000 where the cost centre's gross budget is less than £1m
- c) Actions proposed to ensure that these overspends or underspends are not realised are reflected in the commentary above.

Education and Skills

Description	Variations					Comments	% Variation of revised budget
	Original Budget	Revised Budget	Actuals to 30/09/2017	Month 6	Variation		
	£000	£000	£000	£000	£000		
Education & Skills Management	6,525	6,715	5,091	6,718	3		0.0%
Edu Partnership & Commercial	0	0	(1,219)	55	55		100.0%
Post 16 Education & Skills	0	0	(53)	0	0		0.0%
School Improvement	0	0	(7)	0	0		0.0%
SEND & Inclusion	0	0	118	0	0	Actuals relate to costs that will be transferred to Cambridge Education	0.0%
Total (excluding SDM)	6,525	6,715	3,930	6,774	59		0.9%

Within the revenue monitoring above, the number of cost centres that are projecting net overspends or underspends are:

- a) cost centres over £100,000
- b) cost centres over £50,000 where the cost centre's gross budget is less than £1m
- c) Actions proposed to ensure that these overspends or underspends are not realised are reflected in the commentary above.

Family Services

Description	Variations					Comments	% Variation of revised budget
	Original Budget	Revised Budget	Actuals to 30/09/2017	Month 6	Variation		
	£000	£000	£000	£000	£000		
Family Services Management	351	3,348	247	2,949	(399)	Budgets held centrally, not yet allocated and may be needed to be diverted to offset pressures across Family Services.	-11.9%
Commissioning & Business Imp.	2,970	2,885	1,203	3,030	145	Additional specialist project staffing and software for the Early Help Module	5.0%
Early Years	4,160	4,198	1,810	3,988	(210)	Early Years costs of £330k now charged to DSG Early Years Centrally Retained Funding.	-5.0%
Youth & Family Support	1,872	1,884	681	1,883	(0)		0.0%
Libraries & Comm.Engagemnt	4,222	4,532	2,595	4,532	0		0.0%
Social Care Management	1,745	1,673	1,302	1,121	(552)	Budget held here to cover spend on agency staff.	-33.0%
Intake and Assessment	7,168	7,856	3,763	8,726	870	3 months additional services of 3 x DATS Managers (£74k) and 8 x DATS Social Workers (£165k). The teams are reliant on agency & Barnet Group staff. Staffing is budgeted at the mid-point of the relevant pay scale across all services, to take into account staff turnover. However, in order to attract and retain staff, market rates are being paid, creating an estimated £463k. ECASS & Family Conferences pressure £155k.	11.1%
Permanence Trns & CorParenting	3,419	3,706	2,261	4,038	333	Staffing - agency offset by centrally held budget	9.0%
Placements	16,768	17,552	9,703	18,670	1,118	£1.118m relates mainly to external placements and associated services. The contingencies within the forecast have been set at pessimistic level and are being reviewed.	6.4%
Safeguarding	1,635	1,646	839	1,639	(7)		-0.4%
Workforce & Quality	1,041	1,044	315	1,051	7		0.7%
CSC 0-25	7,093	8,147	3,141	8,189	42	Transitions team staffing pressure	0.5%
Total	52,445	58,471	27,858	59,816	1,345		2.3%

Within the revenue monitoring above, the number of cost centres that are projecting net overspends or underspends are:

- a) cost centres over £100,000
- b) cost centres over £50,000 where the cost centre's gross budget is less than £1m
- c) Actions proposed to ensure that these overspends or underspends are not realised are reflected in the commentary above.

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	35

Housing Needs and Resources

Description	Variations					Comments	% Variation of revised budget
	Original Budget £000	Revised Budget £000	Actuals to 30/09/2017 £000	Month 6 £000	Variation £000		
Housing Needs Resources	5,560	5,560	758	6,971	1,411	Overspend reflects the differential between housing benefit levels and the actual costs the council incurs in leasing temporary accommodation from landlords.	25.4%
Total	5,560	5,560	758	6,971	1,411		25.4%

Within the revenue monitoring above, the number of cost centres that are projecting net overspends or underspends are:

a) cost centres over £100,000	3
b) cost centres over £50,000 where the cost centre's gross budget is less than £1m	3
c) Actions proposed to ensure that these overspends or underspends are not realised are reflected in the commentary above.	

Regional Enterprise

Description	Variations					Comments	% Variation of revised budget
	Original Budget £000	Revised Budget £000	Actuals to 30/09/2017 £000	Month 6 £000	Variation £000		
Guaranteed Income	(14,661)	(16,249)	(2,158)	(16,249)	0		0.0%
LBB Client Costs	-	-	-	27	27	LBB legal costs	100.0%
Re Management fee	14,739	16,639	25,077	16,431	(208)		-1.2%
Re Managed Budgets	(901)	(63)	(3,138)	220	284	Overspend mainly due to a shortfall in income for Highways	446.6%
Total	(824)	326	19,781	429	103		31.8%

Within the revenue monitoring above, the number of cost centres that are projecting net overspends or underspends are:

a) cost centres over £100,000	1
b) cost centres over £50,000 where the cost centre's gross budget is less than £1m	0
c) Actions proposed to ensure that these overspends or underspends are not realised are reflected in the commentary above.	

Street Scene

Description	Variations					Comments	% Variation of revised budget
	Original Budget £000	Revised Budget £000	Actuals to 30/09/2017 £000	Month 6 £000	Variation £000		
Business Improvement	327	696	274	538	(158)	Forecast underspend due to staff vacancies pending the restructure.	-22.8%
Green Spaces	3,956	4,136	2,056	4,146	10	Overspend due to the maintenance costs for King George Playing Fields.	0.2%
Recycling	364	0	14	2	2		100.0%
Waste	6,861	6,891	4,063	7,631	741	The overspend relates to increased costs of staffing and equipment; a project to reduce these costs has commenced. The service is also reviewing income targets.	10.7%
Street Cleansing	2,835	3,055	1,925	3,078	23		0.8%
Street Scene Management	542	294	200	496	202	The overspend is due to the inclusion of £200k ADM savings, to achieve which a restructure is pending.	68.7%
Trade Waste	(1,960)	(1,958)	(2,310)	(2,361)	(403)	The income target is projected to over achieve by £0.213m resulting in an overall over achievement of £0.403m as additional recharges to operations teams have not been reflected in this budget or the operations budgets.	-20.6%
Transport	(45)	281	1,389	279	(2)		-0.8%
Total	12,881	13,395	7,610	13,809	414		3.1%

Within the revenue monitoring above, the number of cost centres that are projecting net overspends or underspends are:

a) cost centres over £100,000	3
b) cost centres over £50,000 where the cost centre's gross budget is less than £1m	3
c) Actions proposed to ensure that these overspends or underspends are not realised are reflected in the commentary above.	

Dedicated Schools' Grant

Description	Variations					Comments	% Variation of revised budget
	Original Budget £000	Revised Budget £000	Actuals to 30/09/2017 £000	Month 6 £000	Variation £000		
Individual school budgets	139,265	139,265	131,327	139,856	591	NNDR pressure and reduced funding available to support the schools block	-0.4%
Growth Fund	1,300	1,300	889	1,300	0		0.0%
Central schools expenditure	1,652	1,652	440	1,652	0		0.0%
ESG retained funding	798	798	0	798	0		0.0%
Early years block	25,060	25,060	7,170	25,485	425		-1.7%
High needs block	43,578	43,578	23,453	43,920	342		-0.8%
DSG income	(209,821)	(209,821)	(110,043)	(209,821)	0		0.0%
DSG carry forward	(1,832)	(1,832)	(1,832)	(3,190)	(1,358)		-74.1%
Total	0	0	51,404	0	0		0.0%

Within the revenue monitoring above, the number of cost centres that are projecting net overspends or underspends are:

a) cost centres over £100,000	26
b) cost centres over £50,000 where the cost centre's gross budget is less than £1m	24
c) Actions proposed to ensure that these overspends or underspends are not realised are reflected in the commentary above.	

Housing Revenue Account

Description	Variations					Comments	% Variation of revised budget
	Original Budget £000	Revised Budget £000	Actuals to 30/09/2017 £000	Month 6 £000	Variation £000		
HRA Other Income & Expenditure	(2,706)	(3,389)	(11,518)	(2,610)	779	Increased expenditure on housing management costs	23.0%
HRA Regeneration	669	1,351	238	810	(542)	Recovery of costs from developers for regeneration projects	-40.1%
HRA Surplus/Deficit for the year	2,185	2,185	0	1,865	(319)	Reduced contribution to HRA balances	-14.6%
Interest on Balances	(147)	(147)	0	(65)	82	Reduced interest receipts	-55.8%
Total	0	0	(11,280)	0	0		0.0%

Within the revenue monitoring above, the number of cost centres that are projecting net overspends or underspends are:

a) cost centres over £100,000	
b) cost centres over £50,000 where the cost centre's gross budget is less than £1m	
c) Actions proposed to ensure that these overspends or underspends are not realised are reflected in the commentary above.	

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Appendix B(i) - Capital outturn 2017/18

	2017-18 Revised Budget	Additions/ Deletions Recommended	Slippage / Accelerated Spend Recommended	2017/18 Quarter 2	Variance from Approved Budget	% slippage of 2017/18	Comments
	£000	£000	£000	£000	£000	%	
Adults and Communities	2,035	(3)	-	2,032	(3)	0.0%	
Adults and Communities	2,035	(3)	-	2,032	(3)	0.0%	

	2017-18 Revised Budget	Additions/ Deletions Recommended	Slippage / Accelerated Spend Recommended	2017/18 Quarter 2	Variance from Approved Budget	% slippage of 2017/18	Comments
	£000	£000	£000	£000	£000	%	
Commissioning Group	51,863	(657)	(20,457)	30,749	(21,114)	-39.4%	There is slippage of £10m on the Sports and Physical Activities project where final plans are still being completed. Slippage of £6.3m on the ICT strategy project in relation to TW3 and £1.2m on the Daws Lane Community Centre where the project is complete but the funds have been moved into 2018/19 to contribute towards the library being provided within the community centre. The centre for independent living project has completed and the remaining £304k budget is no longer required.
Commissioning Group	51,863	(657)	(20,457)	30,749	(21,114)	-39.4%	

	2017-18 Revised Budget	Additions/ Deletions Recommended	Slippage / Accelerated Spend Recommended	2017/18 Quarter 2	Variance from Approved Budget	% slippage of 2017/18	Comments
	£000	£000	£000	£000	£000	%	
Modernisation Primary & Secondary	4,203	170	-	4,373	170	0.0%	
Urgent Primary Places				-	-		
Temporary Expansions - Allocated	1,127	(131)	-	996	(131)	0.0%	
Millbrook Park (MHE)	139	-	-	139	-	0.0%	
Orion Primary	75	-	-	75	-	0.0%	
Blessed Dominic/St James	488	-	-	488	-	0.0%	
Menorah Foundation	210	-	-	210	-	0.0%	
St Mary's and St Johns	196	-	-	196	-	0.0%	
Martin Primary	9	-	-	9	-	0.0%	
Oakleigh School	24	(21)	-	3	(21)	0.0%	
Beis Yakov	18	7	-	25	7	0.0%	
St Joseph's RC Junior & St Joseph's RC Infants School	27	-	-	27	-	0.0%	
Monkfrith	347	-	-	347	-	0.0%	
Wren Academy	234	-	-	234	-	0.0%	
London Academy	368	(202)	-	166	(202)	0.0%	
St Agnes School expansion	770	-	-	770	-	0.0%	
Childs Hill	-	-	-	-	-	0.0%	
East Barnet Schools Rebuild	200	-	-	200	-	0.0%	
Permanent Secondary Expansion Programme	21,036	46	(5,000)	16,082	(4,954)	-23.8%	Slippage is due to additional time required for Stage 2 design engagement and value engineering over stage 3 to alleviate cost pressure to budget.
Primary Programme	4,534	216	(4,000)	750	(3,784)	-88.2%	Slippage is due to delay in starting the project.
Secondary Programme	2,783	-	(2,000)	783	(2,000)	-71.9%	Budget holder reviewed and re-profiled the capital budgets to reflect a realistic spend in 2017/18. Consequently £2m has slipped to 2018/19.
SEN	3,692	-	(2,000)	1,692	(2,000)	-54.2%	Project has just started. Budget holder reviewed and re-profiled the capital budgets to reflect a realistic spend in 2017/18. £2m to be slipped
Alternative Provision	4,647	-	(2,000)	2,647	(2,000)	-43.0%	The delay in spend is because additional information was required to be added to the final submission to the EFA. Budget holder agreed to slip £2m to be slipped.
Other Schemes	6,362	(85)	(5,000)	1,277	(5,085)	-78.6%	Budget holder has reviewed the contingency pot and re-profiled the capital budgets to reflect a realistic spend in 2017/18. Consequently £5m has been slipped to 2018/19.
Education and Skills	51,489	0	(20,000)	31,489	(20,000)	-38.8%	

	2017-18 Revised Budget	Additions/ Deletions Recommended	Slippage / Accelerated Spend Recommended	2017/18 Quarter 2	Variance from Approved Budget	% slippage of 2017/18	Comments
	£000	£000	£000	£000	£000	%	
Capital Schemes managed by Schools	-	-	-	-	-	0.0%	
Capital Schemes managed by Schools	-	-	-	-	-	0.0%	

	2017-18 Revised Budget	Additions/ Deletions Recommended	Slippage / Accelerated Spend Recommended	2017/18 Quarter 2	Variance from Approved Budget	% slippage of 2017/18	Comments
	£000	£000	£000	£000	£000	%	
Family Services	18,605	-	(5,596)	13,009	(5,596)	-30.1%	Meadow Close project is slipping £2.9m as planning permission is required for works to be carried out. The Youth Zone project is slipping £1.2m due to the planning phase taking longer than originally anticipated. East Barnet Library Project is reprofiling £0.5m into 2018/19 as it is aligned with the Leisure Centre delivery at Victoria Park which has slipped into 2018/19. The Family Services Estate project is slipping £1m as resources are yet to be allocated
Family Services	18,605	-	(5,596)	13,009	(5,596)	-30.1%	

	2017-18 Revised Budget	Additions/ Deletions Recommended	Slippage / Accelerated Spend Recommended	2017/18 Quarter 2	Variance from Approved Budget	% slippage of 2017/18	Comments
	£000	£000	£000	£000	£000	%	
Housing Needs Resources	45,424	-	(9,445)	35,979	(9,445)	-20.8%	The land transfer to Open Door has not completed and so the projects have slipped. A planned schedule of work is in place and reflected in the business plan. The contractor will be appointed once the land transfer is completed. The micro sites project is still in the feasibility stage and will now not start until 2018/19.
Housing Needs Resources	45,424	-	(9,445)	35,979	(9,445)	-20.8%	

	2017-18 Revised Budget	Additions/ Deletions Recommended	Slippage / Accelerated Spend Recommended	2017/18 Quarter 2	Variance from Approved Budget	% slippage of 2017/18	Comments
	£000	£000	£000	£000	£000	%	
Parking and Infrastructure	2,686	-	(350)	2,336	(350)	-13.0%	The lines and signs projects have been re-profiled
Parking and Infrastructure	2,686	-	(350)	2,336	(350)	-13.0%	

	2017-18 Revised Budget	Additions/ Deletions Recommended	Slippage / Accelerated Spend Recommended	2017/18 Quarter 2	Variance from Approved Budget	% slippage of 2017/18	Comments
	£000	£000	£000	£000	£000	%	
Highways TfL	5,331	87	-	5,418	87	0.0%	
Highways non-TfL	17,369	-	(2,895)	14,474	(2,895)	-16.7%	The Carriageway project is underspending and £2m of capital budgets has been slipped to reflect a realistic spend in 2017/18.
Parking	-	-	-	-	-	0.0%	
General Fund Regeneration	112,495	11,250	(8,160)	115,585	3,090	-7.3%	The slippage to 2018/19 is as a result of delays securing major service providers. The £11.2m addition is for the Colindale station and is funded by S106.
Disabled Facilities Project	2,287	-	(500)	1,787	(500)	-21.9%	The budget has been re-profiled following fewer referrals received this year than expected.
Other Projects	5,092	-	(3,350)	1,742	(3,350)	-65.8%	Slippage is primarily as a result of fewer CPO's on the empty properties programme than anticipated, resulting in the reprofiling of the budget into future years.
Regional Enterprise	142,574	11,337	(14,905)	139,006	(3,568)	-10.5%	

	2017-18 Revised Budget	Additions/ Deletions Recommended	Slippage / Accelerated Spend Recommended	2017/18 Quarter 2	Variance from Approved Budget	% slippage of 2017/18	Comments
	£000	£000	£000	£000	£000	%	
Greenspaces	548	-	-	548	-	0.0%	
Data and Works Management system	326	-	-	326	-	0.0%	
Waste	3,729	-	-	3,729	-	0.0%	
Fuel storage	60	-	-	60	-	0.0%	
Street Scene	4,663	-	-	4,663	-	0.0%	

General Fund Programme	319,339	10,677	(70,753)	259,263	(60,076)	-22.2%	
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	2017-18 Revised Budget	Additions/ Deletions Recommended	Slippage / Accelerated Spend Recommended	2017/18 Quarter 2	Variance from Approved Budget	% slippage of 2017/18	Comments
	£000	£000	£000	£000	£000	%	
Housing Revenue Account	89,214	(6,551)	(23,977)	58,686	(30,528)	-26.9%	The Extra Care pipeline project will now not start until 2018/19 (£15.3m) - budget slipped into 2018/19. The buy back part of the Dollis Valley project is almost complete however the remaining budget relating to shared equity costs will now not happen until 2018/19 (£3.3m). The Moreton Close build will not complete in 2017/18 resulting in £3.7m slippage and the Acquisitions programme is anticipated to only complete a further three properties this year, slipping the remainder into 2018/19 (£3.0m).
Housing Revenue Account	89,214	(6,551)	(23,977)	58,686	(30,528)	-26.9%	

Total Capital Programme	408,553	4,126	(94,730)	317,949	(90,604)	-23.2%	
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Appendix B(ii) Capital Funding Changes: Additions & Deletions, Slippage & Accelerated Spend

Directorate	Year	Capital Programme	Funding Type	Additions/ Deletions	Slippage/ Accelerated Spend	Explanation for request
				£'000	£'000	
Commissioning Group	2017/18	Community Centre - Taring Road	Borrowing		(963)	Delays in completing the project.
Commissioning Group	2017/18	Asset Management	Borrowing		(453)	budget re-alignment
Commissioning Group	2017/18	Centre for Independent Living & Libraries	Capital Reserves	(304)		Project completed, remaining budget can be deleted.
Commissioning Group	2017/18	Daws Lane Community Centre	Capital Receipts		(47)	Daws Lane Library project will start in 2018/19
Commissioning Group	2017/18	Daws Lane Community Centre	Grant		(1,177)	Daws Lane Library project will start in 2018/19
Commissioning Group	2017/18	ICT strategy	Capital Receipts		(6,361)	Delays in completing the project, in conjunction with Colindale Office.
Commissioning Group	2017/18	Customer Services Transformation Programme	Capital Receipts		(1,191)	Delays in completing the project.
Commissioning Group	2017/18	Information Managements	Borrowing	(353)		Project completed, remaining budget can be deleted.
Commissioning Group	2017/18	Sport and Physical Activities	Borrowing		(10,265)	Delays in completing the project.
Education and Skills	2017/18	Modernisation - Primary & Secondary	Borrowing	170		Funding re-allocation
Education and Skills	2017/18	Urgent Primary Places - Temporary Allocated	Borrowing	(131)		Funding re-allocation
Education and Skills	2017/18	Christ College	Borrowing	(6)		Funding re-allocation
Education and Skills	2017/18	Compton	Borrowing	46		Funding re-allocation
Education and Skills	2017/18	Oak Lodge Special School	Borrowing	6		Funding re-allocation
Education and Skills	2017/18	Wave 1 - Northway/Fairway	Borrowing	145		Funding re-allocation
Education and Skills	2017/18	Colindale primary	Borrowing	(161)		Funding re-allocation
Education and Skills	2017/18	Contingency	Borrowing	(69)		Funding re-allocation
Education and Skills	2017/18	St James / Blessed Dominic	Grant		(5,000)	Additional time required for stage two design and value engineering, project will slip into 2018/19.
Education and Skills	2017/18	School place planning (Primary)	S106		(268)	Delay in starting the project.
Education and Skills	2017/18	School place planning (Primary)	Borrowing	216		Funding re-allocation
Education and Skills	2017/18	School place planning (Primary)	Grant		(3,732)	Delay in starting the project.
Education and Skills	2017/18	School place planning (Secondary)	Borrowing		(57)	Delays in completing the project.
Education and Skills	2017/18	School place planning (Secondary)	S106		(1,943)	Delays in completing the project.
Education and Skills	2017/18	SEN	Capital Receipts		(1,387)	Project will not complete this year, it will slip into 2018/19
Education and Skills	2017/18	SEN	Grant		(613)	Project will not complete this year, it will slip into 2018/19
Education and Skills	2017/18	Alternative Provision	Grant		(2,000)	Delays in completing the project.
Education and Skills	2017/18	Contingency	Borrowing		(5,000)	Delays in completing the project.
Education and Skills	2017/18	Oakleigh School	Borrowing	(21)		
Education and Skills	2017/18	London Academy	Borrowing	(202)		
Education and Skills	2017/18	Beis Yakov	Borrowing	7		
Family Services	2017/18	Youth Zone	Capital Reserves		(1,200)	Remaining payment is due in 2018/19.
Family Services	2017/18	East Barnet Partnership Library	Borrowing		(500)	Project will not start until 2018/19
Family Services	2017/18	Meadow Close Children's Homes	Borrowing		(2,896)	Due to delay in planning permission project will slip into 2018/19.
Family Services	2017/18	Family Services Estate - building compliance, extensive R&M, H&S, DDA	Borrowing		(1,000)	project will slip into 2018/19.
Housing Needs Resources	2017/18	Alexandra Road	Capital Receipts		(33)	Project will start in 2018/19
Housing Needs Resources	2017/18	Hostel Refurbishment Programme	Capital Reserves		(52)	Project will not start until 2018/19
Housing Needs Resources	2017/18	Hostel Refurbishment Programme	Capital Receipts		(118)	Project will not start until 2018/19
Housing Needs Resources	2017/18	Chilvins Court	RCCO/ MRA		(126)	Project will not start until 2018/19
Housing Needs Resources	2017/18	Modular Homes	Borrowing		(688)	Project will slip into 2018/19.
Housing Needs Resources	2017/18	Open Door	Capital Receipts		(2,340)	Delays in Land transfer, project will slip into 2018/19
Housing Needs Resources	2017/18	Open Door	Borrowing		(5,460)	Delays in Land transfer, project will slip into 2018/19
Housing Needs Resources	2017/18	Micro Sites	Capital Receipts		(488)	Delay in completing project, will slip into 2018/19
Housing Needs Resources	2017/18	Micro Sites	S106		(140)	Delay in completing project, will slip into 2018/19
Parking and Infrastructure	2017/18	Lines and Signs	Capital Reserves		(150)	Project will not complete this year, it will slip into 2018/19
Parking and Infrastructure	2017/18	Parking signs and lines introduction and replenishment	Capital Reserves		(200)	Due to cold/ wet weather delays in completing the project
Regional Enterprise	2017/18	Footway Reconstruction	S106		(43)	Project will slip into 2018/19.
Regional Enterprise	2017/18	Traffic Management	Borrowing		(106)	Project will slip into 2018/19.
Regional Enterprise	2017/18	Traffic Management	Capital Reserves		(5)	Project will slip into 2018/19.
Regional Enterprise	2017/18	Traffic Management	S106		(4)	Project will slip into 2018/19.

Directorate	Year	Capital Programme	Funding Type	Additions/ Deletions	Slippage/ Accelerated Spend	Explanation for request
				£'000	£'000	
Regional Enterprise	2017/18	Highways Improvement	S106		(364)	Project will slip into 2018/19.
Regional Enterprise	2017/18	Travel Plan Implementation	Borrowing		(25)	Project will slip into 2018/19.
Regional Enterprise	2017/18	Travel Plan Implementation	S106		(91)	Project will slip into 2018/19.
Regional Enterprise	2017/18	Carriageways	Borrowing		(2,207)	Project will slip into 2018/19.
Regional Enterprise	2017/18	Saracens	RCCO/ MRA		(6)	Project will slip into 2018/19.
Regional Enterprise	2017/18	Saracens	S106		(16)	Project will slip into 2018/19.
Regional Enterprise	2017/18	Parking	Capital Receipts		(28)	Project will slip into 2018/19.
Regional Enterprise	2017/18	GF Regeneration	Borrowing		(178)	Project will slip into 2018/19.
Regional Enterprise	2017/18	GF Regeneration	Capital Receipts		(2,300)	Project will slip into 2018/19.
Regional Enterprise	2017/18	Town Centre	Capital Reserves		(2,671)	Delay in completing project, will slip into 2018/19
Regional Enterprise	2017/18	Town Centre	S106		(240)	Delay in completing project, will slip into 2018/19
Regional Enterprise	2017/18	Town Centre	Grant		(2,589)	Delay in completing project, will slip into 2018/19
Regional Enterprise	2017/18	Development pipeline Tranche 1 (Pre-Construction)	Borrowing		(182)	Delay in completing project, will slip into 2018/19
Regional Enterprise	2017/18	Disabled Facilities Grant Programme	Borrowing		(500)	Delay in completing project, will slip into 2018/19
Regional Enterprise	2017/18	Refurbish and regenerate Hendon Cemetery and Crematorium	Borrowing		(592)	project will slip into 2018/19.
Regional Enterprise	2017/18	Refurbish and regenerate Hendon Cemetery and Crematorium	RCCO/ MRA		(291)	project will slip into 2018/19.
Regional Enterprise	2017/18	Local Implementation Plan 2016/17 and onwards	Grant	(252)		budget re-alignment
Regional Enterprise	2017/18	LIP - Bus stop Accessibility	Grant	242		budget re-alignment and additional TFL grant of 150k received for bus stop accessibility.
Regional Enterprise	2017/18	LIP - Bridge Assessment	Grant	220		budget re-alignment
Regional Enterprise	2017/18	LIP - Borough Cycling Programme	Grant	(123)		budget re-alignment
Regional Enterprise	2017/18	Colindale Station Works	CIL	(2,750)		Funding re-alignment
Regional Enterprise	2017/18	Colindale Station Works	NHB	2,750		Funding re-alignment
Regional Enterprise	2017/18	Colindale Station Works	S106	11,250		Tube Station S106 contribution' (index-linked) from Redrow Homes
Regional Enterprise	2017/18	Empty Properties	Borrowing		(2,467)	project will slip into 2018/19.
Adults and Communities	2017/18	Transformation Care Grant	Borrowing	(3)		Prior year transformation care grant not required
TOTAL - GENERAL FUND				10,677	(70,753)	
HRA	2017/18	Major Works (excl Granv Rd)	RCCO/ MRA		539	Additional Fire Remedial works have been identified through the FRA surveys on the Granville blocks.
HRA	2017/18	Regeneration	RCCO/ MRA		(525)	Delay in completing the project.
HRA	2017/18	Misc - Repairs	RCCO/ MRA		(277)	Delays to Electrical upgrades and structural works.
HRA	2017/18	M&E/ GAS	RCCO/ MRA		910	Emergency ERM works at Nant, Mountfield, Silk and Shoelands blocks which were originally planned for remedial works in 2018/19.
HRA	2017/18	Voids and Lettings	RCCO/ MRA		1,072	Increase in both the number of voids and the works associated with these voids.
HRA	2017/18	Advanced Acquisitions (Regen Estates)	Borrowing		(2,080)	project will slip into 2018/19.
HRA	2017/18	Advanced Acquisitions (Regen Estates)	Capital Receipts		(892)	project will slip into 2018/19.
HRA	2017/18	Moreton Close	Borrowing		(2,559)	project will slip into 2018/19.
HRA	2017/18	Moreton Close	Capital Receipts		(1,097)	project will slip into 2018/19.
HRA	2017/18	Dollis Valley	Capital Receipts		(3,287)	Buyback near complete. Remaining budget relate to share equity costs to be incurred future years.
HRA	2017/18	Burnt Oak Broadway Flats	Capital Receipts		(650)	Delay in structural survey, project will slip into 2018/19
HRA	2017/18	Extra Care Pipeline	Borrowing		(1,810)	Project will start in 2018/19.
HRA	2017/18	Extra Care Pipeline	Capital Reserves		(6,421)	Project will start in 2018/19.
HRA	2017/18	Extra Care Pipeline	Capital Receipts		(2,150)	Project will start in 2018/19.
HRA	2017/18	Extra Care Pipeline	Grant		(5,000)	Project will start in 2018/19.
HRA	2017/18	Upper & Lower Fosters Community Led Design	Grant		250	budget re-alignment
HRA	2017/18	New Affordable Homes	RCCO/ MRA	214		Projected completed. Retention costs yet to be paid.
HRA	2017/18	Tranche 3 RP	RCCO/ MRA	(42)		Future funding for Tranche3 New Build in the Tranche 3 Programme shall be funded via HNR by the new RP Open Door.
HRA	2017/18	Tranche 3	Capital Receipts	(6,723)		Future funding for Tranche3 New Build in the Tranche 3 Programme shall be funded via HNR by the new RP Open Door.
TOTAL - HRA				(6,551)	(23,977)	
TOTAL				4,126	(94,730)	

Appendix C: Prudential Indicator Compliance

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

- These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates.
- The upper limit for variable rate exposure allows for the use of variable rate debt to offset exposure to changes in short-term rates on our portfolio of investments.

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

Maturity Structure of Fixed Rate Borrowing

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

Maturity Structure of Fixed Rate Borrowing	Upper Limit %	Lower Limit %	Actual Fixed Rate Borrowing as at 30/09/17	% Fixed Rate Borrowing as 30/09/17	Compliance with Set Limits?
Under 12 months	0	50	0	0	Yes
12 months and within 24 months	0	50	0	0	Yes
24 months and within 5 years	0	75	0	0	Yes
5 years and within 10 years	0	75	0	0	Yes
10 years and above	0	100	304,080,000	100	Yes

Capital Financing Requirement and External Debt

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

	31 March 2017 Actual	2017-18 as shown in TMSS	2017-18 Revised Estimate
Prudential Indicator - Capital Financing Requirement			
	£'000	£'000	£'000
CFR - Non Housing	234,415	409,939	341,181
CFR - Housing	<u>201,614</u>	<u>228,145</u>	<u>216,157</u>
Total CFR	<u>436,029</u>	<u>638,084</u>	<u>557,338</u>
Net movement in CFR		<u>202,055</u>	<u>121,309</u>
Prudential Indicator - the operational boundary for external debt			
	Actual	TMSS Projection	Revised Projection
	£'000	£'000	£'000
Borrowing	304,080	488,006	378,389
Other Long term liabilities	<u>16,034</u>	<u>15,661</u>	<u>15,661</u>
Total debt (year end position)	<u>320,114</u>	<u>503,667</u>	<u>394,050</u>
TMSS Operational boundary		614,063	614,063
Debt headroom available		<u>110,396</u>	<u>220,013</u>

Appendix D - Investments Outstanding as at 30 September 2017

	Balance	Limit	Long term credit rating	Yield	Maturity
	£'000	£'000	(lowest)	%	
Money Market Funds					
Federated Prime Rate	10,300	£25 million	AAA	0.20	daily
Aviva Liquidity	5,100	£25 million	AAA	0.18	daily
Invesco	8,600	£25 million	AAA	0.19	daily
Standard Life	11,000	£25 million	AAA	0.20	daily
Total Money Market	<u>35,000</u>				
Enhanced Cash Funds					
				Yield %	
Federated Prime Rate cash Plus	<u>20,000</u>	£25 million	AAA	0.53	one day notice
Local Authority Deposits					
				Yield %	
Lancashire County Council	5,000	£25 million		1.05	06-Nov-17
Stockport Metropolitan Borough Council	6,000	£25 million		0.30	22-Nov-17
Dudley Metropolitan Borough Council	5,000	£25 million		0.34	02-Jan-18
Total Local Authority	<u>16,000</u>				
Banks					
				Yield %	
Australian and New Zealand Banking Group	5,000	£25 million	AA3	0.22	31-Oct-17
Australian and New Zealand Banking Group	6,000		AA3	0.34	31-Jan-18
Goldman Sachs International Bank	17,500	£25 million	A	0.37	21-Dec-17
Bank of Scotland Call Account	500	£25 million	A	0.15	daily
Total Banks	<u>29,000</u>				
Total Investments	<u>100,000</u>				

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Performance and Contract Management Committee

28 November 2017

Title	Year Four Review of RE Contract
Report of	Commercial Director
Wards	All
Status	Public (except Appendices L and M, which are not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972)
Urgent	No
Key	No
Enclosures	<p>Appendix A: Key findings and conclusions Appendix B: Completion and implementation plan Appendix C: Highways evidence pack Appendix D: Development Management evidence pack Appendix E: Strategic Planning evidence pack Appendix F: Regeneration evidence pack Appendix G: Regulatory Services evidence pack Appendix H: Notes from meeting held in public, 26th June 2017 Appendix I: Grant Thornton benchmarking report Appendix J: Report on project spend (excluding exempt information) Appendix K: iMPOWER project benchmarking report (excluding exempt information) Appendix L: Report on project spend (including exempt information) Appendix M: iMPOWER project benchmarking report (including exempt information)</p>
Officer Contact Details	<p>Duncan Tessier – Commercial Director duncan.tessier@barnet.gov.uk 020 8359 7082</p> <p>Deborah Hinde – Assistant Director (Commercial) deborah.hinde@barnet.gov.uk 020 8359 2461</p>

Summary

At its meeting on 5th January 2016, the Performance and Contract Management Committee considered a report outlining the proposed arrangements for conducting a year four review of the RE contract, in accordance with clause 37.4 of that contract. The review is designed to give both parties to the contract (Regional Enterprise Ltd [RE] and the council) an opportunity to review overall performance; consider what is going well; and identify areas for improvement.

The Committee agreed at that meeting that the remit of the Member-led Working Group, which had been established to oversee the CSG contract review, should be extended to oversee the conduct of the RE Review.

The purpose of this report is to set out the detailed findings from the Review and the recommendations of the Working Group. In broad terms, the report concludes that the contract is meeting its original objectives. The contract is on track to deliver significant savings to the council, in the order of £39m over its 10-year term, in accordance with the original business case. Services are generally of reasonable to good quality, as measured by the contract's Key Performance Indicators (KPIs), and, where comparative data from other London Boroughs is available, performance is typically good. Benchmarking indicates that services are low cost, compared to other London Boroughs. It is, therefore, concluded that the contract is providing good value for money.

However, there have been some significant service issues, particularly in Highways and Planning Enforcement, which have impacted some residents. These have been addressed as part of the Review, but will require continued close monitoring to ensure that continuous improvement is sustained.

As a result of carrying out the Review, a one-off saving of £500k has been secured, through the pre-payment of the management fee. This saving was approved by the Policy and Resources Committee in June 2017. The Committee agreed that this saving should be spent on supporting the continuation of free school meals in the Borough and on street cleansing.

The key findings and conclusions from the Review were agreed by the Member Working Group at its meeting on 26th October 2017. These are attached as Appendix A. Although this report signals the formal end of the Review, there is still work to do to finalise negotiations around changes to certain KPIs and complete the production of detailed work plans for Regeneration and Highways. The timescales and reporting arrangements for these activities, along with other actions identified from the Review, are set out in Appendix B.

Recommendations

- 1. That the Committee notes the content of the report and the outcomes of the Review, as set out in the body of the report.**
- 2. That the Committee notes that the Commercial Director is authorised under the existing Scheme of Delegation to conclude negotiations and finalise any**

necessary contractual arrangements to effect these changes.

3. That the Committee agrees the completion and implementation plan, as set out at Appendix B.

1. WHY THIS REPORT IS NEEDED

Background and purpose of the review

- 1.1 The RE contract commenced on the 1st October 2013 and allows for a review at the end of year four.
- 1.2 The review process is designed to give both parties an opportunity to: consider what is working well; identify areas for improvement; and to consider the changing needs and priorities of the council. It was conducted in a similar manner to the CSG Contract Review, with the collection and consideration of evidence leading to constructive dialogue with RE Ltd, to agree any changes required to the contract.
- 1.3 At its meeting on 5th January 2017, the Performance and Contract Management Committee agreed to extend the remit of the established Member-led Working Group to provide oversight of the Year Four Re Contract Review.
- 1.4 Members of the Group have been:

Councillor Geoffrey Cooke
Councillor Anthony Finn (Chairman)
Councillor Sury Khatri
Councillor Kathy Levine
Councillor Peter Zinkin
- 1.5 The role of the Working Group has been to provide Member oversight to the Year Four Re Contract Review, including:
 - providing strategic direction to the Review;
 - agreeing the overall aims, objectives and desired outcomes of the Review;
 - considering and challenging the evidence; and
 - agreeing the recommendations to Committee.
- 1.6 At its meeting on 13th February 2017, the Member-led Working Group confirmed the overall aim of the Review as being to ensure that the RE contract remains fit for purpose, recognising that the strategic context within which the contract operates has changed significantly since it was signed in 2013.

- 1.7 In broad terms, the Review has focussed on four key areas, in order to meet this aim:
- a) **Service improvements** – particularly in highways and planning enforcement;
 - b) **Partnership arrangements** – how RE operates, governance arrangements, ambition and approach to growing the business, sharing of management information etc., insofar as these matters impact on the delivery of the contract;
 - c) **Contractual amendments** – including refreshed KPIs, updated commitments and pay and performance mechanism, along with any other contractual issues that need reviewing; and
 - d) **Clienting arrangements** – including clarity of roles, effectiveness of monitoring arrangements and effectiveness of project commissioning arrangements.
- 1.8 The purpose of this report is to set out the detailed findings and recommendations from the Review.

Overview of the contract

- 1.9 Regional Enterprise Ltd (RE) is a joint venture between the London Borough of Barnet and Capita plc. The council entered into an arrangement whereby RE was appointed as its service provider to deliver the Development and Regulatory Services (DRS) contract over a ten year term, commencing on 1st October 2013. The contract covers the following services:
- Planning and Development Management
 - Regeneration
 - Strategic Planning
 - Building Control
 - Land Charges
 - Environmental Health
 - Trading Standards and Licensing
 - Cemetery and Crematorium
 - Highways: Network Management
 - Highways: Traffic & Development
 - Highways: Transport and Regeneration
- 1.10 The core contract has a value of approximately £154m over the 10 year term. Against this cost, the contract provides for a Minimum Income Guarantee, equating to approximately £148m over the term of the contract. The effect of this income guarantee has been to reduce the net cost of these services to the council from £45m to £6m over the 10 year contract term. This is equivalent to reducing their net cost from £4.5m to £600k per annum, as shown in the following table:

	Pre-contract	Post-contract	Difference
	£m	£m	£m
Gross annual cost of services	14.2	15.4	+1.2
Less annual income	9.7	14.8	+5.1
Net cost of services	4.5	0.6	-3.9

- 1.11 This means that the RE contract is set to deliver £39m of guaranteed financial benefits to the council over the 10 year term, with an investment of £8.2m in new technology, improving facilities and training staff.
- 1.12 Although many aspects of the RE contract are complex, the basic principles are relatively straightforward. Services are provided at a fixed price, based on delivering the requirements of the council's output specifications. Income that is generated from the provision of these services accrues to the council and counts towards the Minimum Income Guarantee. If there is a shortfall against the Guarantee in any year, RE pays the difference to the council. Any changes to the council's requirements are governed by a change request process.
- 1.13 The contract provides for ongoing performance review and improvement, but also for more formal reviews at the end of years four and seven. As with the CSG contract, there is the facility to extend the contract, by up to five years, which can be exercised by the council at any point. The year seven contract review clause specifically provides for consideration of contract extension at that point.
- 1.14 Service delivery expectations are defined in the following documents, which form part of the schedules to the contract:
- **Output specifications**, which set out a description of what the council asked for when it went out to tender;
 - **Key Performance Indicators (KPIs)**, which set out specific targets for performance levels in key areas of the contract;
 - **Contract commitments**, which is a list of specific actions that Capita committed to delivering, as part of their bid.
- 1.15 The contract was entered into as a long term partnership, with a focus on working together towards outcomes and identifying and rectifying problems as quickly as possible, without adversarial processes. However, where performance does not meet the agreed expected outcomes, the contract describes the actions that can be applied by the council. The main remedy available to the council is the ability to apply service credits (fee deductions) against the suite of KPIs, which define the required performance levels for each service area. The level of service credit that can be applied is determined by the weighting agreed for each KPI and the degree of failure. The maximum value of service credits that can be applied is defined within the contract and is a fundamental element of the commercial basis of the contract.

- 1.16 The application of service credits for failure to meet KPI targets is the only financial remedy for poor performance contained within the contract. The other main remedy for poor performance that is available to the council is to serve a remedy notice, which requires RE to provide and implement an improvement plan within an agreed timescale. Failure to comply with a remedy notice could result in the council “stepping in” to directly manage service delivery. Ultimately, the council has the power to terminate the contract for breach, but it should be recognised that this would always be the remedy of last resort and would only apply in the event of significant, continuing failure to provide a significant element of the service. It should also be noted that this course of action would have significant legal and financial consequences for the council.
- 1.17 Day to day oversight of the performance of the contract is exercised through frequent engagement between the relevant RE service leads and the council’s commissioning leads, who play a key role in steering the strategic direction of services and monitoring service quality. Within the council’s Commercial Team, a Commercial Strategic Lead has overall responsibility for monitoring the delivery of the contract. This includes administering any change requests that are put forward by services, as well as managing the performance reporting regime.
- 1.18 Performance reports are considered by a joint Partnership Operations Board, which meets monthly. Issues are escalated as necessary to a joint Strategic Partnership Board, which also provides oversight and direction to the partnership as a whole.
- 1.19 RE is a Joint Venture Company (JV), whose shares are 51% owned by Capita and 49% owned by the council. The key driver for entering into a JV was the commercial potential to provide services to other local authorities. Although the contract is delivered by the JV, the council is protected by the fact that delivery of the contract is underpinned by a parent company guarantee and, in the case of service underperformance or financial loss, Capita would be the responsible party. The JV is governed by a Board of Directors. This consists of an independent chairman, two directors from the council and two directors from Capita. The JV Board meets bi-monthly and its primary focus is on developing RE as a business entity. The JV structure adds a degree of complexity in managing the relationship, compared to a traditional contract arrangement.
- 1.20 The Performance and Contract Management Committee exercises Member oversight of performance, receiving quarterly reports on all aspects of the contract’s performance. Services that are provided through the contract are subject to the council’s normal internal audit arrangements. This includes referral to the Audit Committee, where internal control arrangements do not meet the required standard. As with all partner organisations, RE is also subject to the council’s policies and procedures in respect of transparency and conflicts of interests. These are enshrined in the contract and are also subject to review by internal audit.

- 1.21 In addition to the delivery of core services, the contract allows the council to commission additional ad hoc work from RE in the form of special projects. This expenditure is not included in the core contract price and varies from year to year, depending on the council's requirements. The most significant of these special projects is the Brent Cross development programme, but there has also been substantial expenditure on highways projects over the last few years. Although the vast majority of this expenditure, including the Brent Cross programme, is funded from external sources, for example by developers or by TfL, the council still has a responsibility to ensure that this represents good value for money and is subject to sound governance arrangements.

Conduct of the review

- 1.22 The council has adopted an evidence-based and collaborative approach to conducting the Review, recognising that both parties to the contract have a valuable contribution to make in developing the contract and the partnership environment within which it operates. It is also recognised that both parties can learn from the operation of the contract and the partnership to date. RE has engaged proactively and effectively during the review process, through a number of dialogue sessions between senior officers and senior members of RE's management team, as well as the broader Capita management team in Barnet, to discuss various elements of the Review and specific services.
- 1.23 The contract delivers a wide range of services and it was acknowledged by the Working Group that reviewing each of these, in detail, would not be feasible within the available resource envelope. The Review has, therefore, focussed on the most significant services, in financial or customer impact terms, i.e.:
- Highways
 - Planning (Strategic Planning and Development Management)
 - Regeneration
 - Key elements of the regulatory services
- 1.24 In addition, the Review has considered the framework provided by the contract for pricing individual special projects. It should be noted that the focus here has been on the cost aspect of value for money, as timescales have not permitted an examination of the performance of individual projects as part of the Review process.
- 1.25 During the course of the Review, the council's commissioning leads for each of these services have considered performance against the contract in terms of:
1. Delivery of contractual commitments;
 2. Compliance with output specifications; and
 3. Suitability of KPIs.

- 1.26 Based on these assessments, commissioning leads then prepared an evidence pack for each of their service areas. Evidence packs were agreed with RE service leads and subjected to review and challenge by the project team, prior to them being presented to the Member Working Group. Council commissioning leads and RE service leads attended the relevant meetings of the Working Group to provide additional information and respond to questions about the service.
- 1.27 At its meetings on 27th March 2017 and 24th May 2017, the Member Working Group considered the resulting evidence pack for each service and, following discussion and challenge, confirmed the desired outcomes that they wanted officers to progress. These evidence packs are attached as Appendices C to G.
- 1.28 Based on the outcomes of these meetings, officers commenced dialogue with RE colleagues, with a view to securing the desired outcomes from the Review.
- 1.29 The Working Group meeting on 26th June 2017 was held in public and sought the views of residents, traders and local businesses about the contract. 21 residents submitted statements in advance about their experiences of the services provided under the contract. These were published at <https://barnetintranet.moderngov.co.uk/documents/s40687/3.%20Re%20Contract%20Review%20Call%20for%20Evidence%20schedule%20-%20Public%20v3.pdf>
- 1.30 Nine residents presented their views to the meeting and the notes from these presentations are attached as Appendix H. At its meeting on 17th July 2017, the Working Group considered the statements that had been submitted and Members identified a number of areas that required further attention as part of officers' continuing work on the Review. Responses to the matters raised are incorporated in the relevant sections of the report.
- 1.31 At its meeting on 25th September 2017, the Working Group considered three papers on benchmarking:
- a) A report prepared by Grant Thornton that considered the cost, quality and prices of a range of services covered by the core contract (attached as Appendix I);
 - b) A paper prepared by the council's programmes team that considered expenditure on special projects (attached as Appendix J, excluding exempt information and Appendix L, including exempt information); and
 - c) A report prepared by iMPower that considered whole project costs, i.e. rates x input (attached as Appendix K, excluding exempt information and Appendix M, including exempt information).
- 1.32 The outcomes of this benchmarking work are summarised in the "Overview of contract performance" section of the report, with more detail being set out in the service outcomes section.

- 1.33 Alongside the consideration of evidence by the Working Group, officers have been continuing dialogue with RE colleagues to work up proposals for delivering the desired outcomes from the Review. These proposals are at various stages of development and implementation. More detail on these proposals is set out in the remaining sections of the report.

Overview of contract performance

- 1.34 The key drivers for entering into the RE contract in 2013 were to:

- a) Meet the unprecedented financial pressures being faced by the council;
- b) Invest in development and regulatory services; and
- c) Preserve and improve on existing service levels.

- 1.35 The full business case for the contract was considered by Cabinet on 24th June 2013 and is available on the council's website:

<https://barnet.moderngov.co.uk/documents/s8844/Appendix%201%20-%20Full%20Business%20Case.pdf> The business case sets out the following key benefits that were anticipated from entering into the contract:

- Guaranteed financial benefits of £39.1m over the contract term, delivered by a combination of cost reductions on the services specified in the output specifications and net income growth, thus bringing the net cost of these services to the council down from £45m to £6m over the 10 year contract term (equivalent to approximately from £4.5m to £600k per annum);
- Approximately £8.2m investment in areas such as information technology (computer hardware and software), building infrastructure and training;
- The provision of an improved and more efficient range of development and regulatory based services for Barnet's residents, with the establishment of a dedicated customer services team across all DRS services, supported by new technology, to provide quicker access to services and information;
- Supporting Members in their functions as required, including a dedicated Member liaison service;
- Commitment to a range of initiatives to support community and voluntary sector organisations, including the establishment of local user forums to engage with communities; and
- Significant investment to stimulate and drive forward borough-wide growth, enterprise and renewal, including the provision of support to new and existing businesses; leading initiatives to reduce the number of vacant high street properties across Barnet compared to comparable boroughs; and maximising the financial and economic benefits of new developments.

- 1.36 In broad terms, it is considered that the contract is delivering against these objectives. It is on track to deliver the £39.1m of savings over the 10-year term of the contract, having delivered £13m in the three and a half years to date. This is in accordance with the savings profile for the contract, which is based on annual savings increasing over time.

1.37 In respect of the other expected benefits identified above, notable achievements through the contract to date are:

- The £8.2m investment has been delivered, with efficiency savings being achieved by re-deploying staff into income growth positions. There has been investment in new roles, such as the Business Development Director, Commercialisation Director, Director of Place, Sales and Marketing, along with operational and financial support. The IT investment has been focused on transforming the Regulatory Services system (Uniform), the Highways system (Exor) and the cemetery system (BACAS). This process was not just system based, as RE have re-engineered all associated processes resulting in recognition through a number of quality awards;
- As the RE contract commenced, there was no dedicated customer services team and there were no customer service related KPIs for performance. Whilst RE would accept that the journey continues in this area, progress has been marked namely through the following:
 - There are now 17 staff in place to triage calls
 - Performance is consistently above 90% for answering service requests
 - There has been a 20% increase in volume since the start of the contract
 - The customer can now contact the service by email, web and twitter, as well as by phone
 - RE is, to our knowledge, the only provider of these services in London that collects customer satisfaction statistics and can therefore benchmark and improve performance
- Introduced dedicated Member Liaison Officers to act as an interface between services and Members and the public as appropriate;
- RE has developed several initiatives, particularly in Regulatory Services, to support the success of start-up businesses;
- RE hold regular charity events and are currently supporting a local hospice, recently donating over £2,000; and
- Through a community crowdfunding initiative, as part of the Barnet Together campaign, residents and businesses can apply for up to £5,000 in funding to bring their ideas to life. Since launching in July 2017, 18 new community projects have been posted, with three already fully funded. RE has been instrumental in developing the project through coordination with Section 106 employment and skills and town centre activities.

1.38 Customer satisfaction is measured across the contract as a whole and by service area. The associated KPI is measured annually, with quarterly reports on progress. Satisfaction data is collected using “Survey Monkey”. Customers are emailed the survey at the end of the month, or a link is sent out automatically following closure of a service request. Scores are based on percentage of customers that rate RE as either Good or Very Good on 10 core questions within the survey, a copy of which is set out overleaf.

4. Overall, how would you rate your experience of the service against the following statements? (please tick one option per statement)

	Very Good	Good	Average	Poor	Very Poor	Not Sure / Don't Know / Not Applicable
How easy was it to find the information you needed to contact us?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
How easy was it to make contact with us once you found the information?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Were the staff you dealt with courteous and polite?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Did the the staff you dealt with act in a professional manner?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Were the staff you dealt with knowledgeable ?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Did you feel we fully understood your request?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Thinking of the service provided what score would you give?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Did we keep you fully informed throughout the process?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Did we explain clearly what would happen next, including timescales?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5. Overall, how would you rate your experience of the service?

Very good
 Good
 Average
 Poor
 Very poor

Survey Monkey Customer Satisfaction Questions

1.39 Customer satisfaction information for individual services is set out in the service evidence packs. In respect of the contract overall, customer satisfaction has improved significantly since contract commencement. Despite this, the somewhat challenging targets for years three and four have not been met, as set out in the table below:

Year	Target	Actual
2014/15	Baseline	51%
2015/16	55%	56%
2016/17	80%	69%
2017/18 (to end September)	82.5%	72%

1.40 Overall, performance against the Key Performance Indicators (the main objective measure of service quality) is acceptable. In 2016/17, 82% of the contract's service-delivery KPIs achieved or exceeded their target over the year as a whole. This compares to 78% in 2015/16. Detailed performance information is provided in the service evidence packs. Performance information is reported regularly to the Performance and Contract

Management Committee, including details of service credits that have been applied where targets have not been achieved within the quarter.

- 1.41 In respect of contractual commitments, a comprehensive review of these has been carried out. Over 71% of the 227 contractual commitments have been delivered and signed off. A further 23% have been substantially delivered, are in progress or are classified as “ongoing”, i.e. they are an obligation that continues for the duration of the contract. The Review has highlighted that some contractual commitments were delivered later than anticipated in the contract. Reasons for late delivery vary. In some cases, effort has been re-prioritised in agreement with the council’s commissioning lead, in other cases commitments that were made in the original bid have proved to be more complex to deliver than was anticipated. There are arrangements in place to monitor delivery of the remaining 6% of commitments that have not yet been delivered and these will be incorporated into the relevant annual workplans, where appropriate.
- 1.42 This is a broad-ranging and complex contract, with a number of services that operate within a complicated regulatory framework that does not always have the service user at its heart. Not surprisingly, there have been some performance challenges in the services that have been reviewed, most notably in Planning Enforcement and Highways, and these have impacted some residents. Both of these services have been the subject of improvement plans over recent months. Good progress has been made on delivering these plans and improving the experience of residents, but it is recognised that there is scope for further, continuous improvement. There will be continued close monitoring to ensure that this continuous improvement is sustained. More details are set out in the service outcomes section of the report.
- 1.43 In addition to considering performance against the council’s requirements, the Review has also considered performance against other London Boroughs, through a benchmarking exercise conducted by Grant Thornton. This exercise considered the following services:
- a) Highways;
 - b) Planning; and
 - c) Regulatory Services
- 1.44 In considering the outcomes of this exercise, Members of the Working Group noted the limitations of such benchmarking exercises, in that they can only provide an indication of comparative performance. Individual councils record information in different ways, so data is not always directly comparable, and data is not always available. In particular, Grant Thornton’s report noted that “the council has a comparatively favourable grasp of customer satisfaction data, as it forms part of the contract with RE. This awareness is not replicated with benchmark organisations and demonstrates that the council has a more complete understanding of the value of services delivered by RE.”

- 1.45 For the comparison of costs, the exercise utilised information that all councils have to publish on an annual basis. This information was used to provide comparisons against all London Boroughs and also against the council's "nearest neighbours", which are the 10 Boroughs that most closely resemble Barnet in terms of factors such as population size and characteristics, employment, area and road length. The report concluded that, for the benchmarked services as a whole, the council's net expenditure was "very low" in both a London and a nearest neighbour context.
- 1.46 In respect of service quality, Grant Thornton sought to obtain information on service performance by sending questionnaires to each of the 10 nearest neighbours. Returns were somewhat limited, despite a number of follow-up contacts being made, so information was supplemented by the use of published performance statistics, where these were available. Where data is available, RE services are generally performing at a reasonable to good level and, in some cases, are very good.
- 1.47 As the exercise has identified that services generally appear to be low cost and of reasonable to good quality, it is concluded that the contract is providing good value for money in respect of the core services delivered by RE.

REVIEW OUTCOMES AT PARTNERSHIP LEVEL

- 1.48 In addition to reviewing the performance of key services provided under the contract, the Review has also sought to identify issues and improvements that have an impact on the performance of the contract as a whole. As identified in paragraph 1.7, this has focussed on:
- Service improvements
 - Partnership arrangements
 - Contractual amendments
 - Clienting arrangements (i.e. how Barnet manages the contract)

Service improvements

- 1.49 The detailed findings in respect of the services that were reviewed are set out in the service outcomes section of the report. It should be noted that the contract does provide for ongoing review and continuous improvement and this will continue to take place through established contract mechanisms.
- 1.50 Members of the Working Group have noted that the RE contract is a wide-ranging and complex commercial structure, which has created challenges in some areas regarding interpretation and understanding. The review has been particularly beneficial in terms of securing better awareness of this structure and thereby resolving a number of matters relating to interpretation and understanding of various elements of the contract.

- 1.51 As a result of the Review, RE offered a £500k discount against pre-payment of the management fee. This was accepted by Policy and Resources Committee in June, who decided that this should be spent on supporting the continuation of free school meals in the Borough and on street cleansing.

Partnership arrangements

- 1.52 In addition to the guaranteed income associated with providing services within the Borough, a key driver for establishing the JV was the aspiration to generate further income, over and above the guarantee, by selling services to other councils. Whilst there has been some success for the JV in securing contracts with other councils, it is acknowledged that this has been somewhat limited to date and has yet to result in additional financial benefit to the council. It should be noted that this does not affect the fundamental business case for the contract. However, as part of the Review, there has been some consideration of this aspect of the JV and whether or not any changes are needed to develop this, particularly in terms of incentivising the council to actively support the JV in this regard.
- 1.53 It has been agreed that these aspects are best taken forward through the JV Board and the Board has already commenced discussions on these issues.
- 1.54 Capita's internal organisational structure (known as "the towers") has been identified as a layer of complexity that potentially impacts on day to day service delivery. This structure brings the management of service-specific resources from across Capita into single, specialist business units. Local contract teams, including RE, buy-in resources from, for example the Highways Tower. Whilst this has obvious benefits in terms of providing access to a wider pool of resources to meet increases in demand or provide a particular technical expertise, it does also mean that RE (on the council's behalf) is effectively competing for these resources against other Capita clients. It is the council's view that this arrangement may not always operate in the council's best interests and it is recommended that there is further exploration of this with Capita's senior managers.

Contractual amendments

- 1.55 At the beginning of the Review, council officers indicated that the main concern about the contract itself was the clarity and continuing relevance of the content of output specifications. Through the process of dialogue between council officers and RE colleagues, it has been clarified that the output specifications themselves remain largely relevant in defining outputs and standards. However, the complexity of funding sources for different aspects of work (including s106 funding and TfL-funded schemes) has led to some lack of certainty over what work is covered by the management fee and what requires funding through the special projects process. The added complication here is the interplay with the Minimum Income Guarantee.

- 1.56 As a result of the improved understanding of the contract that has been achieved through this Review process, it has been agreed that the required level of clarity and transparency of resource deployment can be achieved through the development of annual workplans. These will address the council's changing priorities in, for example, highways and regeneration, and set out the various programmes of activity and funding sources. These workplans will be considered by the relevant Theme Committees in due course.
- 1.57 The key areas where KPIs require amendment are in highways and planning enforcement. Work is progressing on finalising proposals and it is proposed that these be taken forward through consultation with the Chairmen and Opposition Lead Members of the relevant Theme Committees. Final proposals will be circulated to Members of the Working Group for consideration and a further ad hoc meeting of the Group may then be arranged, if required. It is anticipated that this work will be completed by the end of the council's financial year, in line with the KPI reporting cycle. The outcomes of this work will be reported to the Performance and Contract Management Committee in due course.

Clienting arrangements

- 1.58 One respondent to the public call for evidence provided a comprehensive submission that focussed primarily on how the council manages the contract.
- 1.59 Alongside this Review, officers have been conducting a separate review of performance governance arrangements across the council. The respondent's comments have informed some of the improvements that have been made to performance reporting and contract management arrangements. In particular, the regular contract performance reviews at service level have been formalised and are now operating as monthly Contract Management Meetings, with a standard agenda that includes consideration of performance against the output specification, as well as KPIs and contractual commitments. Finance, including expenditure on special projects, and resources also forms part of that agenda. Members of the Committee will be aware of the changes that have been made to improve performance reporting on the council's key strategic contracts, from discussions at their meeting on 4th July 2017.
- 1.60 In addition, the Strategic Partnership Boards for the CSG and RE contracts have been merged to improve oversight across the partnership as a whole.

REVIEW OUTCOMES AT SERVICE LEVEL

Service outcomes – Highways

- 1.61 At its meeting on 27th March 2017, the Working Group considered an evidence pack (attached as Appendix C) that provides a detailed assessment

of how the service has performed to date. During wide-ranging discussions, Members acknowledged the generally positive picture on performance of the service, but questioned whether the current KPIs actually cover the issues that Members are dealing with on a day to day basis, as the performance data does not always reflect their experience of the service.

1.62 Benchmarking outcomes

The Grant Thornton report identified that highways services are delivered at a lower unit cost (expenditure per kilometre of road) than “nearest neighbour” authorities and that Barnet has more challenging KPI targets and more kilometres of roads. Performance on emergency road repairs and road maintenance is relatively good.

The report noted that Barnet has the highest number of road deaths and serious injuries of all its “nearest neighbours”, but it also shows a significant percentage reduction over recent years. This does need to be considered in the context of the nature and length of roads within the Borough, as the number of deaths or serious injuries per mile is consistent with its “nearest neighbours”. The report highlighted a number of initiatives that have been introduced by the London Borough of Ealing and Members of the Working Group suggested that a conversation with Ealing regarding their approach to reducing the number of people killed or seriously injured on the roads should inform a future report to Environment Committee on this issue.

1.63 Call for evidence outcomes

Six of the submissions received from members of the public commented on highways services. Comments related to the state of highways and pathways, as well as to the accessibility and responsiveness of the service.

1.64 Review outcomes

The Working Group identified three desired outcomes from the Review:

- Deliver service improvement plan to resolve business as usual issues, such as responsiveness to Members’ enquiries, speed of fixing problems and outstanding surface dressing issues
- Review and re-align KPIs, including with third parties, and consider reporting frequencies and appropriateness of targets
- Improve clarity of output specification in respect of s106, parking and LIP

Good progress has been made on delivering each of these outcomes. On the service improvement plan, a joint officer working group continues to monitor progress. This has evolved from being a means to address specific problems into an ongoing, continuous improvement, approach. Improvements in communication with Members continue to be embedded. Agreement has now been reached with Conway Aecom to address a range of contractual and operational issues. A work programme to address the outstanding surface dressing issues has also been agreed and is now being implemented.

Discussions on KPIs and their associated targets are progressing well. Final revisions will be considered alongside the development of the annual workplan and priority service improvements identified through the officer group. In the light of comments from members of the public, consideration is being given to strengthening the KPIs and performance indicators relating to customer service. A parallel exercise is being carried out to improve the data quality sheets, which set out the detailed arrangements for measuring KPIs, to improve the clarity of what is being measured. As mentioned above, this work will be progressed in consultation with the Chairman and Opposition Lead Member of the Environment Committee.

The officer group has also been reviewing the output specifications and agreeing priorities within them. The parties have developed an approach on s106 work, which is a major step forward. It is proposed that, rather than redrafting output specifications, a more effective approach will be to agree an annual workplan, based on the identified priorities and overarching highways strategy. Discussions are continuing to confirm the process for negotiating next year's Local Implementation Plan and finalise arrangements for insurance claims. The workplan will be considered by the Environment Committee in due course.

1.65 Review conclusions

At its meeting on 26th October 2017, the Member Working Group agreed that its overall conclusions on Highways were:

- There have been significant issues on highways service delivery, which is in part due to the complexity of the arrangements between RE, Conways and the Highways DLO;
- Carriageway surface dressing has caused particular issues for residents on the affected roads;
- The service improvement plan has delivered improvements and the contractual arrangements with Conways have been improved;
- A continuous improvement plan is being developed, to ensure that these improvements are embedded in the service; and
- Significant efforts have been made over the last six months to put more robust arrangements in place for communicating with local Members.

Service outcomes – Planning

- 1.66 At its meeting on 24th May 2017, the Working Group considered evidence packs for the Development Management Service and the Strategic Planning service (attached as Appendices D and E) that provide a detailed assessment of how the service has performed to date. Members identified their key concern as being planning enforcement. They also questioned the coverage of KPIs, particularly in respect of planning enforcement.

1.67 Benchmarking outcomes

The Grant Thornton report identified that the council deals with the largest number of planning applications of all the councils that were benchmarked and is also the best performing based on the relationship between unit cost and percentage of major applications responded to within statutory timescales. Expenditure per head of population is classed as low in the London-wide context and average compared to “nearest neighbours”.

Charges for pre-planning advice are generally high for developers, but not for individual householders. Pre-planning advice leads to a high success rate. It should be noted that the pre-planning advice service is delivered independently of the development management service that processes the resulting planning applications.

1.68 Call for evidence outcomes

The majority of the comments that were received from members of the public related to concerns with planning and planning enforcement. At its meeting on 17th July 2017, the Working Group considered these submissions in some depth, in discussion with RE’s service lead and other key officers. The Working Group concluded that:

- Planning enforcement needs to be more responsive (see review outcomes section, below);
- Accessibility to planning applications needs to be improved, particularly on larger applications with high volumes of associated documents;
- Communication between planning and the public needs to be improved;
- There is a need to ensure that the consultation system is operating effectively (i.e. residents receive consultation letters in accordance with the policy) and sample checks should be introduced; and
- The Planning Committee may wish to consider the policy in terms of the extent of consultation.

It is proposed that these issues be referred to Planning Committee for further consideration. At the meeting, it was noted that the planning portal is a third-party website and the ability to influence how documents are named and organised on the site is limited. However, it has subsequently been agreed that RE will include a clause in Planning Performance Agreements requiring developers to include a summary of their planning applications at the time of submission. RE officers will also encourage the submission of a summary as part of pre-applications advice and include a statement to that effect in pre-application notes.

1.69 Review outcomes

The Working Group identified four desired outcomes in respect of Development Management:

- Consolidate improvements in planning enforcement and continue further work on communication and engagement with Members
- Review KPIs, PIs and associated targets to ensure that they drive appropriate focus across all aspects of the service, particularly in Planning Enforcement
- Recognition of successful delivery of outcomes in Development Management, despite significant increase in service volumes
- Support promotion of the service to help facilitate further commercial growth.

In respect of planning enforcement, the service improvement plan is being delivered and ongoing activity will continue to be monitored. It should be noted that, in the first nine months of 2017, 117 new enforcement notices were authorised, compared to 63 in the same period of 2016. Based on the number of notices served, the council's enforcement team was the fifth busiest in the country in the second quarter of 2017. The number of investigations completed by enforcement officers has also increased significantly throughout 2017, rising from 61 in March to 224 in September. Alongside this, there have been a number of direct enforcement actions that have attracted positive attention from the local media. There have also been significant improvements in the information being provided to Members, with monthly updates to Members generally and quarterly reports to Area Planning Committees. Further improvements will be driven through the use of Member Liaison Officers.

Work is continuing on reviewing the service's KPIs and associated targets. A proposal is being developed to strengthen the monitoring of performance in enforcement through the use of a basket of related performance indicators. As mentioned above, this work will be progressed in consultation with the Chairman and Lead Opposition Member of the Planning Committee.

On service volumes, the latest figures show further increases in the number of applications processed and good performance on compliance with timescales. Officers continue to monitor this against appeal numbers and outcomes, which together give an indication of the quality of planning decisions. This information will be reported to Area Planning Committees and the Planning Committee as a matter of course in future.

It is considered that the promotion of the service is an ongoing activity that requires no specific action from the contract review. However, it is noted that the improvements that have been made in reporting of the service's activities will support this.

For the Strategic Planning element of the service, the Working Group agreed the following desired outcomes:

- Build on existing service improvements to ensure a strong operational framework and delivery of staff capacity to secure all outcomes; driving dynamism into the service through stable leadership

- Establish mechanisms to improve support for council commissioning priorities through greater data analysis, data management and overall planning leadership
- Continue improving consistency of communication with Members and effectively utilise the new RE Member Liaison Officers
- Determine appropriate documentation to ensure existing services are further enhanced when Planning Fees are increased [no longer relevant, as no fee increase expected]
- Delivery of heritage contractual outputs – update of Local List and review of priority Conservation Area Appraisals

Good progress has been made in delivering these outcomes and it is noted that continued, stable leadership is driving improvement. The Local Plan Member Working Group is supporting this and will drive further improvements. Work on the Local Plan is progressing well.

The work on improving support for the council's commissioning priorities is being driven by officers, using the Barnet Observatory data tool and the Insight Team.

The introduction of the Member Liaison Officers, work on the Local Plan and improvements in communication on major applications all contribute to improving the consistency of communication with Members.

Work on the update of the Local List and review of priority Conservation Areas Appraisals is now well underway.

1.70 Review conclusions

At its meeting on 26th October 2017, the Member Working Group agreed that its overall conclusions on Planning were:

- There have been significant issues with planning enforcement that have been addressed through a service improvement plan, which has also addressed issues of communication with Members; and
- On development control, the volume of planning applications has increased significantly since contract start and performance is generally good.

Service outcomes - Regeneration

- 1.71 At its meeting on 24th May 2017, the Working Group considered an evidence pack for the Regeneration Service (attached as Appendix F) that provides a detailed assessment of how the service has performed to date. Members asked officers to consider how value for money from individual regeneration projects might be benchmarked as part of the Review.

1.72 Benchmarking outcomes

The Regeneration service is delivered predominantly through individual projects. It was not, therefore, feasible to include it in the Grant Thornton exercise. Given the difficulties that have been experienced in benchmarking individual projects, the Working Group suggested that it may be beneficial to raise the possibility of benchmarking larger projects with the London Regeneration Group.

1.73 Call for evidence outcomes

There were no comments from members of the public on Regeneration services.

1.74 Review outcomes

The Working Group identified two desired outcomes in respect of Regeneration:

- Updated and clearly understood output specification that covers the core Regeneration service and known workplan for next four years
- Agreed and resourced workplan to deliver agreed commissioning outcomes for business support, town centres and skills development (the Economic Skills and Development service)

This is an area of service that has particularly benefited from the process of dialogue between council officers and RE colleagues. There is now greater clarity over how the different funding sources contribute to the overall activity of the service and recognition that the output specification remains relevant in defining outputs and standards.

For both areas of the service, work is progressing on the development of four year work plans. These will need to have the flexibility to respond to changing requirements and priorities over the period. The outline content of the plans has been broadly agreed by officers. The associated resourcing plans are now being developed and these plans will be considered by the Assets, Regeneration and Growth Committee in due course.

1.75 Review conclusions

At its meeting on 26th October 2017, the Member Working Group agreed that its overall conclusions on Regeneration were:

- The regeneration service has delivered significant benefits to the Borough and has grown significantly since contract start;
- This does mean that the output specification does not necessarily reflect current priorities and there have been ongoing disagreements about what services are covered by the management fee; and
- Work is continuing to address this, including the development of flexible four-year workplans.

Service outcomes – Regulatory Services (Environmental Health)

1.76 At its meeting on 27th March 2017, the Working Group considered an evidence pack for the Regulatory Services (attached as Appendix G) that provides a detailed assessment of how the service has performed to date. Regulatory Services covers a broad range of activity, including the Cemetery and Crematorium, Trading Standards, Licensing and Land Charges. The Review focussed primarily on the Environmental Health service, as this is the area of greatest expenditure.

1.77 Members agreed that there was scope to raise the profile of these services, with relevant reports being considered by various Committees. There was also broad agreement that the service was generally performing well and that customer satisfaction has increased considerably since the contract commenced.

1.78 Benchmarking outcomes

The Grant Thornton benchmarking exercise covered the environmental health and trading standards elements of regulatory services. The report concluded that performance on food safety inspections is relatively strong and the regulatory services are delivered at a lower unit cost than all London Boroughs.

The report noted that Barnet is meeting its KPI on trading standards (interventions having a further complaint within six months), but other councils do not record KPIs in this area, so no comparison is possible.

On houses in multiple occupation (HMOs), it was noted that Barnet is exceeding its target for HMOs meeting legal standards, but the only other council that provided information is achieving 100%, albeit at higher cost. It was noted by the Working Group that the target for RE increases over time and reflects an agreed strategy of encouraging HMO owners to register and comply with standards, rather than take a more heavy-handed enforcement approach.

1.79 Call for evidence outcomes

There were no comments from members of the public on Regulatory Services.

1.80 Review outcomes

The Working Group identified four desired outcomes in respect of Environmental Health:

- Simpler, more streamlined set of relevant KPIs, with appropriate reporting frequencies

- Shared understanding of contractual provisions, including improved clarity on volume triggers and legal charges
- An agreed approach to addressing complex problems, where there are no clear responsibilities at present
- An agreed approach to promoting the service and building on success to date to achieve further income grow

KPIs have been reviewed and the consensus is that the majority remain relevant to the service's priorities. In some cases it has been agreed that data quality sheets will be reviewed to provide greater clarity around requirements for fulfilment.

Ongoing discussions are improving understanding of the contractual provisions. At this stage, it is not anticipated that this will require any contractual changes, as the process itself is delivering the desired outcome. In respect of legal charges, points of principle have been agreed and the future approach to litigation management will be documented and agreed.

The approach to dealing with cross-cutting issues, through the Community Safety Hub, has been broadly agreed. The RE service lead has been appointed to the Safer Communities Partnership Board, to improve links at a strategic level, and RE will be fully involved in the upcoming review of the Community Safety Strategy.

There has been good progress on raising awareness of the service's activities and successes. A new annual report will go to Environment Committee and reporting to the Performance and Contract Management Committee has been improved.

1.81 Review conclusions

At its meeting on 26th October 2017, the Member Working Group agreed that its overall conclusions on Regulatory Services were:

- Regulatory services are mostly performing well and Members of the Working Group considered that they are generally well regarded;
- The Review has resulted in raised awareness of service performance through improved reporting to Members; and
- Improvements have been made to secure a more strategic approach to complex, cross-service problems, for example by including RE representation on the Community Safety Strategy Board.

Special Projects

- 1.82 In addition to the core contract, there is substantial expenditure with RE on special projects, much of which is funded by third parties. The Review brief anticipated that the Review would pay some attention to this aspect. However, timelines have not permitted reviews of the performance of individual projects and the extent to which they have delivered their

objectives, so the focus of the Review has been on the value for money represented by the day rates for project work that are included in the contract.

1.83 At its meeting on 25th September 2017, the Member Working Group considered two papers on the benchmarking of project costs:

- a) A paper prepared by the council's programmes team that considered project expenditure and RE's day rates for special projects (attached as Appendix J, excluding exempt information and Appendix L, including exempt information); and
- b) A report prepared by iMPower that considered whole project costs, i.e. rates x input (attached as Appendix K, excluding exempt information and Appendix M, including exempt information).

1.84 Expenditure on projects to date is summarised in the following table:

2014/15	2015/16	2016/17	Total
£2,847k	£7,685k	£13,404k	£23,855k

1.85 Of this expenditure, approximately £11m (46%) relates to the Brent Cross regeneration programme. A further £5.5m (23%) relates to highways. Further detail of the breakdown of expenditure is provided in the appendices.

1.86 The benchmarking exercise considered day rates for project managers, engineers and planners, comparing RE's rates with national market rates. The Working Group concluded that RE's day rates generally compare favourably to the market.

1.87 The paper also identified how the council ensures that project costs are controlled and the Working Group agreed that officers should continue to review project proposals on a case by case basis, with a view to securing external support to review proposals and/or carrying out market testing, where appropriate.

1.88 The council commissioned iMPower to consult a range of other providers of project services, with a view to providing comparative costs for delivering four existing projects. Despite their best efforts, market engagement was extremely limited. They also found that some providers take a different approach to pricing, making comparison more difficult.

1.89 Whilst iMPower concluded that indications are that total project costs are "on market", this is based on very limited data. They also found that resource mix varies across providers, with RE's appearing to be bottom-heavy and relying more on "support" staff than on "graduate resource" in particular.

1.90 Overall, the Working Group concluded that, despite the use of external support, it has proved difficult to obtain sufficient information to conclude

whether or not total project costs represent good value for money and proposed that officers explore this further.

2. REASONS FOR RECOMMENDATIONS

- 2.1. The recommendations are based on a comprehensive, evidence-based assessment of the performance of the contract that has been undertaken by the Member-led Working Group, supported by officer-led dialogue sessions.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1. None.

4. POST DECISION IMPLEMENTATION

- 4.1 The actions identified from the Review and the activities required to finalise negotiations around changes to certain KPIs and complete the production of detailed work plans for Regeneration and Highways are set out in Appendix B.

5. IMPLICATIONS OF DECISION

Corporate Priorities and Performance

- 5.1 The council's corporate plan for 2015-20 sets the vision and strategy for the next five years based on the core principles of **fairness, responsibility** and **opportunity**, to make sure Barnet is a place:

- Of opportunity, where people can further their quality of life;
- Where people are helped to help themselves, recognising that prevention is better than cure;
- Where responsibility is shared, fairly;
- Where services are delivered efficiently to get value for money for the taxpayer.

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

- 5.2 The core RE contract, including managed budgets, has a value of approximately £158m over the 10 year life of the contract. The outcomes of the Review should ensure that the services provided under the contract continue to provide value for money and respond to changing priorities.

Social Value

- 5.3 The services provided through the RE contract deliver social value in a number of ways, as set out in the body of the report and the service evidence packs. In addition, it should be noted that the provision of apprenticeships remains a high priority for RE.

Legal and Constitutional References

5.4 The Council's Constitution, in Article 7, Committees, Forums, Working Groups and Partnerships states the functions of the Performance and Contract Management Committee include (amongst other responsibilities):

- 1) Overall responsibility for quarterly budget and performance, oversight of contract variations including monitoring trading position and financial strategy of Council services and external providers.
- 2) To make recommendations to Policy and Resources and Theme Committees on relevant policy and commissioning implications arising from the scrutiny of performance of Council services and External Providers.
- 3) Specific responsibility for risk management and treasury management performance

5.5 Regulation 72 (1) of the Public Contracts Regulations 2015 states that "Contracts...may be modified without a new procurement procedure:

(a) Where the modifications, irrespective of their monetary value, have been provided for in the initial procurement documents in clear, precise and unequivocal review clauses, which may include price revision clauses or options, provided that such clauses:

- (i) State the scope and nature of possible modifications or options as well as the conditions under which they may be used; and
- (ii) Do not provide for modifications or options that would alter the overall nature of the contract...'

5.6 Clause 37.4 of the RE contract expressly provides for this year four review and expressly allows for modification to the contract resulting from that review. Therefore, any agreed changes to the contract will be in line with the Public Contract Regulations 2015 as long as the changes do not alter the overall nature of the contract.

5.7 The contract changes agreed will need to be authorised by the relevant officer in line with the Council's constitution and documented in a Deed of Variation or similar legal form to ensure that they are legally binding on both parties.

Risk Management

5.8 The council has taken steps to improve its risk management processes by integrating the management of financial and other risks facing the organisation, thereby ensuring that risk is an inherent part of performance and contract management.

Equalities and Diversity

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

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

groups.

- Fostering of good relations between people from different groups.

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

5.11 In order to assist in meeting the duty the Council will:

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

This is also what we expect of our partners.

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

5.13 The equalities implications of proposals have been considered as part of the Review process and no specific implications have been identified in relation to the proposals outlined in this report.

Consultation and Engagement

5.14 Consultation and engagement has taken place as set out in paragraph 1.29 of this report. The outcomes of that consultation and engagement are set out in the relevant service outcomes sections of the report.

Insight

5.15 A number of benchmarking sources have been considered as part of the Review.

6. BACKGROUND PAPERS

6.1 RE Contract Review Member Working Group meeting held in public, 26 June 2017

<https://barnetintranet.moderngov.co.uk/documents/s40687/3.%20Re%20Contract%20Review%20Call%20for%20Evidence%20schedule%20-%20Public%20v3.pdf>

6.2 Performance and Contract Management Committee, 5 January 2017 – Agenda Item 10 – Extending the remit of the Member-led Working Group for the Year Four Review of the DRS Partnering Contract

<https://barnetintranet.moderngov.co.uk/documents/s37002/PCM%20report%200January%202017.pdf>

- 6.3 Approval of preferred bidder for DRS services:
<https://barnet.moderngov.co.uk/documents/s9226/DRS%20Cabinet%20Report.pdf>

RE Member Working Group 26th October 2017

Item 2 – Review outcomes

The RE contract review is reaching its conclusion and is due to be reported to the Performance and Contract Management Committee in November. The purpose of this note is to set out the main findings and conclusions from the Review.

In summary, the Review has concluded that:

- 1. The contract is on track to deliver significant savings to the council, in the order of £39m over the 10-year term, in accordance with the original business case;**
- 2. Services are generally of reasonable to good quality, based on performance against KPIs (82% achieved or exceeded target in last full year), and are typically in the upper quartile, where comparative data from other London Boroughs is available;**
- 3. However, there have been some significant service issues, particularly in Highways and Planning Enforcement, which have impacted some residents. These have been addressed as part of the Review, but will require continued close monitoring to ensure that continuous improvement is sustained.**

The terms of reference for the Review identified four key areas for consideration:

1. Service improvements – particularly in highways and planning enforcement;
2. Partnership arrangements – how RE operates, governance arrangements, ambition and approach to growing the business, sharing of management information etc., insofar as these matters impact on the delivery of the contract;
3. Contractual amendments – including refreshed KPIs, updated commitments and pay and performance mechanism, along with any other contractual issues that need reviewing; and
4. Clienting arrangements – including clarity of roles, effectiveness of monitoring arrangements and effectiveness of project commissioning arrangements.

The Review has focussed primarily on the core contract and, within that, on four key service areas. The key outcomes are set out below.

Service improvements

General points

- Benchmarking shows that services are typically low cost (i.e. lower quartile) compared to other London Boroughs, with performance being generally of reasonable to good quality, where data is available
- As a result of the Review, RE offered a £500k discount against pre-payment of the management fee. This was accepted by Policy and Resources Committee in June, who decided that this should be spent on free school meals and street cleansing

APPENDIX A – key findings and conclusions

- This is a wide-ranging contract and it should be noted that it does provide for ongoing review and continuous improvement. The report will affirm that this will continue to take place through the established contract mechanisms
- The RE contract is a wide-ranging and complex commercial structure, which has created challenges regarding interpretation and understanding. The review has been particularly beneficial in terms of securing better awareness of this structure and thereby resolving a number of matters relating to interpretation and understanding of various elements of the contract

Regulatory Services (for example Trading Standards, Environmental Health)

- Regulatory services are performing well and Members of the Working Group considered that they are generally well regarded
- The Review has resulted in raised awareness of service performance through improving reporting to Members
- Improvements have been made to secure a more strategic approach to complex, cross-service problems, for example by including RE representation on the Community Safety Strategy Board

Highways

- There have been significant issues on highways service delivery, which is in part due to the complexity of the arrangements between RE, Conways and the Highways DLO
- Carriageway surface dressing has caused particular issues for residents on the affected roads
- The service improvement plan has delivered improvements and the contractual arrangements with Conways have been improved
- A continuous improvement plan is being developed, to ensure that these improvements are embedded in the service
- Significant efforts have been made over the last six months to put more robust arrangements in place for communicating with local Members

Planning

- There have also been significant issues with planning enforcement that have been addressed through a service improvement plan, which has also addressed issues of communication with Members
- On development control, the volume of planning applications has increased significantly since contract start and performance is generally good
- As part of the review, we sought the views of members of the public and held a meeting of the Working Group in public. The majority of the comments that were received related to planning and planning enforcement. The Working Group concluded that:
 - Planning enforcement needs to be more responsive;

- Accessibility to planning applications needs to be improved, particularly on larger applications with high volumes of associated documents;
- Communication between planning and the public needs to be improved; and
- There is a need to ensure that the consultation system is operating effectively (i.e. residents receive consultation letters in accordance with the policy); and
- The Planning Committee may wish to consider the policy in terms of the extent of consultation.

Regeneration

- The regeneration service has delivered significant benefits to the Borough and has grown significantly since contract start
- This does mean that the output specification does not necessarily reflect current priorities and there have been ongoing disagreements about what services are covered by the management fee
- Work is continuing to address this, including the development of flexible four-year workplans

Projects

- In addition to the core contract, there is substantial expenditure on projects and the Review brief anticipated that the Review would pay some attention to this aspect. However, timelines have not permitted detailed reviews of individual projects, so the focus has been on value for money
- There has been a benchmarking exercise, which shows that RE's day rates generally compare favourably to the market
- Despite the use of external support, it has proved difficult to obtain sufficient information to conclude whether or not overall project costs represent good value for money and it is proposed that officers should explore this further
- The report will also propose that officers review project proposals on a case by case basis, with a view to securing external support to review proposals and/or carrying out market testing where appropriate

Partnership arrangements

- There has been some consideration of aspirational income generation and whether or not any changes are needed to support this
- It has been agreed that these aspects are best taken forward through the JV Board and the Board has already commenced discussions on these issues
- Capita's internal organisational structure (known as "the towers") has been identified as a layer of complexity that potentially impacts on day to day service delivery and a further exploration of this is recommended (report will include specific examples)

Contractual amendments

- The main concerns regarding the contract itself related to output specifications. It has been agreed that, rather than re-writing these, priorities will be defined through annual workplans for services where these change on a regular basis (notably regeneration and elements of highways)
- The key areas where KPIs require amendment are in highways and planning enforcement. Work is progressing on finalising proposals and it is proposed that these be taken forward through consultation with Theme Committee Chairmen and Lead Member of the Opposition and that final proposals are circulated to Members of the Working Group. A further ad hoc meeting of the Group may then be arranged, if required
- Contractual commitments have been reviewed and the majority have been delivered
- There are arrangements in place to monitor delivery of those that have not yet been delivered and these will be incorporated into the relevant annual workplans

Clienting arrangements (how Barnet manages the contract)

- The Strategic Partnership Boards for the CSG and RE contracts have been merged to improve the effectiveness of working arrangements across the partnership as a whole
- Alongside this process, officers have been conducting a separate review of performance governance arrangements across the council, which has resulted in further improvements to contract management arrangements, including formalising the process of regular contract performance reviews at service level

Appendix B - completion and implementation plan

Report ref	Action identified	Activity Required	Reporting arrangements	Target date
1.52	Identify any changes required to support the JV in securing contracts with other councils	To be taken forward through the JV Board	N/A	N/A
1.54	Explore effectiveness of Capita's internal ("towers") structure	Undertake initial review with Capita's local senior management Follow up with discussions at Strategic Partnership Board	Provide update to PCM Committee	February 2018
1.56	Develop annual workplans for Highways, Regeneration and Economic Skills and Development services	Draft plans to be finalised at officer level	Include in annual reports to relevant Theme Committees	March 2018
1.57	Update KPIs for Highways, Strategic Planning and Development Management services	Develop final proposals Consult with Theme Committee Chairmen and Opposition Lead Members Consult Members of the Working Group	Report to PCM Committee	March 2018
1.62	Explore Ealing's approach to reducing accidents on the Borough's roads	Highways lead commissioner to initiate conversation with Ealing opposite number	Provide update to Environment Committee	January 2018
1.68	Refer issues raised by members of the public to Planning Committee	Lead commissioner to prepare report updating on communications, effectiveness of consultation processes and the consultation policy	Report to Planning Committee	March 2018
1.72	Raise issue of benchmarking regeneration projects with London Regeneration Group	Deputy Chief Executive to put on agenda for discussion at next meeting	Provide update on outcome to PCM Committee	March 2018
1.87	Use of external support/market testing on Special Projects	Officers to consider on a case by case basis	Include detail of activity undertaken in reports to PCM Committee	Ongoing
1.90	Explore other methods of assessing value for money on projects	Commercial Service to incorporate in its annual workplan	Provide update on outcome to PCM Committee	March 2018

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Appendix C – Highways Evidence Pack

Considered by the Member-led Working Group on
27TH March 2017

Summary of the core service

- Highway Operations
 - Highways Safety Inspections
 - Planned works (LBB funded)
 - Reactive works (pot holes)
 - Highway Licenses
 - Permit to work (NRSWA - Manage utility companies working on the Highways)
 - Contract management

- Highways Network management
 - Highways Design and Improvement (Parking, traffic schemes, LIP schemes)
 - Road safety education
 - Sustainable travel (buses, cycling, walking)

- Highways Regeneration
 - Planning Application comments
 - Development Control
 - S278, S38, S106 Agreements

Key people

- LBB Commissioning Leads:
 - Commissioning Director, Environment: Jamie Blake
 - Strategic Lead Highways: Mario Lecordier
 - Strategic Lead Transport: Jamie Cooke

- RE Service Leads:
 - Operations Director: Alun Parfitt
 - Service Director Highways: Dean Cronk

Key figures 2015/16

- Share of the annual contract fee allocated to the core service (based on indicative cost at transfer): £5,115,000
- Share of the income guarantee attributed to the service: £7,210,185 (includes income from utility companies carrying out works on the highway network, development related activity, vehicle crossovers and licences)
- Expenditure on additional work (Special Projects) that is not covered by the management fee, for example Local Improvement Plan and Network Recovery Plan: £1,946,000 (primarily funded through third parties, e.g. TfL, or capital budgets)
- Staff numbers:
 - On transfer: 76
 - Now: 72 based in Barnet, with 10 from other Capita offices

Service journey

- Early exit of poor performing officers and re-organised to strengthen team structure, which did impact on continuity
- 56% increase in service requests in one year, with corresponding 10% increase in Members' Enquiries
- KPI reporting regime established (there was none previously)
- Development and adoption of Asset Management vfm Principles
- ICT Investment : EXOR, Mobile Working
- Communications
 - Established the Re Service Hub; Member custodians; Member monthly updates; winter maintenance decisions; web site re-design
- Development and adoption of a number of processes and Policy Framework for Highway Management and Maintenance, e.g. Footway Treatment types, Policy for managing footway parking, Development of robust Prioritisation Model for yearly highway maintenance work programme

Performance to date – summary of commitments

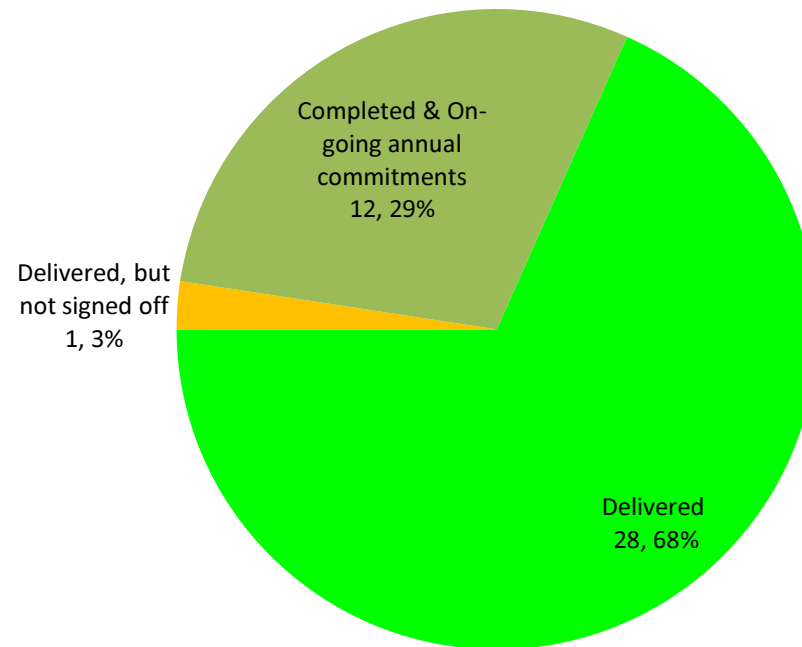
41 total commitments

28 delivered

1 delivered, but not signed off by LBB

12 delivered and now an on-going annual commitment

Status of Highways Commitments



Contractual commitment not yet signed off

Commitment	Status	Comments
<p>T3-087 : The Service Provider will work with local businesses and organisations to develop voluntary travel plans and to promote the benefits or reducing the need to travel; raising awareness of the impact of vehicle use and adopting sustainable travel arrangements</p>	<p>Delivered but not signed off by named officer</p>	<p>Travel Plans are being monitored, but more evidence is required that RE are proactively working with local businesses to develop voluntary Travel Plans, not just those that are agreed as part of Planning Conditions, i.e. evidence that RE is identifying and engaging with large and medium size, or even small businesses, to discuss travel plans with them.</p> <p>Once this additional evidence has been supplied, the commitment will be signed off and become on ongoing commitment that is reviewed annually.</p>

Performance to date – KPIs annual outturn

KPI/PI Title	2013/14		2014/15		2015/16	
	Target	Outturn	Target	Outturn	Target	Outturn
KPI 1.1 NM : Annual programme relating to Highway Safety Inspections	100.00%	100.00%	100.00%	99.75%	100.00%	98.60%
KPI 1.2 NM : Annual Programme relating to Carriageway Resurfacing schemes	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
KPI 1.3 NM : Annual Programme relating to Footway Relay schemes	100.00%	100.00%	100.00%	100.00%	100.00%	101.56%
KPI 1.4 NM : Annual Programme relating to other highway improvement schemes	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
KPI 1.5 NM : Annual programme relating to Highway Condition Assessment	100.00%	no activity	100.00%	100.00%	100.00%	100.00%
KPI 1.7 NM : Annual programme of Gulley Cleansing	100.00%	97.04%	100.00%	100.19%	92.00%	92.89%
KPI 1.8 NM : Annual programme relating to Bridge Inspections	100.00%	no activity	100.00%	100.00%	100.00%	100.00%
KPI 1.9 NM : Annual programme relating to Cyclic Bridge Maintenance	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
KPI 2.1 NM : Emergency Defects Rectification Timescales completed on time	100.00%	100.00%	100.00%	97.28%	100.00%	100.00%
KPI 2.10 NM : Response to complaints relating to a drainage malfunction and/or flooding event	100.00%	94.10%	100.00%	92.12%	100.00%	100.00%

Performance to date – KPIs annual outturn

KPI/PI Title	2013/14		2014/15		2015/16	
	Target	Outturn	Target	Outturn	Target	Outturn
KPI 2.11 NM : Responding to weather reports/warnings (gritting in winter)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
KPI 2.2 NM : Category 1 Defects Rectification Timescales completed on time	100.00%	80.96%	100.00%	96.35%	100.00%	99.25%
KPI 2.3 NM : Category 2 Defects Rectification Timescales completed on time	100.00%	no activity	100.00%	88.05%	100.00%	97.83%
KPI 2.4 NM : Insurance Investigations completed on time (14 days)	100.00%	97.84%	100.00%	99.71%	100.00%	99.71%
KPI 2.5 NM : Response in dealing with complaints relating to weeds on the public highway	100.00%	100.00%	100.00%	100.00%	100.00%	98.69%
KPI 2.6 NM : Response in dealing with Highway Licence applications	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
KPI 2.7 NM : Processing of Vehicle Crossover Applications - timescale for providing quotes	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
KPI 2.8 NM : Timely construction of Vehicle Crossovers following receipt of payment	100.00%	94.66%	100.00%	97.52%	100.00%	94.33%
KPI 2.9 NM : Processing of Vehicle Crossover Appeals	100.00%	no activity	100.00%	100.00%	100.00%	no activity
KPI 3.1 NM : Timely response to Permit requests (LoPS)	100.00%	99.94%	100.00%	99.75%	100.00%	99.99%
KPI 3.2 NM : Appropriate conditions attached to Permits (LoPS)- Ensure appropriate conditions are attached to Highways works Permits as per the London Permit Scheme (LoPS) (Total number of permits with appropriate conditions/total number issued)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Performance to date – KPIs annual outturn

KPI/PI Title	2013/14		2014/15		2015/16	
	Target	Outturn	Target	Outturn	Target	Outturn
KPI 3.3 NM : Appropriateness of approved and rejected extension requests (Permit Extension Requests, LoPS)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
KPI 3.4 NM : Compliance with Sample Inspection regime (Compliance with chargeable inspection regime to quality-check works on highways (New Roads and Street Works Act)	2563	2579	2563	4287	2108	2609
KPI 3.5 NM : Level of Withdrawn Defects. Levels of passed and failed Highways works inspections - no more than 15% of the challenges to inspections with a "Failed" decision is upheld based on the New Roads and Street Works Act - NRSWA) (Total number of challenges upheld/total number of failed inspections)	15.00%	3.89%	15.00%	1.37%	15.00%	2.66%
KPI 3.6 NM : Activity in relation to dealing with Section 50 (S50) Requests (TMA)	100.00%	100.00%	100.00%	100.00%	100.00%	98.15%
KPI 3.7 NM : Section 74 (S74) compliance and sanctions correctly imposed for failures (NRSWA)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
KPI 3.8 NM : Interventions (from DfT or similar agencies) regarding Traffic Manager Duties (TMA)	0.00%	no activity	0.00%	0.00%	0.00%	0.00%
TDKP HS01 : Delivery of Local Implementation Plan (LIP) documents - in accordance with agreed timeframes to meet Authority decision making requirements and TfL deadlines	100.00%	not due	100.00%	100.00%	100.00%	100.00%

Performance to date – service credits

Year	KPI Number	KPI Description	Service credit
2013/14	KPI 2.8 NM	Timely construction of Vehicle Crossovers following receipt of payment	£1,979.25
2013/14	KPI 3.1 NM	Timely response to Permit requests (LoPS)	£1,055.60
Subtotal 2013/14			£3,034.85
2014/15	KPI 1.1 NM	Annual programme relating to Highway Safety Inspections	£12,723.75
2014/15	KPI 2.2 NM	Category 1 Defects Rectification Timescales completed on time	£3,958.50
2014/15	KPI 3.1 NM	Timely response to Permit requests (LoPS)	£1,187.55
2014/15	KPI 2.2 NM	Category 1 Defects Rectification Timescales completed on time	£5,655.00
2014/15	KPI 2.10 NM	Response to complaints relating to a drainage malfunction and/or flooding event	£3,166.80
2014/15	KPI 2.2 NM	Category 1 Defects Rectification Timescales completed on time	£3,958.00
2014/15	KPI 2.1 NM	Emergency Defects Rectification Timescales completed on time	£56,550.00
2014/15	KPI 2.1 NM	Emergency Defects Rectification Timescales completed on time	£56,550.00
Subtotal 2014/15			£143,749.60
2015/16	KPI 1.1 NM	Annual programme relating to Highway Safety Inspections	£3,958.00
2015/16	KPI 1.1 NM	Annual programme relating to Highway Safety Inspections	£3,958.50
2015/16	KPI 1.1 NM	Annual programme relating to Highway Safety Inspections	£5,655.00
2015/16	KPI 2.2 NM	Category 1 Defects Rectification Timescales completed on time	£56,550.00
Subtotal 2015/16			£70,121.50
Total			£216,905.95

Performance to date – other remedies applied

In 2014/15 a Rectification Plan was agreed with the council for Highways Network Management KPI 2.2 (48 Hour repairs) to consistently achieve performance levels at 99% and above. This was delivered, as set out below.

2014/15	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
Projected performance*	95%	95%	95%	98%	98%	98%	99%
Update: Actual Performance	96.8%	90.3%	98.4%	98.8%	100%	100%	100%
Previous year 2013/14	Dec-13	Jan-14	Feb-14	Mar-14	Apr -14	May-14	Jun-14
% of intervention level defects made safe in 48 hours	82%	82%	88%	98%	97%	93%	99%

How is Customer Satisfaction SKPI05 measured?

KPI is measured annually with quarterly reports on progress

Customers are emailed the survey monkey survey at end of Month or a link is sent out automatically following closure of service request

Filtered into collections to allow analysis by service area

Scores are based on the % of customers that score Re either 4 (Good) or 5 (Very Good) on the 10 core questions within the survey (see right)



4. Overall, how would you rate your experience of the service against the following statements? (please tick one option per statement)

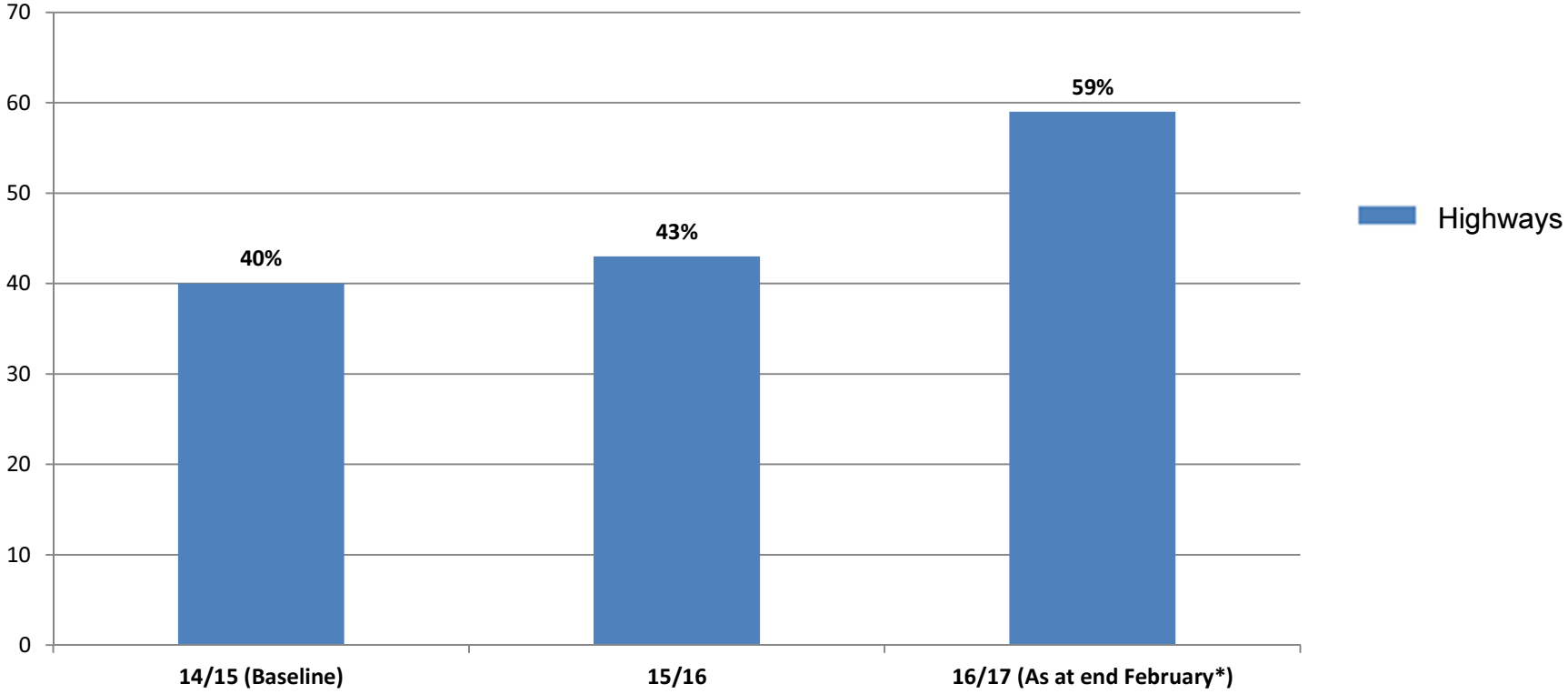
	Very Good	Good	Average	Poor	Very Poor	Not Sure / Don't Know / Not Applicable
How easy was it to find the information you needed to contact us?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
How easy was it to make contact with us once you found the information?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Were the staff you dealt with courteous and polite?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Did the the staff you dealt with act in a professional manner?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Were the staff you dealt with knowledgeable ?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Did you feel we fully understood your request?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Thinking of the service provided what score would you give?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Did we keep you fully informed throughout the process?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Did we explain clearly what would happen next, including timescales?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5. Overall, how would you rate your experience of the service?

Very good
 Good
 Average
 Poor
 Very poor

Highways customer satisfaction journey

Customer Satisfaction - % of customers scoring the service a 4 or 5 (on a scale of 1 to 5)



Responses	2014/15	2015/16	2016/17*
Highways	1101	518	161

Satisfaction with NRP repairs

- Door knocking surveys of a sample of roads where carriageways or pavements have been resurfaced or repaired as part of NRP
- 10 questions covering communication, management of the works and satisfaction with outcomes
- In 2016/17, surveys conducted on 27 of 128 roads where works were carried out
- 466 residents responded
- 424 (91%) responded “yes” to the question “Do you think the works have improved your road?”

Overall assessment of performance

- The service fully met the targets on 70% of KPIs in 2015/16 and is considered by commissioners to be improved from the pre-transfer service, which is consistent with improved customer satisfaction levels
- There have been achievements, particularly around sustainable transport and network improvements, and there is now a proper policy framework in place, with sound procedures to support its delivery
- However, there are issues around:
 - NRP1 legacy issues and management of the council's third party contractor
 - Responses to Members' enquiries and the provision of information
 - Consistency of quality
 - Speediness of action
- An improvement plan is in place to address these issues
- In addition, there is a lack of clarity over the output specification for certain elements of the service (parking, s106 and LIP)

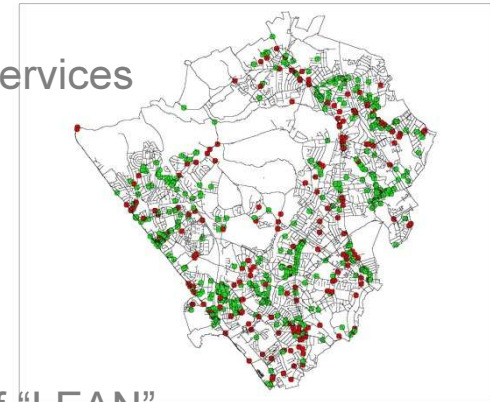
Improvement plan

Resources

- Expansion of local delivery team
- Introduction of specialist staff (programmer, asset manager, materials expert etc.)
- Dedicated Area Committee team to streamline delivery

Communications

- Development of joint communications strategy for services
- Proactive monthly works updates to Members
- Introduction of Member advocate service
- Expansion of communications team



Procedures

- Mapping current working practice and application of “LEAN” processes
- Introduction of asset management and whole life costing principles
- Design of new processes and policies
- Development of annual works, rolling programme

Improvement plan

Business As Usual

- Transparency on management of contractors
- Material usage for planned and reactive works
- Delivery of winter maintenance service
- LIP delivery
- S106 delivery



ICT

- Expansion of Exor upgrades
- Rollout of mobile working
 - Highway Safety Inspectors – complete
 - Highway Engineers – on trial
 - New Road Streetworks Inspectors – in development
- Web site upgrades
- Proactive monthly works updates to Members
- Introduction of Member advocate service
- Expansion of communications team



Desired outcomes

- Deliver service improvement plan to resolve business as usual issues, such as responsiveness to Members' enquiries, speed of fixing problems and outstanding surface dressing issues
- Review and re-align KPIs, including with third parties, and consider reporting frequencies and appropriateness of targets
- Improve clarity of output specification in respect of s106, parking and LIP

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Appendix D – Development Management Evidence

Considered by the Member-led Working group on
24th May 2017

Summary of the service

- Processing of planning applications, appeals and pre-applications requests within 4 teams:
 - Chipping Barnet Area Team
 - Finchley and Golders Green Area Team
 - Hendon Area Team
 - Fast Track and Pre-application Team
- Planning Enforcement:
 - Investigations of alleged breaches of planning control
 - Serving of notices, prosecutions, appeals and direct action
- Administration (including vetting and consultation)
- Processing of Trees Works Applications and making orders
- Conservation and Heritage (casework)

Key people

- LBB Commissioning Leads:
 - Commissioning Director, Growth and Development: Cath Shaw
 - Strategic Lead: Neil Taylor
 - Commissioning Lead: Adam Driscoll
- RE Service Leads:
 - Operations Director: Alun Parfitt
 - Director of Planning and Building Control: Steve Ottewell
 - Head of Development Management: Fabien Gaudin

Key figures 2015/16

- Share of the annual contract fee allocated to the core service (based on indicative cost at transfer): £2,399,523
- Share of the income guarantee attributed to the Planning service: £1,736,447 (includes income from Pre-application Advice and Planning Performance Agreements)
- There has been no expenditure on additional work (Special Projects)
- Staff numbers:
 - On service commencement: 44.6
 - Now: 61 based in Barnet, plus 1 from other Capita offices (this varies dependent upon demand)

Service journey 1

Development Management change of approach:

- Since 2014:
 - Strong focus on Planning Performance Agreements (PPAs) and providing pre-application advice
 - Customer Service Hub improvements
- Since 2015:
 - Above target service performance enables introduction of 'Fast Track' and Bespoke services as pilot
 - 'Design Services' introduced by Re to enable provision of 'planning agent' and 'design' services
- Since 2016:
 - Continued growth and positive feedback results in fast track services being made permanent

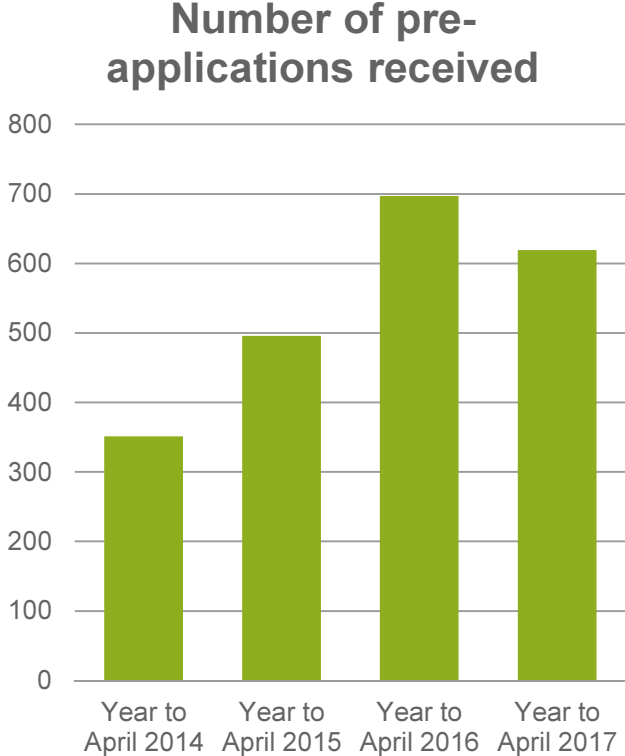
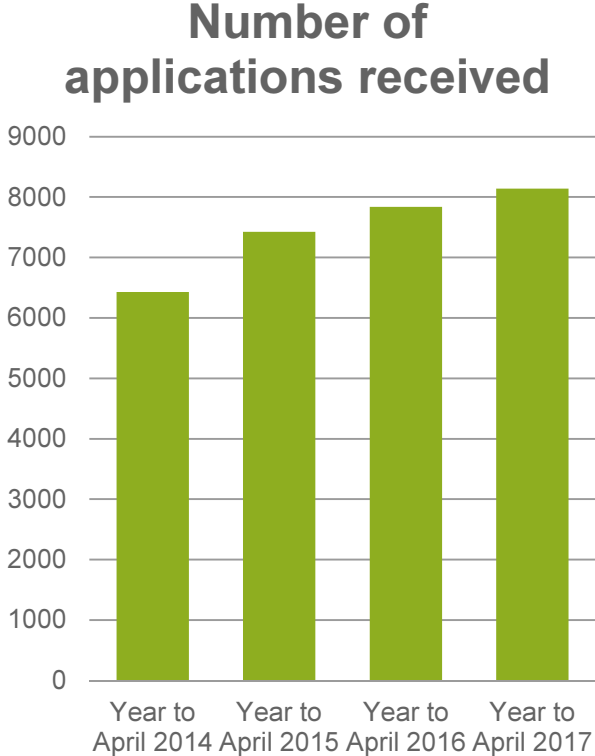
Service journey 2

Fundamental structural reorganisation:

- Services transferred as:
 - Development Management (including Building Control and Land Charges services)
- Reorganised structure since early 2016:
 - Operations combined as a single business entity with other Capital Local Government Planning Services to create Planning “Tower”:
 - This continues to include Building Control services
 - This now also includes Strategic Planning services
 - Land Charges moved to Regulatory Services “Tower”

Service journey 3

Commercialisation and volumes:



Achievements

- Customer service is high quality:
 - All week access to planning advice
 - 6 sec. call wait (1500 calls/month)
- KPI performance:
 - Consistently above-target KPIs (all types of planning applications being dealt with within statutory timescales), some PIs more mixed
- Growth in service income:
 - Substantial income growth has met Re's Guaranteed Income targets
 - Meeting income targets has enabled investment in quality services

Performance to date – summary of commitments

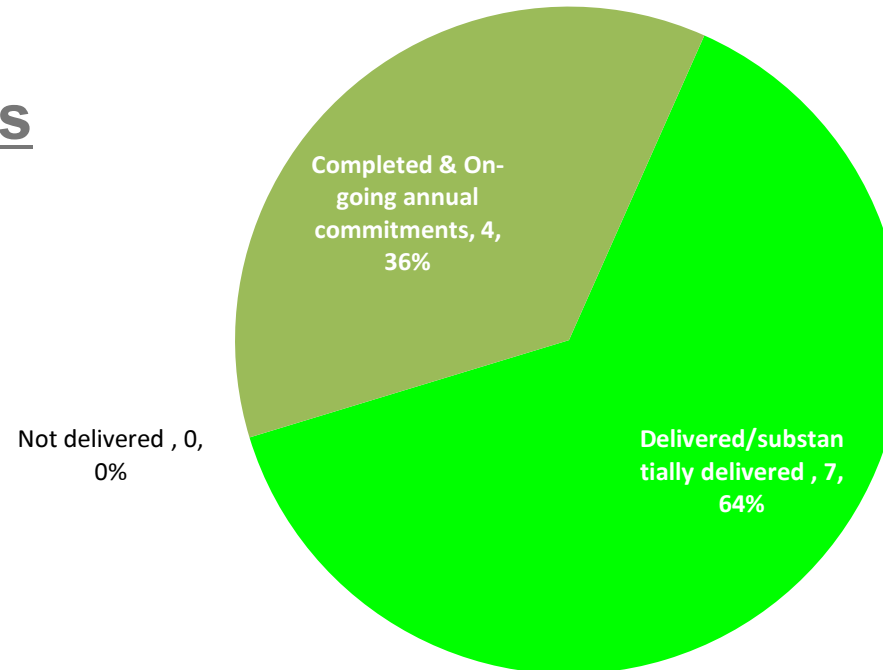
Planning

11 total commitments

7 delivered

4 On-going annual commitments

Status of Planning Commitments



Performance to date – key contractual commitments

Commitment	Status
<p>T3-028 The Service Provider will improve the quality of the planning process for all applicants through:-</p> <ul style="list-style-type: none"> • Facilitating Developer engagement with the community at pre-application stage through the implementation of dedicated forums every 6 months • Ensuring the aspirations of the community are properly addressed through their statement of community involvement • Continuous updating of information for Members and the community to ensure it is clear and understandable • Supporting businesses by providing a one-stop-shop service from the Authority in relation to regulatory consents 	Delivered
<p>T3-030 The Service Provider will introduce a premium rate service , including for example the production of supporting information in line with the validation checklist, to enable customers to pay for faster application responses should they choose to. This will be consistent with appropriate policies to safeguard against conflicts of interests, and will be part of our general approach to service delivery and is not therefore contained within a stand alone business case.</p>	Delivered
<p>T3-037 The Service Provider will implement the IDOX – Public Access module</p>	Delivered
<p>T3-032 The Service Provider will provide professional training and development for all development management staff</p>	Ongoing

Performance to date – KPIs annual outturn

KPI/PI Title	2013/14		2014/15		2015/16	
	Target	Outturn	Target	Outturn	Target	Outturn
KPI001 (A&A) : Compliance with planning application statutory timescales (for major, minor, other applications)	75%	96%	75%	85%	75%	90%
KPI001 (ENF) : Enforcement or breach of condition notices shall be serviced within timescales	60%	87%	60%	70%	60%	65%
KPI002 (ENF) : Prosecution and direct action	60%	not due	60%	88%	60%	71%

- All KPIs met, so no remedies required

Performance to date – PIs annual outturn

KPI/PI Title	2013/14		2014/15		2015/16	
	Target	Outturn	Target	Outturn	Target	Outturn
PI002Q (A&A) : Quality assurance (Appeal Performance) Prosecution and direct action implemented within timescales	65-80%	80%	65-80%	65%	65-80%	72%
PI007 (A&A) : Compliance with Major planning application statutory timescales	43%	100%	43%	70%	50%	86%
PI01 (A&A) : Discharging of conditions applications	70%	94%	70%	46%	70%	81%
PI02 (A&A) : Compliance with prior approval statutory timescales	100%	99%	100%	100%	100%	100%
PI03 (A&A) : Withdrawn applications	6%	5%	6%	6%	6%	5%
PI04 (A&A) : Certificate applications	70%	99%	70%	86%	70%	94%
PI05 (A&A) : Site Visits within four weeks	59%	83%	59%	75%	70%	82%
PI06 (A&A) : Compliance with 'minor' planning application statutory timescales	65%	91%	65%	78%	65%	79%

Performance to date – PIs annual outturn

KPI/PI Title	2013/14		2014/15		2015/16	
	Target	Outturn	Target	Outturn	Target	Outturn
PI001 (ENF) : Acknowledging complaints	95%	94%	95%	95%	95%	97%
PI002 (ENF) : Continued legal action	100%	no activity	100%	100%	100%	no activity
PI004 (ENF) : Notices served against development refused permission	100%	100%	100%	95%	100%	94%
PI006 (ENF) : Serving 215 notices	80%	83%	80%	81%	85%	73%
PI009 (ENF) : Resolving breaches of planning control	90%	100%	90%	100%	90%	73%
PI010 (ENF) : Closing cases	70%	93%	70%	80%	70%	74%

Performance to date – PIs annual outturn

KPI/PI Title	2013/14		2014/15		2015/16	
	Target	Outturn	Target	Outturn	Target	Outturn
PI001 (T&L) : Making of tree preservation Orders (1)	80%	100%	80%	No activity	80%	100%
PI003 (T&L) : Compliance with tree application statutory timescales	90%	96%	90%	93%	90%	90%
PI004 (T&L) : Taking formal enforcement action	87%	92%	87%	97%	87%	97%
PI006- (T&L) : Tree status checks	90%	99%	90%	100%	90%	100%
PI008 (T&L) : Requests for trees to be protected by a TPO	70%	100%	70%	0%	70%	71%

Improvement plan outcomes

- Recruitment and retention of Planning Staff
 - Particular concern between 2014-16, now mostly resolved
 - Job offer and incentive changes, plus new recruitment agency has assisted, as well as the creation of the 'Planning Tower' with greater budget control and improved access to Capita resources
 - Full staffing was achieved in October 2016 and there is ongoing close monitoring

- Ratio of experienced planning staff
 - There is ongoing monitoring to ensure sufficient capacity is maintained for good public and Member communication, effective staff oversight and ongoing delivery of high quality decision-making, particularly given the wider context of planners becoming more expensive

Planning enforcement

- Has been the subject of significant concerns, particularly in respect of public and Member communication and enforcement conditions imposed by Committee, resulting in a specific Service Improvement Plan being agreed in October 2016
- Staffing of the service has sustained several increases and turnover is now being managed effectively
- Internal audit of case management in Q3 2016-17 identified issues with enforcement casework. Service has resolved problems and a follow-up audit is due in Q1 2017/18 to confirm this
- Quality of case records and information stored has improved
- Member and resident communications have been improved
- Coordination with HB Law over prosecutions and the pace/risk confidence in proceeding with prosecution improved
- A series of Direct Action activities to tackle a range of problem sites will be delivered in June/July 2017
- Ongoing monitoring against the agreed improvement plan, as the changes become business as usual during 2017/18

How is customer satisfaction measured?

SKPI05 is measured annually with quarterly reports on progress

Customers are emailed the survey monkey survey at end of Month or a link is sent out automatically following closure of service request

Filtered into collections to allow analysis by service area

Scores are based on the % of customers that score Re either 4 (Good) or 5 (Very Good) on the 10 core questions within the survey (see right)



4. Overall, how would you rate your experience of the service against the following statements? (please tick one option per statement)

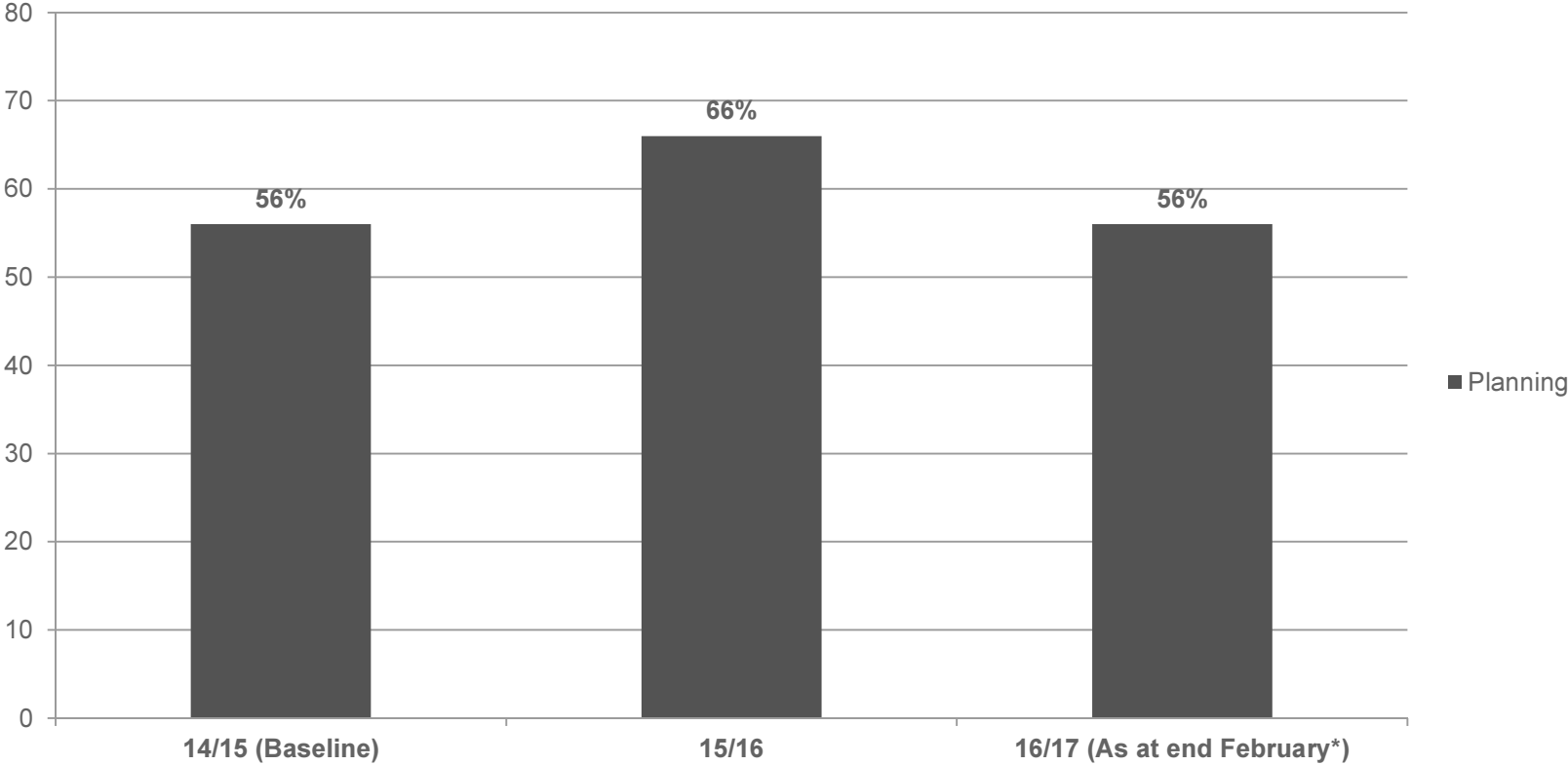
	Very Good	Good	Average	Poor	Very Poor	Not Sure / Don't Know / Not Applicable
How easy was it to find the information you needed to contact us?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
How easy was it to make contact with us once you found the information?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Were the staff you dealt with courteous and polite?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Did the the staff you dealt with act in a professional manner?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Were the staff you dealt with knowledgeable ?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Did you feel we fully understood your request?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Thinking of the service provided what score would you give?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Did we keep you fully informed throughout the process?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Did we explain clearly what would happen next, including timescales?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5. Overall, how would you rate your experience of the service?

Very good
 Good
 Average
 Poor
 Very poor

Planning customer satisfaction journey 1

Customer Satisfaction - % of customers scoring the service a 4 or 5 (on a scale of 1 to 5)



Responses	2014/15	2015/16	2016/17 (as at end of February)
Planning	156	164	115

Planning customer satisfaction journey 2

- Further analysis of YTD December 2016 – 51% satisfaction levels for Planning service based on 98 completed surveys was broken down by customers who had their planning applications approved and those that were refused. 72% of customers with approved applications rated the service either good or very good, compared to 5.4% of customers who had applications refused
- Planning Service - % of respondents that rated the service:

<i>Overall how would you rate your experience of the service</i>	<i>Very Good</i>	<i>Good</i>	<i>Average</i>	<i>Poor</i>	<i>Very Poor</i>
Customers with approved planning applications (61 surveys)	36.07%	36.07%	13.11%	6.56%	8.20%
Customers with refused planning applications (37 surveys)	2.70%	2.70%	8.11%	18.92%	67.57%

Overall assessment of performance

- Started well and the service has coped with the combination of increasing volumes and complexity of work alongside meeting income growth targets
- In 2016 a combination of staff turnover and continued growth led to a slight dip in performance, which has now recovered
- Stability across the wider range of services in 2016/17 has improved the perception of planning services in general
- There is an ongoing challenge to balance technical planning and political needs around decision-making; where ongoing briefings to Members will help address contentious areas of activity
- There have been significant issues with planning enforcement, which are improving and will continue to be monitored

Desired outcomes

- Consolidate improvements in planning enforcement and continue further work on communication and engagement with Members
- Review KPIs, PIs and associated targets to ensure that they drive appropriate focus across all aspects of the service, particularly in Planning Enforcement
- Recognition of successful delivery of outcomes in Development Management, despite significant increase in service volumes
- Support promotion of the service to help facilitate further commercial growth of the service

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Appendix E – Strategic Planning Evidence Pack

Considered by the Member-led Working Group on
24th May 2017

Summary of the service

- Planning policy team
 - Develops and monitors Barnet's Local Plan and associated policy documents and planning briefs
 - Responds to changes in national and regional planning policy
 - Responds to neighbouring authority policy proposals
- Major applications team
 - Processes applications for strategic sites and major schemes with substantial political/reputational risk
- Infrastructure team
 - Collects development contributions and ensures they are spent appropriately
 - Ensures the borough plans and delivers the infrastructure it needs
- Design and heritage team (policy work)
 - Prepares conservation area and heritage-related policy/evidence

Key people

- LBB Commissioning Leads:
 - Director of Commissioning, Growth and Development: Cath Shaw
 - Strategic Lead: Neil Taylor
 - Commissioning Lead: Adam Driscoll

- RE Service Leads:
 - Director of Place: Stephen McDonald
 - Operations Director: Alun Parfitt
 - Director of Planning and Building Control: Steve Ottewell
 - Head of Strategic Planning: Emma Watson

Key figures 2015/16

- Share of the annual contract fee allocated to the core service (based on indicative cost at transfer): £1,313,000
- Share of the income guarantee attributed to the Strategic Planning service: £449,540 (includes income from pre-application advice and Planning Performance Agreements)
- Expenditure on additional work (Special Projects) that is not covered by the management fee: £16,000, Article 4 Direction on HMOs (funded through New Homes Bonus)
- Staff numbers:
 - On service commencement: 22
 - Now: 20 based in Barnet plus 3 vacancies

Service Journey 1

Fundamental structural reorganisation:

- Services transferred as:
 - Strategic Planning & Regeneration
- Reorganised structure since early 2016:
 - Strategic Planning moved to 'Planning' Tower (combined operations as single business entity with other Capita 'Local Government Planning Services')
 - Regeneration (all projects except for Brent Cross)
 - Brent Cross (separate business entity from other regeneration)
- Leadership of the service has changed a number of times since 2013, but is now stable

Service Journey 2

Service Development Improvement Plan (SDIP):

- Since 2013
 - KPI reporting mechanisms established
 - Re Customer Service Hub began channeling and improving communications with customers and members

- Since 2014
 - Stronger focus on Planning Performance Agreements (PPAs) and providing Pre-application advice, including Planning Briefs
 - UNIFORM, new IT system for applications and Community Infrastructure Levy (CIL)
 - Planning Consultancy (Libraries and Leisure Centres)
 - Design and Heritage FTEs reduced

Service Journey 3

Strategic Planning – further improvements to services:

- Since 2016
 - New urban design expertise brought in and value of further enhancement of this function established
 - Infrastructure Team separated from Planning Policy Team
 - Capital Investment Model finalised
- 2017
 - Progression towards delivery of heritage contractual outputs – update of Local List and programmed Conservation Areas review
 - Review of Infrastructure Planning/Audit of Development Contributions to improve governance arrangements

Achievements

- Improved shaping of development on strategic sites through use of Planning Briefs and Supplementary Planning Documents (SPDs) to provide detailed design guidance
- Employment and Skills SPD has secured over 100 apprenticeship positions, affordable workspace, and further benefits
- Collected over £25 million in Barnet Community Infrastructure Levy (CIL); over £14 million in Mayoral CIL; and over £34 million in S106 receipts
- Progressed key council projects to support delivery of positive planning outcomes (e.g. new leisure centres and regeneration schemes) taken from inception through to planning consent
- Consistently above KPI targets for processing major applications
- Brent Cross (BX) planning team set up to provide smooth, timely and complete handling of all BX planning matters

Performance to date – summary of commitments

4 total commitments

1 delivered

1 partially delivered and revised completion date agreed

1 not yet delivered, but in progress

1 not due

Performance to date – contractual commitments

Commitment	Status	Comments
<p>T3-100: The Service Provider will invest £200,000 in establishing and developing the Barnet Fund</p>	<p>Partially delivered and revised delivery date agreed</p>	<p>Capital Investment Model complete and initial datasets populated. Review by range of Council staff required alongside ongoing data improvement</p>
<p>T3-110: The Service Provider will undertake a comprehensive review of the Authority's local list of heritage assets to ensure that the list makes reference to the recent changes in planning policy (NPPF) and English Heritage's recent good practice guidance, and that the criteria are reconsidered to better encourage inclusion of what is important to the local community and local distinctiveness and significance. To achieve this, we will engage the local community on a pro-active basis.</p>	<p>Not yet delivered, in progress</p>	<p>Revised action plan agreed April 2017:</p> <ul style="list-style-type: none"> i) Commissioned 'Urban Vision Enterprise' to deliver, contract signed ii) Update to information in Summer/Autumn 2017 iii) Publish by Feb 2018.

Performance to date – contractual commitments

Commitment	Status	Comments
<p>T3-111: The Service Provider will produce a report acknowledging the emerging national guidance accompanying the Localism Bill Neighbourhood Planning to undertake a horizon scanning exercise to understand the opportunities for a more proactive approach to neighbourhood planning, building knowledge and understanding of the scale of resources required to deliver different outcomes based on the existing community structures / current engagements with plan making and aspirations from within the communities.</p>	<p>Delivered</p>	<p>Report submitted and used to inform agreed approach to Neighbourhood Planning</p>
<p>T3-112: The Service Provider will develop an accurate, accessible and easy to use new Proposals Map, incorporating all updated land allocations.</p>	<p>Not due</p>	<p>Will be delivered in Summer 2018 alongside the Draft Local Plan.</p>

Performance to date – KPIs annual outturn

KPI/PI Title	2013/14		2014/15		2015/16	
	Target	Outturn	Target	Outturn	Target	Outturn
SP KPI 01 : Strategic Planning Documents completed and signed off	100%	100%	100%	22%	100%	44%
SPKPI02i : Percentage of Section 106 cases cleared annually (as per the Town and Country Planning Act 1990 as amended) –payment of Section 106 obligations by developers to the Authority	Baseline period (no target)	67%	73.5%	88%	80%	80%
SPKPI02ii : Percentage of Section 106 cases cleared annually (as per the Town and Country Planning Act 1990 as amended) –payment of Section 106 obligations by developers to the Authority- percentage of top 20 payments cleared	Baseline period (no target)	75%	82.5%	97%	90%	91%
SPKPI03i : Percentage of Community Infrastructure Levy (CIL) cases cleared annually - payment of overall CIL obligations by developers to the Authority	80%	96%	80%	100%	80%	101%*
SPKPI03ii : Percentage of Community Infrastructure Levy (CIL) cleared annually – percentage of Top 20 Payments cleared	90%	100%	90%	99%	90%	88%

* The annual position is 103/102 = 101%

Performance to date – remedies applied

- Although SPKPI 01 has fallen short of target, it has not been appropriate to apply remedies. Justifiable and agreed reasons for non-progression of outputs confirmed on each occasion
- Examples of these reasons include:
 - Cancellation of committee meetings or delay of item to a later meeting
 - Pausing of work on Site Allocations to enable integration with broader review of local plan
 - Affordable Housing SPD paused due to Planning and Housing Bill and the likely implications for policy

Recent and planned developments

- New Strategic Planning Operations Board to enhance oversight of day-to-day work streams/outcomes
- Preparation for Local Plan review under way to balance policy work on borough policy matters alongside sites
- Review of infrastructure planning activities triggered and audit of development contribution functions in progress
- Capacity of design and heritage functions reinstated with forward programme of work being agreed
- Opportunities to improve services due to increased Planning Fees from July 2017 are being considered
- Recent recruitment to head the CIL/Infrastructure team and appointment of three Member Liaison Officers

Overall assessment of performance

- There has been an effective focus on increasing income from strategic applications and delivering commitments
- The service has delivered a wide and complex range of strategic and major planning applications, improving pre-application and policy making support to enable successful outcomes
- Turnover of leadership has limited the dynamism and outward focus of the service, and slowed delivery of commitments. But the professionalism of staff has kept the day-to-day service running well
- Since late 2016 improved stability across the service, together with improved connections to Development Management, have enabled a wider programme of service improvement to begin
- There is a need for ongoing work to:
 - Improve Planning Committee processes and ensure consistency in the engagement of Members around strategic planning matters
 - Improve CIL/S106 Governance – processes and systems for authorising, recording and monitoring CIL/S106 spend
 - Provide effective leadership in data collection and explanation for the Council relating to all spatial matters

Desired outcomes

- Build on existing service improvements to ensure a strong operational framework and delivery of staff capacity to secure all outcomes; driving dynamism into the service through stable leadership
- Establish mechanisms to improve support for Council commissioning priorities through greater data analysis, data management and overall planning leadership
- Continue improving consistency of communication with Members and effectively utilise the new Re Member Liaison officers
- Determine appropriate documentation to ensure existing services are further enhanced when Planning Fees are increased
- Delivery of heritage contractual outputs – update of Local List and review of priority Conservation Area Appraisals

Appendix F – Regeneration Evidence Pack

Considered by the Member-led Working Group on
24th May 2017

Summary of the service 1

- Housing estate renewal
 - Programme management of the LBB regeneration activity
 - Project management of individual regeneration projects
 - The development of new regeneration projects and place based innovation

- Development pipeline
 - Managing the development of new homes on LBB owned land
 - Preparation of appraisals necessary to bring new sites forward for development

- Key infrastructure
 - Managing the development of the new community infrastructure needed to support regeneration and renewal
 - Managing relationships with affordable housing providers
 - Assisting negotiation of developer contributions to affordable housing (S106)

Summary of the service 2

- Town Centres
 - Supporting vibrant Town Centres and reducing the number of vacant shops
- Skills and Employment
 - Develop partnerships to increase employment and skills support in the borough with a focus on reducing youth unemployment
 - S106 – Developer contributions to employment and skills
 - Developing and monitoring our agreements – to create job opportunities
- Business Hub/Economic Development
 - Engaging with local businesses to support them to grow, increasing business satisfaction and survival rates
- Strategic
 - Policy
 - Funding opportunities
 - Project initiation e.g. North Finchley, Upper and Lower Fosters
 - Partnerships including with West London Alliance (WLA)

3

Key people

- LBB Commissioning Leads:
 - Commissioning Director, Growth and Development: Cath Shaw
 - Strategic Lead: Neil Taylor
 - Strategic Lead: Rachel Williamson
 - Strategic Lead: Paul Shipway
 - Commissioning Lead: Susan Curran

- RE Service Leads:
 - Operations Director: Alun Parfitt
 - Director of Place: Stephen McDonald
 - Business Director, Regeneration: Paul Pawa
 - Head of Business, Employment and Skills: Katie Randall
 - Programme Manager: Max Houseago

Key figures 2015/16

- Share of the annual contract fee allocated to the core service (based on indicative cost at transfer): £1,337,000
- Expenditure on additional work (Special Projects) that is not covered by the management fee: £740,782, covering, for example, Upper and Lower Fosters phase 1, Parks in Colindale and Sports & Physical Activity (funded from developer contributions)
- Further expenditure on Special Projects approved in 2015/16:
 - Brent Cross Programme: £2,800,000 (developer contributions)
 - Colindale Offices: £1,500,000 (capital programme)
 - Development Pipeline: £2,700,00 (capital programme)
- Staff numbers:
 - On service commencement: 20.3 FTEs
 - Now: 24 FTEs

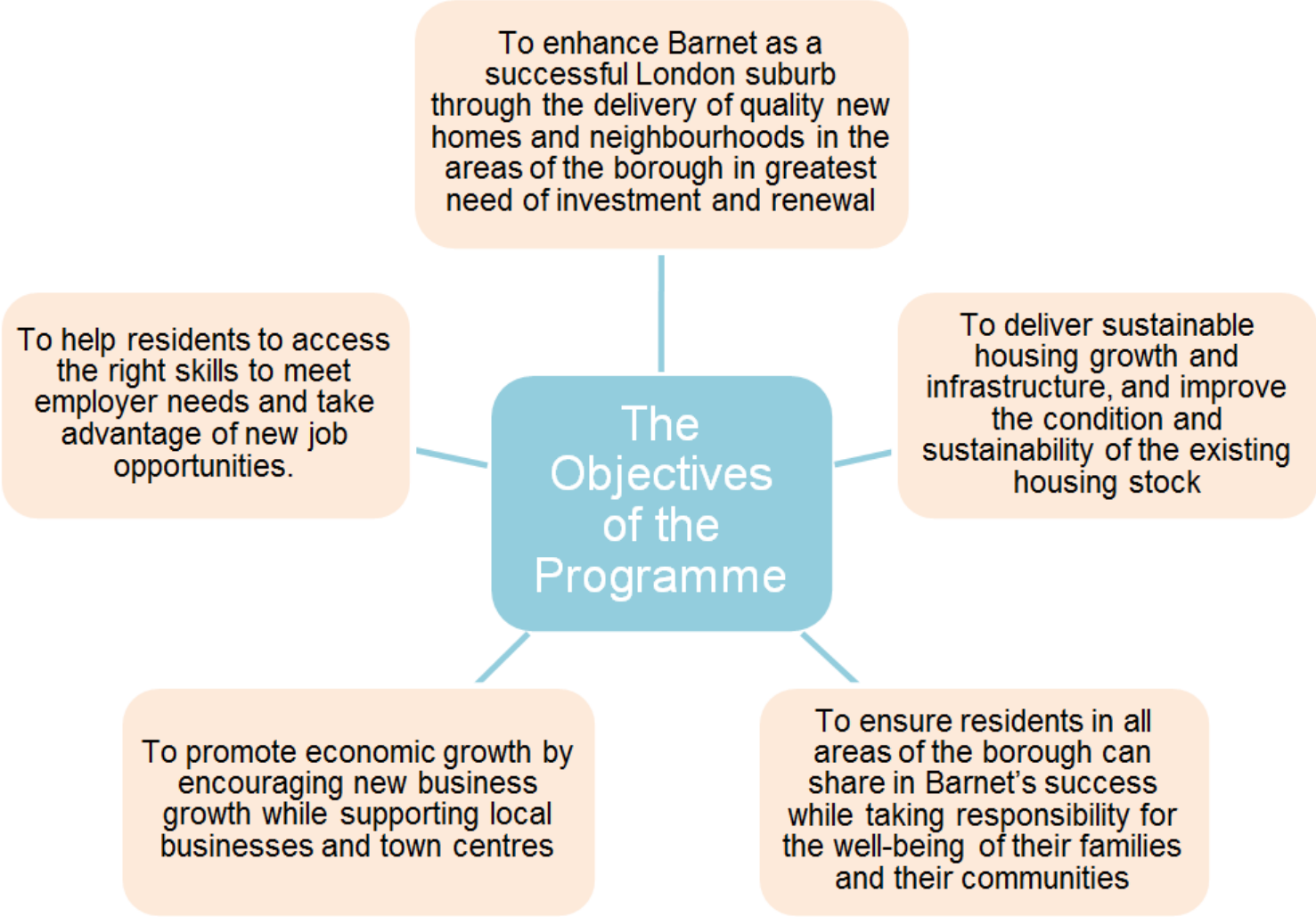
Headline outputs of the programme

- Barnet is largest Borough in London and continues to grow
- Growth and Regeneration Programme to facilitate growth by:
 - £6bn private sector investment over the next 25 years
 - 27,000 new homes by 2030
 - 30,000 jobs by 2030
 - £17m additional council income via council tax and business rates by 2020

Service journey

- Established the following to act as a point of governance and decision making across all Regeneration activities:
 - Growth and Regeneration Operations Board (GROB)
 - Brent Cross (BX) Governance Board
 - Development Pipeline Programme Board
 - Enterprise Barnet Operations Board (EBOB)
- Established a Project Management Office
- Implemented an improved KPI reporting regime mechanism
- Retaining critical experience and continuity through the successful transfer of knowledgeable staff to Re from LBB
- The overall acceleration of the Regeneration Programme - see slides below:

Growth and Regeneration Programme Objectives: Summary



Service journey – regeneration schemes 1

- Brent Cross Regeneration
 - Planning Consent – Section 73
 - Government funding for Thameslink Station
 - Approval of full business case by HM Government for the scheme
 - Formation of JV with developers
 - Expected to deliver 7,500 homes

- Colindale Regeneration
 - Secured funding for new tube station
 - New Community Hub design completed
 - Construction of new LBB Office
 - 3453 homes delivered so far, of total 10,170

- Dollis Valley Regeneration
 - Phase 1 construction completed
 - Hope Corner Community Facility and new Nursery
 - 168 homes delivered so far, of total 634

Service journey – regeneration schemes 2

- Grahame Park
 - Sainsbury's store opening
 - Barnet and Southgate College, Barnet Council Library and Centre for Independent Living built
 - Former Lanacre Avenue diverted and rebuilt
 - 593 homes delivered so far, of total 2,756

- Granville Road
 - Planning Permission obtained August 2016
 - Expected to deliver 132 homes

- Millbrook Park
 - Completion of Millbrook Park Primary School
 - Completion of East – West link road
 - Completion of Central Park, Eastern Park, Barracks Park, and Officers Mess Gardens
 - 394 homes delivered so far, of total 2,240

Service journey – regeneration schemes 3

■ Stonegrove

- First Regeneration scheme that will be wholly completed in 2017
- Award winning Community Centre, Church, Nursery and Cafe
- Stonegrove Community Trust established
- 850 homes delivered so far, of total 999

■ West Hendon

- Completion of Phases 1 and 2 with 194 homes delivered
- Completion of Phase 3A with 358 homes delivered
- Delivery of Interim Community Hub
- Planning submission for Phase 4
- 552 homes delivered so far, of total 2,186

Entrepreneurial Barnet

- Increase in outcomes secured through s106 for Employment and Training with over 300 apprenticeships secured in the borough
- Increase from a target six apprentices into work through development related opportunities at beginning of contract to 56 apprentices into work in the 2016/17 year through development related opportunities
- Creation and adoption of Town Centre categorisation approach along with a town centre offer
- Delivering the North Finchley and Cricklewood Town Centre projects and Burnt Oak Town Centre project delivery underway.
- Secured additional investment into the borough at no cost to the Council through working partnerships with European Social Fund (ESF) funded organisations such as Paddington Development Trust

Achievements 1

- Regeneration schemes all underway:
 - Brent Cross - underway
 - Stonegrove renewal - nearing completion
 - West Hendon renewal Phase 1 & 2 complete, Phase 3 underway and future phases being accelerated
 - Dollis Valley renewal Phase 1 complete, Phase 2 underway
- Successful Compulsory Purchase Order delivery; 11 completed or in progress

Achievements 2

- Employment and Skills being delivered through regeneration schemes:
 - Building relationships with developers
 - Delivering Employment and Skills Action Plans – Brent Cross South and West Hendon delivered in 2016/17
 - Monitoring collection of Employment and Skills outcomes secured via s106 - quarterly monitoring process in place
 - Working with partners to deliver Entrepreneurial Barnet competition

Performance to date – summary of commitments

22 total commitments*

9 delivered (one of which now re-opened due to change in circumstances)

7 delivered but not signed off

3 delivered and now an on-going annual commitment

2 in progress

1 not yet delivered

*Includes “Barnet Observatory” commitments, which is a data repository and analysis tool that operates across a range of services and are included here for completeness

15

Performance to date – “Barnet Observatory” commitments

Commitment	Status	Comments
<p>T3-091: The Service Provider shall invest £250,000 (over ten years) in the Barnet Observatory to provide an agreed programme of needs-driven research, required to underpin investment decisions to drive growth and renewal in the Borough. Further detail is provided in the Regeneration SIDP</p>	<p>Was delivered and signed off – now re-opened</p>	<p>Delivered in 2014 via contract with Local Futures, but cancelled in 2016 due to inability to facilitate effective outcomes. Will be replaced with new observatory provided by the CSG Insight Team. A programme manager has been appointed to deliver this.</p>
<p>T3-097: The service provider will implement a Barnet Observatory which will provide Borough-wide economic and socio economic intelligence utilising the expertise of Middlesex University’s Centre for Enterprise and Economic Research (CEEDR). The Observatory will provide forward-looking intelligence to inform the Regeneration Strategy, Housing and Planning Policy making and implementation of the Core Strategy i.e. informing prioritisation of projects within the Regeneration Programme and providing informed opinion at key major programme investment and implementation decision making points.</p>	<p>In Progress</p>	<p>Dependency from T3-091, new approach should enable effective delivery of outcome</p>
<p>T3-098: The service provider will create a bespoke data base and web-site for the Observatory, accessible both internally and externally providing:</p> <ul style="list-style-type: none"> • fast access to published data and be used to establish economic and socio-economic baselines for places e.g. estates; • real-time regeneration impact monitoring during programmes of work; • a data-exchange interface with the NSCSO, importing people profile data; • qualitative data feeds from CEEDR, Business and cross Council departments; • ‘place promotion’ externally, supporting businesses who want to invest in Barnet, • Members and senior internal officials direct access to Borough wide data-mining. <p>The web-site content will be managed and updated by CEEDR.</p>	<p>Not yet delivered</p>	<p>Dependency from T3-091, new approach should enable effective delivery of outcome</p>

Performance to date – other examples of commitments

Commitment	Status
<p>T3-105: The Service Provider will provide additional in-house resource over the first year for the Grahame Park Project, to:</p> <ul style="list-style-type: none"> • develop a master developer/sub-developer approach with Genesis to accelerate development including a shared financial model to underpin the concept, and • undertake a feasibility studies into: <ul style="list-style-type: none"> o community run multi-service hub independent from the Council; o community led service company to take charge of running the estate 	<p>In Progress (NB resources have been in place from the start of the contract)</p>
<p>T3-094: The Service Provider will undertake a Borough-wide Estates Review in conjunction with Barnet Homes and NSCSO property review to identify opportunities for development and tenure diversification to accelerate housing delivery</p>	<p>Delivered and signed off by named officer</p>
<p>T3-108: The Service Provider will undertake a feasibility study on the introduction of Tax Incremental Reinvestment Zones across Town Centres (TCs) or groupings of TCs to incentivise TC growth by ring-fencing incremental NNDR increases for re-investment into the town centre.</p>	<p>Delivered and signed off by named officer</p>
<p>T3-095: The service provider will invest in a new full time post of 'Place Director' role throughout the term of the contract to lead and orchestrate the DRS place making services.</p>	<p>Completed and ongoing annual commitment</p>

Performance to date – other examples of commitments

Commitment	Status
<p>T3-090: The Service Provider will invest additional in-house resource over the first three years of the term of the contract for the Brent Cross Cricklewood project, to:</p> <ul style="list-style-type: none"> • develop a south side financial model to allow Council to test optimal approaches to development with development partners, give Council greater visibility and control over the project and ensure that returns both financial and non-financial to the Council are optimised including impact of incremental NNDR and timing; • prepare an investment strategy report proposing how the Council should optimise its opportunities to secure financial and other benefits from the regeneration of the south side; • establish a project team to proactively develop and deliver an implementation plan for the south side regeneration. 	<p>Delivered and signed off by named officer</p>
<p>T3-104: The Service Provider will provide additional in-house resource on the West Hendon project in order to maintain development, reduce impact on Barnet Homes budgets and secure the right master plan through to final delivery. The Service provider will focus the resource on:</p> <ul style="list-style-type: none"> • establishing a shared model with Barratt to assist project analysis and Council scrutiny/control over the scheme proposals and to ensure that solution proposed is optimal and recognises Barnet Homes liabilities and model decant programme. • a pro-active approach to the new planning application and new PDA agreement with Barratt, and • develop a next phase as a side agreement to ensure momentum continues whilst re-master planning takes place e.g. the British Waterways car park site 	<p>Delivered and signed off by named officer</p>
<p>T3-106: The Service Provider will invest additional in-house resource over the first year for the Colindale AAP to develop CHP implementation strategy (inc with met police and other local occupiers), incorporating a plan to implement the strategy, and accelerate the production of public realm design guidance, integrated with the area marketing strategy.</p>	<p>Delivered, but not yet signed off by named officer</p>

Performance to date – KPIs annual outturn

KPI/PI Title	2013/14		2014/15		2015/16	
	Target	Outturn	Target	Outturn	Target	Outturn
REGENKPI01 : Number of New Homes completed		1433	1423	1324	1453	1529
REGENKPI02 : Regeneration budgetary and financial controls (% of invoices sent to developers within timescales)	85%	157%*	85%	105%**	85%	98%
REGENKPI03 : Delivery of Regeneration projects' deliverables and milestones to meet outcomes and achieve benefits	80%	79%	85%	87%	85%	100%
REGENKPI05 : Delivery of affordable housing completions	184	344	367	383	256	257

* £924,435 invoice raised against the annual target of £297,175

** £3,165,195 invoice raised against the annual target of £3,025,415

Performance to date – KPIs annual outturn

KPI/PI Title	2013/14		2014/15		2015/16	
	Target	Outturn	Target	Outturn	Target	Outturn
SKPI 1 : Increase business survival rate (compared against other boroughs)	not due		2.7%	4.3%	4.2%	1.9%
SKPI 3 : Reduce the number of "Vacant High Street Properties" ("VHSP") across the Borough	not due		8.3%	6.5%	7.9%	6.9%
SKPI 2 : Reduction in Youth Unemployment (including graduates and school leavers) - 16-24 year olds	not due		18.9%	11.9%	18.7%	22.6%*
REGENKPI04 : Improving Employment opportunities – Achieving agreed deliverables and milestones	100.0%	100.0%	100.0%	100.0%	100.0%	92.3%
REGENKPI06 : S106 obligations for employment & training activities	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

* Provisional figure.

Performance to date – remedies applied

Year	KPI Number	KPI Description	Deduction
2015/16	SKPI 1	Increase business survival rate (compared against other boroughs)	£45,240.00
2015/16	REGENKPI04	Improving Employment opportunities – Achieving agreed deliverables and milestones	£5,089.50
Total			£50,329.50

Overall assessment of performance

- The service has delivered some excellent outcomes for Barnet and continues to do so
- There are concerns about resource levels, including the lack of a head of service, which have impacted particularly on the town centre agenda, although there have been recent improvements
- The regeneration agenda has changed significantly since the contract was let and there is a clear disconnect between the service that was defined by the output specification and KPIs at the time and the council's current requirements

Desired outcomes

- Updated and clearly understood output specification that covers the core Regeneration service and known workplan for next four years
- Agreed and resourced workplan to deliver agreed commissioning outcomes for business support, town centres and skills development (the Economic Skills and Development service)

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Appendix G - Regulatory Services (Environmental Health) Evidence Pack

Considered by the Member-led Working Group on
27TH March 2017

Summary of the Environmental Health service

- Provision of public health, safety, welfare and consumer protection services
- Proactive and reactive investigation and enforcement of regulatory requirements in relation to the following functions:
 - Food, Health & Safety
 - Animal Health & Welfare
 - Environmental Health Licensing
 - Scientific Services (Pollution Control)
 - Private Sector Housing (Houses of Multiple Occupancy)
 - Noise, nuisance and anti-social behaviour
- Working with Public Health to deliver health improvement projects

2

Summary of the Environmental Health service

- Administration of miscellaneous licensing regimes:
 - Animal Establishments (pet shops, riding establishments etc.)
 - Massage and Special Treatments (piercing, tattooists, sunbeds etc.)
 - Houses in multiple occupation
 - Caravan Sites
 - Local Authority Prevention Pollution Control (dry cleaners, crematoria, paint sprayers etc.)
- Provision and administration of grants (disabled facilities, decent homes, energy efficiency, home security etc.)
- Business advice, training, support and consultancy services
- Provision of Pest Treatment Service

Regulatory Services also covers Trading Standards, Licensing, Land Charges and Hendon Cemetery & Crematorium

Key people

- LBB Commissioning Leads:
 - Commissioning Director, Environment: Jamie Blake
 - Commissioning Director, Growth and Development: Cath Shaw (for housing and public health related elements of the service)
 - Strategic Lead: Kiran Vagarwal
 - Strategic Lead (Housing): Paul Shipway
 - Commissioning Lead (Public Health): Rachel Wells

- RE Service Leads:
 - Operations Director: Alun Parfitt
 - Service Director, Regulatory Services: Rick Mason

Key figures 2015/16 (Environmental Health)

- Share of the annual contract fee allocated to the core service (based on indicative cost at transfer): £2,532,000
- Share of the income guarantee attributed to the service: £560,500 (income is derived from both enforcement and advisory services, such as license applications, food hygiene courses, fees on assisted grant applications and pest treatments)
- Expenditure on additional work (Special Projects) that is not covered by the management fee, for example Enhanced Advice and Adaptation Service and Empty Property Service Expansion: £182,000
- Staff numbers:
 - On transfer: 60
 - Now: 79

Service journey (all regulatory services)

- Business as usual has been maintained
- Comprehensive KPI reporting regime established – no significant failures
- Revenue and contribution to income guarantee has doubled to £1.6m pa since the start of the contract
- Service restructure to provide more efficient and effective services: noise; nuisance; ASB; community protection
- Hendon C&C achieved Gold Award for the Charter for the Bereaved
- Land Charges Team won the Best Customer Experience Award for 2016
- Commenced delivering commercial services for customers
- Growth in staff numbers
- Low turnover of staff who transferred from LBB
- New efficient working practices, including mobile working
- New data management systems (*Uniform* & BACAS)
- Major transformation at Hendon Cemetery and Crematorium

Achievements (all regulatory services)

- Introduced HMO licensing scheme for the borough
- Barnet awarded 'Cleaner Air Borough' status following the update of the statutory Air Quality Action Plan in 2016
- Funding from Mayors' Air Quality Fund for a number of initiatives to improve air quality
- A number of other successful grant bids – e.g. National Energy Action
- Coordinated approach to nuisance and anti social behaviour and implementation of joint tasking and coordination group
- Working with Public Health on a number of projects
- Expanded Keep Warm and Well scheme
- Established close working relationship with Middlesex University
- More people helped with grants – e.g. disabled facilities; energy efficiency; security
- 37 food businesses closed either voluntarily or formally due to health risk
- Established consultancy service and commenced business growth activity
- Number of high profile prosecutions, including a 4 ½ year jail sentence for a fraudulent letting agent case taken by Trading Standards
- Improvements to service offer and facilities at Hendon Cemetery and Crematorium

Performance to date – summary of commitments

Environmental Health

7 total commitments

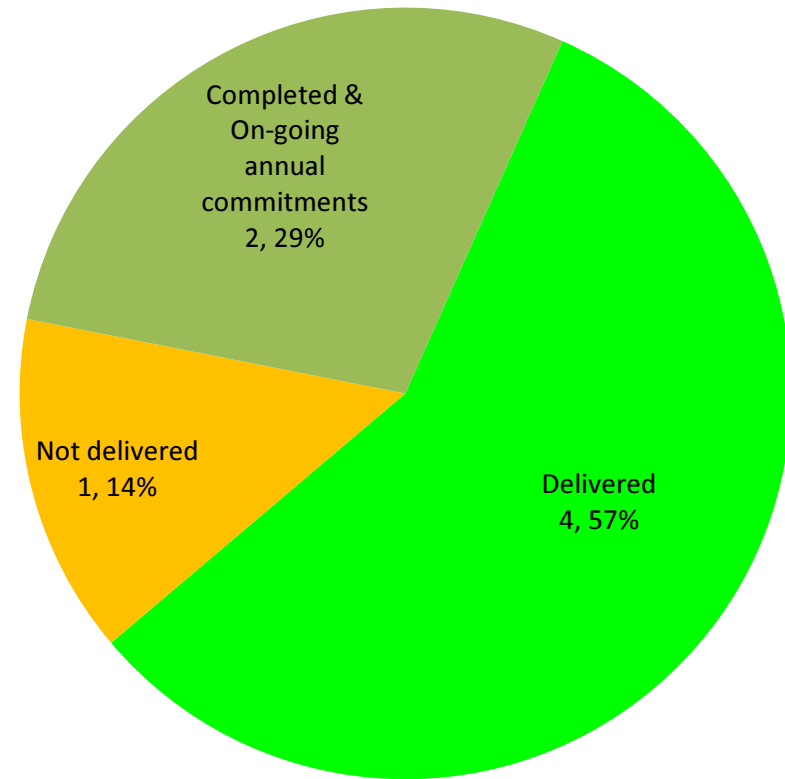
4 delivered

1 not delivered

2 delivered and now an on-going annual commitment

0 not due

Status of Environmental Health Commitments



Contractual commitments (Environmental Health)

Ref	Commitment	Status
T3-039	The Service Provider will work with the Chartered Institute of Environmental Health (CIEH) and Trading Standards Institute (TSI) to undertake a comprehensive review of current service competency and skills	Delivered on time and signed off
T3-040	The Service Provider shall address the findings of the CIEH and TSI review to ensure current and future business requirements are met	Delivered on time and signed off
T3-041	The Service Provider will ensure that the Environmental Health and Trading Standards services are closely linked with the Council's current Insight services as well as with the NSCSO Delivery Unit. The analysts will provide an intelligence product under the direction of service professionals that clearly identifies emerging issues, changes in existing issues, effectiveness of prevailing tactics, opportunities for joint working, recommendations for tactics and operations and a strong evidence base for service planning purposes.	Delivered on time and signed off
T3-044	The Service Provider will provide an in-DRS customer service function to respond to all queries via telephone, post and the internet utilising existing staff. Expertise will be developed across this staff group to enable all staff to answer the majority of queries first time. All calls in which advice is given that relates to DRS services will be recorded by these staff.	Delivered on time and signed off
T3-045	The Service Provider will encourage and facilitate an increase in self-service for Environmental Health and Trading Standards service by making information and advice available online for businesses and residents through the Authority website	Evidence of delivery has been submitted and is currently being reviewed by the council

KPIs annual outturn (Environmental Health)

KPI/PI Title	2013/14		2014/15		2015/16	
	Target	Outturn	Target	Outturn	Target	Outturn
EH01A : Compliance with Environmental Health Service Standards (Priority 2 incidents and service requests). Total number of cases meeting the target/Total number of cases. Examples of Priority 2's include Health and Safety advice service, smoke free complaints, public health hazards.	95.00%	97.58%	95.00%	96.32%	95.00%	97.28%
EH01B : Compliance with Environmental Health Service Standards (Priority 1 incidents and service requests) The total number of cases meeting the target/Total number of cases. Priorities 1's are food alerts, infectious disease control, legionella investigations, and fatal accident reports.	100.00%	100.00%	100.00%	96.23%	100.00%	100.00%
EH02A : LAPPC Part 2a and 2b processes intervention programme: Number of inspections carried out to LAPCC statutory guidelines Provide comprehensive support for businesses to meet the relevant EH standards and inspect Commercial premises that pollute air	100.00%	122.58%	100.00%	108.00%	100.00%	133.33%
EH02Bi : Conducting Food Hygiene Inspections - Target A Number of completed Food Hygiene Inspections due and overdue A, B and C (Not Broadly Compliant) rated premises, divided by the total number of required Food Hygiene Inspections due and overdue A, B and C (Not Broadly Compliant) rated premises	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
EH02Bii : Conducting Food Hygiene Inspections - Target B Number of completed Food Hygiene Interventions due and overdue C (Broadly Compliant) rated premises within 3 months of Intervention due date, divided by the total number of required due and overdue Food Hygiene Interventions C (Broadly Compliant) rated premises within 3 months of Intervention due date	85.00%	97.77%	85.00%	93.56%	85.00%	91.64%
EH02Biii : Conducting Food Hygiene Inspections - Target C Number of completed Food Hygiene Inspections of new unrated premises within 28 days of discovery date, divided by the total required number of Food Hygiene Inspections of new unrated premises within 28 days of discovery date	85.00%	95.03%	85.00%	95.02%	90.00%	95.54%

KPIs annual outturn (Environmental Health)

KPI/PI Title	2013/14		2014/15		2015/16	
	Target	Outturn	Target	Outturn	Target	Outturn
EH02Ci : Food Standards Inspections (Category A) Number of A rated interventions completed within 28 days of due date, divided by the total number of A rated interventions required	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
EH02Cii : Food Standards Inspections (Category B) Number of B rated interventions completed on or before the next due intervention, divided by the total number of required B rated interventions	100.00%	100.00%	100.00%	100.00%	100.00%	98.28%
EH02Ciii : Food Standards Inspections (unrated premises) Unrated: Number of unrated premises inspected at the same time as the first food hygiene inspection, divided by the total number of unrated premises requiring inspection at the same time as the first food hygiene inspection	100.00%	100.00%	100.00%	100.00%	100.00%	121.82%
EH02F : Implementing Health & Safety Inspection Programme Compliance with legislation, departmental, statutory and service standards - as defined in the annual Health and Safety Intervention Programme. This is a mix of high risk inspections falling due and planned intervention projects.	100.00%	113.33%	100.00%	100.00%	100.00%	100.00%
EH02G : Implementing the Animal Welfare Inspection Programme Compliance with legislation, departmental, statutory and service standards - as defined in the annual Animal Welfare Inspection Programme (Number of inspection planned visits completed/Total number of planned visits)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
EH02I : Compliance with Licensing Requirements for Houses in Multiple Occupation (HMOs) - Licenced HMOs meeting legal standards	50.00%	53.99%	50.00%	61.90%	60.00%	70.82%
EH02J : Known licensable Houses in Multiple Occupation (HMOs) are licensed in a timely manner	30.00%	34.88%	60.00%	72.58%	60.00%	93.75%

KPIs annual outturn (Environmental Health)

KPI/PI Title	2013/14		2014/15		2015/16	
	Target	Outturn	Target	Outturn	Target	Outturn
EH02K : Business license applications processed in a timely manner	95.00%	98.14%	95.00%	97.23%	95.00%	99.02%
EH03 : Completion of projects to assist in meeting the key priorities of the Joint Strategic Needs Assessment priorities	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
EH04A : Number of empty properties brought back into residential use	200	624	100	130	100	229
EH04B : Number of private tenanted properties with Category 1 hazards (as defined by the Housing Act 2004) reduced to Category 2 (Cat 2) hazards	73	178	165	203	165	243
EH05 : Improvement in food hygiene in the highest risk premises	N/A	N/A	90.00%	93.33%	90.00%	95.35%
EH07 : Reduction of unit costs of disabled adaptations without reduction in quality of work to maximise the use of the allocated budget	£7500	£4429.28	£7500	£5791.93	£7500	£6091.12
EH08 : Safer work places - A higher level of compliance with health and safety legislation in the known most unsafe work places (Number of inspected businesses with health & safety rating or re-rating of B2 and C /Total number of businesses inspected)	75.00%	81.82%	75.00%	100.00%	75.00%	100.00%
EH09 : Service plans, Sampling and Intervention programmes detailed in Schedule 4 to be submitted to the Authority for approval by 1st week of March each year.	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Performance to date – remedies applied

No service credit deductions have been applied in respect of Environmental Health, as failures relate to a very small number of instances, which were rectified immediately.

How is Customer Satisfaction SKPI05 measured?

KPI is measured annually with quarterly reports on progress

Customers are emailed the survey monkey survey at end of Month or a link is sent out automatically following closure of service request

Filtered into collections to allow analysis by service area

Scores are based on the % of customers that score Re either 4 (Good) or 5 (Very Good) on the 10 core questions within the survey (see right)



4. Overall, how would you rate your experience of the service against the following statements? (please tick one option per statement)

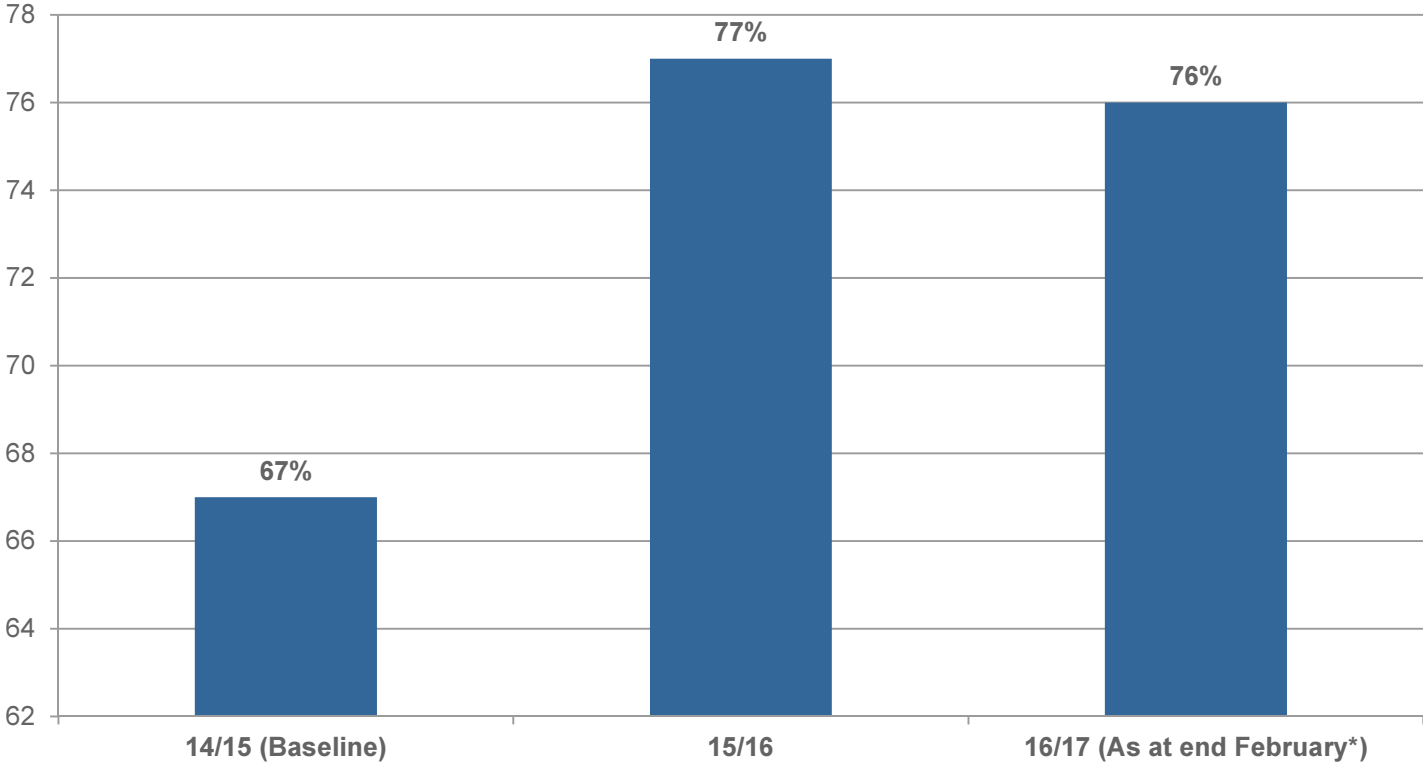
	Very Good	Good	Average	Poor	Very Poor	Not Sure / Don't Know / Not Applicable
How easy was it to find the information you needed to contact us?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
How easy was it to make contact with us once you found the information?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Were the staff you dealt with courteous and polite?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Did the the staff you dealt with act in a professional manner?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Were the staff you dealt with knowledgeable ?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Did you feel we fully understood your request?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Thinking of the service provided what score would you give?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Did we keep you fully informed throughout the process?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Did we explain clearly what would happen next, including timescales?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5. Overall, how would you rate your experience of the service?

Very good
 Good
 Average
 Poor
 Very poor

Environmental Health Customer Satisfaction journey

Customer Satisfaction - % of customers scoring the service a 4 or 5 (on a scale of 1 to 5)



*Env Health includes:
Noise, Food Safety, Pest Control, EH Housing and HMO Licensing*

Responses	2014/15	2015/16	2016/17*
Environmental Health	343	177	311

Overall assessment of performance

- Generally a well performing service, fully meeting the targets for 95% of Environmental Health KPIs in 2015/16
- Customer satisfaction has improved considerably since transfer and income growth suggests the service is well regarded
- There are some issues around clarity in the contract that need to be addressed (primarily legal charges and volume triggers) and some issues where there are currently no clear responsibilities across RE and other council services (for example, fly tipping)
- The Review provides an opportunity to build on the success of the service, in terms of promoting the service and achieving further income growth

Desired outcomes

- Simpler, more streamlined set of relevant KPIs, with appropriate reporting frequencies
- Shared understanding of contractual provisions, including improved clarity on volume triggers and legal charges
- An agreed approach to addressing complex problems, where there are no clear responsibilities at present
- An agreed approach to promoting the service and building on success to date to achieve further income growth

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RE Contract Review Public Session

Member Working Group – Session in public

Date: 26th June 2017
Time: 7.00pm – 9.00pm
Location: Hendon Town Hall

Notes on key points from public comments

Resident 1 – ND

Expressed concern that planning service is open to fraud and corruption and that planning officers are not subject to the council's anti-fraud policy. Questioned awareness of the policy within RE. Requested an urgent inquiry. Suggested that checking of planning applications is not sufficiently robust.

Resident 2 – MMS

Planning

Focused on planning in the Station Road area. Suggested that the standard of care and due diligence given to applications and enforcement is insufficient and that the service's focus is on fee-generating developments. Suggested that rogue developers submitting misleading applications are not dealt with appropriately. Considered that there are moving goalposts, in that some issues are considered in terms of precedents, whilst others are considered "on their own merits". Referenced eight enforcement cases within 150 metres of her own property. Feels that throughout the planning process from application to build, Re's deficiencies and developers randomness has been protected by the council. There has been a destruction of amenities and the character of the local area has been diminished. Concerns are not replied to in a timely fashion, if at all. She feels that when a resident raises concerns the council see them as simply black and white. Whilst with contractors, there are many grey areas. In her view, Re is overwhelmed by the level of work and do not have adequate resource to be robust enough in their duties.

Resident 3 – PJ

Residents 3 and 4 referred to a single written submission, covering a range of issues in their locality.

Planning

Resident PJ began by highlighting his belief that LBB was not receiving VFM from the Re contract – it is an operational agreement for which a fee is paid, but no value is received in exchange. He felt that less affluent areas are even more affected and these wards deserve commensurate service for their council tax. Focus was on gusting caused by tall buildings encroaching on the public domain and existing buildings being re-clad. Questioned whether or not there had been wind studies and, if so, had they been given proper consideration. Felt that developers should be required to put it right (as with the Walkie Talkie building in the City).

In respect of parking, he highlighted the issue created by developers charging extra for parking spaces, which has shifted the problem onto the surrounding streets. Asked if developers could be asked to include price of parking spaces in property price (**potential policy issue**).

Resident 4 – JL

Highways and Pedestrian Safety

Highways inspector visits the neighbourhood frequently, observes and marks areas for repair, but then nothing is done.

Highlighted that surface dressing had been completed by Re, even though residents had asked that it not be done in that particular manner. Within a few weeks the surface was gone. It was scheduled to be redone in June 2017. Residents were notified not to park on the road so work could be completed, however no work took place.

Planning enforcement

Quoted case ENF/1247/16, where a three-bedroom house was converted into maisonettes, but residents were never informed about the change of use of the property. Despite repeated contacts with RE and the council, local residents have still not received any response.

Resident 1 added that the number of enforcement cases seems high compared to other boroughs. He felt the council does not do enough enforcement activity and that communication is poor.

Resident 5 – PA

Conflicts of interest

The resident pointed to her past experience and concern over any possible conflicts of interest within RE and with LBB. She felt that, unlike Enfield, LBB did not have a clear separation of duties. She went on to focus on the Local List, highlighting the delegated decision to commence the review and expressing the concern that the reported draft criteria did not meet Historic England's note 7 in respect of sites not in a conservation area.

Consultation

The resident highlighted that she had not been consulted on a particular planning application, despite her property being closer to the relevant site than other properties that were consulted. She questioned the quality of data used to plan consultation and whether or not this is monitored under the contract.

Resident 6 – RG

Planning

The resident expressed concerns over the changing character of the borough. She then focussed on the issue of a structure in her neighbour's garden and the process through which planning consent was granted. She felt that there was no support available for residents and that RE has no feeling for local heritage. She feels as if officers are working for developers and are intent on making profit, dismissing their duty as council employees. The resident feels that enforcement is weak and that LBB should be working with residents rather than against them.

Resident 7 – MO (representative)

Planning/pedestrian facilities

The resident focussed on the Dollis Valley Greenwalk development, expressing concern that cyclists had been prioritised over pedestrians and the lack of regard for natural spaces. The resident feels that there has been urbanisation of open spaces and footpaths. In her view, strategic planning documents prepared by Re seem to support this. She questioned whether RE is writing the policy, or are commissioners leading.

Transparency

The resident highlighted the difficulties with accessing information on the planning portal, particularly in respect of complex applications, where there are hundreds of documents and no clear referencing system.

Resident 8 – MH

Transparency

The resident sits on the Finchley Society planning committee and has inspected many planning applications. She focussed on the way that documents are posted online and the fact that references/filenames are not helpful. There is no guide on the order in which documents should be read. She questioned whether or not there are sufficient resources, or is it just sloppiness. She suggested that the final approved drawings should be marked separately from other documents.

Highways

The resident highlighted the difficulty in making contact with and getting responses from Highways. She felt that the “report a problem” website does not guide residents through the system and the “subject” used on response emails is not helpful, as it assumes that residents only have one query outstanding at a time.

Resident 9 – JD

The resident sought to highlight some of the contractual causes of the symptoms being raised by other residents. In doing so, he made the following points.

Transparency - ability to contact RE officers – for CSG there are named officers, but for Re there is no published organisation chart to see who is accountable for what.

Enforcement – there are not enough KPIs and questioned what is in the output specification.

Allocation of staff time – enforcement does not generate revenue, so is not prioritised, whereas planning briefs do.

The Local List commitment – should have been delivered in year one and it should not take the year three review to check this.

Data – is needed to monitor the contract, but is not available.

Customer satisfaction – the KPI has been missed in each of the last seven quarters, but nothing is done about it. This should be the most important aspect.

Conflicts of interest – how do we demonstrate independence of decision-making when providing planning consultancy.

APPENDIX H – notes from meeting held in public

Finance – questioned what is recovered on Brent Cross and the level of the rates charged.
Highlighted £1.4m overspend, yet the Joint Venture paid a similar amount in corporation tax, so what is being done to minimise tax liability?
Monitoring – questioned who is doing it and whether or not there is enough resource doing so.

Key themes identified by Members on the evening

- Enforcement needs to be strengthened
- Accessibility to planning applications needs to be improved
- Communication between planning and the public needs improvement
- Consultation needs to be stronger

APPENDIX I

Grant Thornton Benchmarking Report

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Grant Thornton

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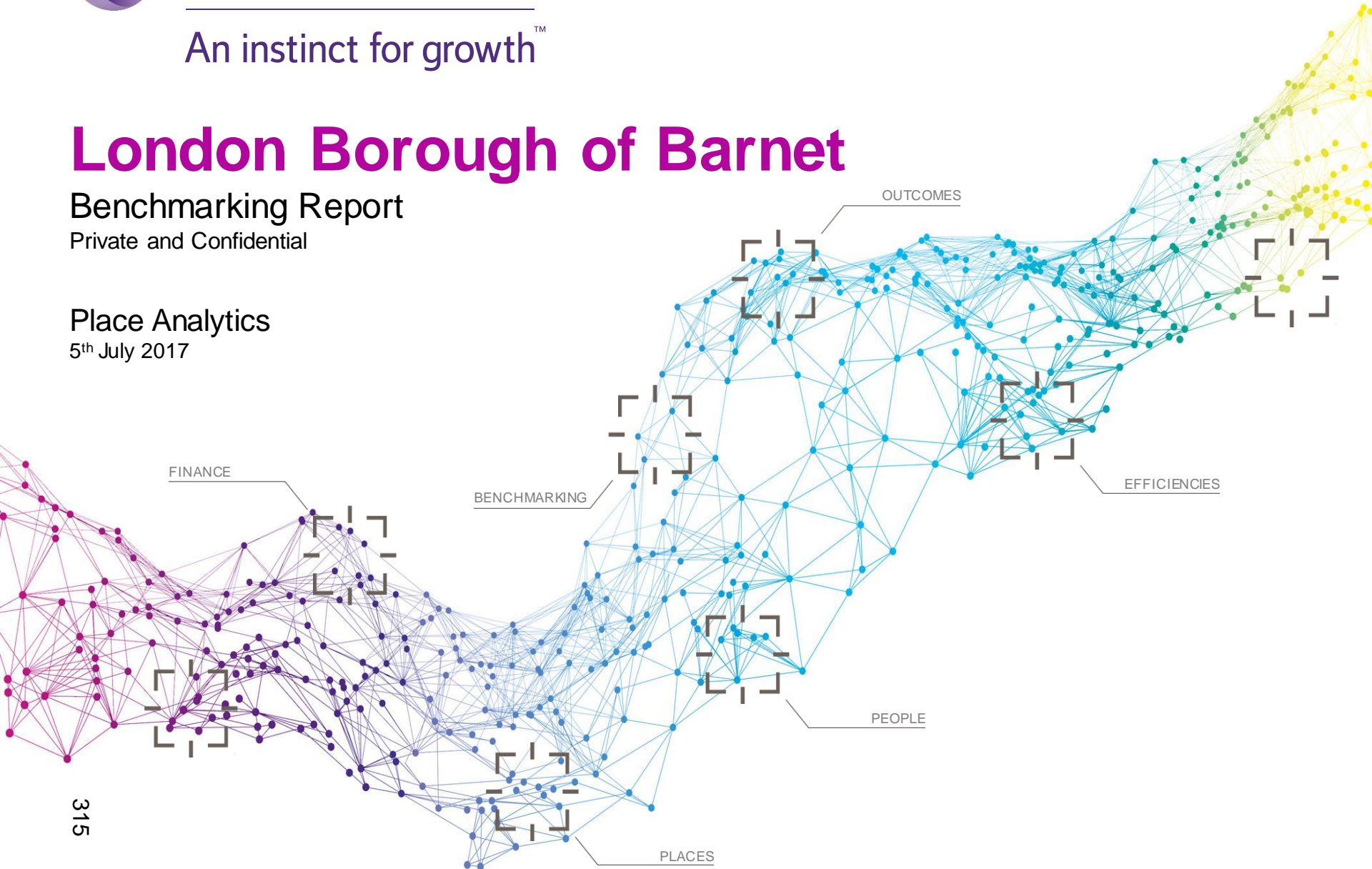
London Borough of Barnet

Benchmarking Report

Private and Confidential

Place Analytics

5th July 2017



Our Ref PA/CC

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For the attention of Mr Leon Clarke,

24th August 2017

Dear Mr Clarke,

We have pleasure in endorsing a copy of our report in accordance with the contract dated 8th March 2017. This document (the **Report**) has been prepared by Grant Thornton UK LLP (**Grant Thornton**) for the purpose of providing the benchmarking report (the **Project**) to Regional Enterprise Ltd (the **Addressee**). This first stage of the report has used Grant Thornton's proprietary CFOI and Place Analytics platforms to provide a broad baseline analysis that benchmarks London Borough of Barnet against every London borough and identifies the ten benchmark authorities. The second stage uses data collected through the Data Collection Tool for a more in-depth analysis.

We agree that an Addressee may disclose our Report to the London Borough of Barnet, its professional advisers directly involved in the Project, or as required by law or regulation, the rules or order of a stock exchange, court or supervisory, regulatory, governmental or judicial authority without our prior written consent but in each case strictly on the basis that prior to disclosure you inform such parties that (i) disclosure by them is not permitted without our prior written consent, and (ii) we accept no duty of care nor assume responsibility to any to any person other than the Addressee.

The Report should not be used, reproduced or circulated for any other purpose, in whole or in part, without our prior written consent, such consent will only be given after full consideration of the circumstances at the time. These requirements do not apply to any information, which is, or becomes, publicly available or is shown to have been made so available (otherwise than through a breach of a confidentiality obligation).

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Regional Enterprise Ltd for our work, our Report and other communications, or for any opinions we have formed. We do not accept any responsibility for any loss or damages arising out of the use of the report by the addressee(s) for any purpose other than in connection with the Project.

Whilst the information in the Report has been prepared in good faith, it does not purport to be comprehensive or to have been independently verified. The recipient's attention is drawn to the fact that no representation, warranty or undertaking has been received by Grant Thornton in respect of the accuracy of the information and data provided by third party sources. Grant Thornton does not accept any responsibility for the fairness, accuracy or completeness of the information so provided and shall not be liable for any loss or damage arising as a result of reliance on the Report or on any subsequent communication, save as provided for under the terms of Grant Thornton engagement letter.

Scope of work and limitations

Our work focused on the areas set out in the contract dated 8th March 2017.

Forms of report

For your convenience, this report may have been made available to you in electronic as well as hard copy format, multiple copies and versions of this report may therefore exist in different media and in the case of any discrepancy the final signed hard copy should be regarded as definitive.

General

The report is issued on the understanding that the management of the RE (Regional Enterprise) Limited have drawn our attention to all matters, financial or otherwise, of which they are aware which may have an impact on our report up to the date of signature of this report. Events and circumstances occurring after the date of our report will, in due course, render our report out of date and, accordingly, we will not accept a duty of care nor assume a responsibility for decisions and actions which are based upon such an out of date report. Additionally, we have no responsibility to update this report for events and circumstances occurring after this date.

Contacts

If there are any matters upon which you require clarification or further information please contact Phillip Woolley on +44 (0)161 953 6430 or Cordelia Canning on +44 (0)20 7728 2702.

Yours sincerely,

For Grant Thornton UK LLP

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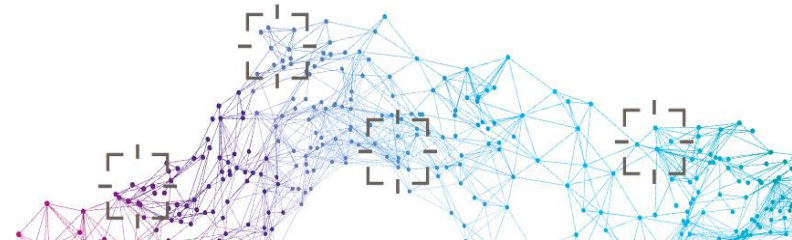
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Executive Summary

The scope of the RE Benchmarking Report encompasses the following services, and throughout this report the aggregation of these services is referred to as 'the benchmarked services': Highways (Network Management and Traffic & Development), Planning and Development Management, Regulatory: Environmental Health & Trading Standards

Stage 1 (net expenditure)

Benchmarked services

- For the first three years of the joint venture, income has represented between 68 – 101% of gross expenditure
- Between 2012/13 and 2015/16 there was a reduction in net expenditure for the benchmarked services of 51%, amounting to £4.1 million
- In 2015/16, Barnet's net spend on the benchmarked services was 'very low' in both a London and nearest neighbour context.

Highways

- Net expenditure on highways services has reduced by 2% (2012/13 – 2015/16)
- The rank of the Council in the context of London has stayed the same between 2012/13 and 2015/16, at 33rd (2015/16) out of 33 boroughs.
- In 2015/16 Barnet had 'very low' net spend on highways services in a London context and in a nearest neighbour context

Planning and Development

- For the first two years of the joint venture income has represented between 85-118% of gross expenditure
- In 2015/16 the Council had 'low' net spend on planning and development services in a London and 'average' in a nearest neighbour context

Regulatory: Environmental Health & Trading Standards

- There has been a reduction in net expenditure of 125% between 2012/13 and 2015/16 which represents £2.8 million
- The rank of the Council in the context of London has reduced from 30th (2012/13) to 33rd (2015/16)
- In 2015/16 the Council had 'very low' net spend on regulatory services both in a London and nearest neighbour context

Stage 2 (standards, customer satisfaction, prices)

Highways

- Services delivered at a lower unit cost than 'nearest neighbour' authorities but the Council have more challenging KPI targets and more km of road.
- The Council has the highest number of road deaths but shows one of the greatest percentage reductions over the period in question.

Planning and Development

- The Council deals with the largest number of planning applications of benchmark organisations and is also the well performing based on the relationship between unit cost and percentage of applications responded to within statutory timescales.

Regulatory: Environmental Health & Trading Standards

- Performance on food safety inspections is relatively strong and the regulatory services are delivered by the Council at a lower unit cost than all 'nearest neighbour' London Boroughs.
- The Council are meeting KPI in relation to trading standards but benchmark organisations that completed data returns do not record KPIs in this area. Therefore, unable to draw robust conclusions.

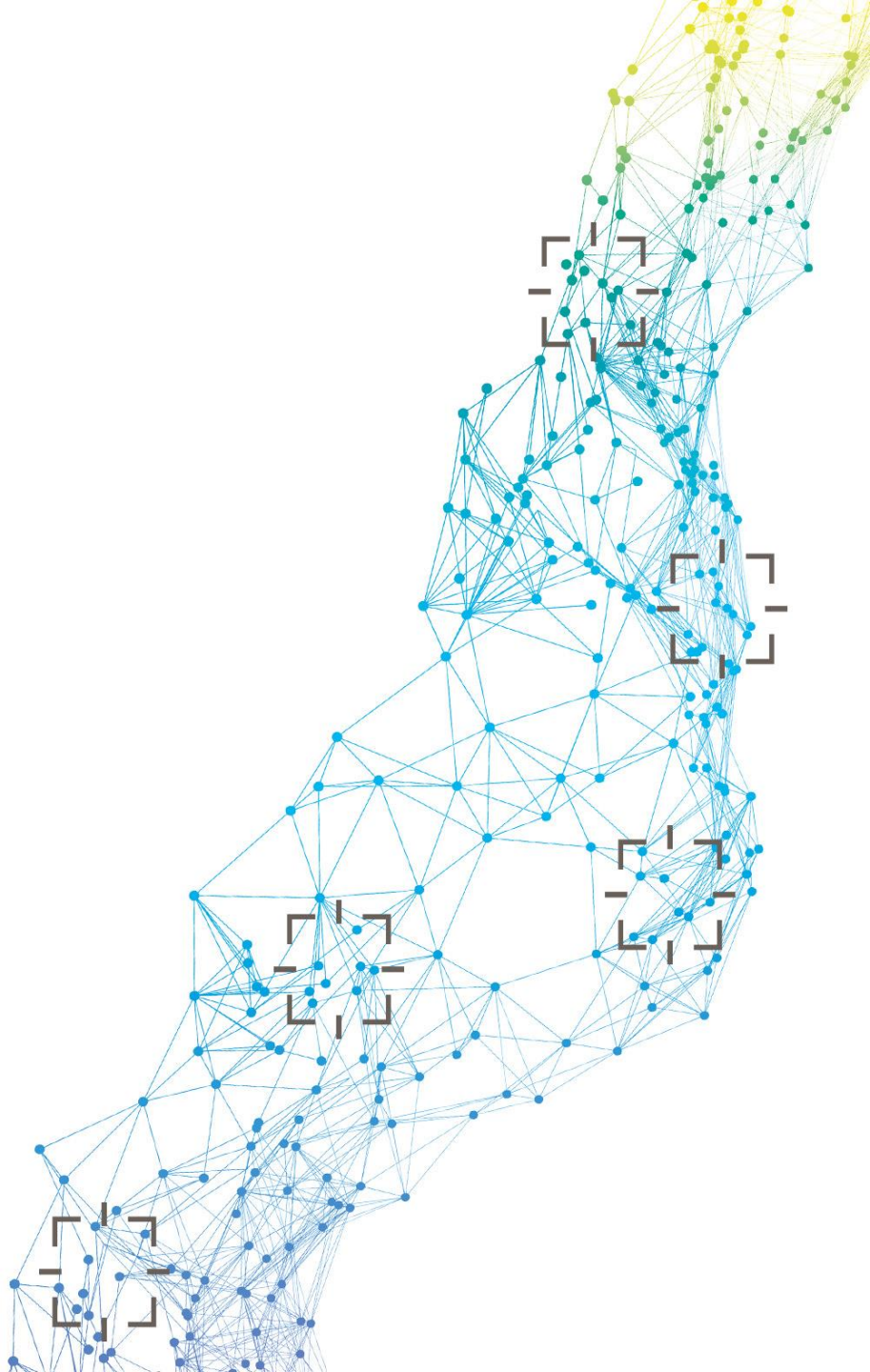
Customer Satisfaction

- The Council has a comparatively favourable grasp of customer satisfaction data as it forms part of the contract with RE. This awareness is not replicated with benchmark organisations and demonstrates the Council has a more complete understanding of the value of services delivered by RE.

Prices

- The price charged for services delivered by the Council relative to the 'nearest neighbour' organisations varies dependent upon the service delivered. Our benchmarking identified that a clearer understanding would be achieved if margins and costs were considered in relation to prices charged for service delivery.

Introduction



London Borough of Barnet and Capita

London Borough of Barnet (the Council) and Capita plc (Capita) set up Regional Enterprise Ltd. (RE) as a joint venture vehicle to deliver the Development and Regulatory Services for the Council. The contract for the delivery of these services commenced on 1st October 2013 and is scheduled to run over a ten year term.

Services provided to London Borough of Barnet by RE include:

- Planning and Development Management
- Building Control
- Land Charges
- Environmental Health
- Trading Standards and Licensing
- Cemetery and Crematorium
- Highways: Strategy
- Highways: Network Management
- Highways: Traffic and Development
- Highways: Transport and Regeneration
- Regeneration
- Strategic Planning

The contract between the Council and Capita has guaranteed the Council a cost saving of £39 million for all services provided by RE. Alongside the delivery of these savings, RE will be investing £8.2 million in new technology, improving facilities and training staff.

The aims of the Council when setting up the joint venture arrangement with Capita were to:

- improve citizens' experience;
- enhance the quality of services; and
- meet efficiency targets.

RE has delivered the following highlights since its inception:

- planning application for Brent Cross, which has secured £97m worth of funding and will be the biggest regeneration project in Europe; and
- delivering a profitable joint venture, generating £39m worth of net commercial benefit for the Council.
- generated £14m worth of new revenue by commercialising services
- provided commissioned services to 11 other local authorities
- introduced a new houses of multiple occupancy (HMO) licensing regime
- overseen the design and delivery of a £50m Highways Network Recovery Plan

Source: <https://www.capitalocalgovernment.co.uk/news-trends/barnet-council-and-capita-contract-delivers-31m-savings/>



The benchmarking study

Regional Enterprise Ltd (RE) commissioned a Grant Thornton UK LLP Benchmarking Report in order to feed into a year 4 review of the outlined services set out below. The purpose of this report was to ascertain the relative quality and competitiveness of the three council service lines. The report will be used by the Council to inform its detailed review of the Development and Regulatory services delivered by RE. The scope of the RE Benchmarking Report encompasses the following services, and throughout this report the aggregation of the below services will be referred to as 'the benchmarked services':

- **Highways (Network Management and Traffic & Development)**
- **Planning and Development Management**
- **Regulatory: Environmental Health & Trading Standards**

The financial lines included for each service line have been determined through consultation with Capita and the London Borough of Barnet and are outlined below:

Highways	Planning and Development	Regulatory: Environmental Health and Trading Standards
<ul style="list-style-type: none"> • Highways maintenance planning, policy and strategy • Public and other transport planning, policy and strategy • Structural maintenance - principal roads • Structural maintenance - other LA roads • Structural maintenance - bridges • Environmental, safety and routine maintenance - principal roads • Environmental, safety and routine maintenance - other LA roads • Winter service • Road safety education and safe routes (including school crossing patrols) • Other traffic management 	<ul style="list-style-type: none"> • Building control • Development control • Conservation and listed buildings planning policy • Other planning policy • Environmental initiatives 	<ul style="list-style-type: none"> • Cemetery, cremation and mortuary services* • Trading standards • Water safety • Food safety • Environmental protection; noise and nuisance • Pest control • Public conveniences • Animal and public health; infectious disease control • Licensing** - Alcohol and entertainment licensing; taxi licensing

*Mortuary services are not part of the RE contract but cannot be split out from this service line and are there included

**Taxi licensing are not part of the RE contract but cannot be split out from this service line and is there included

Source: DCLG Revenue Outturn, 2015/16

The benchmarking study

Our work is divided into two stages:

Stage 1

The first section of this report (Stage 1) is a high level benchmarking exercise, comparing the net expenditure of the benchmarked services provided by RE (as outlined above) against all London Boroughs and a nearest neighbour group. This has been undertaken using publically available financial data submitted by every council to the Department of Communities and Local Government (chapters 3-6).

The nearest neighbour group has been determined using relevant socio economic measures (chapter 2). This group will be used for more in depth comparator analysis in stage 2.

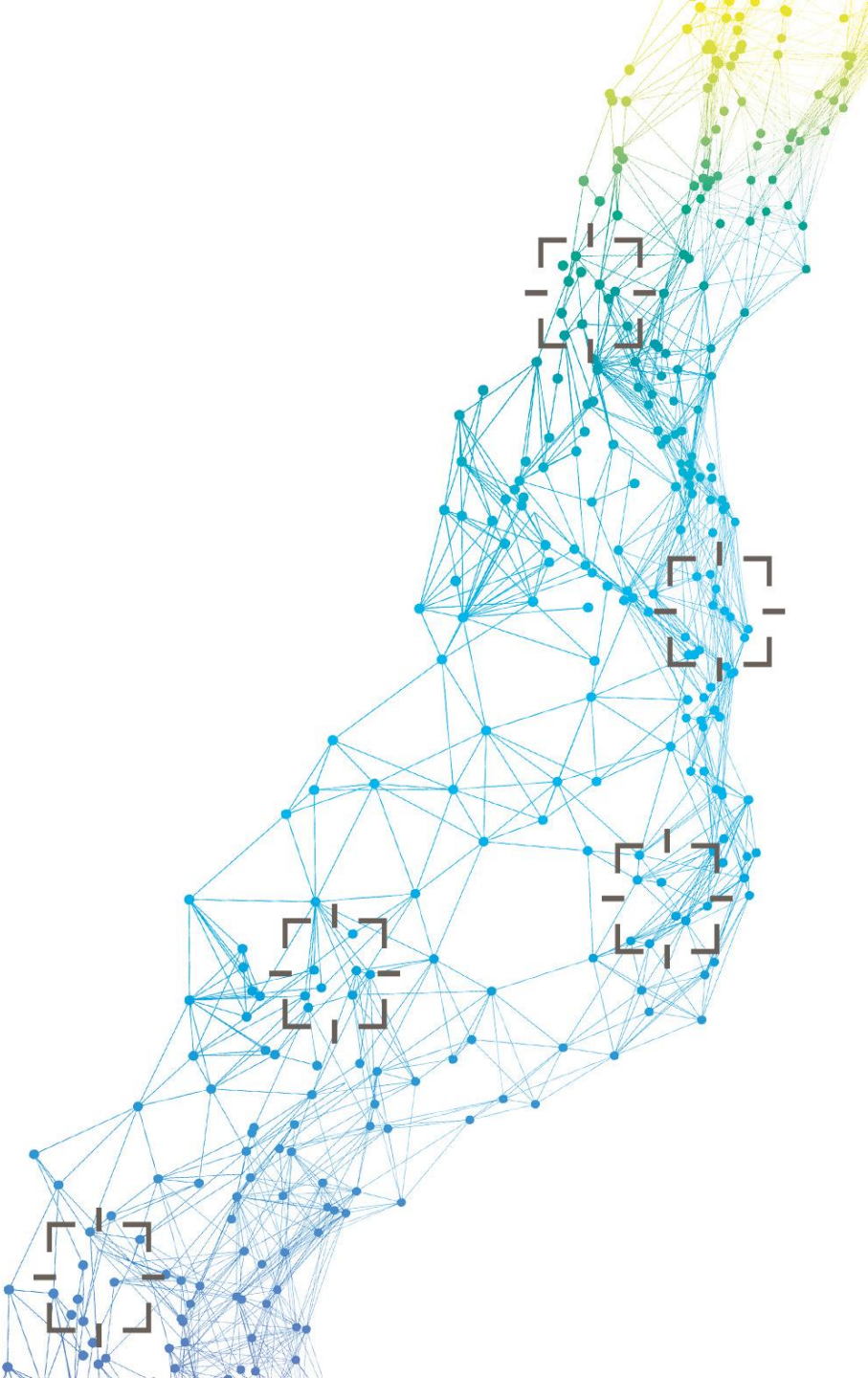
Stage 2

The second section of this report (Stage 2) is a more detailed benchmarking exercise. For this we have used bespoke data requested from the returns received from the ten nearest neighbour authorities identified in stage 1.

The data requested covers service standards and customer satisfaction reflecting the benchmarking criteria for the Development and Regulatory services provided by RE.

The operating models of the benchmark authorities has also been explored in order to account for variations in approaches of the councils.

Stage 1



Stage 1: setting the scene

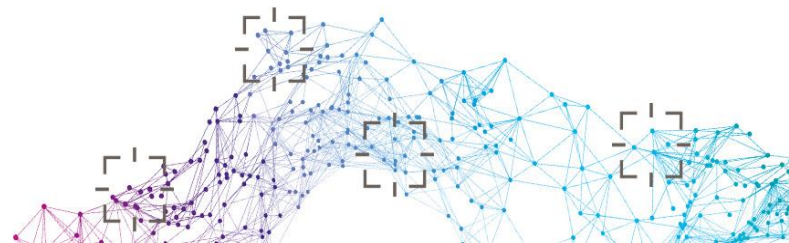
The aim of this section of the report, is to benchmark the following 'benchmarked services' provided by RE to the London Borough of Barnet through the Regional Enterprise joint venture against all London Boroughs and the nearest neighbour group.

In order to do this firstly, the net expenditure, gross expenditure and income for development and regulatory services provided under RE have been aggregated and benchmarked in both a London and nearest neighbour context. We have then carried out a more detailed analysis for these component services: highways, planning and development and regulatory services.

The Financial data used though out this report is sourced from the revenue outturn which is annually submitted to the Department of Communities and Local Government and is publicly available. This data has been used as it is the most comprehensive dataset for local authority finances and is standardised throughout England allowing for effective benchmarking and comparison between councils. **As a result, financial lines include all costs to the council, not just those directly relevant to the RE contract, including direct, third party and support services.**

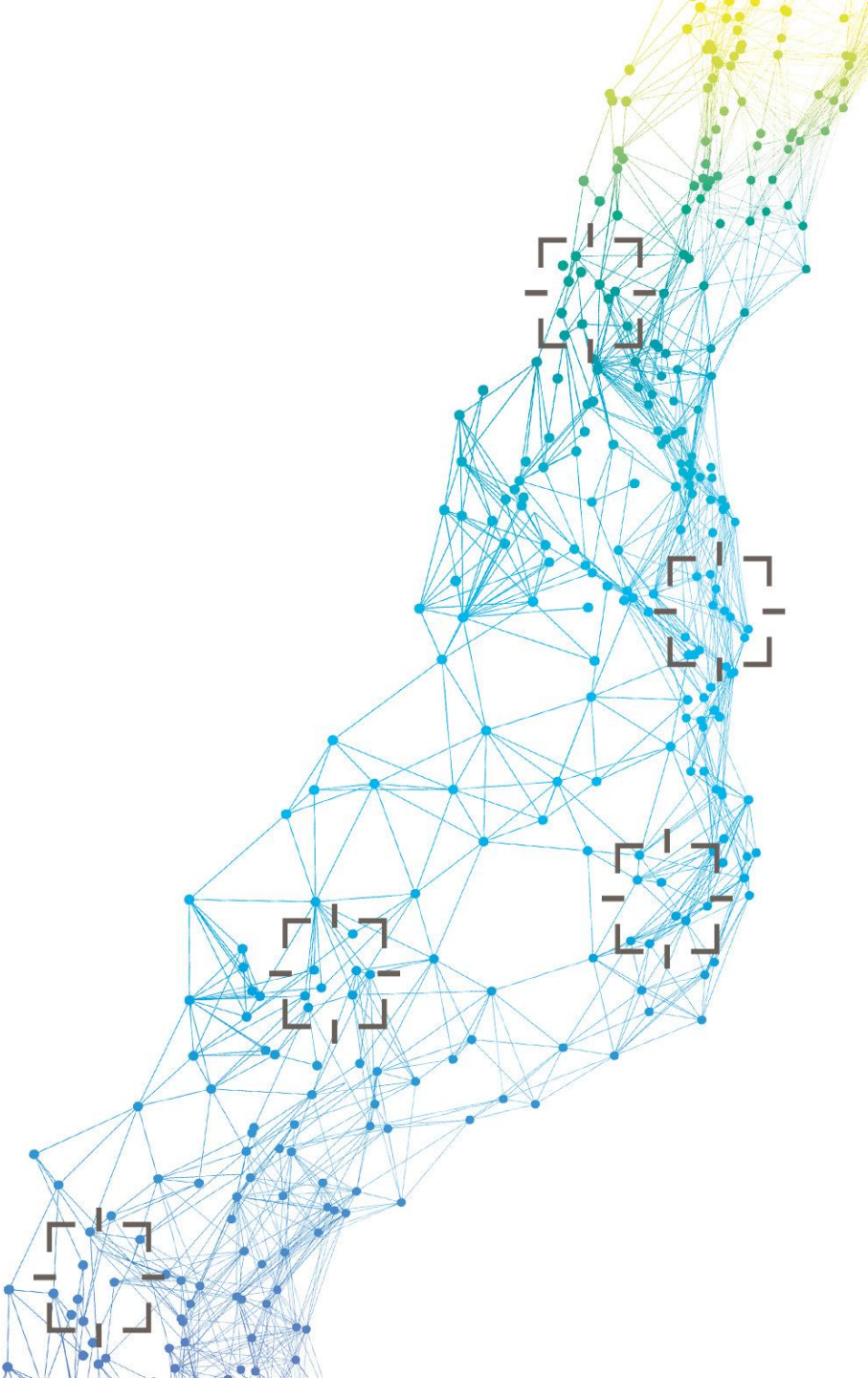
The results of this high level benchmarking exercise have been visualised using outputs from the CFO insights and Place Analytics platforms. This includes:

- maps - to examine spatial variation;
- rank tables - to show the council's position in a comparator group, whether that is all London Boroughs or nearest neighbours; and
- line charts - to examine changes over time.



Socio-economic context

Nearest neighbour group



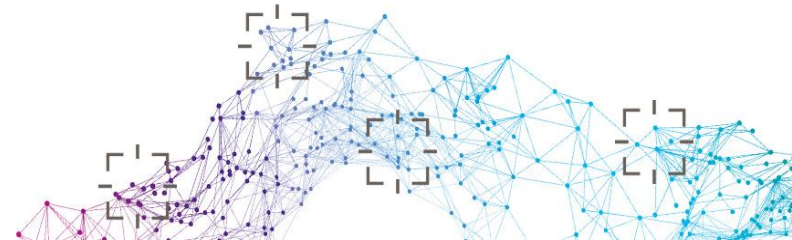
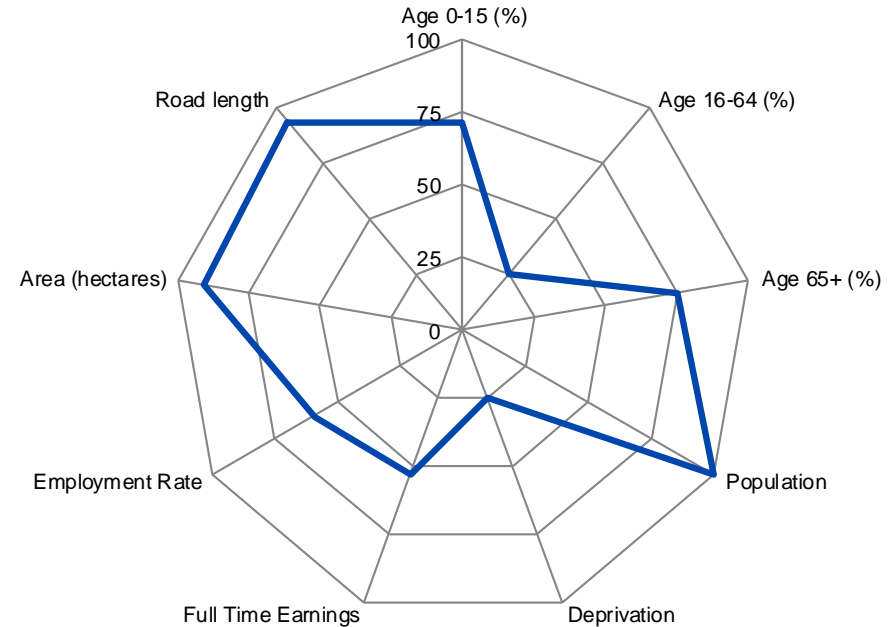
Socio-economic characteristics

In order to appropriately benchmark the London Borough of Barnet against similar areas we used a variety of socio-economic measures to profile the council and then find other London Boroughs with similar characteristics.

The measures used were specifically selected as they give a holistic picture of the population of Barnet and also encapsulate the idea of scale, which is significant to service delivery. Measures include age brackets, deprivation, earnings, employment rate, population size, road length and borough area.

The socioeconomic profile, to the right, shows the London Borough of Barnet in the context of all London Boroughs. The 50 line represents the group median, consequently points closer to the outside of the profile are 'very high' in comparison to the group and those closer to the centre are 'very low'.

The spider chart shows that London Borough of Barnet has the largest population of all the London Boroughs and its spatial area is also within the top 10% of councils. The demographic make up of the population includes a high young population (0-15) in comparison to the group and a very low working age population. Barnet's population also has low levels of deprivation, average full time earnings and a slightly above average employment rate.



Nearest neighbours

Using the measure set out in the spider chart (see previous page) we have identified the ten most statistically similar London authorities to the London Borough of Barnet. These are shown in the table and map to the right and shows that all of the authorities identified are outer London Boroughs.

The nearest neighbour group identified has been used as a more focused benchmark group for this report in order to appropriately benchmark the London Borough of Barnet against similar areas. Furthermore, this group will also be used in stage two of this study for more in depth analysis.



Nearest Neighbours

- 1 Croydon ●
- 2 Hillingdon ●
- 3 Enfield ●
- 4 Ealing ●
- 5 Redbridge ●
- 6 Bromley ●
- 7 Hounslow ●
- 8 Harrow ●
- 9 Brent ●
- 10 Havering ●

● Labour ● Conservative ● No overall majority

Nearest neighbours- current operating models

We have investigated the current operating models for the services provided under RE in the councils identified in the nearest neighbour group. It is important to understand the varying provision of these services across the nearest neighbour group to provide holistic benchmarking analysis. This will be examined in greater details in stage 2.

Council	Regulatory (Licensing and Environmental Health)	Highways (Network Management and Traffic & Development)	Planning and Development Management
London Borough of Croydon	Delivered in-house by the Council	Delivered under contract by Kier Ltd. Contract runs to September 2017.	Delivered in-house by the Council
London Borough of Hillingdon	Delivered in-house by the Council	Delivered in-house by the Council	Planning services contracted out to Terraquest. 10 year contract scheduled to end in 2021.
London Borough of Ealing	Delivered in-house by the Council	Delivered in-house by the Council. Was brought back in house in 2010 having been outsourced to Mouchel.	Delivered in-house by the Council
London Borough of Enfield	Delivered in-house by the Council	Delivered in-house by the Council	Delivered in-house by the Council
London Borough of Redbridge	Delivered in-house by the Council	Delivered in-house by the Council	Delivered in-house by the Council
London Borough of Hounslow	Delivered in-house by the Council	Delivered by Hounslow Highways. Hounslow Highways is a partnership between the Council and VINCI Concessions and Ringway.	Delivered in-house by the Council
London Borough of Harrow	Delivered in-house by the Council	Delivered in-house by the Council	Delivered in-house by the Council
London Borough of Brent	Delivered in-house by the Council	Delivered in-house by the Council	Delivered in-house by the Council
London Borough of Bromley	Licensing - Delivered in-house by the Council Environmental Health – Delivered in-house by the Council with pest control work delivered by contractor	Delivered in-house by the Council	Delivered in-house by the Council
London Borough of Havering	Delivered in-house by the Council	Delivered in-house by the Council	Delivered in-house by the Council

The benchmarked services

- **Highways Services**
- **Planning and Development Services**
- **Regulatory Services**



Change over time

Benchmarked Services

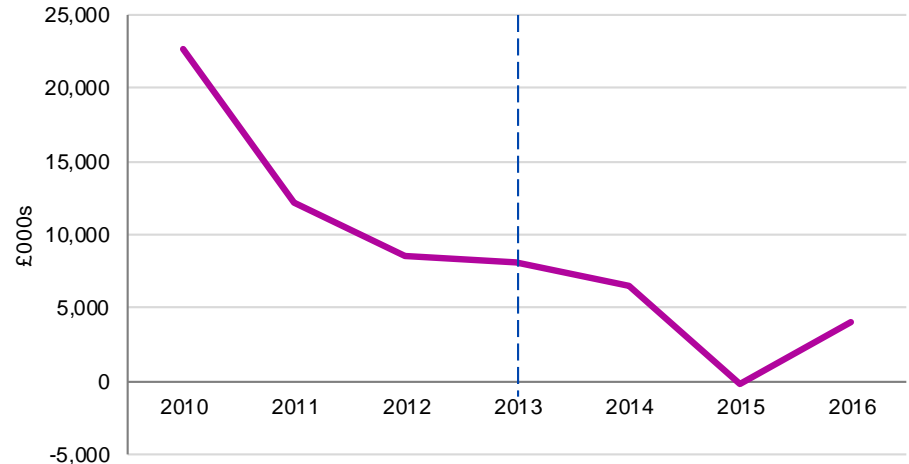
The expenditure and income from these services have been aggregated to represent the total cost of benchmarked services.

The top line graph to the right shows London Borough of Barnet's net expenditure of the aggregated services from 2009/10 to 2015/16 and the bottom line graph shows total income and gross expenditure of the aggregated services. The dashed line indicates the year in which the RE joint venture began.

Based on revenue outturn returns submitted to the Department of Communities and Local Government by the London Borough of Barnet it can be seen that between 2012/13 and 2015/16 there was a reduction in net expenditure for the benchmarked services of 51%, amounting to £4.1 million. This was achieved through an increase in income of 116% and an increase in gross expenditure of only 41% (see right). Consequently, in 2014/15 income covered 101% of gross expenditure of these services, in contrast to just 55% in 2012/13 before the joint venture began.

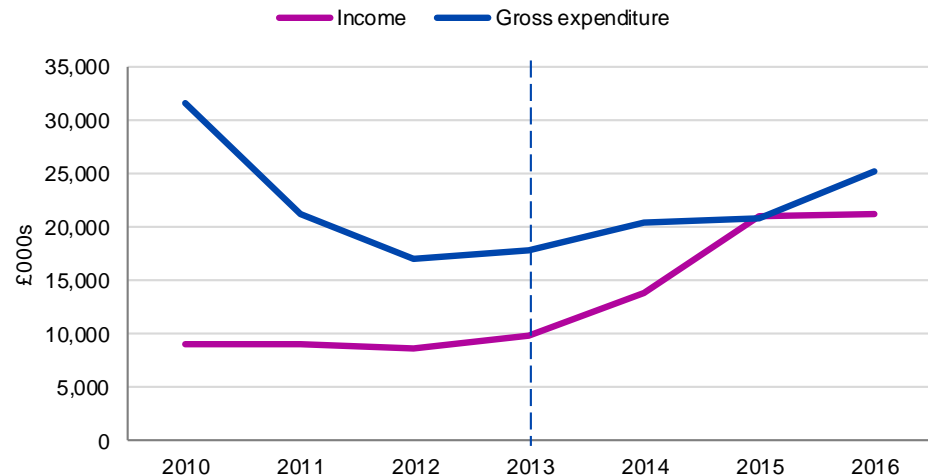
For the duration of the first three years of the joint venture, income has consistently risen which has contributed to the lowering of the net expenditure cost of these services to London Borough of Barnet.

Net Expenditure: Benchmarked Services (2009/10 – 2015/16)



Source: CFO insights: Revenue Outturn 2009-2016

Gross Expenditure and Income: Benchmarked Services (2009/10 – 2015/16)



Source: CFO insights: Revenue Outturn 2009-2016

Change over time: London context

Benchmarked Services

When looking at how spend has changed over time it is also important to look at this in a wider London context.

The rank tables show net expenditure of the benchmarked services of the London Borough of Barnet in both 2012/13, before the joint venture began, and in the most recent year 2015/16.

From these rank tables it is clear that overall spend on these services has reduced across London. The London average net spend has reduced from £80.69 per head (2012/13) to £73.73 (2015/16). This represents a reduction of 8.62%.

The net spend per head on the benchmarked services of London Borough of Barnet has reduced by 53% (2012/13 – 2015/16) and the rank of the council in the context of London has remained 33rd in both 2012/13 and 2015/16.

2012/13

Rank	London Borough	£/head
1	City of London	1060.10
2	Westminster	143.20
3	Kensington & Chelsea	109.76
4	Islington	68.06
5	Kingston Upon Thames	66.48
6	Camden	58.61
7	Southwark	56.53
8	Sutton	56.22
9	Greenwich	56.05
10	Hackney	55.15
11	Hammersmith & Fulham	53.66
12	Ealing	53.56
13	Waltham Forest	52.91
14	Bromley	51.94
15	Havering	51.36
16	Richmond upon Thames	50.28
17	Enfield	47.18
18	Redbridge	45.83
19	Newham	45.54
20	Bexley	45.48
21	Lewisham	44.62
22	Hounslow	44.00
23	Harrow	41.05
24	Tower Hamlets	40.61
25	Barking & Dagenham	34.35
26	Merton	32.37
27	Wandsworth	32.36
28	Lambeth	31.57
29	Hillingdon	29.72
30	Haringey	29.10
31	Croydon	29.00
32	Brent	24.05
33	Barnet	22.13

2015/16

Rank	London Borough	£/head
1	City of London	1130.14
2	Kensington & Chelsea	111.15
3	Westminster	83.51
4	Hounslow	66.85
5	Islington	55.93
6	Ealing	55.16
7	Greenwich	52.10
8	Kingston Upon Thames	50.82
9	Richmond upon Thames	50.13
10	Southwark	48.42
11	Camden	47.04
12	Hammersmith & Fulham	46.68
13	Redbridge	44.55
14	Hackney	43.14
15	Bromley	42.68
16	Brent	42.55
17	Sutton	42.51
18	Waltham Forest	38.98
19	Havering	35.53
20	Bexley	33.99
21	Merton	33.99
22	Lambeth	33.04
23	Newham	31.13
24	Tower Hamlets	30.36
25	Enfield	28.72
26	Harrow	28.22
27	Croydon	21.55
28	Haringey	20.05
29	Hillingdon	19.70
30	Wandsworth	18.32
31	Lewisham	18.31
32	Barking & Dagenham	17.50
33	Barnet	10.45

Source: CFO insights: Revenue Outturn 2013,2016, ONS Mid year Population Estimates 2012,2015

Benchmarked in the context of all London Boroughs

Benchmarked Services

The rank table to the right shows net expenditure per head of the aggregated services provided by the RE in 2015/16 for all 33 London Boroughs. A value per head of population is used to allow for more accurate comparison between areas as they are normalised.

In comparison to all 33 London Boroughs the London Borough of Barnet is ranked 33rd and is therefore in the bottom 20% of spenders on benchmarked services. Consequently, Barnet's spend on these services would be described as 'very low' in a London context.

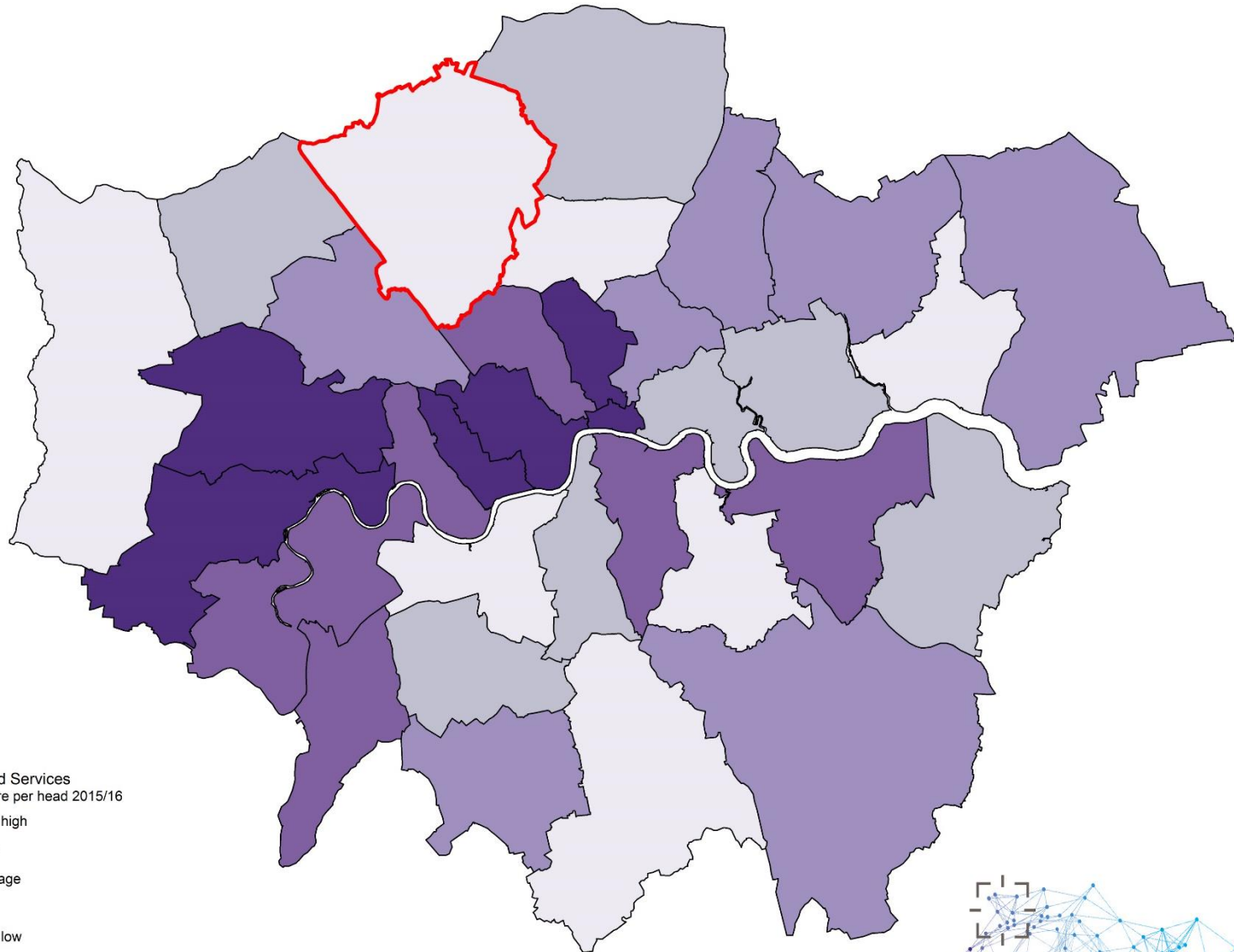
The map on the following page shows the spatial spread of spend on benchmarked services within London. The map illustrates that there is a spatial pattern to spend in London. In general, the west of London has higher net spend than the east on these services. However, there is a range of spend for London Borough of Barnet's nearest geographic neighbours. Camden's spend is 'high' in the context of London, and Brent's is 'average'. Contrastingly, Haringey's spend on the benchmark services 'very low' in a London context.

2015/16

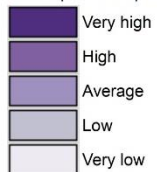
Rank	London Borough	£/head
1	City of London	1130.14
2	Kensington & Chelsea	111.15
3	Westminster	83.51
4	Hounslow	66.85
5	Islington	55.93
6	Ealing	55.16
7	Greenwich	52.10
8	Kingston Upon Thames	50.82
9	Richmond upon Thames	50.13
10	Southwark	48.42
11	Camden	47.04
12	Hammersmith & Fulham	46.68
13	Redbridge	44.55
14	Hackney	43.14
15	Bromley	42.68
16	Brent	42.55
17	Sutton	42.51
18	Waltham Forest	38.98
19	Havering	35.53
20	Bexley	33.99
21	Merton	33.99
22	Lambeth	33.04
23	Newham	31.13
24	Tower Hamlets	30.36
25	Enfield	28.72
26	Harrow	28.22
27	Croydon	21.55
28	Haringey	20.05
29	Hillingdon	19.70
30	Wandsworth	18.32
31	Lewisham	18.31
32	Barking & Dagenham	17.50
33	Barnet	10.45

Source: CFO insights: Revenue Outturn 2016, ONS Mid year Population Estimates 2015

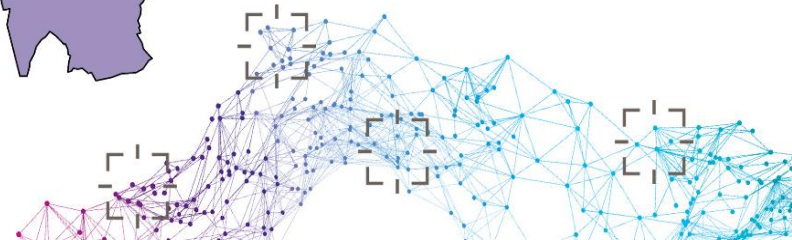
Benchmarked in the context of all London Boroughs



Benchmarked Services
Net Expenditure per head 2015/16



Source: CFO insights: Revenue Outturn 2016, ONS Mid year Population Estimates 2015



Benchmarked in the context of nearest neighbours

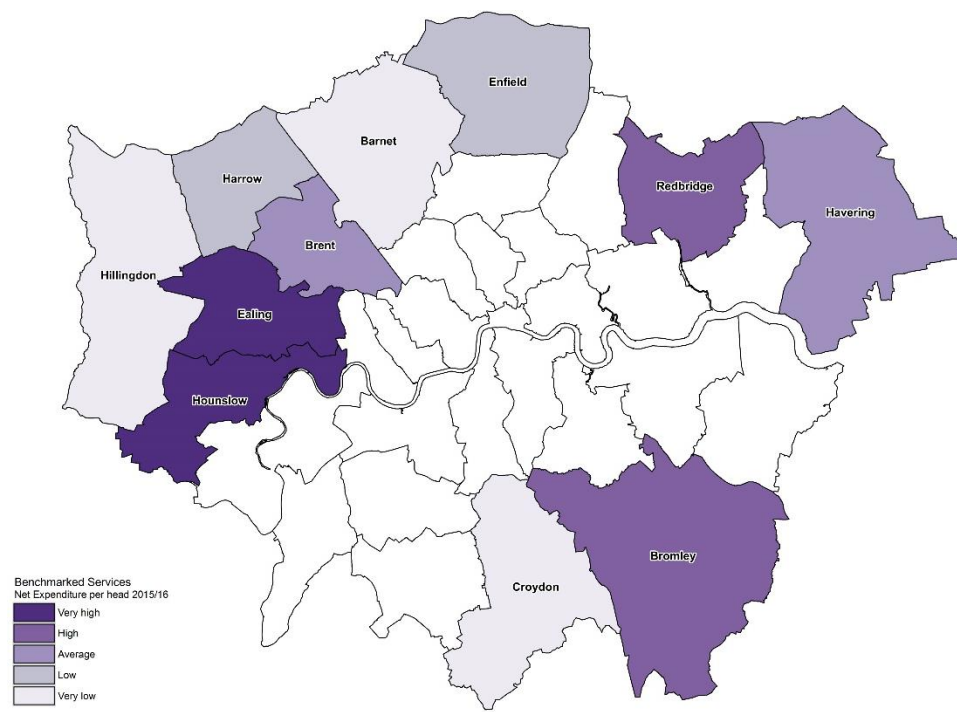
Benchmarked Services

As noted earlier, London Borough of Barnet's ten nearest neighbour's were identified based on a number of socioeconomic measures. As these areas have similar socioeconomic characteristics and challenges as Barnet, it can be considered that fair comparisons are being made for benchmarking spend, as they are operating in similar conditions.

The map and rank table to the right show net expenditure per head of benchmarked services in 2015/16 for the 10 authorities in Barnet's nearest neighbour group. A value per head of population is used to allow for more accurate comparison between areas as they are normalised.

Within the nearest neighbour group the maximum spend per head is £66.85 and the minimum spend is £10.45, making a range of £56.40. The average spend per head of the group is £36.00. As Barnet has the lowest spend on benchmarked services in the group (£10.45), the council's spend is well below the group average.

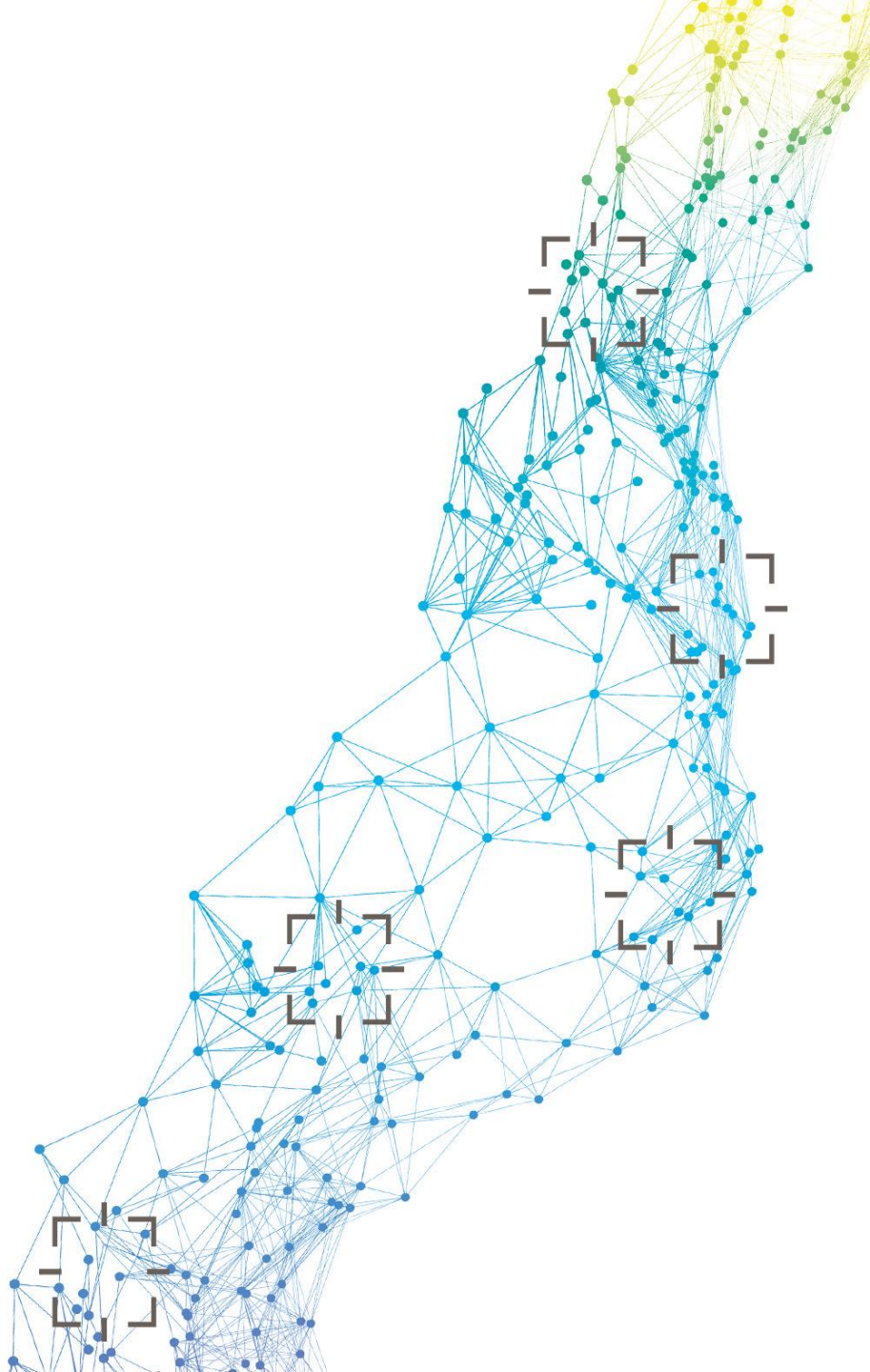
As a result in 2015/16 the London Borough of Barnet had very low spend on benchmarked services in both a London and nearest neighbour context.



	London Borough	Net Expenditure /head	London rank
1	Hounslow	66.85	4
2	Ealing	55.16	6
3	Redbridge	44.55	13
4	Bromley	42.68	15
5	Brent	42.55	16
6	Havering	35.53	19
7	Enfield	28.72	25
8	Harrow	28.22	26
9	Croydon	21.55	27
10	Hillingdon	19.70	29
11	Barnet	10.45	33

Source: CFO insights: Revenue Outturn 2016, ONS Mid year Population Estimates 2015

Highways Services



Change over time

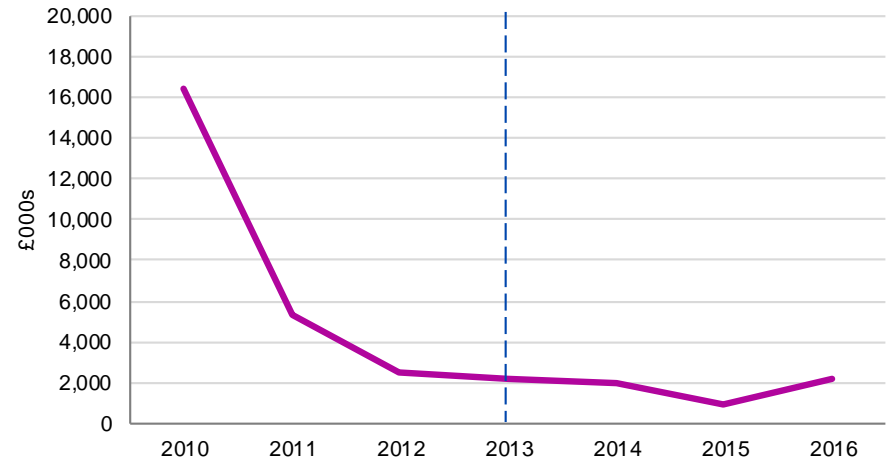
Highways Services

Highways services are one of the three benchmarked services provided through RE to the London Borough of Barnet. This section examines how spend on this service has changed over time.

The top line graph to the right shows London Borough of Barnet's net expenditure of the highways services from 2009/10 to 2015/16 and the bottom line graph shows total income and gross expenditure of highways services. The dashed line indicates the year in which the RE joint venture began.

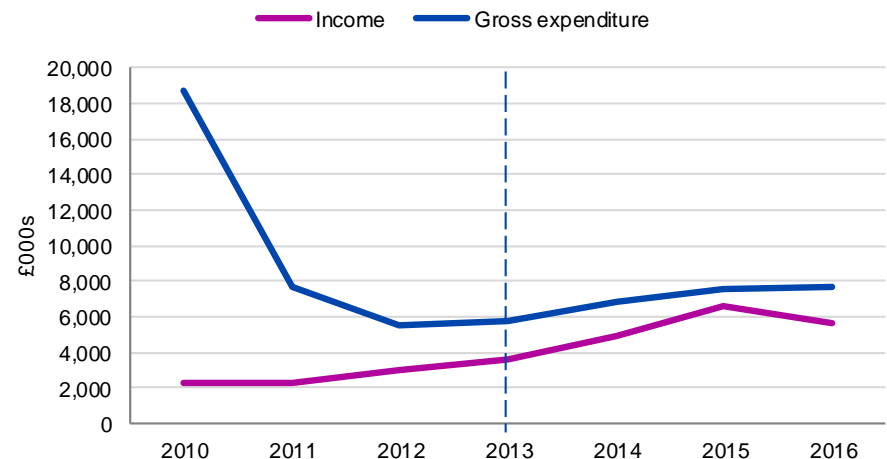
Based on revenue outturn returns submitted to the Department of Communities and Local Government by the London Borough of Barnet it can be seen that between 2012/13 and 2015/16 gross expenditure rose by 33%, while income increased by 54%, resulting in a net expenditure reduction of 2%. Over the period of 2013/14 and 2015/16 income represented between 72% and 88% of gross expenditure compared to 63% in 2012/13 before the joint venture began.

Net expenditure: Highways services (2009/10 – 2015/16)



Source: CFO insights: Revenue Outturn 2009-2016

Gross Expenditure and Income: Highways services (2009/10 – 2015/16)



Source: CFO insights: Revenue Outturn 2009-2016

Change over time: London context

Highways Services

When looking at how spend has changed over time it is important to look at this in a wider London context.

The rank tables show net expenditure per kilometre of road of highways services by London Borough of Barnet in both 2012/13, before the joint venture began, and in the most recent year 2015/16.

The net spend on highways services of London Borough of Barnet has reduced by 0.38% (2012/13 – 2015/16) and the rank of the council in the context of London has remained as the lowest spend per kilometre of road of all the London Boroughs in both 2012/13 and 2015/16.

2012/13

Rank	London Borough	£/km road
1	Kensington & Chelsea	47,229.96
2	Westminster	29,611.57
3	City of London	25,517.84
4	Camden	23,821.88
5	Ealing	23,386.00
6	Hackney	22,543.54
7	Kingston Upon Thames	22,388.15
8	Waltham Forest	21,759.48
9	Southwark	20,582.74
10	Greenwich	16,500.00
11	Newham	16,253.01
12	Redbridge	14,318.18
13	Islington	14,113.77
14	Hammersmith & Fulham	13,586.69
15	Havering	13,189.89
16	Hounslow	13,077.69
17	Sutton	12,587.69
18	Wandsworth	12,168.56
19	Tower Hamlets	12,076.23
20	Bexley	11,989.71
21	Lewisham	11,815.34
22	Richmond upon Thames	11,235.22
23	Bromley	10,880.17
24	Enfield	10,456.73
25	Harrow	10,413.69
26	Haringey	10,098.18
27	Barking & Dagenham	9,362.98
28	Merton	8,786.75
29	Brent	8,359.04
30	Hillingdon	7,624.38
31	Lambeth	5,805.11
32	Croydon	4,473.58
33	Barnet	2,841.10

2015/16

Rank	London Borough	£/km road
1	City of London	77,880.91
2	Kensington & Chelsea	44,800.39
3	Hounslow	30,826.21
4	Ealing	26,258.30
5	Brent	24,723.03
6	Islington	20,453.97
7	Hackney	20,251.98
8	Southwark	19,630.86
9	Camden	18,667.84
10	Greenwich	18,617.95
11	Westminster	17,799.57
12	Waltham Forest	15,600.47
13	Kingston Upon Thames	14,225.97
14	Redbridge	13,087.19
15	Richmond upon Thames	13,053.55
16	Hammersmith & Fulham	11,981.90
17	Tower Hamlets	11,562.59
18	Sutton	11,239.31
19	Harrow	10,483.73
20	Newham	10,398.87
21	Bromley	10,297.50
22	Havering	9,955.96
23	Merton	9,832.49
24	Lambeth	9,156.05
25	Haringey	8,980.96
26	Wandsworth	8,478.11
27	Bexley	8,036.20
28	Barking & Dagenham	7,292.41
29	Enfield	6,548.19
30	Hillingdon	6,394.53
31	Croydon	3,761.07
32	Lewisham	3,679.52
33	Barnet	2,830.16

Source: CFO insights: Revenue Outturn 2013,2016, Department of Transport 2012,2015

Benchmarked in the context of all London Boroughs

Highways Services

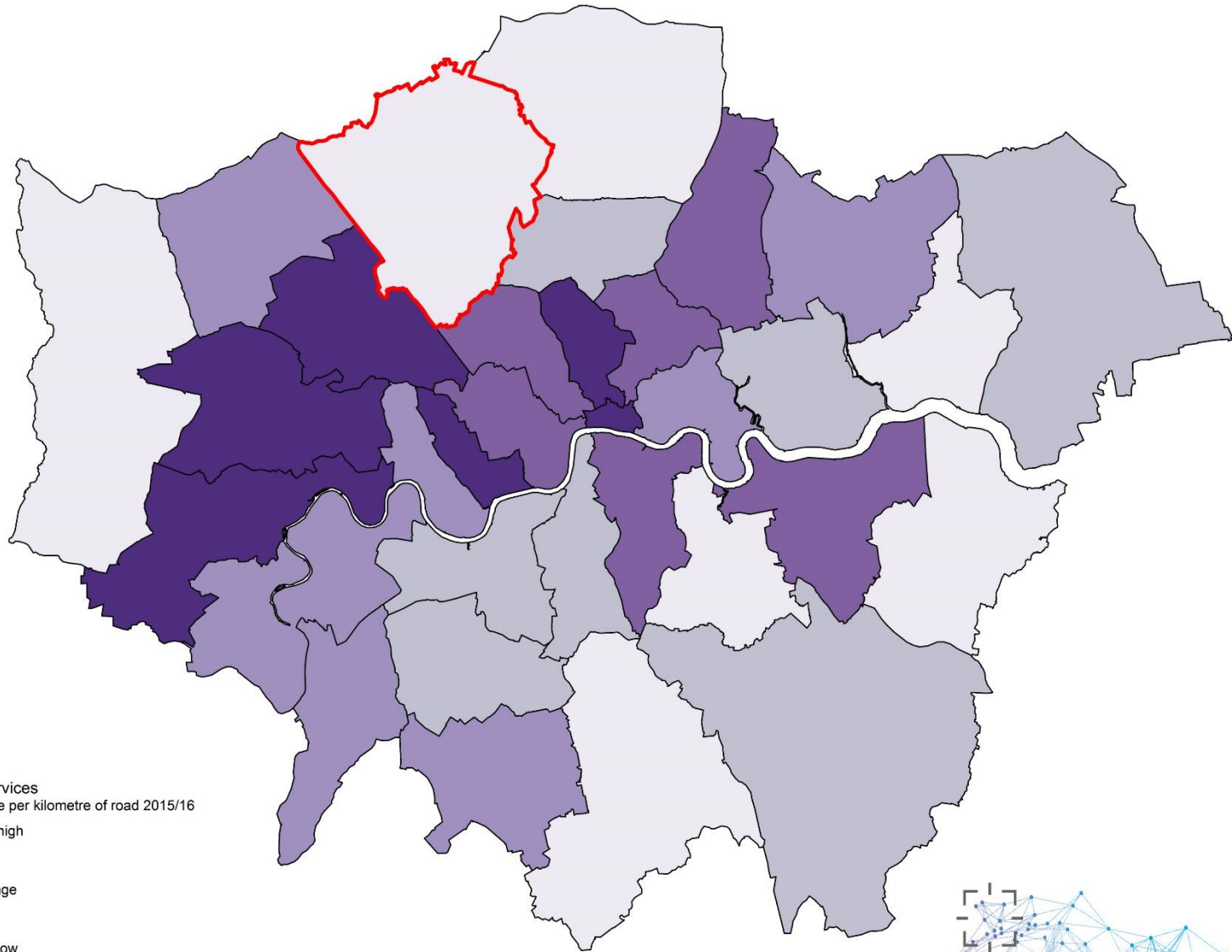
The rank table to the right shows net expenditure per kilometres of road for highways services in 2015/16 across all 33 London Boroughs. A value per kilometres of road is used to allow for more accurate comparison between areas as they are normalised.

In comparison to all 33 London Boroughs the London Borough of Barnet is ranked 33rd and is therefore bottom of net spenders on highways services. Consequently, Barnet's spend on these services would be described as 'very low' in a London context.

The map on the following page shows the spatial spread of net spend on highways and transport services within London. There is a range of spend for the London Borough of Barnet's geographic neighbours. Brent's spend is 'very high' in a London context, and Camden's is 'high'. However, Enfield's spend on highways services is 'very low' in comparison to London.

Rank	London Borough	£/km road
1	City of London	77,880.91
2	Kensington & Chelsea	44,800.39
3	Hounslow	30,826.21
4	Ealing	26,258.30
5	Brent	24,723.03
6	Islington	20,453.97
7	Hackney	20,251.98
8	Southwark	19,630.86
9	Camden	18,667.84
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13	Kingston Upon Thames	14,225.97
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18	Sutton	11,239.31
19	Harrow	10,483.73
20	Newham	10,398.87
21	Bromley	10,297.50
22	Havering	9,955.96
23	Merton	9,832.49
24	Lambeth	9,156.05
25	Haringey	8,980.96
26	Wandsworth	8,478.11
27	Bexley	8,036.20
28	Barking & Dagenham	7,292.41
29	Enfield	6,548.19
30	Hillingdon	6,394.53
31	Croydon	3,761.07
32	Lewisham	3,679.52
33	Barnet	2,830.16

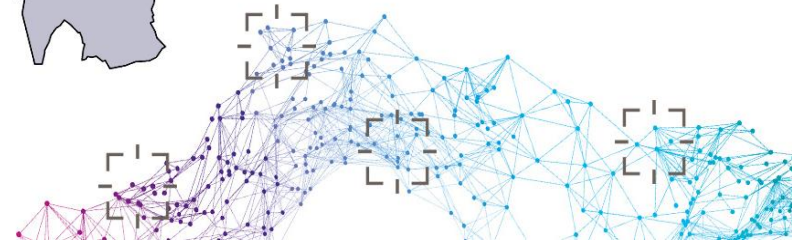
Benchmarked in the context of all London Boroughs



Highways Services
Net Expenditure per kilometre of road 2015/16



Source: CFO insights: Revenue Outturn 2016, Department of Transport 2015



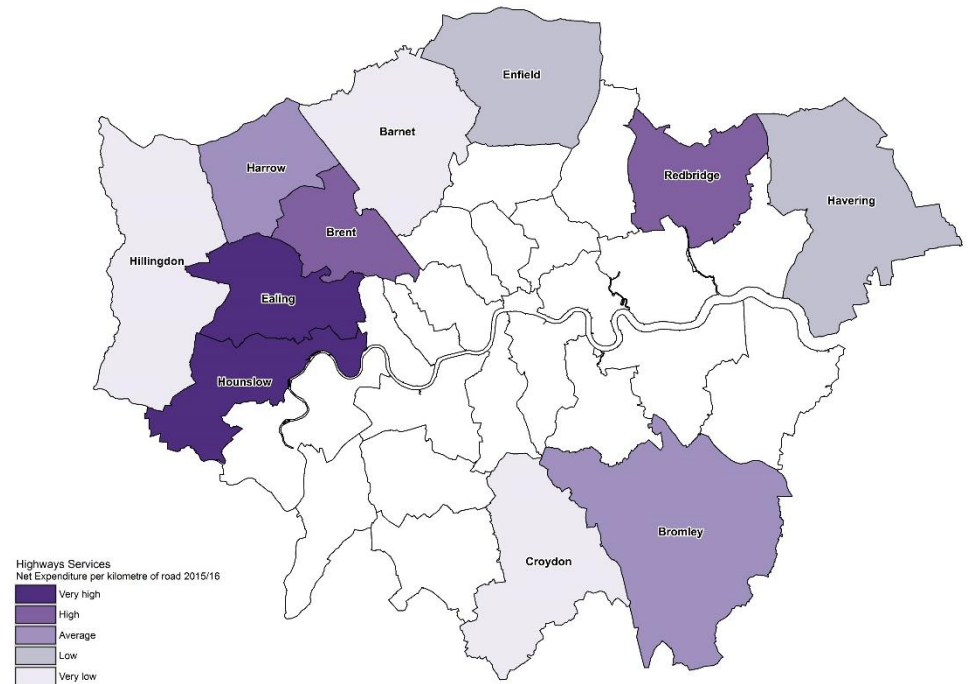
Benchmarked in the context of nearest neighbours

Highways Services

Looking at London Borough of Barnet's 10 nearest neighbour's based on a number of socioeconomic measures; the map and rank table to the right show net expenditure per kilometres of road on highways services in 2015/16. A value per kilometres of road is used to allow for more accurate comparison between areas as they are normalised.

Within the nearest neighbour group the maximum net spend per kilometres of road is £30,826.21, and the minimum is £2,830.16 making a range of £27,996.05. The average net spend per kilometres of road of the group is £13,196.90. As Barnet has the lowest spend on highways services in the group (£2,830.16), the council's spend is below the group average. There are no councils with lower spend on highways and transport than Barnet in the nearest neighbour group.

As a result in 2015/16 the London Borough of Barnet had very low spend on highways services in both a London and nearest neighbour context.



	London Borough	Net Expenditure / km road	London rank
1	Hounslow	30,826.21	3
2	Ealing	26,258.30	4
3	Brent	24,723.03	5
4	Redbridge	13,087.19	14
5	Harrow	10,483.73	19
6	Bromley	10,297.50	21
7	Havering	9,955.96	22
8	Enfield	6,548.19	29
9	Hillingdon	6,394.53	30
10	Croydon	3,761.07	31
11	Barnet	2,830.16	33

Source: CFO insights: Revenue Outturn 2016, Department of Transport 2015

Capital Expenditure

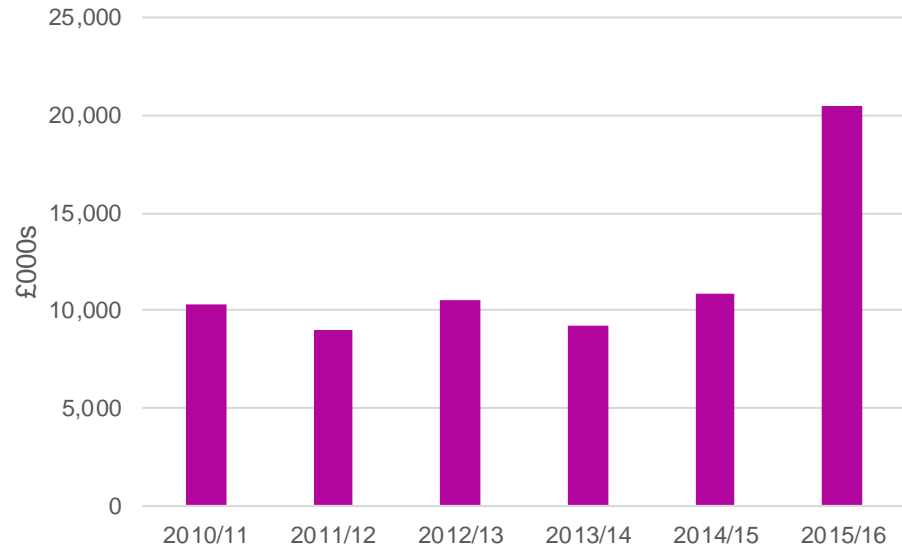
Highways Services

Capital expenditure is investment in local authority services, mainly the provision, acquisition and enhancement of fixed assets such as land, buildings, vehicles and machinery which will be of use or benefit in providing services for more than one financial year.

The bar chart to the right shows capital expenditure on highways by the London Borough of Barnet between 2010/11 and 2015/16. The table below shows how the council's capital expenditure compares to all London Boroughs and also to the nearest neighbour group.

From the bar chart we can see a peak in capital expenditure on highways in 2015/16 of approximately £20.5million. At this peak, Barnet had the third greatest total capital expenditure on highways and transport in London and the highest in the nearest neighbour group.

Capital Expenditure: Highways (2010/11 – 2015/16)



	Capital Expenditure: Highways (£000s)	London Rank / 33	Nearest Neighbour rank / 11
2010/11	10,295	14	6
2011/12	8,959	15	5
2012/13	10,562	11	3
2013/14	9,224	18	9
2014/15	10,899	13	5
2015/16	20,504	3	1

Source: Department for Communities and Local Government, 2010 -2016

Planning and Development



Change over time

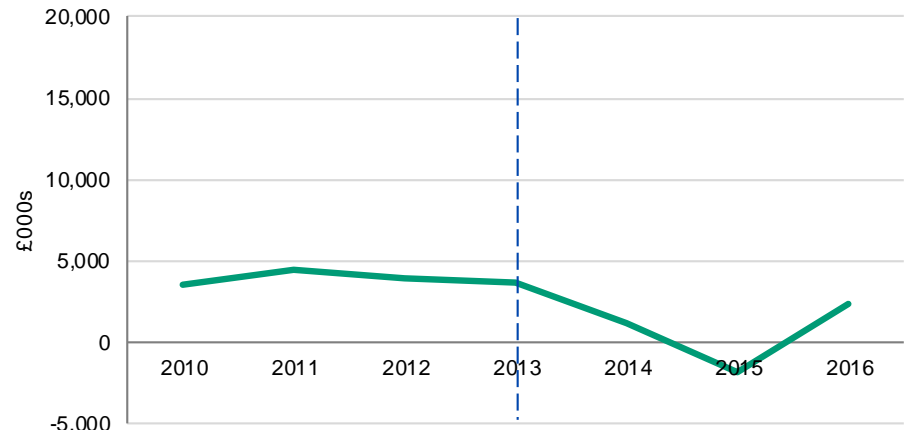
Planning and Development Services

Planning and development services are one of the three benchmarked services provided through RE to the London Borough of Barnet. This section examines how spend on this service has changed over time.

The top line graph to the right shows London Borough of Barnet's net expenditure on RE delivered planning and development services from 2009/10 to 2015/16 and the bottom line graph shows total income and gross expenditure of planning and development services. The dashed line indicates the year in which the RE joint venture began.

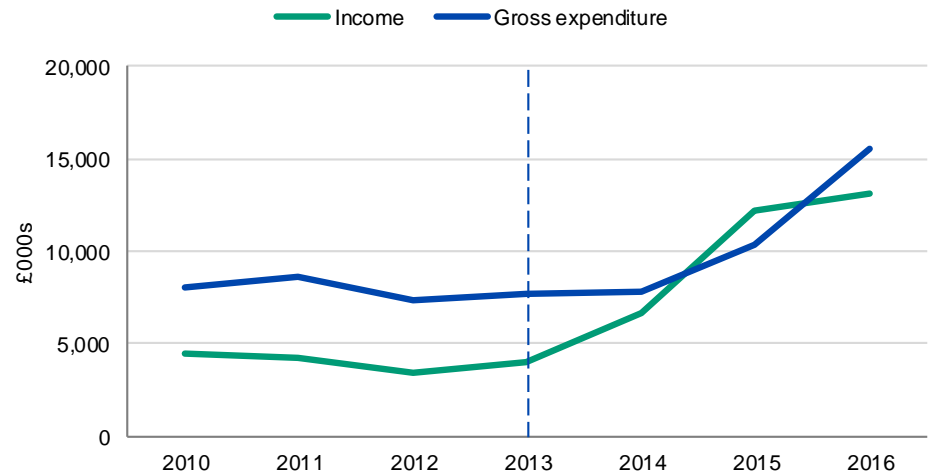
Based on revenue outturn returns submitted to the Department of Communities and Local Government by the London Borough of Barnet it can be seen that between 2010/11 and 2012/13 net expenditure for planning and development services provided by RE remained relatively stable. However, between 2012/13 and 2014/15 net expenditure decreased by 152%. This was achieved through an increase in income of 203% and an increase in gross expenditure of 35% (see right). Consequently, in 2014/15 income covered 118% of gross expenditure of these services, in contrast to 53% in 2012/13 before the joint venture began. In 2015/16 net expenditure increased due to an increase in gross expenditure, which can mainly be attributed to increases in cost of 'development control'. However, in this year income still represented 85% of gross expenditure.

Net expenditure: Planning and Development Services (2009/10 – 2015/16)



Source: CFO insights: Revenue Outturn 2009-2016

Gross Expenditure and Income: Planning and Development Services (2009/10 – 2015/16)



Source: CFO insights: Revenue Outturn 2009-2016

Change over time: London context

Planning and Development Services

When looking at how spend has changed over time it is important to look at this in a wider London context.

The rank tables show net expenditure on planning and development services in both 2012/13, before the joint venture began, and in the most recent year 2015/16.

From these rank tables it is clear that overall spend on these services has reduced across London. The London average net spend has reduced by 25%, from £23.66 per head (2012/13) to £17.67 (2015/16).

The net spend on planning and development services of London Borough of Barnet has reduced by 36% (2012/13 – 2015/16). Barnet's rank within the London Borough group remains the same in both 2012/13 and 2015/16, at 20th out of 33 boroughs. However, it is also worth noting that in 2014/15 Barnet was 33rd of the 33 London Boroughs.

2012/13

Rank	London Borough	£/head
1	City of London	385.85
2	Westminster	32.85
3	Islington	31.78
4	Kensington & Chelsea	24.22
5	Hammersmith & Fulham	20.78
6	Sutton	17.08
7	Richmond upon Thames	16.09
8	Newham	15.47
9	Hackney	14.67
10	Enfield	14.07
11	Harrow	13.54
12	Lewisham	12.78
13	Southwark	12.45
14	Camden	12.26
15	Croydon	11.80
16	Kingston Upon Thames	11.65
17	Lambeth	10.39
18	Bromley	10.33
19	Tower Hamlets	10.25
20	Barnet	9.91
21	Bexley	9.82
22	Merton	9.56
23	Redbridge	8.68
24	Havering	8.31
25	Ealing	7.65
26	Haringey	7.37
27	Hounslow	7.28
28	Wandsworth	6.68
29	Barking & Dagenham	6.21
30	Brent	5.75
31	Greenwich	5.25
32	Waltham Forest	5.15
33	Hillingdon	4.98

2015/16

Rank	London Borough	£/head
1	City of London	312.44
2	Kensington & Chelsea	22.97
3	Westminster	21.31
4	Richmond upon Thames	16.00
5	Hammersmith & Fulham	13.82
6	Kingston Upon Thames	13.38
7	Redbridge	12.96
8	Islington	12.82
9	Sutton	11.89
10	Lambeth	11.40
11	Croydon	10.54
12	Camden	10.45
13	Hackney	10.23
14	Enfield	9.09
15	Lewisham	9.07
16	Bexley	7.95
17	Bromley	7.79
18	Newham	7.76
19	Merton	7.40
20	Barnet	6.30
21	Southwark	5.81
22	Havering	5.70
23	Waltham Forest	5.23
24	Ealing	5.10
25	Greenwich	4.92
26	Haringey	4.71
27	Wandsworth	3.57
28	Tower Hamlets	3.30
29	Barking & Dagenham	3.17
30	Harrow	2.79
31	Hillingdon	2.05
32	Hounslow	0.75
33	Brent	0.37

Source: CFO insights: Revenue Outturn 2013,2016, ONS Mid year Population Estimates 2012,2015

Benchmarked in the context of all London Boroughs

Planning and Development Services

The rank table to the right shows net expenditure per head of planning and development services in 2015/16 of all 33 London Boroughs. A value per head of population is used to allow for more accurate comparison between areas as they are normalised.

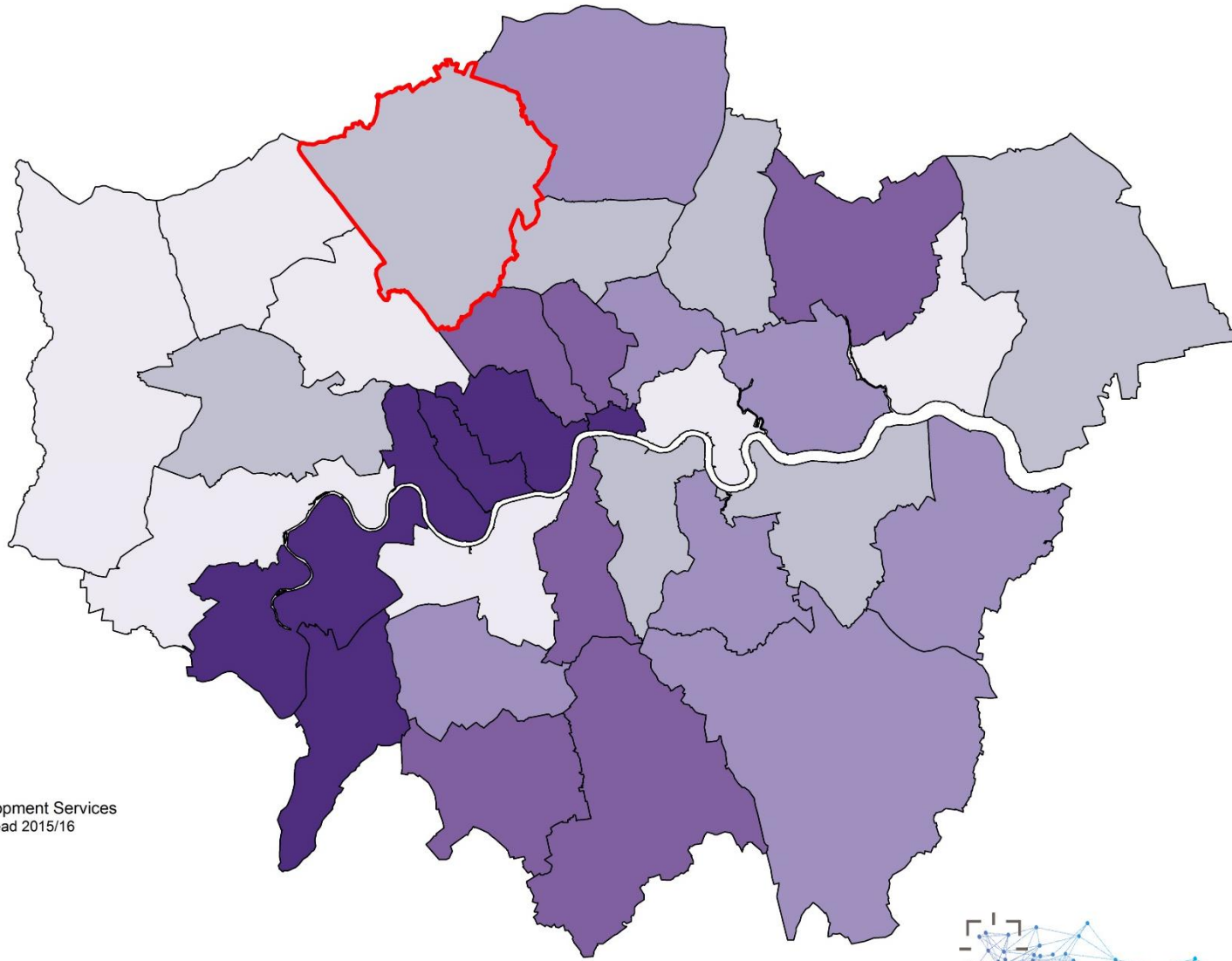
In comparison to all 33 London Boroughs the London Borough of Barnet is ranked 20th and is therefore in the bottom 40% of net spenders on planning and development services. Consequently, Barnet's spend on these services would be described as 'low' in a London context.

The map on the following page shows the spatial spread of spend on planning and development services within London. The map illustrates that there is a spatial pattern to spend in London. In general, the London boroughs in the south west have higher net spend than the other boroughs on these services. However, there is a range of net spend for London Borough of Barnet's nearest geographic neighbours. Camden's net spend is in the top 40% in London and would be described as 'high'. However, Brent and Harrow's net spend on planning and development services is 'very low' in a London context.

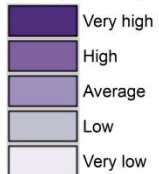
Rank	London Borough	£/head
1	City of London	312.44
2	Kensington & Chelsea	22.97
3	Westminster	21.31
4	Richmond upon Thames	16.00
5	Hammersmith & Fulham	13.82
6	Kingston Upon Thames	13.38
7	Redbridge	12.96
8	Islington	12.82
9	Sutton	11.89
10	Lambeth	11.40
11	Croydon	10.54
12	Camden	10.45
13	Hackney	10.23
14	Enfield	9.09
15	Lewisham	9.07
16	Bexley	7.95
17	Bromley	7.79
18	Newham	7.76
19	Merton	7.40
20	Barnet	6.30
21	Southwark	5.81
22	Havering	5.70
23	Waltham Forest	5.23
24	Ealing	5.10
25	Greenwich	4.92
26	Haringey	4.71
27	Wandsworth	3.57
28	Tower Hamlets	3.30
29	Barking & Dagenham	3.17
30	Harrow	2.79
31	Hillingdon	2.05
32	Hounslow	0.75
33	Brent	0.37

Source: CFO insights: Revenue Outturn 2016, ONS Mid year Population Estimates 2015

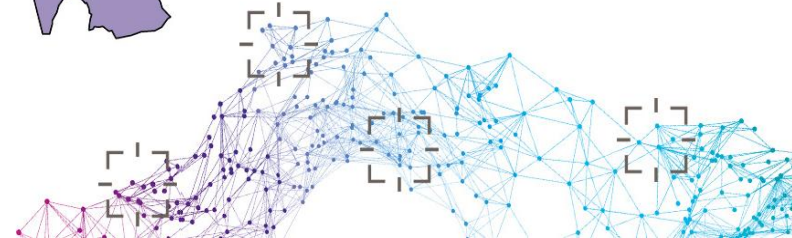
Benchmarked in the context of all London Boroughs



Planning and Development Services
Net Expenditure per head 2015/16



Source: CFO insights: Revenue Outlook 2016, ONS Mid year Population Estimates 2015



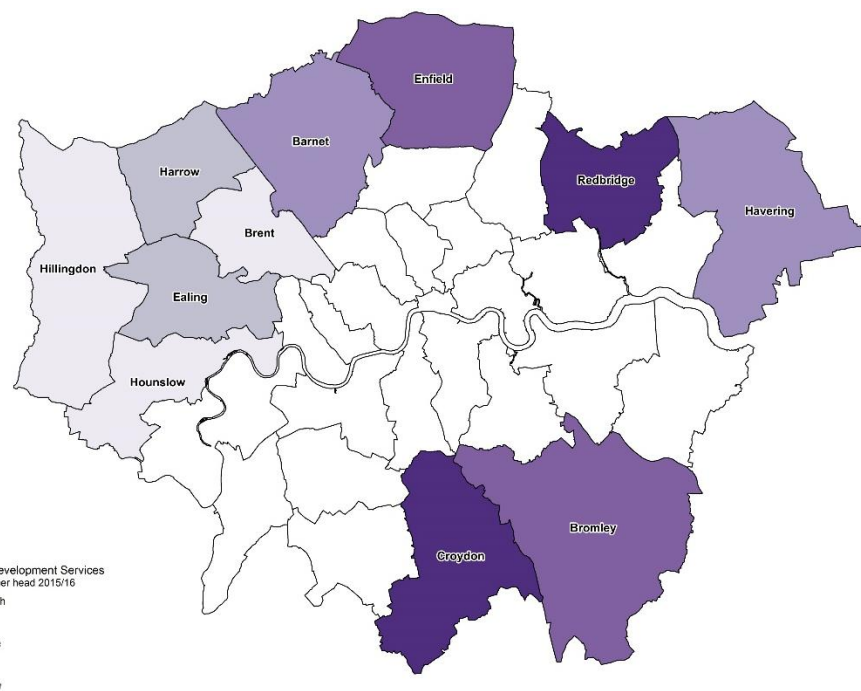
Benchmarked in the context of nearest neighbours

Planning and Development Services

Looking at the ten socioeconomic nearest neighbours, the map and rank table to the right show net expenditure per head of planning and development services in 2015/16. A value per head of population is used to allow for more accurate comparison between areas as they are normalised.

Within the nearest neighbour group the maximum net spend per head is £12.96 and a minimum net spend of £0.37, making a range of £12.58. The average net spend per head of the group is £5.77. As Barnet has the fifth highest net spend on planning and development services in the group (£6.30), the council's net spend is slightly above the group average. The councils with lower net spend than Barnet include Brent (£0.37) and Hounslow (£0.75).

As a result in 2015/16 the London Borough of Barnet had low net spend on planning and development services in a London and average nearest neighbour context.

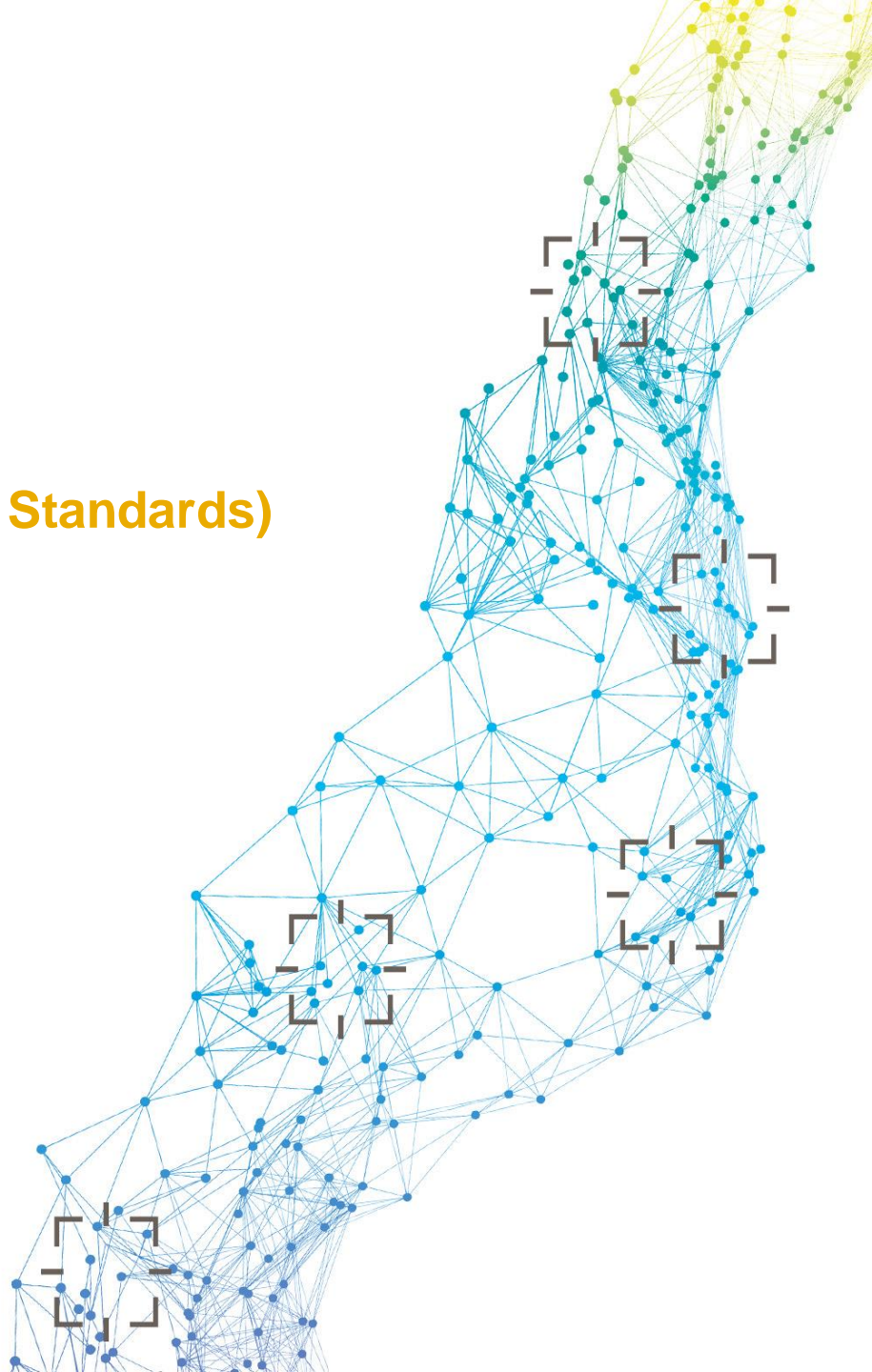


	London Borough	Net Expenditure /head	London rank
1	Redbridge	12.96	7
2	Croydon	10.54	11
3	Enfield	9.09	14
4	Bromley	7.79	17
5	Barnet	6.30	20
6	Havering	5.70	22
7	Ealing	5.10	24
8	Harrow	2.79	30
9	Hillingdon	2.05	31
10	Hounslow	0.75	32
11	Brent	0.37	33

Source: CFO insights: Revenue Outlook 2016, ONS Mid year Population Estimates 2015

Regulatory Services

(Environmental Health and Trading Standards)



Change over time

Regulatory Services: Environmental Health and Trading Standards

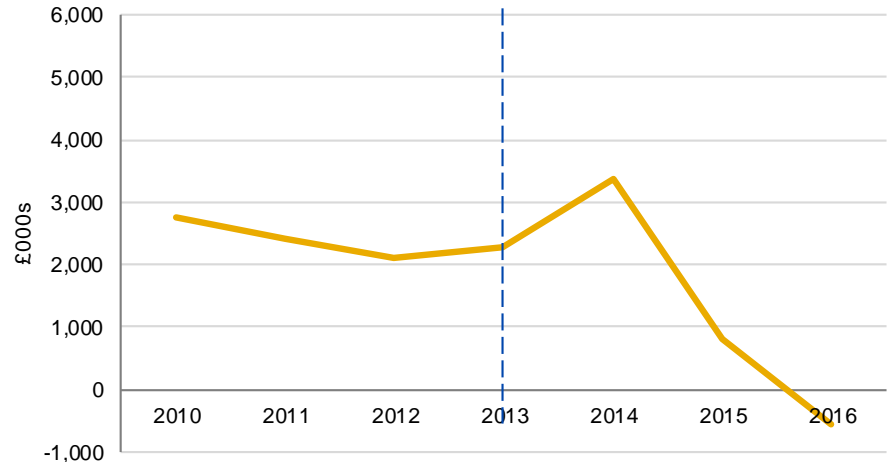
Regulatory services are one of the three benchmarked services provided through RE to the London Borough of Barnet. This section examines how spend on this service has changed over time.

The top line graph to the right shows London Borough of Barnet's net expenditure of regulatory services from 2009/10 to 2015/16 and the bottom line graph shows total income and gross expenditure of regulatory services. The dashed line indicates the year in which the RE joint venture began.

Based on revenue outturn returns submitted to the Department of Communities and Local Government by the London Borough of Barnet it can be seen that income from regulatory services has been relatively consistent from 2012/13 to 2015/16, with an increase of 15% over this period. However, gross expenditure has decreased between 2012/13 and 2015/16 by 57%. This decrease in gross expenditure has resulted in income now covering 130% of gross expenditure in 2015/16, as opposed to just 49% in 2012/13.

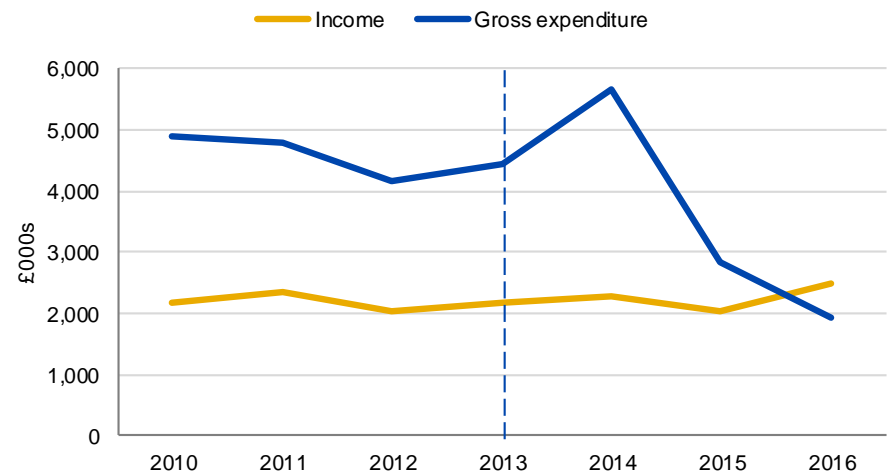
As a result the net expenditure on regulatory services at the London Borough of Barnet has decreased since the commencement of the RE joint venture. There has been a reduction in net expenditure of 125% between 2012/13 and 2015/16 which represents £2.8 million.

Net expenditure: Regulatory Services (2009/10 – 2015/16)



Source: CFO insights: Revenue Outturn 2009-2016

Gross Expenditure and Income: Regulatory Services (2009/10 – 2015/16)



Source: CFO insights: Revenue Outturn 2009-2016

Change over time: London context

Regulatory Services: Environmental Health and Trading Standards

When looking at how spend has changed over time it is important to look at this in a wider London context.

The rank tables show net expenditure per head of RE provided regulatory services to the London Borough of Barnet in both 2012/13, before the joint venture began, and in the most recent year 2015/16.

From these rank tables it is clear that overall spend on these services has reduced across London, as the average spend has reduced by 30% from £27.12 per head (2012/13) to £18.90 (2015/16).

The spend on regulatory services by London Borough of Barnet has reduced by 124% (2012/13 – 2015/16) and the rank of the council in the context of London has reduced from 30th (2012/13) to 33rd (2015/16).

2012/13

Rank	London Borough	£/head
1	City of London	481.46
2	Westminster	65.06
3	Kensington & Chelsea	22.45
4	Islington	20.06
5	Greenwich	18.57
6	Tower Hamlets	16.62
7	Southwark	16.29
8	Camden	16.14
9	Hammersmith & Fulham	15.94
10	Hackney	15.84
11	Lambeth	14.14
12	Lewisham	13.02
13	Waltham Forest	12.34
14	Enfield	11.90
15	Barking & Dagenham	11.79
16	Hounslow	11.25
17	Sutton	11.16
18	Bromley	10.36
19	Redbridge	10.15
20	Richmond upon Thames	9.56
21	Wandsworth	8.68
22	Newham	8.59
23	Haringey	7.83
24	Kingston Upon Thames	7.82
25	Bexley	7.81
26	Croydon	7.77
27	Havering	7.12
28	Harrow	7.05
29	Merton	6.40
30	Barnet	6.24
31	Ealing	5.50
32	Brent	5.38
33	Hillingdon	4.67

2015/16

Rank	London Borough	£/head
1	City of London	310.05
2	Westminster	37.16
3	Kensington & Chelsea	29.84
4	Islington	21.74
5	Hammersmith & Fulham	18.10
6	Southwark	17.65
7	Tower Hamlets	15.84
8	Camden	14.56
9	Greenwich	13.05
10	Hackney	12.00
11	Lambeth	11.01
12	Newham	10.09
13	Waltham Forest	9.27
14	Kingston Upon Thames	9.21
15	Hounslow	9.00
16	Merton	8.50
17	Redbridge	8.12
18	Bexley	7.90
19	Enfield	6.78
20	Richmond upon Thames	6.34
21	Sutton	6.33
22	Bromley	6.22
23	Harrow	5.35
24	Brent	5.21
25	Ealing	5.08
26	Lewisham	3.68
27	Haringey	3.58
28	Havering	3.52
29	Croydon	3.28
30	Wandsworth	3.12
31	Barking & Dagenham	2.15
32	Hillingdon	1.47
33	Barnet	-1.49

Source: CFO insights: Revenue Outturn 2013,2016, ONS Mid year Population Estimates 2012,2015

Benchmarked in the context of all London Boroughs

Regulatory Services: Environmental Health and Trading Standards

The rank table to the right shows net expenditure per head on regulatory services in 2015/16 of all 33 London Boroughs. A value per head of population is used to allow for more accurate comparison between areas as they are normalised.

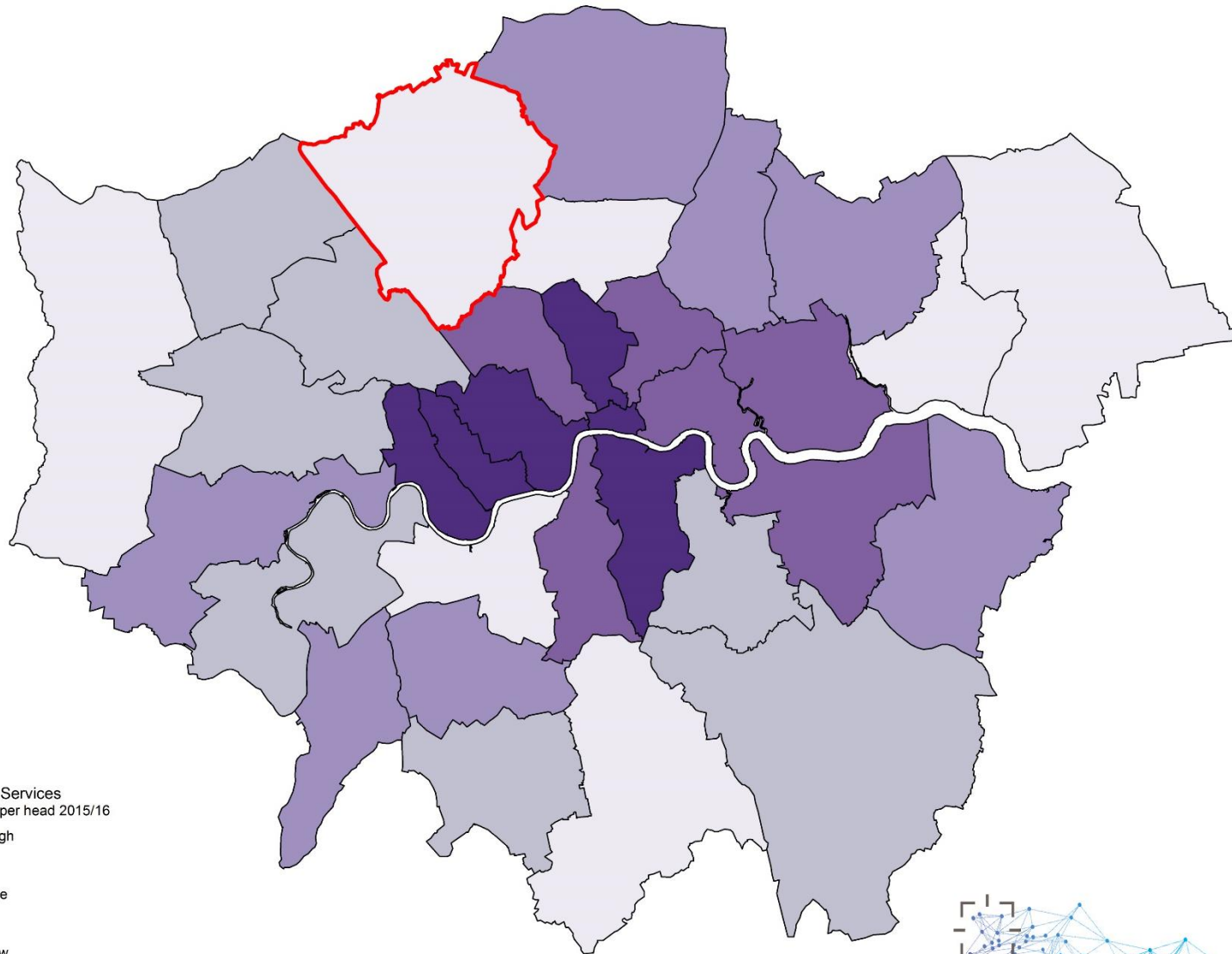
In comparison to all 33 London Boroughs the London Borough of Barnet is ranked 33rd and is therefore bottom of spenders on regulatory services. Consequently, Barnet's spend on these services would be described as 'very low' in a London context.

The map on the following page shows the spatial spread of spend on regulatory services within London. The map illustrates that there is a spatial pattern to spend in London. In general, the Inner London boroughs have higher spend than the outer boroughs on these services.

Rank	London Borough	£/head
1	City of London	310.05
2	Westminster	37.16
3	Kensington & Chelsea	29.84
4	Islington	21.74
5	Hammersmith & Fulham	18.10
6	Southwark	17.65
7	Tower Hamlets	15.84
8	Camden	14.56
9	Greenwich	13.05
10	Hackney	12.00
11	Lambeth	11.01
12	Newham	10.09
13	Waltham Forest	9.27
14	Kingston Upon Thames	9.21
15	Hounslow	9.00
16	Merton	8.50
17	Redbridge	8.12
18	Bexley	7.90
19	Enfield	6.78
20	Richmond upon Thames	6.34
21	Sutton	6.33
22	Bromley	6.22
23	Harrow	5.35
24	Brent	5.21
25	Ealing	5.08
26	Lewisham	3.68
27	Haringey	3.58
28	Havering	3.52
29	Croydon	3.28
30	Wandsworth	3.12
31	Barking & Dagenham	2.15
32	Hillingdon	1.47
33	Barnet	-1.49

Source: CFO insights: Revenue Outturn 2016, ONS Mid year Population Estimates 2015

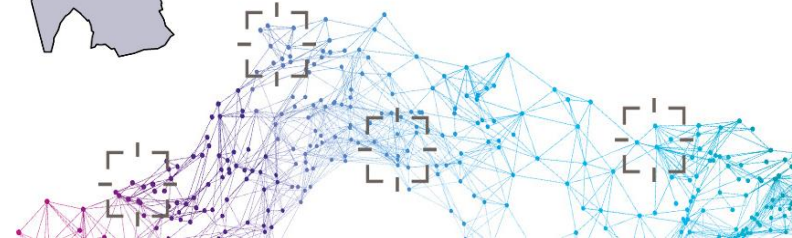
Benchmarked in the context of all London Boroughs



Environmental Services
Net Expenditure per head 2015/16



Source: CFO insights: Revenue Outturn 2016, ONS Mid year Population Estimates 2015



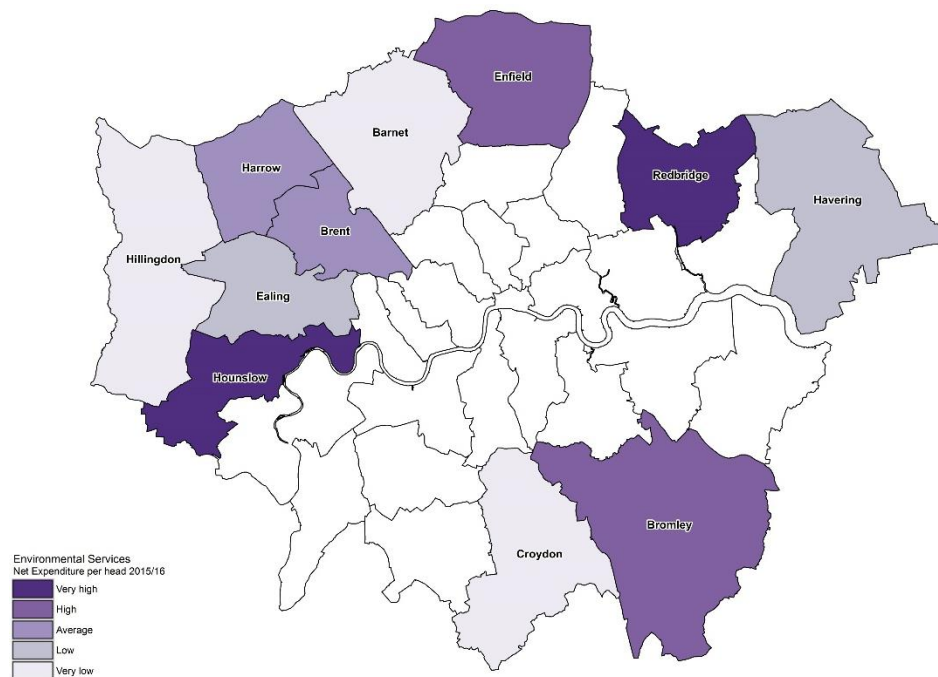
Benchmarked in the context of nearest neighbours

Regulatory Services: Environmental Health and Trading Standards

Looking at the ten socioeconomic nearest neighbours, the map and rank table to the right show net expenditure per head of regulatory services in 2015/16. A value per head of population is used to allow for more accurate comparison between areas as they are normalised.

Within the nearest neighbour group the maximum net spend per head is £9.00, and there is a range of £10.49. The average net spend per head of the group is £4.78. As Barnet has the lowest net spend on regulatory services in the group at -£1.49, the council's spend is below the group average. No other council within the nearest neighbour group has lower net spend than Barnet.

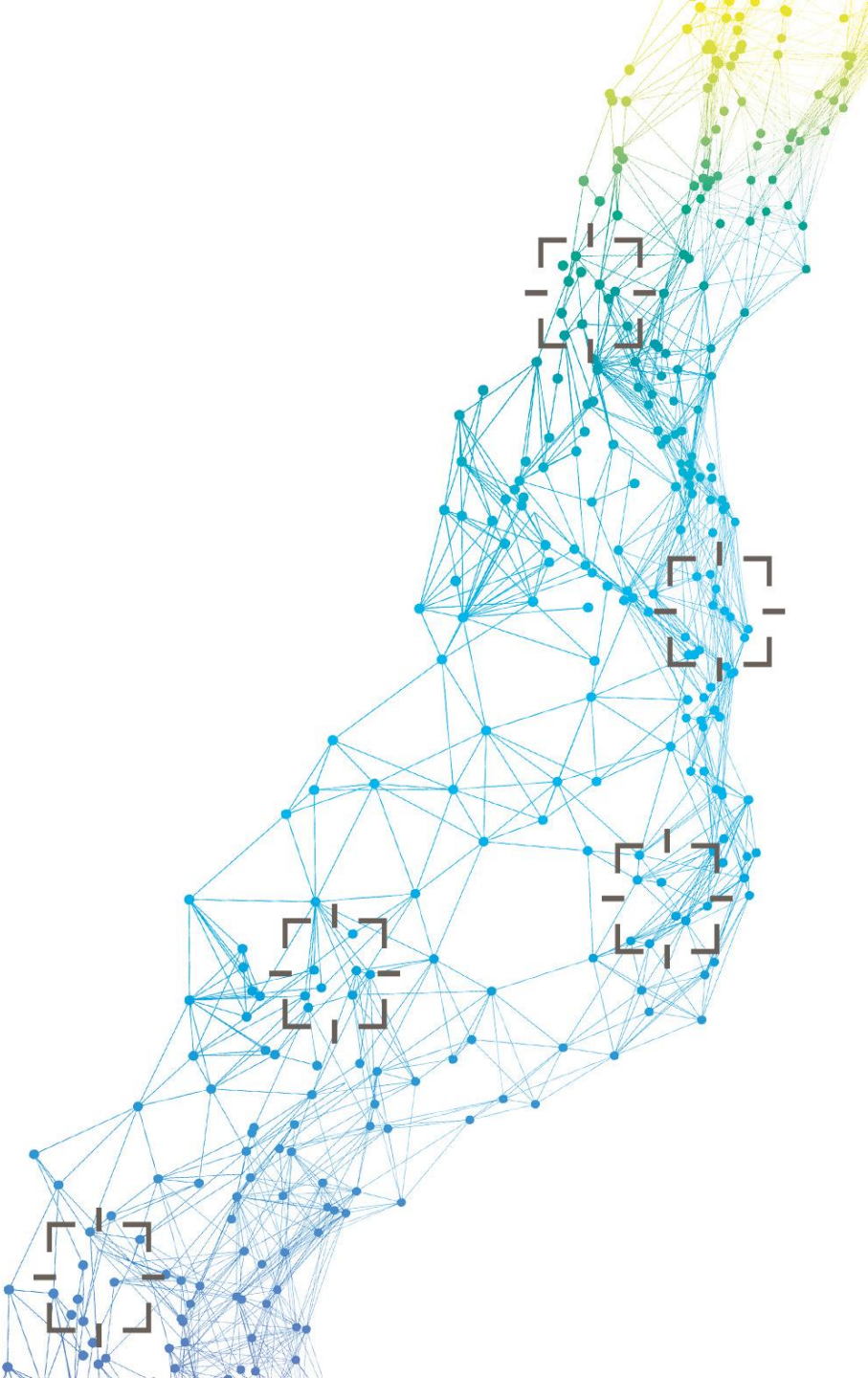
As a result in 2015/16 the London Borough of Barnet had very low net spend on regulatory services both in a London and nearest neighbour context.



	London Borough	Net Expenditure /head	London rank
1	Hounslow	9.00	15
2	Redbridge	8.12	17
3	Enfield	6.78	19
4	Bromley	6.22	22
5	Harrow	5.35	23
6	Brent	5.21	24
7	Ealing	5.08	25
8	Havering	3.52	28
9	Croydon	3.28	29
10	Hillingdon	1.47	32
11	Barnet	-1.49	33

Source: CFO insights: Revenue Outturn 2016, ONS Mid year Population Estimates 2015

Stage 2



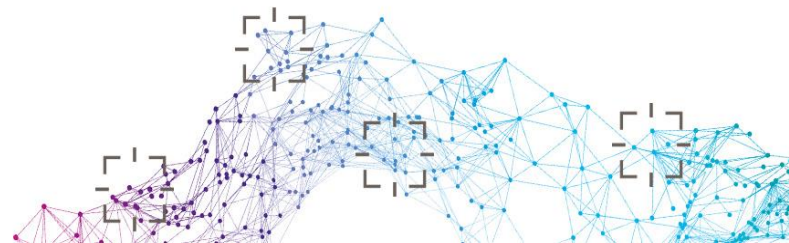
Stage 2: Setting the scene

Stage 2 undertakes further benchmarking of London Borough of Barnet ('the Council') against the 'nearest neighbour' London Boroughs. This stage has used the data collected from the bespoke data collection tool to compare the Council with other authorities in terms of standards of delivery, customer satisfaction and prices of service delivery. This information is supplemented by publically available information.

Stage 2 explores the relationships that exist between the indicators such as; does a low net cost of provision lead to poor service delivery standards? The relationships between the indicators have been presented through 'heat-maps' that visualise these relationships.

Stage 2 complements Stage 1 of this exercise by putting the benchmarked data extracted from CFOi into a wider context. This involves identifying where wider factors such as council policy and delivery model at different authorities impacts upon the data and the relationships identified. Putting the data into context is especially important when benchmarking the Council against the 'nearest neighbour' London Boroughs as the Council is the only authority that outsources all of the services included within the scope of the project. The 'nearest neighbour' authorities either deliver the service directly in-house or have one of the services delivered through an alternative delivery model. This means that the benchmarked services for the Council form part of a wider commercial model and this needs to be considered when benchmarking the data.

When benchmarking the standards, customer satisfaction and prices data the context of services being delivered as part of a widerpackage by RE is less relevant. This is because comparing like-for-like for these indicators is much more straightforward. Performance against a KPI or the amount charged for pest control services can be directly compared as these can be isolated from the wider model of service delivery. However, it remains important that the context within which these services are delivered, i.e. authority population characteristics and scale, is considered when benchmarking the data.



Stage 2: methodology

Scope of the report

The scope of the benchmarking exercise encompassed the following services delivered by RE for the Council;

- Highways (Network Management)
- Highways (Traffic & Development)
- Planning and Development Management
- Regulatory: Environmental Health & Trading Standards

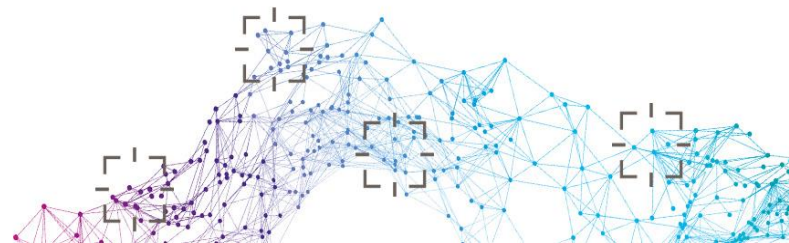
The indicators that these services were to be benchmarked on were defined as:

- Standards – performance measures such as key performance indicators (KPIs) and performance indicators (PIs)
- Customer satisfaction data – feedback from service users over the level of service received
- Prices – the charge levied on the service user for the provision of non-statutory, discretionary services
- Net cost of provision – the net cost of providing a service. This encompasses gross expenditure and gross income.

Establishing baseline data

Establishing the baseline data across the indicators within scope of this exercise was completed as follows;

- 1) **Standards** – Key performance indicators (KPIs) and performance indicators (PIs) used by the Council to measure performance of the RE contract were obtained for the service areas within scope of this exercise. The performance of the KPIs and PIs identified as at end of 2015/16 was taken as the current performance measure for the Council.
- 2) **Customer satisfaction data** – The Council provided customer satisfaction data collected from customers of the service areas in scope of this exercise. Customer satisfaction data is collected on a monthly basis and the 2016/17 performance to the end of February 2017 has been used as the baseline data.
- 3) **Prices** – The Council provided a breakdown of all fees and charges for services delivered within the service areas included in the scope of this benchmarking exercise. This data was used as the baseline for the prices indicator.
- 4) **Net cost of provision** – The baseline data for the net cost of provision was taken from the Stage 1 report. This data had been extracted from statutory returns to the Department of Communities and Local Government.



Stage 2: methodology

Obtaining benchmark data

In order to undertake the benchmarking exercise the proposed approach was to collect the data from the 'nearest neighbour' London Boroughs, defined in chapter 1 of stage 1. Due to the nature of the data required, this necessitated a manual collection method from the other councils. We built a data collection tool based on the structure of the baseline data collected for the Council (see external Appendix 5 for copy of data collection tool). The data collection tool was designed in this manner to ensure that the data collected from the benchmark authorities was comparable with the baseline data. It focused on the standards, customer satisfaction data and prices indicators as the benchmark data for net cost of provision was sourced from statutory returns to the Department of Communities and Local Government. For the indicators included, the data collection tool was designed as follows;

1) Standards – each of the 'nearest neighbour' authorities was asked to provide key performance indicators (KPIs) data that aligned with the KPIs and PIs for the Council. The request was for the KPI target and current performance against this target to ensure the benchmarking of standards could be placed into the appropriate context. In addition to this the data collection tool requested details of any other KPIs used to measure performance in the service areas included in the scope of this exercise. The rationale behind this was to capture any KPIs that other London Boroughs use to assess performance that may be applicable for the Council.

- 2) Customer satisfaction data** - we requested that each of the London Boroughs participating in the data collection exercise provide any customer satisfaction data relating to the service areas included in the scope of this benchmarking exercise. We also requested details on how this data was collected in order to provide us with context of the data. Collecting the data in this manner allowed us to adopt consistent judgement of the data to interpret it in a manner to make it comparable to the baseline data. The subjective nature of customer satisfaction data and the various approaches adopted by the benchmark authorities means that we have attached caveats to the conclusions drawn from this data.
- 3) Prices** – the collection of data relating to fees and charges for services provided was obtained through a combination of the data collection tool and research into publically available information. The data collection tool requested that the London Boroughs provide details of fees and charges for services delivered within the scope of the benchmarking exercise. This information was supplemented with the publically available information taken from the websites of the councils.
- 4) Net cost of provision** - The benchmark data for the net cost of provision was taken from stage 1. This data had been extracted from statutory returns to the Department of Communities and Local Government.

A request to complete the data collection tool was sent to a contact at each of the ten 'nearest neighbour' London boroughs with a deadline for return as close of play on Thursday 23 March 2017. In return for providing this data the benchmark organisations were offered a summary scorecard setting out their own results in the context of anonymised comparators. The results of this data collection can be seen at external Appendix 6.

Stage 2: methodology

Responses to data collection request

The responses received to the data request submitted to the ten 'nearest neighbour' London Boroughs was as follows:

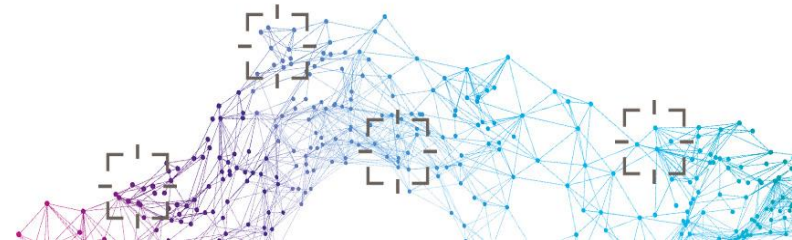
Nearest neighbour group	Status of data collection request	Grant Thornton response
London Borough of Croydon	No return provided.	Publicly available data relating to standards and fees and charges has been collected.
London Borough of Hillingdon	Full return received in relation to standards and prices. Confirmed that customer satisfaction data had not been collected since 2007 and therefore this has not been considered relevant for this benchmarking exercise.	N/A as full data return received
London Borough of Ealing	Partial return received in relation to standards. Confirmed that KPIs are not monitored quarterly and the departmental KPI dashboards do not measure most of the KPIs relevant to this benchmarking exercise.	Data return has been supplemented by research on publicly available pricing data.
London Borough of Enfield	Partial return provided relating to key indicators that have been commented on in Stage 2 of the report.	Publicly available data relating to standards and fees and charges has been collected.
London Borough of Redbridge	No return provided.	Publicly available data relating to standards and fees and charges has been collected.
London Borough of Hounslow	No return provided.	Publicly available data relating to standards and fees and charges has been collected.
London Borough of Harrow	No return provided.	Publicly available data relating to standards and fees and charges has been collected.
London Borough of Brent	Declined offer to participate in benchmarking exercise.	Publicly available data relating to standards and fees and charges has been collected.
London Borough of Bromley	The service leads for Environmental Health/Trading Standards and Highways have been unable to provide a response due to a lack of available resources.	Publicly available data in relation to fees and charges has been collected.
London Borough of Havering	Confirmed that unable to meet deadline to complete full data collection return. Provided a partially completed data request form.	Publicly available information relating to fees and charges has been collected.

We have been unable to collect data from all Barnet's 'nearest neighbours'. In general we would look for at least three responses. In order to mitigate the non-compliance from the 'nearest neighbours' we have obtained data from publicly available sources. Obtaining this publicly available data has enabled us to benchmark the Council against all ten of the 'nearest neighbour' authorities where possible and has also provided us with assurance over the comparability and reliability of the data. Therefore, we feel that we have mitigated the risk around a lack of completed data returns and the conclusions reached are based on robust data.

Stage 2: methodology

Limitations of analysis

- Where performance data on standards has been collected this has been done so with the knowledge that each local authority monitors KPIs in a slightly different way. To ensure that we had the most comparable data we issued the data collection request based on the KPI structure in place at the Council. Therefore, when completing the data request the benchmark authorities would need to interpret the best fit for the KPIs that they record. This introduces a risk around the data that it is not directly comparable and this must be considered in the conclusions we have drawn. We have attempted to offset this risk by collecting some data from publically available sources based on standardised national returns. This provides us with assurance over the comparability of this data.
- The benchmark cohort identified for this exercise is ten London Boroughs of which we received three responses. Therefore, some of the conclusions are limited due to the data not being available to undertake a comprehensive benchmarking exercise. However, this has been mitigated through the collection and use of publically available data.
- When investigating the relationships between the indicators we have acknowledged that there is no direct relationship between the variables. The analysis indicates that there is some relationship between the variables but it should be noted that there are other factors not included in the analysis that impact upon the relationship.
- Benchmarking of prices is limited as it only compares the fees and charges levied by a local authority. A greater understanding of margins associated with these fees and charges would provide a greater indication of the relationship between the price set and the net cost of providing a service. However, this is not in the scope of this benchmarking exercise and our analysis has acknowledged this.



Regulatory: Environmental Health and Trading Standards



Standards

Regulatory Services: Environmental Health and Trading Standards

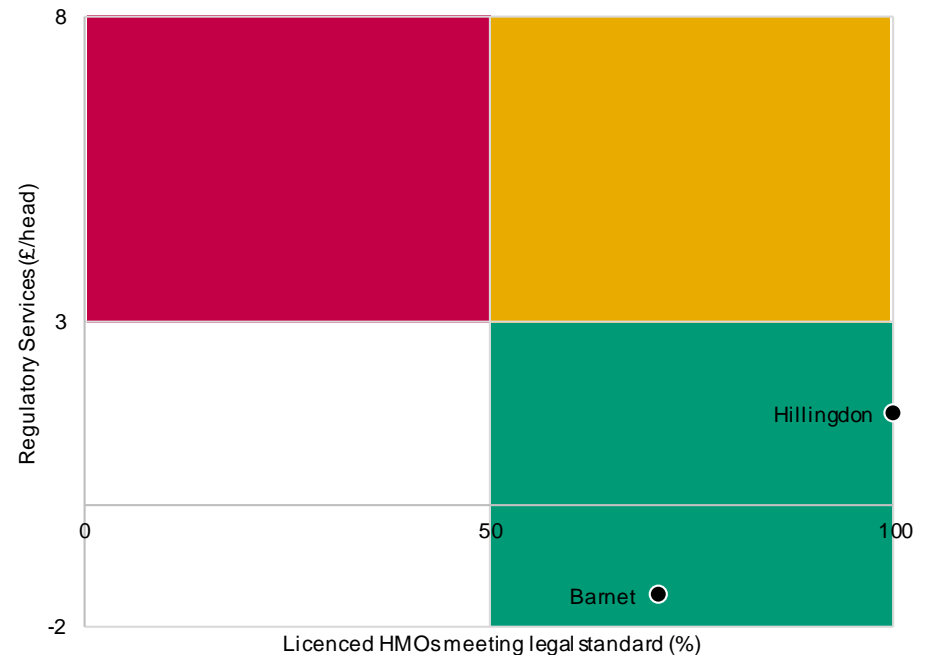
Houses in Multiple Occupation (HMO)

All local authorities have the duty to ensure that HMOs are appropriately licenced. Therefore, each of the 'nearest neighbour' authorities deliver this service through their regulatory function making it an appropriate benchmarking indicator to use. However, local authorities can apply discretion in how these services are delivered, how they are monitored and any charges made for this service.

The percentage of HMOs meeting legal standard is a key performance indicator that is monitored by the Council through the contract with RE. This KPI has been benchmarked against data collected for the 'nearest neighbour' authorities.

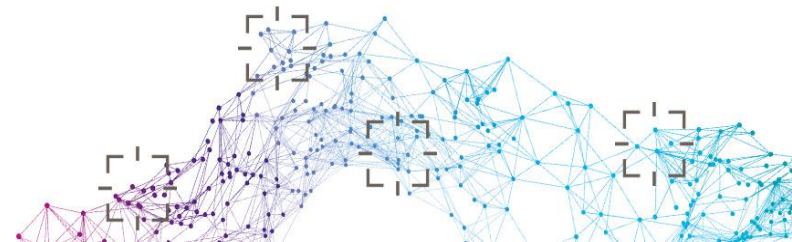
The benchmarking exercise shows that whilst spending less, the Council are not performing as well as the benchmark authority included in the chart to the right. However, this performance must be taken in the context of the KPI targets for each authority. The Council have a target of 60% and are performing at 70.82% whereas London Borough of Hillingdon have a target of 100% and are performing at this target. Therefore, performance at the Council is strong against target and they are spending less to achieve this performance.

Relationship between Regulatory Services (£/head) and proportion of HMOs meeting legal standard (2015/16)



Source: CFO insights: Revenue outturn 2016; Grant Thornton data collection tool

Note: information not supplied by Croydon, Brent, Bromley, Havering, Harrow, Enfield, Ealing, Redbridge and Hounslow



Standards

Regulatory Services: Environmental Health and Trading Standards

Food safety

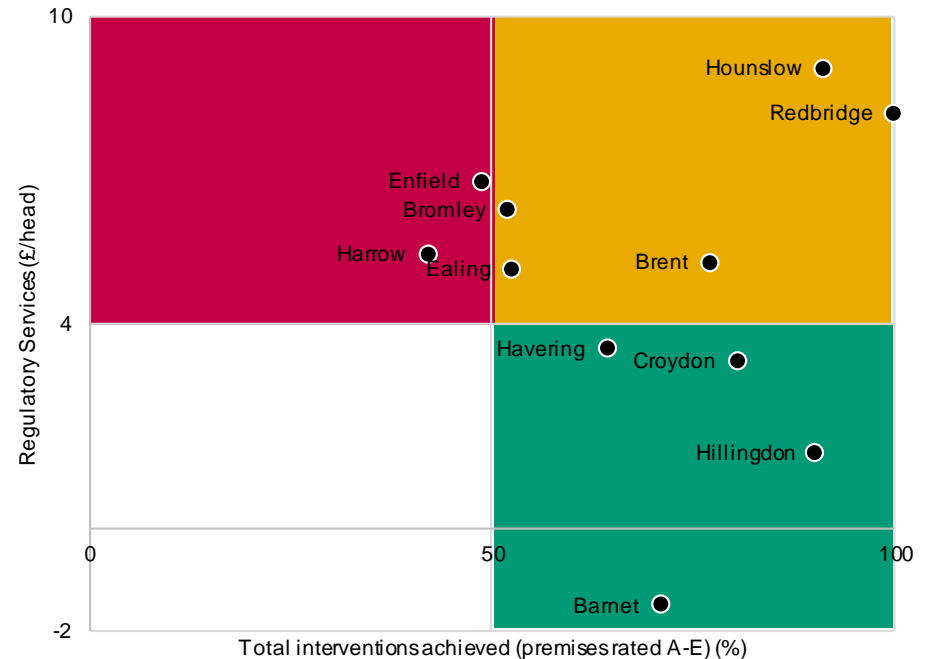
Services relating to food safety are delivered by all local authorities which ensures that this is a comparable benchmark indicator. The data used to undertake this benchmarking has been taken from the publically available Local Authority Enforcement Monitoring System (LAEMS) which is based on annual returns completed by all local authorities. Therefore, the data is widely available, consistent and reliable which makes it suitable for use in the benchmarking exercise.

The LAEMS is an annual return to the Food Standards Agency that every local authority is required to complete. The 2015/16 data has been obtained for each of the ten 'nearest neighbour' authorities and has been benchmarked in the graph to the right.

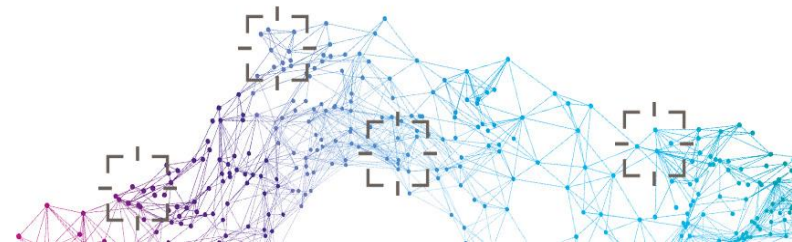
LAEMS is a nationally recognised indicator and this shows that the Council are outperforming the majority of the 'nearest neighbours' when benchmarking the relationship between the outcomes and the costs.

The chart to the right includes interventions in both low (D-E) and high risk premises (A-C). The table on the next page examines variation among the nearest neighbour group for high risk premises.

Relationship between regulatory services (£/head) and total proportion of food safety interventions achieved (2015/16)



Source: CFO insights: Revenue Outturn 2015/16; LAEMS returns from Food Standards Agency 2015/16



Standards

Regulatory Services: Environmental Health and Trading Standards

Food safety (continued)

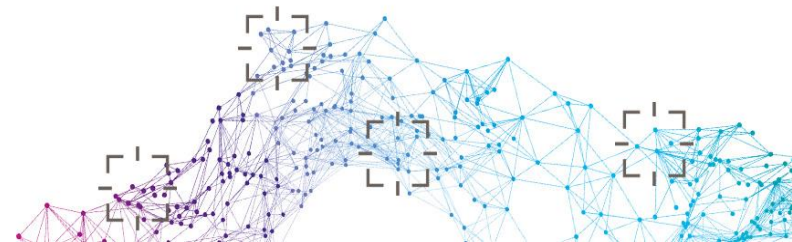
In terms of food safety interventions for premises A-E Barnet was deemed as average in comparison to the nearest neighbour group.

The table to the right looks at high risk premises and the proportion of food safety interventions achieved. Barnet is one of four authorities in the nearest neighbour group that achieve 100% of interventions in premises rated A. However, in terms of premises rated B and C Barnet is average in comparison to the nearest neighbour group for proportion of interventions.

Total proportion of food safety interventions achieved by premise grade (2015/16)

London Borough	Total % of interventions achieved		
	Premises rated A	Premises rated B	Premises rated C
Barnet	100	62.28	81.89
Brent	73.53	80.34	75.83
Bromley	20	64.49	45.09
Croydon	50	44.44	99.3
Ealing	33.33	43.58	64.23
Enfield	96.97	46.57	47.47
Harrow	33.33	48.15	41.11
Havering	100	73.44	53.24
Hillingdon	100	99.3	87.86
Hounslow	100	97.03	88.16
Redbridge	-	-	100

Source: LAEMS returns from Food Standards Agency 2015/16



Standards

Regulatory Services: Environmental Health and Trading Standards

Trading standards

Trading standards forms a core part of the regulatory services delivered by local authorities. Performance within this area is a good indicator of the quality of service delivered. Therefore, we have considered this to be benchmarked in order to understand how effective the benchmarked organisations are delivering regulatory services.

The benchmarking of the Council against 'nearest neighbour' authorities based on this Trading Standards KPI indicates the limitations that are inherent with this benchmarking exercise. The data that was requested from benchmark authorities was structured in a way to align with the way in which the Council record performance standards. This was done to ensure that the data collected was comparable with the baseline data obtained from the Council.

However, as this KPI is not a standard KPI that is recorded in the same manner by all local authorities the benchmark authorities have been unable to provide a comparable KPI. Therefore, when drawing conclusions from this analysis it must be noted that there are certain caveats to the findings. Where KPIs are specific to each authority there is the risk that different ways of recording performance means a lack of meaningful benchmark data.

Proportion of trading standards department interventions within a six month period having a further complaint (2015/16)

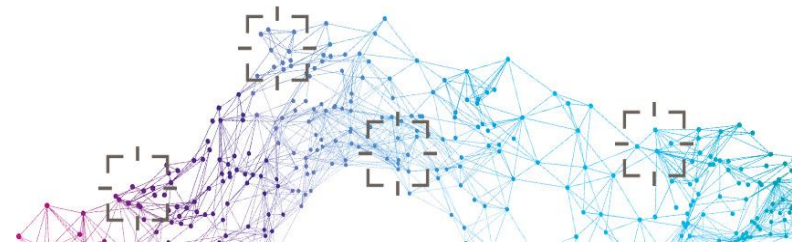
London Borough	Trading Standards department interventions within a six month period having a further complaint (%)
Barnet	0.95%
Hillingdon	Response has confirmed that data recovery is not available in this area
Ealing	Have confirmed that this KPI is not corporately monitored and the performance framework does not capture this performance.

Source: Grant Thornton data collection tool

Note: information not supplied by Croydon, Brent, Bromley, Havering, Harrow, Enfield, Redbridge and Hounslow

Therefore, from the available data it is difficult to reach a conclusion on how the Council are performing against trading standards KPIs, owing to the lack of comparator data.

However, using the information detailed in Stage 1 of this report it shows that the Council are delivering Environmental Health and Trading Standards services for a net cost of provision -£1.49 per head of population. This is the lowest cost per head of the whole benchmarking cohort for the delivery of these services.



Prices (Fees and Charges)

Regulatory Services: Environmental Health and Trading Standards

Street Trading

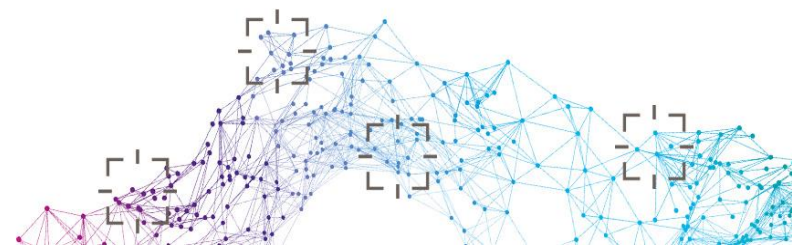
Part of the remit of the regulatory function within local authorities is the granting of licences for street trading. These licences ensure that street traders are appropriately authorised and have undergone appropriate checks. The charge for street trading licences varies between local authorities and the charges levied by the Council and the 'nearest neighbour' authorities are detailed in the table to the right. It should be noted however that each local authority details in a slightly different way, making it difficult to make a direct comparison.

This data shows that the charge levied by the Council for a permanent street trading licence is at the lower end of the scale when compared with the charges levied by benchmark organisations.

Charges levied for street trading permanent trading licences- per annum (2016/17)

London Borough	Street Trading Charges – Permanent Licence (per annum)
Barnet	£550
Croydon	£3,905 based on trading for six days per week
Hillingdon	£880
Ealing	No information available
Enfield	Between £212 and £1,679 dependent upon size of pitch
Redbridge	£1,735, £2,310 or £4,620 dependent upon the size of the pitch
Hounslow	£106 per square metre of pitch size
Harrow	£550
Brent	£74 plus £3 per square metre per day (approximately £800 per annum based on Monday-Friday trading)
Bromley	£1,996 for 6 months based on 7 days per week
Havering	Between £287.50 and £2,000.60 dependent upon the number of days per week

Source: Grant Thornton data collection tool, supplemented with data from council websites



Prices (Fees and Charges)

Regulatory Services: Environmental Health and Trading Standards

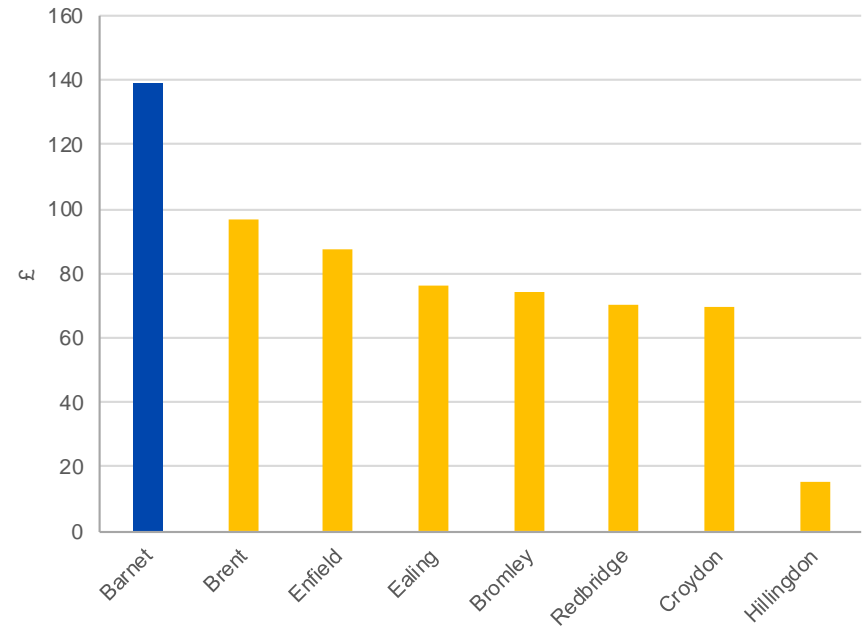
Pest Control

Pest control is a discretionary service offered to residents by a local authority. As this service is discretionary councils are able to charge for the delivery of it. The charge levied differs from council to council and the charges for the benchmark organisations to deliver pest control in relation to rats is shown in the graph to the right.

This shows that the Council have the highest charges for the delivery of pest control services when benchmarked against 'nearest neighbour' London Boroughs. For consistency purposes, the figure that has been used as the basis of the benchmarking is the cost of pest control services not including any discounts offered for council tenants/people in receipt of benefit.

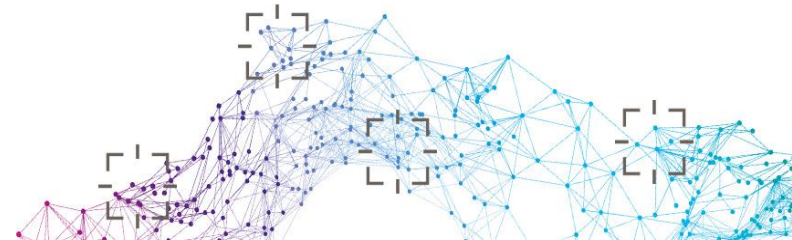
There are limitations to this direct benchmarking as developing an understanding of costs and margins of this service provision would provide greater insight when comparing the performance of the benchmark organisations.

Charge for pest control in relation to rats (non-discounted) (2016/17)

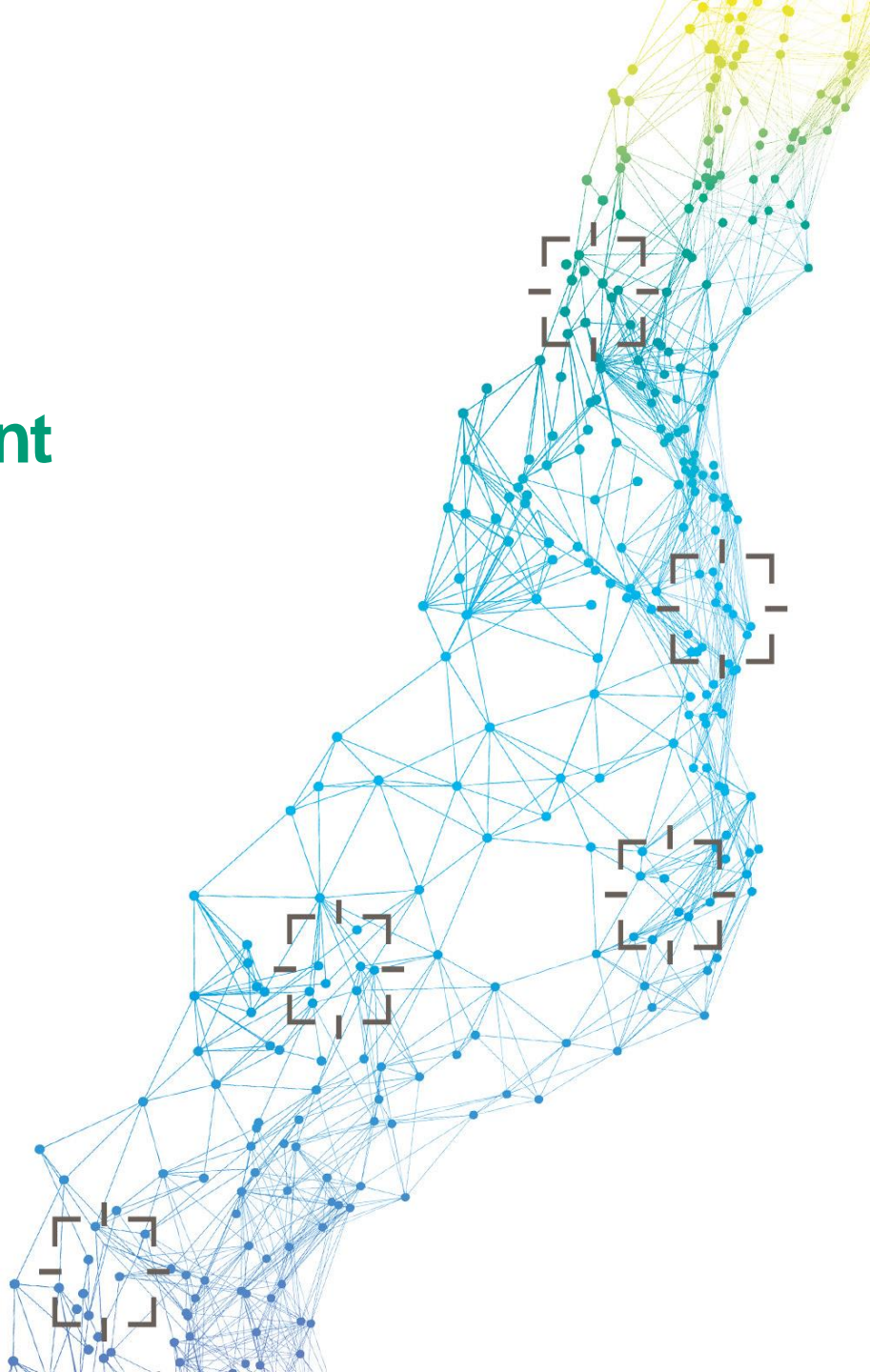


Source: Grant Thornton data collection supplemented with data from council websites

Note: information not supplied by Havering, Harrow and Hounslow



Planning and Development



Standards

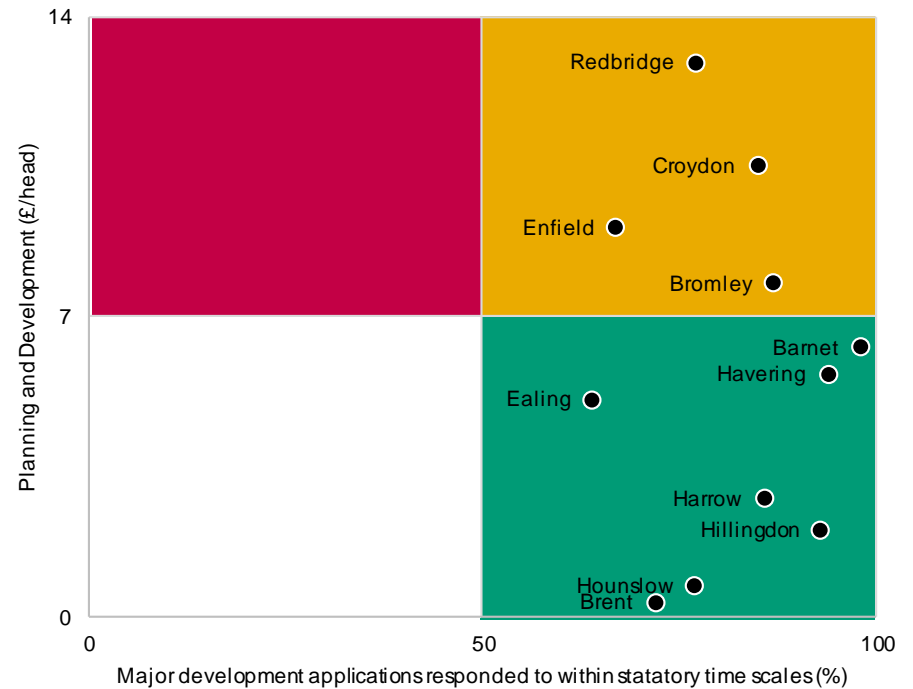
Planning and Development

Application response rate in statutory timescales

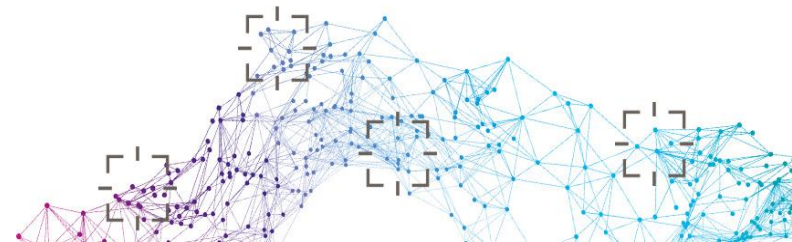
When a local authority receives a planning application it has 13 weeks for major developments and 8 weeks for other developments to inform the applicant of the decision. This is a statutory timescale that all local authorities should adhere to. Therefore, we have considered this to be a good indicator to use when benchmarking the Planning and Development service of the Council with that of the 'nearest neighbour' London Boroughs. The heat-map to the right explores the relationship between performance against this indicator and the net cost of provision for delivering the planning function.

The Council are outperforming all comparator authorities in terms of the percentage of major development applications responded to within statutory timescales. They are delivering this level of performance at an average unit cost in comparison to all of the comparator authorities. This performance has also been delivered in the context of the Council receiving 4,107 planning applications in the year ending December 2016 which is a higher number than any of the 'nearest neighbour' London Boroughs. This pattern is also reflected when looking at minor development and other applications responded to within statutory timescales. The Council deliver good performance within the context of the 'nearest neighbour' group, with the highest number of applications and an average level of spend on planning and development per head of population.

Relationship between planning and development services cost and proportion of major planning applications responded to within statutory timescales (2015/16)



Source: CFO insights: Revenue Outturn 2015/16; Department of Communities and Local Government 2015/16



Standards

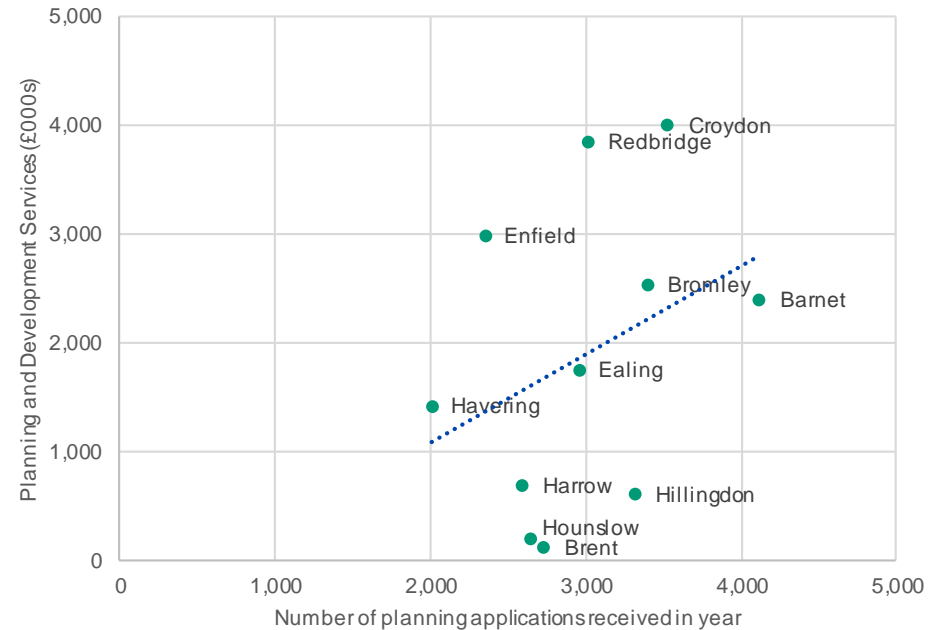
Planning and Development

Planning permissions

The graph to the right shows that there is no positive relationship between the net cost of provision of delivering the Planning & Development service and the number of planning applications received within the nearest neighbour group. Authorities that receive greater numbers of planning applications have higher levels of total spend on planning services.

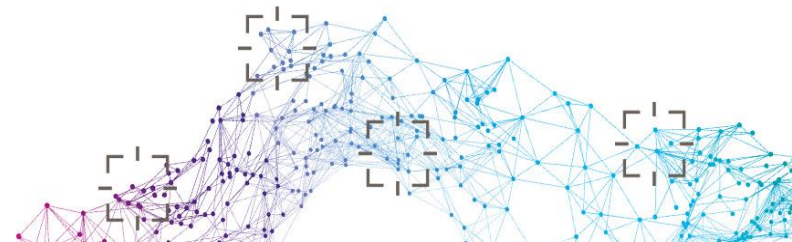
In the year to end of December 2016 the Council dealt with the highest number of planning applications in the nearest neighbour group but did so for a net cost of provision lower than the overall trend for the benchmark authorities. This indicates an efficient delivery of the planning process when compared with 'nearest neighbour' London Boroughs. Six of the benchmark authorities delivered their planning function for a lower net cost of provision than the Council but they delivered this performance on a much lower number of planning applications. Within Barnet there is currently the Brent Cross Cricklewood regeneration scheme which is one of London's major schemes and is amongst the most significant new developments in Europe. A major redevelopment scheme will require significant levels of planning applications and this has been reflected in the data used for the Council and provides context for the number of planning applications received by the council.

Relationship between planning and development net expenditure and number of planning applications submitted (2015/16)



Source: CFO insights: Revenue Outturn 2015/16; www.gov.uk 2016

When bringing together the findings from both pieces of analysis on the previous page it shows that the Council are delivering these planning applications at a high level of performance and for an average cost compared to benchmark authorities.



Prices

Planning and Development

Pre planning application

Within the planning and development function of a local authority the opportunity to generate income exists with the offer of pre-planning application advice. This advice is available to developers prior to the submission of their planning application and it can reduce the likelihood of submitting invalid applications. The pre-application advice is also to help developers understand how planning applications and other requirements could affect their proposal within the local authority planning regime. The following table compares the charges for pre-application advice at the Council with some of the 'nearest neighbour' London Boroughs.

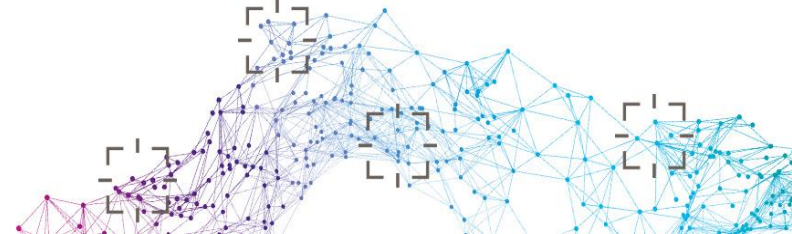
The table to the right shows that, with the exception of London Borough of Brent, the Council charges, in general, the highest price for pre planning application advice. However, when looking at the figures on successful planning applications it shows that the Council has the highest success rate of the comparator authorities.

Charges for pre-application advice (2016/17)

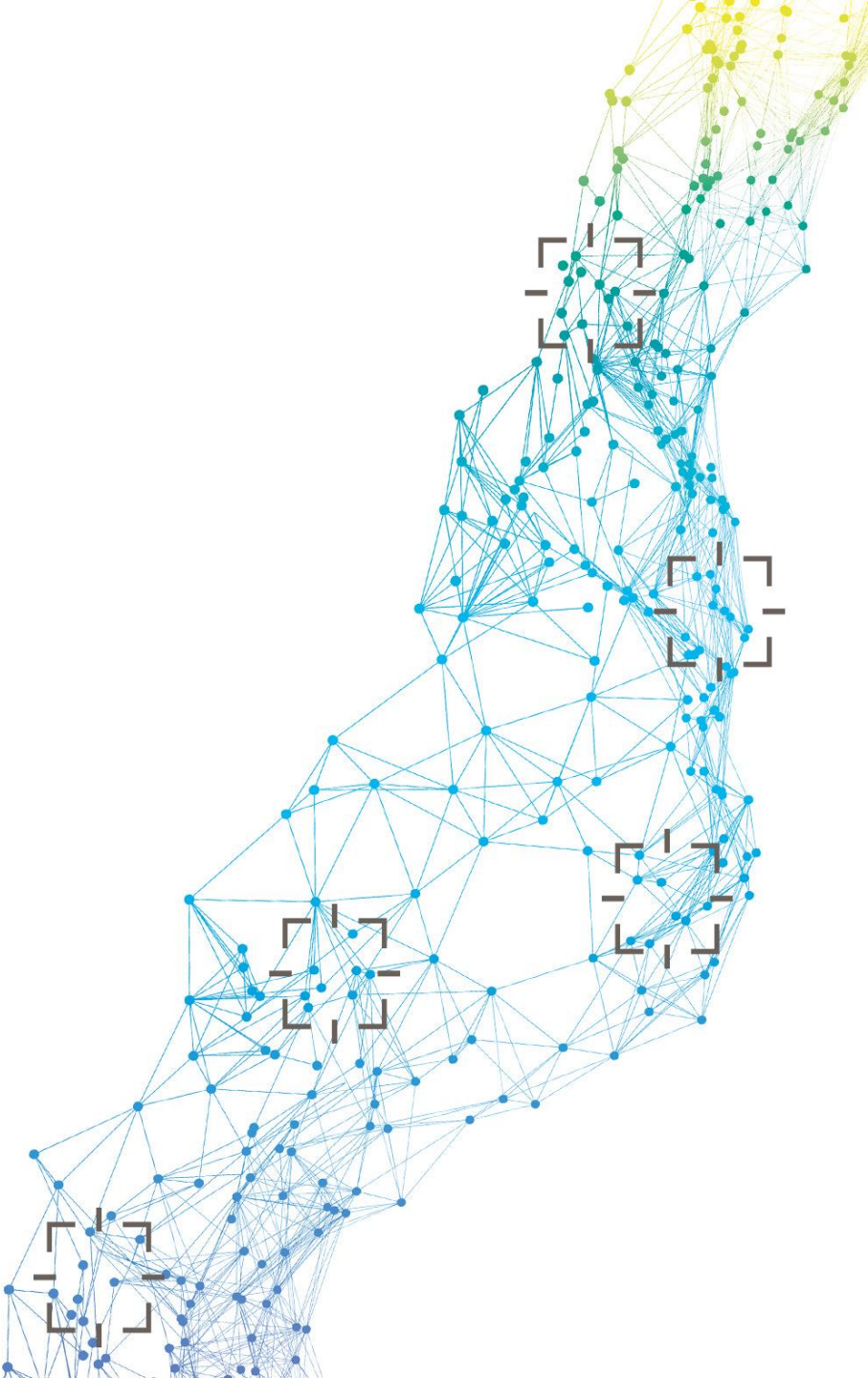
	London Borough					
	Barnet	Hillingdon	Redbridge	Hounslow	Harrow	Brent
Category A (Complex – 150+ units)	£9,639	£4,200	£3,000 + £30 per additional unit over 100 units)	£7,200	£6,000	£12,000
Category B (Complex- 25+ units)	£5,355	£3,000	£3,000	£6,200	£4,000	£9,000
Category C (Major – 10-24 units)	£2,677	£2,280	£1,500	£4,200	£2,500	£4,800
Category D (Minor – 2-9 units)	£1,606	£1,000	£700	£1,700	£1,100	£1,800
Category E (1 residential unit)	£285	N/A	£350	£500	£500	£960
Category F (Small scale development)	£223	N/A	N/A	£200	£250	£360
Category G (Householder development)	£122	N/A	N/A	£160	£250	£240
% of successful planning applications	79%	70%	73%	70%	68%	75%

Source: <https://www.gov.uk/government/statistical-data-sets/live-tables-on-planning-application-statistics> – Table P134) 2016/17

Note: information not supplied by Croydon, Bromley, Havering, Enfield and Ealing



Highways and Transport



Standards

Highways and Transport

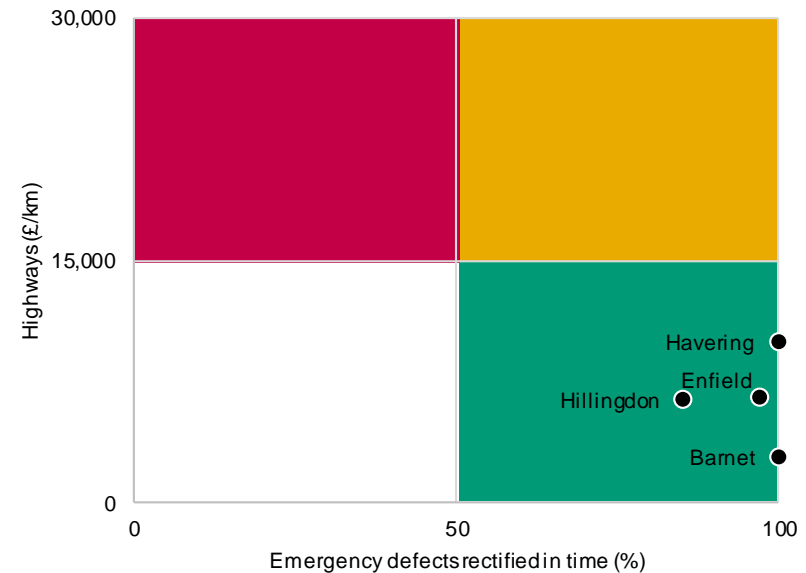
Emergency road repairs

Repairing roads is a major cost to local authorities and the performance in achieving this is important in understanding the quality of service delivered by a highways and transport function. The Council measure the percentage of emergency defects that have been rectified within the appropriate timescale. The KPI is for 100% of these repairs to be completed within the appropriate timescale. As the repairing of roads is a major cost incurred by local authorities considering the relationship between net cost of provision and achievement against this KPI will give an idea of how well a service is performing relative to the cost of delivering the whole service. However, this is not a direct relationship and it is important to acknowledge that repairing roads is only one element of expenditure incurred by highways and transport and therefore there are some limitations to this analysis.

As the 'heat map' shows, the Council are delivering 100% of their emergency defect repairs within the required timescale. Therefore, the service being delivered under the DRS contract are meeting the KPI indicator. When performance is benchmarked against the comparator authorities it shows that the London Borough of Barnet has both high performance and low net cost in comparison to the comparator group.

Further reinforcement of this positive performance includes the fact that the London Borough of Hillingdon are delivering their repairs against the KPI at approximately 85%. However, the target for London Borough of Hillingdon is 100% so they are not meeting their required target, as well as running at a higher cost than Barnet.

Relationship between highways and transport (£/km) and proportion of emergency defects rectification completed on time



Source: CFO Insights: Revenue outturn 2016; Grant Thornton data collection tool

Note: information not supplied by Croydon, Brent, Bromley, Harrow, Ealing, Redbridge and Hounslow

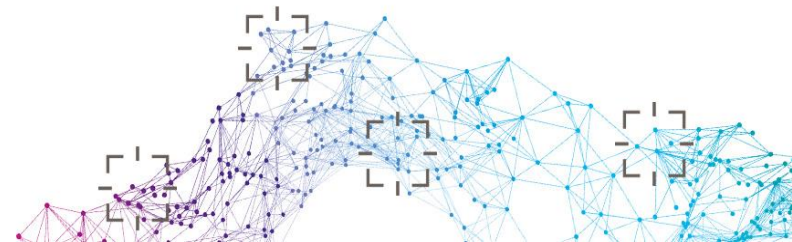
Furthermore, the initial data shows that London Borough of Havering are also performing well, rectifying 100% of emergency defects within the appropriate timescale. However, further investigation confirms that the 'completed on time' for London Borough of Havering is within 24 hours. For the Council an emergency defect is rectified on time if completed within 2 hours from being reported. Therefore, the Council's KPI is based on a much shorter timescale than that of Havering.

Standards

Highways and Transport

Emergency road repairs

The data collection has also identified that one of the comparator authorities, London Borough of Ealing, does not record KPIs in relation to emergency defects rectification. Therefore, this demonstrates that the way in which KPIs are recorded at the Council are best practice as this measuring of performance is not replicated by 'nearest neighbour' authorities. Having the ability to measure performance is key to understanding the effectiveness of delivering a service.



Standards

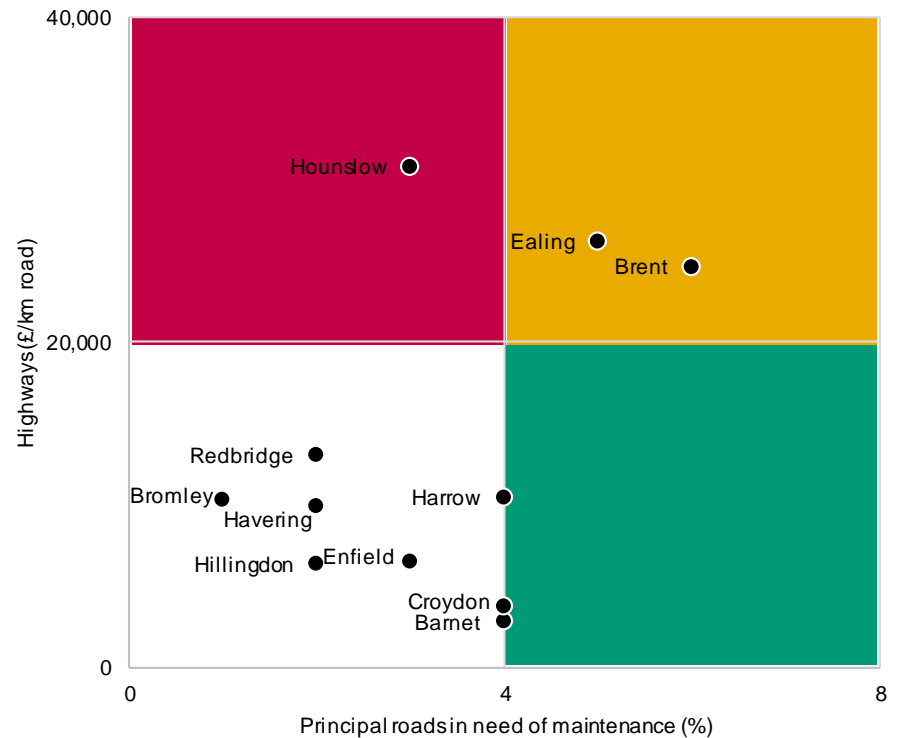
Highways and Transport

Road Maintenance

A key service delivered by a Highways function is the maintenance of key transport routes within the local area.

The chart (see right) explores the relationship between the cost of provision per kilometre of road and the proportion of principal roads in need of maintenance. This shows that the Council is being outperformed by Redbridge, Enfield, Havering, Bromley and Hounslow who have a lower percentage of principal roads requiring maintenance. However, they are delivering this performance at a higher unit cost. Harrow and Croydon are delivering the same level of performance at a higher unit cost. Both Ealing and Brent are being outperformed by the Council in terms of percentage of roads needing maintenance and delivering service at a lower unit cost.

Relationship between highways and transport unit cost (£/km of road) and proportion of principal roads in need of maintenance (2015/16)



Source: CFO Insights: Revenue outturn 2015/16; Department of Transport 2015/16

Standards

Highways and Transport

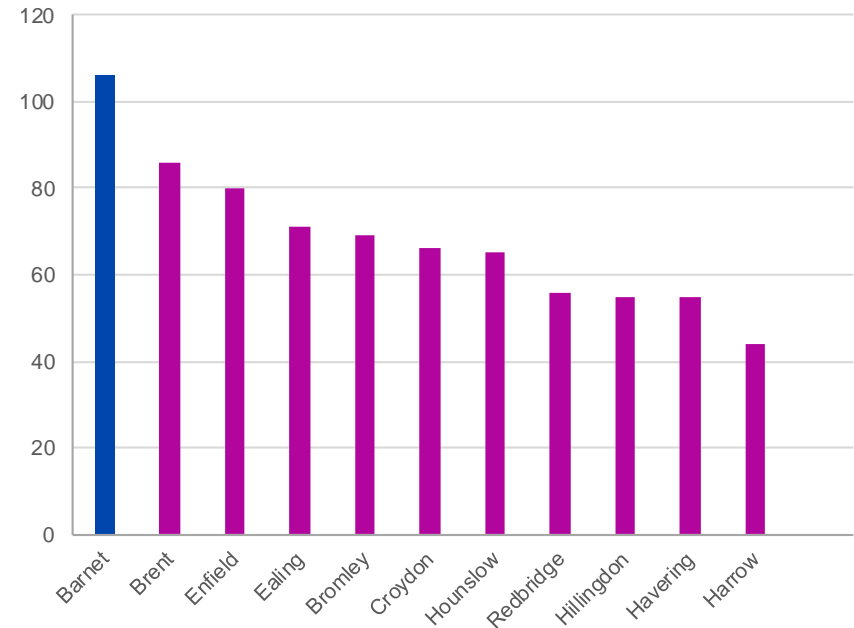
Road injuries

All London Boroughs are required to submit Local Implementation Plan (LiP) KPIs to Transport for London (TfL). This requirement is set under Section 145 of the GLA Act 1999 and outlines how the borough intends to contribute to the implementation of the Mayor's Transport Strategy (MTS). These KPIs are publically available from TfL and are available for all of the London Boroughs identified as 'nearest neighbours' to the Council. The graph to the right shows that of the benchmark authorities, the Council has the highest average number of people killed or injured on their roads.

However, it is important to place this data into a wider context so that there is a clearer picture on performance of the service area. From the LiP data held by TfL there is also information on the proportional change in number of people killed or seriously injured between the 2005-2009 average and 2015 (see table on next page).

This data shows that the Council have reduced the number of deaths and serious injuries on their roads by 37% over the period in question. This is mid-range performance when compared with the benchmark authorities. However, it does indicate that, historically, the Council had a higher number of deaths and serious injuries on their roads and it can be expected that the average number in 2013/2014/2015 is higher than that of the benchmark authorities.

Average number of people killed or seriously injured (average over three years – 2013/2014/2015)



Source: Transport for London (2016)

Standards

Highways and Transport

Road injuries

Of the 'nearest neighbour' benchmark authorities, London Borough of Ealing has seen a significant reduction in the number of people killed or injured on its roads between 2009 and 2015. The 52% reduction in this is possibly a reflection of the fact that the London Borough of Ealing see road safety as a priority with the cabinet member for transport stating that they "want Ealing's roads to be the safest in London...".¹ This has seen a number of initiatives introduced on the roads of Ealing. These include;

- Undertaking a one-year road safety trial in five wards of Ealing. This has seen speed limits set at 20mph.
- Increased numbers of pedestrian crossings
- Cycle training for both children and adults
- Wider pavements in certain areas
- Changes to road layouts to reduce speeding and dangerous parking.

These initiatives appear to have contributed to the successes of London Borough of Ealing in reducing road deaths.

The Council have also introduced initiatives to combat the number road deaths. An example of this is the introduction of the Videalert system to enforce an number of moving traffic contraventions². However, when benchmarked against the 'nearest neighbours' there are still improvements that the Council can make and there is the potential to learn from the achievements of benchmark organisations such as London Borough of Ealing.

% change in number of people killed or seriously injured between 2005-2009 average and 2015

London Borough	% change	Ranking
Croydon	-54	1
Ealing	-52	2
Bromley	-45	3
Hounslow	-41	4
Hillingdon	-39	5
Redbridge	-38	6
Barnet	-37	7
Enfield	-35	8
Havering	-32	9
Brent	-23	10
Harrow	-21	11

Source: *Transport for London (2016)*

¹ <http://ealingnewsextra.co.uk/features/roads-taking-steps-to-safety/>

² <https://www.asmag.com/showpost/22299.aspx>

Prices

Highways and Transport

Licences

The highways department of a local authority is responsible for granting licences to developers who wish to erect any sort of structure (i.e. scaffolding) over a public highway. A charge is levied for this licence and the fee for this varies from authority to authority. The table to the right shows the charges levied by the Council and each of the 'nearest neighbour' London Boroughs. This data shows that the charge levied by the Council for this licence is at the lower end of the scale when compared with the charges levied by the nearest neighbour councils.

Vehicle Crossovers (Dropped Kerbs)

Where a resident wants a dropped kerb to be installed they have to submit an application request to their local council. There is a fee associated with this application and the charge levied by the Council is benchmarked against comparator authorities on the graph to the right.

This data shows that the charge levied by the Council is higher than all but one of the comparator authorities. As previously noted, there are limitations to this direct benchmarking. Developing an understanding of costs and margins of this service provision would provide greater insight when comparing the performance of the benchmark organisations. When considering the data collection in relation to prices it was considered to exclude any fees and charges set centrally. Charges such as those set by Transport for London (TfL) are the same across all authorities. Therefore, with the absence of information on costs and margins there would be no value in benchmarking these fees and charges.

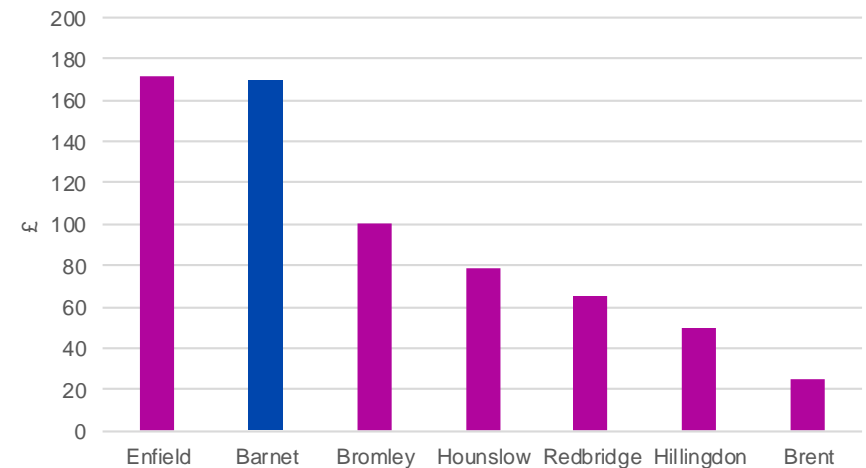
Charges for licence to erect or retain on or over a highway any scaffolding or other structure (2016/17)

London Borough	Charge for licence to erect or retain on or over a highway any scaffolding or other structure
Hounslow	£100
Enfield	£100 plus £21 per square metre
Barnet	£173
Hillingdon	£185
Ealing	£160-£310
Redbridge	£200
Brent	£200

Source: Grant Thornton data collection tool supplemented with data from Council websites.

Note: Data unavailable for Croydon, Harrow, Bromley and Havering

Charge for vehicle crossover application (2016/17)



Source: Grant Thornton data collection tool supplemented with data from Council websites.

Note: Data unavailable for Croydon, Harrow, Ealing and Havering

Customer satisfaction

The Council measure their customer satisfaction key performance indicators (KPIs) annually with quarterly reports issued on progress. Customer satisfaction data is collected through the use of a SurveyMonkey survey being emailed out to customers at either the end of the month or the closure of a service request. Customers rate the service they have received as between 1 (Very Poor) and 5 (Very Good) against ten core questions. These questions are;

- 1) How easy was it to find the information you needed to contact us?
- 2) How easy was it to make contact with us once you found the information?
- 3) Were the staff you dealt with courteous and polite?
- 4) Did the staff you dealt with act in a professional manner?
- 5) Were the staff you dealt with knowledgeable?
- 6) Did you feel we fully understood your request?
- 7) Thinking of the service provided what score would you give?
- 8) Did we keep you fully informed throughout the process?
- 9) Did we explain clearly what would happen next, including timescales?
- 10) Overall, how would you rate your experience of the service?

The KPI scores are then based on the proportion of customers that score the service delivered by RE as either 4 (Good) or 5 (Very Good). Therefore, the Council are able to access timely and detailed information on how satisfied residents accessing the services delivered under contract by RE are. The customer satisfaction data for the Council is available broken down by service area and as an assessment of overall customer satisfaction of Re Ltd.

Service area	Target	Customer satisfaction for 2015/16
Planning and Development	69.88%	66%
Regulatory: Environmental Health and Trading Standards	72%	77%
Highways and Transport	43%	43%
Re Ltd – Overall customer satisfaction	55%	56%

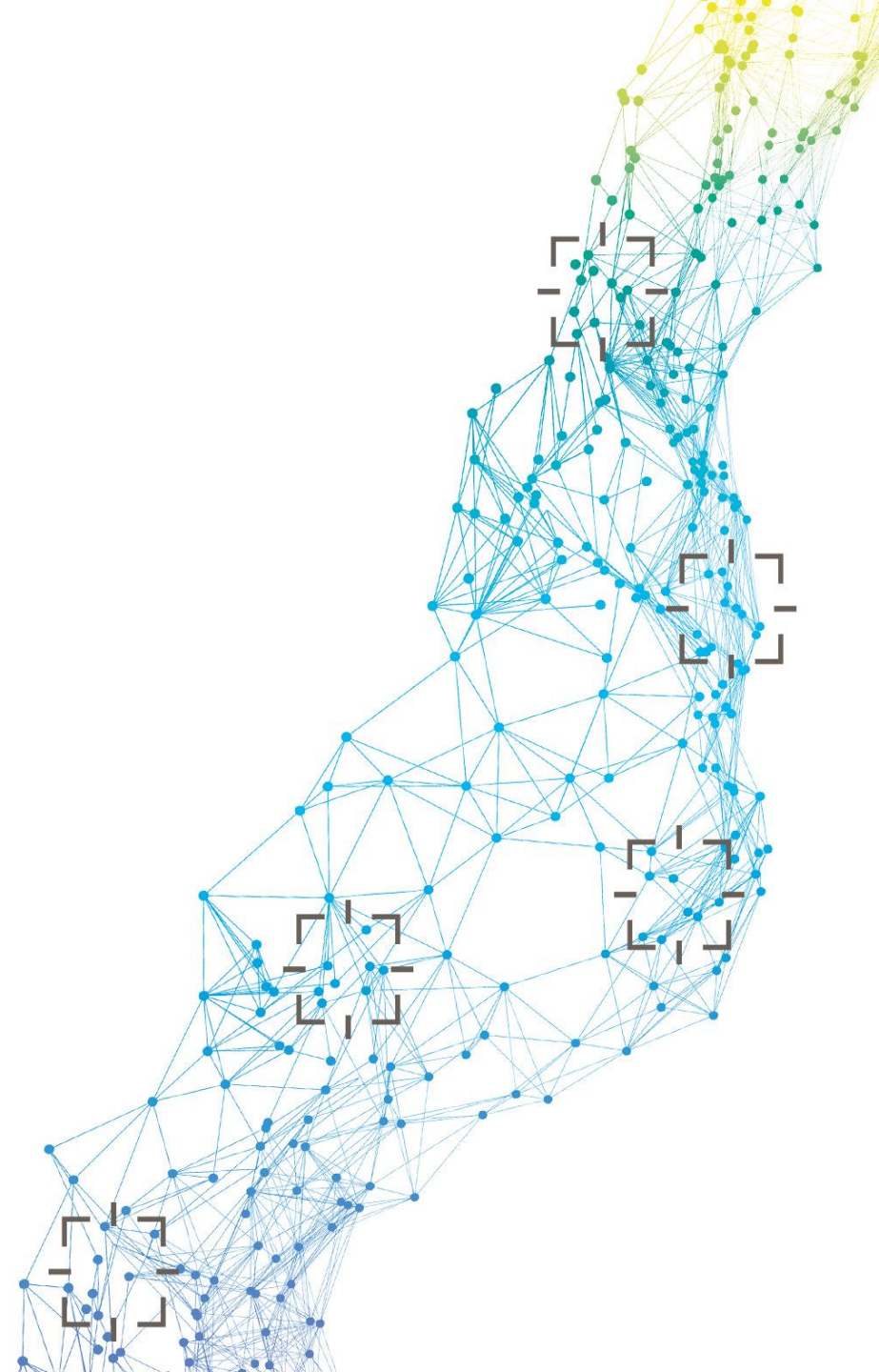
Source: LBB

The table (above) shows that RE met their targets for 2015/16 in relation to customer satisfaction, with the exception of planning and development. However, the level of satisfaction in 2015/16 for this service was an improvement on the previous year (65%).

The responses we received from the 'nearest neighbour' London Boroughs demonstrated that the Council have a comparatively favourable grasp of their customer satisfaction data compared to the benchmark authorities. London Borough of Ealing confirmed that customer satisfaction data for the services included in the scope of this report has not been collected since 2007. Therefore, there is no timely and comparable information available from London Borough of Ealing to benchmark against. This response was replicated by London Borough of Enfield and London Borough of Havering who advised that they did not have readily accessible customer satisfaction data to provide us with.

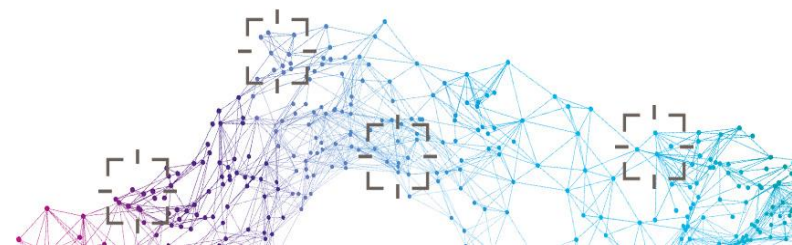
Appendices

NB: Appendix 5 and 6 are provided separately to this report



Appendix 1: Socio-economic profile measures

Indicator	Description	Source	Coverage
Age 0-15 (%)	Proportion of total resident population aged 0-15	Mid year population estimates	2015
Age 16-64 (%)	Proportion of total resident population aged 16-64	Mid year population estimates	2015
Age 65+ (%)	Proportion of total resident population aged 65+	Mid year population estimates	2015
Population	Total resident population	Mid year population estimates	2015
Deprivation	The Index of Multiple Deprivation (IMD) is an overall relative measure of deprivation constructed by combining seven domains of deprivation.	The English Indices of Deprivation	2015
Full Time Earnings	The average (median) annual earnings, gross of tax for full-time employees who reside in the area.	Annual Survey of Hours and Earnings	2016
Employment Rate	Proportion of population aged 16-64 in employment	Annual Population Survey	2015- 2016
Area (hectares)	The hectares that local authority covers	Census	2011
Road length	Total road length in the area (kilometres)	Department for Transport	2015



Appendix 2: RE provided services

Figures labelled as 'benchmarked services' are an aggregation of service lines including:

Highways and Transport

- Highways maintenance planning, policy and strategy
- Public and other transport planning, policy and strategy
- Structural maintenance - principal roads
- Structural maintenance - other LA roads
- Structural maintenance - bridges
- Environmental, safety and routine maintenance - principal roads
- Environmental, safety and routine maintenance - other LA roads
- Winter service
- Road safety education and safe routes (including school crossing patrols)
- Other traffic management

Regulatory: Environmental Health and Trading Standards

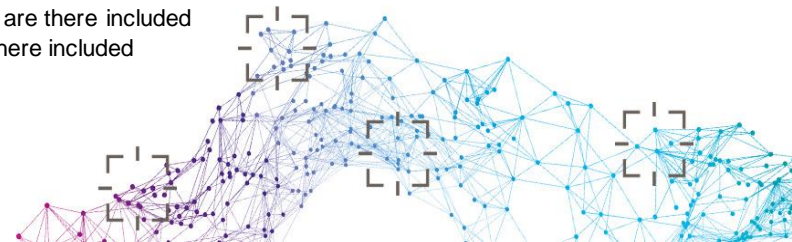
- Cemetery, cremation and mortuary services*
- Trading standards
- Water safety
- Food safety
- Environmental protection; noise and nuisance
- Pest control
- Public conveniences
- Animal and public health; infectious disease control
- Licensing** - Alcohol and entertainment licensing; taxi licensing

Planning and Development

- Building control
- Development control
- Conservation and listed buildings planning policy
- Other planning policy
- Environmental initiatives

*Mortuary services are not part of the RE contract but cannot be split out from this service line and are there included

**Taxi licensing are not part of the RE contract but cannot be split out from this service line and is there included



Appendix 3: Change over time data

£000s	London Borough of Barnet						
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Highways							
Net Expenditure	16,386	5,353	2,533	2,176	1,965	877	2,143
Income	2,341	2,325	3,033	3,629	4,943	6,655	5,602
Gross Expenditure	18,728	7,679	5,566	5,805	6,908	7,532	7,745
Planning and Development							
Net Expenditure	3,547	4,394	3,891	3,607	1,148	-1,864	2,393
Income	4,461	4,261	3,467	4,036	6,613	12,212	13,106
Gross Expenditure	8,008	8,655	7,358	7,643	7,761	10,348	15,499
Regulatory Services							
Net Expenditure	2,743	2,432	2,104	2,270	3,368	794	-567
Income	2,155	2,355	2,044	2,161	2,288	2,044	2,487
Gross Expenditure	4,898	4,787	4,148	4,431	5,656	2,838	1,920
Benchmarked Services							
Net Expenditure	22,676	12,179	8,528	8,053	6,481	-193	3,969
Income	8,957	8,941	8,544	9,826	13,844	20,911	21,195
Gross Expenditure	31,634	21,121	17,072	17,879	20,325	20,718	25,164

Source: CFO insights: Revenue Outturn 2009-2016

Financial data used though out this report is sourced from the revenue outturn which is annually submitted to the Department of Communities and Local Government and is publicly available. This data has been used as it is the most comprehensive dataset for local authority finances and is standardised throughout England allowing for effective benchmarking and comparison between councils. **As a result, financial lines include all costs to the council, not just those directly relevant to the RE contract, including direct, third party and support services**

Appendix 4: Capital Expenditure

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Barking & Dagenham	5,158	4,458	6,829	5,754	5,265	5,444
Barnet	10,295	8,959	10,562	9,224	10,899	20,504
Bexley	12,985	6,046	6,951	8,367	8,410	7,550
Brent	10,913	9,741	9,635	9,843	9,718	10,000
Bromley	6,023	6,635	7,795	10,047	10,539	6,436
Camden	14,830	15,348	13,938	13,160	14,245	16,288
City of London	7,715	7,501	6,009	5,644	12,447	6,640
Croydon	12,004	29,943	12,875	17,898	19,183	19,011
Ealing	13,268	9,105	10,509	13,955	11,099	14,956
Enfield	15,143	19,833	12,070	15,910	13,597	12,260
Greenwich	3,912	5,922	2,933	3,957	4,904	3,356
Hackney	19,151	9,538	10,711	9,479	9,885	15,516
Hammersmith & Fulham	6,548	7,704	6,240	8,768	7,615	7,399
Haringey	12,217	7,578	10,957	11,631	12,800	12,041
Harrow	8,085	8,786	8,282	9,321	15,710	15,327
Havering	11,029	8,875	8,244	7,521	8,273	4,368
Hillingdon	4,742	5,528	4,341	10,560	9,108	9,379
Hounslow	3,364	4,001	4,206	1,335	1,284	2,529
Islington	13,036	7,382	9,362	10,862	4,579	4,984
Kensington & Chelsea	15,132	13,855	2,821	1,324	1,592	2,547
Kingston upon Thames	2,412	3,685	3,319	7,276	5,700	3,723
Lambeth	6,534	9,263	12,554	22,405	19,815	16,402
Lewisham	5,742	11,893	8,025	9,442	5,963	7,485
Merton	7,876	11,160	7,237	6,841	6,269	7,897
Newham	36,796	26,922	13,934	8,748	9,586	15,622
Redbridge	7,776	6,717	8,223	11,497	9,417	8,596
Richmond upon Thames	7,992	4,888	8,125	7,529	11,070	8,809
Southwark	9,269	11,727	12,638	10,112	19,891	13,446
Sutton	6,772	3,728	3,723	4,881	5,606	4,004
Tower Hamlets	9,388	6,881	6,060	5,150	5,020	4,916
Waltham Forest	2,805	11,577	11,744	16,042	14,241	21,698
Wandsworth	6,811	5,740	5,568	7,500	10,451	9,656
Westminster	51,807	51,063	33,457	36,355	33,232	29,476



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Appendix J – Project Spend

Considered by the Member-led Working Group on
25th September 2017

EXCLUDES information that is not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972

Contents

1) Context

2) Assessing value for money

3) Are we getting what we pay for?

4) Can we get better value for money in the future?

Appendices

1) CONTEXT

The Council has spent £24m on projects from 2014 to 2017 with Re⁴

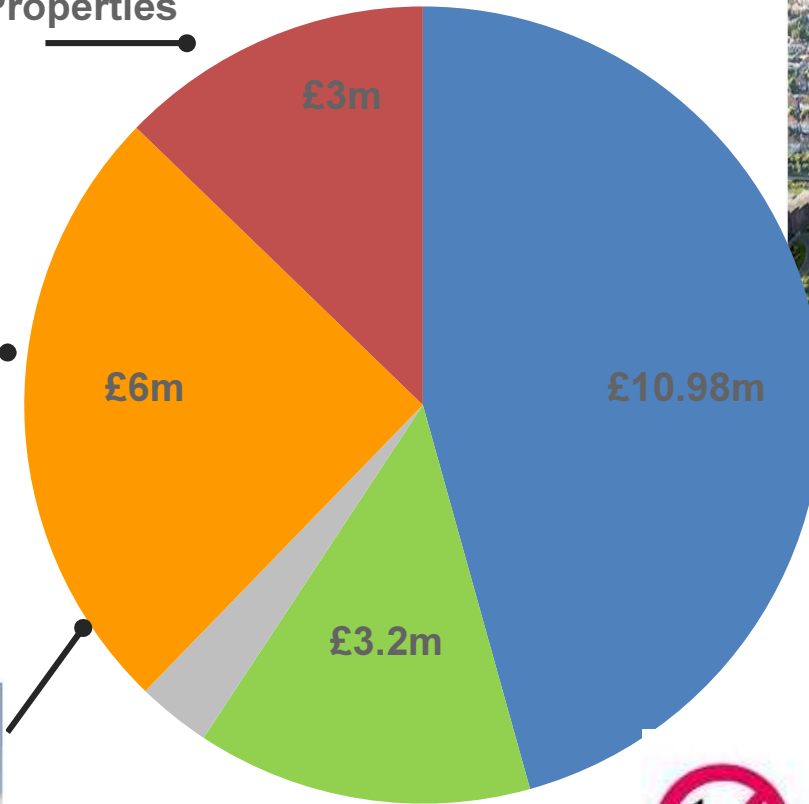


Empty Properties

Colindale HQ



West Hendon



Brent Cross Regeneration Programme



Colindale

NRP



Moving Traffic Contraventions

■ Brent Cross ■ Highways ■ Miscellaneous ■ Regeneration and Development Pipeline ■ Strategic Planning and Regulatory Services

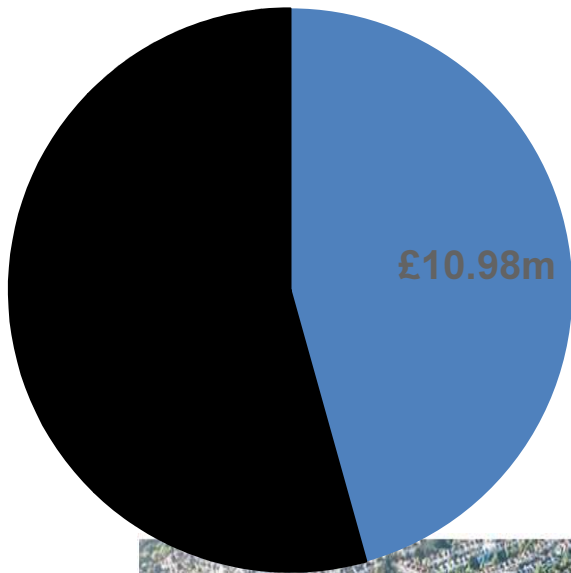
Brent Cross Cricklewood: The most significant publicly-owned growth site in London

Planning consent is in place for a new Town Centre:

- Doubled shopping centre
- 7,500 New Homes
- Space for 27,000 new jobs
- Major transport infrastructure
- Schools, parks, health & community facilities



What has been spent on the Brent Cross programme so far?



46% of all Re SPIR spend has been on the Brent Cross regeneration programme

- Brent Cross Cricklewood North including reserved matters and highways designs and procurement strategy: £3.74m (Hammerson)
- Brent Cross Cricklewood South procurement and delivery strategy: £1.28m (Hammerson)
- Thameslink including business plan and delivery: £5.03m



Breakdown of Special Project spend by year

The table below is a detailed breakdown of what has been spend on special projects (SPIRs) with Re over the last four years

	Project Spend	2013/14	2014/15	2015/16	2016/17	Total
Highways	Borough Cycle Programme				21	21
	Bus Stop Accessibility				145	145
	North London Half Marathon			11		11
	Parking				164	164
	Roads & Pavements		366	1,179	1,238	2,783
	TfL - Local Implementation Plan		780	688	912	2,380
	Highways March 2017 Estimate				32	
	Area Committee				148	148
Regeneration	Brent Cross Development		1,313	2,437	7,230	10,980
	Development Pipeline inc Colindale			3,051	1,627	4,678
	Other Regeneration Schemes		176	217	459	852
	Parks		18	10	320	348
	Upper & Lower Fosters			18	41	59
	Regen March 2017 Estimate				23	
Regulatory	Empty Properties		144	22	139	305
	Tree Works			40		40
	Regulatory March 2017 Estimate				23	
	Community Engagement				15	
	Hendon Cem & Crem		17			17
Miscellaneous	Children's Centre				50	50
	Enhanced Advice & Adaptation Service				214	214
	Financial Viability Report				59	59
	Misc Projects under £10k		33	12	56	101
	Procurement Savings				500	500
	Sports and Physical Activities			200	(80)	120
	WLA				68	68
Total		-	2,847	7,685	13,404	23,855

2) ASSESSING VALUE FOR MONEY

Benchmarking analysis

A benchmarking exercise has been undertaken by LBB to determine whether Re special project day rates are value for money.

The exercise has focused on:

- Benchmark of costs for project professionals including project managers, engineers and planners
- Comparing project role day rates against similar service providers on the Homes and Communities Agency multi-disciplinary framework
- Researching national market rates for salaries of project professionals versus Re staff salaried equivalent basis

The main findings are that London Borough of Barnet receives good value for money for project resource based on the standard charge rates on the Re rate card:

- Project management roles provided by Re are c.20% cheaper than similar service providers
- Engineering roles provided by Re are c.13% cheaper than similar service providers
- Planning roles provided by Re are c.25% cheaper than similar service providers

Please see appendix 1 for a breakdown of the benchmarking work

Benchmarking analysis: findings

Re day rates v salaried resource

Benchmarking was also undertaken to assess whether the council would receive better value for money if it employed salaried staff from the general market compared to the cost of Re providing resources on an annual basis, based on their day rate and mark up rate. Please see appendix 2 for a breakdown of the benchmarking work.

As a standard rate

- Compared to the national average for **project management role** salaries, the Re day rate for a full-time equivalent is on average c.16% less expensive for roles; however Re Director of project is 3% more expensive than the national average equivalent salary
- Re **planning** full-time equivalent day rates are on average 21% less than the national average equivalent salary
- Generally Re **engineering** full-time equivalent day rates are less expensive

As a mark up rate

The contract provides for a 14.3% Overhead and Profit mark up when using external resources:

- Compared to the national average for **project management role** salaries, when the 14.3% mark up is applied, two roles are on average 12% more expensive and two roles are on average 20% less expensive than the national average
- For **engineering** roles, Re are 5% more expensive than the national average for a senior civil engineer whilst a civil engineer with experience is 3% less than the average

3) ARE WE GETTING WHAT WE PAY FOR?

Achievement of Value for Money in Special Projects

How we test VfM in SPIRs

- **Programmes Team** – review of special project proposals using two key principles;
 - Does the project need to happen?;
 - If yes – how do we reduce the risk of it not being delivered properly through clear deliverables and milestones to promote successful delivery of outcomes for residents
- **Commercial Team** – reviewing cost element of special project proposals, checking the delivery content is not already covered by the contract
- **Overall SRO** – budget holder / relevant Director who is commissioning the special project
- **Client lead** – reviewing technical elements of special project proposals, exclusions, quality of resources that will be delivered

Achievement of Value for Money

Controlling special project costs in delivery phase

- LBB checks that costs are in line with original proposal. The review of invoicing includes a check that:
 - the agreed rate has been applied;
 - timesheets are in line with expectation;
 - the value of invoices to date does not exceed total proposal value; and
 - whether mark up (14.3%) has been applied and if that was agreed

Process improvements

- LBB has refreshed the process maps for scrutinising and signing off SPIRs and for the invoicing process

4) CAN WE GET BETTER VALUE FOR MONEY IN THE FUTURE?

Better Value for Money

London Borough of Barnet will drive even better value for money in Special Projects by:

- **Using external advice and technical assurance partners** including surveyors or highways engineers for large proposals (+£250k) to ensure we have enough expertise as a client
- **Market testing**
 - Proactive testing of the market with other providers with specialist expertise on a given project to ensure we are receiving a competitive service from Re
 - Frameworks are in place to 'call off' for professional services required on construction, highways and engineering schemes through existing OJEU compliant frameworks to test value for money
- Continue to ensure **clear deliverables and milestones payments are in place** to enable clear checks to be undertaken on whether quality delivery has taken place
- Ensuring SPIR proposals include **resources that will be deployed and skill sets** with clear identification of what they will deliver on the project
- We will continue to improve existing approval/control processes referred to on slide 12

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Appendix K

EXCLUDES information that is not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972

Regeneration and Highways Value for Money Review

September 2017

Version: 1.1

VERSION CONTROL

Version	Date	Author and description
V0.1	17.07.17	OP, initial template and basic content for MC review
V0.2	21.07.17	OP, Content added
V0.3	28.07.17	JW edits
V0.4	03.08.17	Further revision for new market information
V0.5	03.08.17	QA and amendments made
V1.0	07.08.17	Final draft ready to share
FINAL	08.09.17	Final including feedback

This report was commissioned by London Borough of Barnet as part of the work agreed in the Letter of Engagement signed 31/05/2018, and as such is governed by the terms and conditions as set out in the aforementioned document.

CONTENTS

#	Section	Slide
1	Introduction, Exec Summary, and Approach	4
2	Our Findings	9
3	Recommendations	14
4	Appendices	16

Introduction, Exec Summary & Approach



Introduction

As a part of a year four review of the ten year contract between RE Ltd and the London Borough of Barnet (LBB), the council is carrying out an exercise to ascertain whether it is receiving value for money from its Regeneration (regen) and Highway services.

The council has already undertaken some investigation into the day rates charged by RE Ltd and has benchmarked the day rates and costs per unit of measure, and have found both to be competitive. However the council is not clear about whether the amount of overall effort allocated, resource mix, and effort per grade is providing value for money for the special projects (SPIRs), which are commissioned in addition to the standard contract services. LBB has tried to engage alternative suppliers in the market to establish value for money however have received no response to the questions posed.

As per signed letter of engagement (31/05/17), iMPOWER has been commissioned by LBB to:

- Make contact with suppliers in the regen and highways market places (a list of 10 companies was provided by LBB)
- Provide the suppliers with four SPIRs documents (provided by LBB)
- Meet with the suppliers, and through structured discussion capture their feedback on how they would resource the four projects, focusing on overall effort, resource mix, and effort per grade
- Document all findings from the meetings and investigations with suppliers into a consolidated report
- Provide an assessment on whether the RE Ltd contract is providing value for money for the regen and highways service SPIRs

Executive Summary

iMPOWER was asked to ascertain whether LBB is receiving value for money for its special projects in the regen and highway areas, based on four project SPIRs provided by the council. Out of 13 companies we contacted we were able to meet and receive estimates from three companies working in these areas. The level of response from the market has been disappointing despite considerable efforts and therefore the level of data we have to build our findings on is limited.

Our key findings from the comparative analysis are:

- Whilst it is not possible to reach a firm conclusion due to limited data points, RE's pricing is broadly in line with the market, although this information does suggest potential to achieve more competitive pricing on some projects
- One supplier provided a significantly lower estimate for the Upper and Lower Fosters regen project than all other suppliers and RE - even following further investigation they remain confident in their pricing
- The difficulty in engaging the highways providers suggests that it is a busy market place and may therefore be more of a sellers' market than one in which buyers can drive keen deals
- Two (of the three) providers, plus RE, took a down a top down percentage pricing approach, as described later in this report. Our assessment has needed to take this approach into account, and we have provided a comparison of the suppliers and RE on this percentage basis. This shows that RE's percentage pricing is average compared to these two suppliers

Based on the data we have, indications are that LBB is receiving an 'on market' deal, and we do not draw the conclusion that it should seek to market test these services formally at this stage, although we note that LBB's is to be better than the market so this may add strength to discussions with RE Ltd. However, we would recommend that LBB's own regeneration lead engage in a direct conversation with the supplier who has provided the low estimate to understand if LBB can drive better deals in some of its special projects.

Our approach

In order to provide an assessment on whether LBB is receiving value for money for its highways and regen SPIRs from RE Ltd, we carried out the following activities:

- Contacted suppliers**
 - Leveraged personal contacts across the company and approached four companies to take part in the exercise
 - Cold approached nine companies using LinkedIn InMail and front door contact forms
 - 13 companies approached in total
- Sent SPIRs**
 - Shared SPIRs with five companies, removing all confidential data
- Met with suppliers**
 - Held meetings with senior (Director level) employees of three suppliers and captured their feedback, focusing on per SPIR:
 - Resource mix
 - Number of days per grade / % of time on project
 - Total project fees
- Documented findings**
 - Captured all feedback from suppliers in a consolidated report
 - Mapped the grade levels across companies to ensure consistency
 - Provided an assessment of whether LBB is receiving value for money

Our approach

When we set out to establish value for money we intended to compare supplier estimates for the SPIRs by a bottom up build of price based on effort and grade mix. However, through our initial meetings it became apparent that the industry standard for the pricing of such works is to take a top down approach based applying a percentage of total construction costs for the overall project fee.

We were able to obtain information on resources and grade breakdown which we have set out on page 12 and have compared this with the equivalent information provided by RE.

Our findings



Market engagement

The suppliers who provided responses to the project SPIRs took two main approaches to estimating the cost of the work and project fees. The most common was a ‘top down approach’ where a total construction cost was assumed and a percentage fee apportioned based on industry standards and norms. However, in the case of the Upper and Lower Fosters regen project one supplier has provided an estimate based on the cost for the number of units. It is notable that the company that took this approach is more of an architecture and urban planning focused firm, whilst the other two are more engineering and construction focused.

All suppliers stated that the figures provided are estimates based on the information provided in the SPIRs, and they have needed to make some assumptions. All of the individuals who worked on these estimates are senior experienced employees, and all conferred with other colleagues before finalising their answer. In a real life tender process they would request further clarification of a number of items before submitting their responses. For the purpose of this exercise we have documented any assumptions or exclusions they have made in order to provide a response in the Appendices, pages 17-22.

All suppliers we met with agreed that the only pure regen project is the Upper and Lower Fosters project. The other three were classed as highways projects. Unfortunately were not able to engage as many of the highways departments as regen so have fewer findings to present in the highways area.

All suppliers were large multi-national organisations, B is a very large built asset design and consultancy business (global turnover £3bn+), supplier D is a large architectural practice (global turnover £80m+), and supplier F is very large engineering and development consultancy (global turnover £1.4bn+).

Most (ten) of the organisations contacted declined to take part in this exercise, despite several approaches.

The table below summarises the responses we received from the suppliers by SPIR:

Supplier	Upper and Lower Fosters	W Hendon Colindale Regeneration	W Hendon Colindale Major Development	Moving Traffic Contraventions
B	✓	x	x	x
D	✓	✓	✓	x
F	✓	x	x	x

Are RE's total project fees in line with the market response?

The table below captures the total project fees estimated by each of the suppliers per project, as well as a comparison with the actual figures provided by RE.

Supplier	Upper and Lower Fosters		W Hendon Colindale Regeneration	W Hendon Colindale Major Development	Moving Traffic Contraventions
	Raw	Adjusted*			
RE Actual	£1,349k	£1,349k	£50k	£235k	£58k
B	£2,540k	£1,800k	x	x	x
D	£450k	N/A	£60k	£140k	x
F	£1,450k	£960k	x	x	x

**Adjusted based on an assumed total construction value of £xxx through applying the given % fees*

- The estimates provided for the West Hendon and Colindale Regen project are similar, with RE coming in as slightly cheaper (noting the comparator is supplier D, who is significantly less expensive on U & L Fosters)
- The estimates provided for W Hendon Colindale Major Dev by Supplier D is 40% lower than the RE pricing
- The adjusted rate for U & L Fosters demonstrates that compared with the suppliers that used a top down pricing approach, RE's actual price comes out as averaging between the two others
- Supplier D, who took a unit cost approach, provided an estimate which is far lower than RE's and the others' actuals - this was cross-validated with Supplier D and F, however both remained confident in their pricing
- In comparing the % fee applied for the regen project RE's actual fee sits in the middle compared with the two suppliers who used the top down approach, with RE applying xxx% of the total construction cost for RIBA stages 0-3, compared with Supplier B applying xxx% and Supplier F applying xxx% (this is reflected in the adjusted price)

Overall compared with other responses which used the same pricing approach, RE's fees and % of fee applied sit between the other suppliers. Supplier D has returned estimates which are significantly lower, which could be investigated further.

Comparison of resource blend per supplier

The chart below captures how suppliers stated they typically staff their projects in the regen and highways areas, by % of time spent on project. The chart contains the key project team, and does not include specialist resources required for projects i.e. community engagement consultant, or daylight surveyor, who would be required for discrete areas of work.

**Please note all suppliers, inc RE, provided us this information in different formats, so we have brought it together in this comparable format for analysis*

- Supplier director time is broadly similar, spending between xxx% of time on the projects – RE directors only spend x% across projects
- Supplier D and F provided very similar responses only differing by 5% assigned differently across the graduate resource and associate grade levels
- Supplier B is the only supplier not to include an associate level resource - the majority of project work would be completed by a senior chartered resource (noting that supplier B is the most expensive in their responses)
- Notably, RE's resourcing is very bottom heavy and they use a significant amount of junior resource which could potentially impact quality (though this is only based on the resourcing details of one project)

It does not appear that RE is charging the council for expensive senior resources, since the resource blend provided uses significantly higher proportion of junior resources compared to other suppliers

What does this tell us about the market?

Whilst tangential to our main findings we believe that this exercise tells us some things about the highways and regen markets that LBB should consider in its future plans.

Our key market findings are:

- **A sellers' market:** the difficulty experienced in obtaining input to this exercise, with ten suppliers deciding not to engage suggests that they are busy and as such this may be more of a sellers' than a buyers' market, leading to less competition and less keen pricing
- **Highways less engaged than regen:** possibly as these services are more specialised, and possibly as a result of it being a busy time for transport infrastructure
- **Lack of outsourcing market maturity:** for the suppliers we met with the inclusion of these services within a ten year outsourcing arrangement did not appear to be the norm, with more of their work being through spot contracts
- **Top down pricing:** the approach to pricing based on a top down approach related to total construction costs could lead to inflated pricing in some projects where a high construction cost does not necessarily equate to complexity and effort in work. If engaging with the market, and indeed RE (who have also taken this approach) in the future LBB may wish to structure tenders to counter this approach

Recommendations



What should the council do next?

Analysis of the total project fees and resource blend demonstrates that RE is in line with the market from a totality of costs or grade blend perspective. RE's pricing sits in the middle of the other suppliers' estimates when excluding the outlier, with some charging more and some charging less.

Therefore we believe that LBB is receiving a broadly 'on market' deal, and cannot draw the conclusion that it should seek to market test these services formally at this stage.

However due to the one significant outlier who provided much lower estimates for two projects, in particular Upper and Lower Fosters, we recommend the council engages directly with this supplier to understand its approach to pricing and development. It may be following this that LBB feels better able to challenge SPIR pricing and achieve more competitively priced special projects, or indeed it could choose then to formally market test.

We have been able to provide a comparison between the breakdown of resources and time spent on project with RE, however this has only been based on the Colindale Highways project and none of the other project SPIRs. The regen data provided by RE does not allow direct grade breakdown comparison with the market information obtained. If the council wanted more evidence of how RE applies its resource grades across projects, in particular regen projects, then we recommend further information is sought from RE to support this analysis.

Appendices



Appendix 1: Supplier B – Upper and Lower Fosters, approach and assumptions

Approach & Assumptions:

- Supplier B assumed a **‘top-down’ approach** in forming an opinion of required resource.
- This approach assumes a total construction value of the proposed scheme and applying a percentage rate for the professional team. This total amount is then apportioned over the proposed phases of the subject project according to industry norms and standard practice.

Fee calculation assumptions:

- The maximum number of new infill homes of 200
- Made up 90 sq m flats, costed at £3,000 per square metre for construction

This equates to a total construction cost of circa £54m

In calculating a fee for a full professional design team a fee basis of 10% of the total construction value is applied. It is assumed that the three phases of the project brief align with the RIBA Stages 0/1, 2 and 3. For RIBA Stages 0-3, 45% of the total fee is applied.

Additional costs = £30k for financial modelling of the business case and £12k for EIA

This equates to a total project team fee of £2.45m (RIBA Stages 0-3).

The fee for the professional team includes:

- Partner, senior regen resource, junior regen resource, engineering consultant, planning consultant, stakeholder engagement consultant, and a daylight surveyor.

Role	% of time of project
Partner	10%
Senior regen resource	80%
Junior regen resource	80%

Appendix 2: Supplier D – Upper and Lower Fosters, approach and resourcing

Supplier D has taken a different approach to Supplier B and F and has **calculated project fees based on the number of units and the cost of design per unit**, which is an approach commonly used within the residential property development market.

Fee calculation assumptions:

- The maximum number of new infill homes of 200
- Cost of design up to full planning £1000 per unit, therefore £200k in total of design work
- Fees of £200k to cover additional professions, including:
 - Planning consultant
 - Viability consultant
 - Landscape architecture input
 - Transport consultant
 - Cost consultant
 - Community consultation
 - Engineer advisory
 - Engagement consultant
- Additional surveys £50k
- Excludes: Environment impact assessment
- **This equates to a total project team fee of £450k**

As well as the list to the left, the fee for the professional team includes:

- Project Director, Associate, Senior project manager, graduate project manager, **The blended daily rate is £450-£500.**

Grade	% time on the project	Daily rate (£)
Director	15	900-1000
Associate	20	650
Senior (chartered)	25	450
Graduate (non-chartered)	35	300

Appendix 3: Supplier D - West Hendon and Colindale Regeneration, approach and resourcing

Approach & Assumptions:

- Supplier D assumed a **'top-down' approach** in forming an opinion of required resource.
- This approach assumes a total construction value of the proposed scheme and applying a percentage rate for the professional team.

Fee calculation assumptions:

- Assume the capital value of the project is £2.5 million
- Apply 12.5% fee rate for the professional team
- The supplier assumes the project brief aligns to RIBA stage 2
- Include additional £20k for extra engineering

This equates to a total project team fee of £60k.

The fee for the professional team includes:

- Project Director, Associate, Senior project manager, graduate project manager, Transport consultant,
- Highways engineer, Landscape architect, Cost consultant, Viability consultant
- Exclusions: surveys and the business case from the estimate

Grade	% time on the project	Daily rate (£)
Director	15	900-1000
Associate	20	650
Senior (chartered)	25	450
Graduate (non-chartered)	35	300

The blended daily rate is £450-500.

Appendix 4: Supplier D – Colindale Highways, approach and resourcing

Approach & Assumptions:

- Supplier D assumed a **‘top-down’ approach** in forming an opinion of required resource.
- This approach assumes a total construction value of the proposed scheme and applying a percentage rate for the professional team.

Fee calculation assumptions:

- Assume the capital value of the project is £1.5 million
- Apply 12.5% fee rate for the professional team

The total estimate for the project spec is **£140k of fees**, covering three elements:

1. Highway Design = £50k
 - Assume the project brief aligns to RIBA stage 3
 - Excluding any surveys
2. Public Realm Improvements = £45k
 - Assume the project brief aligns to RIBA Stage 3
3. Parking = £45k
 - Assume this stage requires a survey – include up to £15k of surveys
 - £10k consultant
 - £5k review
 - £15k report and recommendations

The fee for the professional team includes:

- Project Director, Associate, Senior project manager, Graduate project manager, Transport consultant, Highways engineer, and Cost consultant

Grade	% time on the project	Daily rate (£)
Director	15	900-1000
Associate	20	650
Senior (chartered)	25	450
Graduate (non-chartered)	35	300

The blended daily rate is **£450-500**.

Appendix 5: Supplier F – Upper and Lower Fosters, approach and assumptions

Approach & Assumptions:

- Supplier F assumed a **‘top-down’ approach** in forming an opinion of required resource.
- This approach assumes a total construction value of the proposed scheme and applying a percentage rate for the professional team. This total amount is then apportioned over the proposed phases of the subject project according to industry norms and standard practice.

Fee calculation assumptions:

- The maximum number of new infill homes of 200
- Unit construction cost of £270,000
- A 2% construction cost inflation rate over an 18-month period (based on a 1-2 year construction period)
- Construction contingency of 10%

This equates to a total construction cost of circa £60.5 million.

In calculating a fee for a full professional design team a fee basis of 8% of the total construction value is applied. It is assumed that the three phases of the project brief align with the RIBA Stages 0/1, 2 and 3. For RIBA Stages 0-3, 30% of the total fee is applied.

This equates to a total project team fee of £1.45 million (RIBA Stages 0-3), see breakdown overleaf.

Supplier F - Upper and Lower Fosters, team and resource mix

The percentage breakdown of the fee into the project milestone phases has been allocated based on the company’s experience and in line with industry norms and standard practice:

- Phase 1 (3-month programme period) at 15% of the fee equates to £218,000
- Phase 2 (7-month programme period) at 40% of the fee equates to £580,000
- Phase 3 (8-month programme period) at 45% of the fee equates to £655,000

The fee for the professional team includes:

- Project Director, Project Manager, Development Manager, Architect, Landscape architect, Planning consultant, Cost consultant, Engineer (traffic, structural, M&E), Property consultant, Communication officer, Financial/viability consultant, and other minor consultants (E.g. Heritage, Arboricultural)
- Exclusions: the legal team, and the Barnet Homes role.

Staff Grade	Rate (Hourly)	No. of Staff	% on Project
Project Director	£135	1	25%
Associate: Senior Development / Project Manager	£105	1	75%
Consultant: Development / Project Manager	£70	1	100%
Technical Specialist	£70	2	100%
Graduate / Trainee	£60	1	100%
		FTE	5

This breakdown is in line with how Supplier F is currently allocating the various grades of staff on a similar, if not larger (circa 500 residential units), project and their corresponding rates.

These rates are based on the company’s Homes and Communities Agency (HCA) Framework rates. **The blended hourly rate equates to circa £79 per FTE.**

CONTACT

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DISCLAIMER

The Customer is responsible for determining whether the scope of the work we have been asked to carry out is sufficient for the purposes of this report.

It should be noted and it is expressly stated that no independent verification of any of the documents or information supplied to us has been made. We make no representation or warranty and give no undertaking as to the accuracy, reasonableness or completeness of the information contained in this report or any document or information supplied to us.

In this report we have assumed, having raised queries as we saw appropriate: that all of the information supplied to us was, when given and remains, true, complete and accurate and not misleading; that the documents we have examined are true, complete and accurate copies of the originals and that the signatures on those documents are genuine; that appropriate personnel at the Customer will have read the documents in case any such document reveals matters of significance which could only be identified by people with knowledge of the Customer's specific circumstances; and that no term of any agreement comprised in the documents received by us has been amended orally by the parties or by conduct or by course of dealing without our being aware of such amendment. In addition, there may be agreements which are wholly oral of which we are unaware.

This report reflects the state of the Customer as at the date provided at the front of it. However, further information may be received, disclosures may be made or information identified which may change the position of this report after the date of it. We do not accept any responsibility or obligation to update this report, correct any inaccuracies or provide any further information which may become known to it after the date of this report.

This report is addressed to the Customer and is for their sole information and use in connection with the matter. We accept no responsibility for any reliance placed on this report for any purpose other than the matter or by any person other than the Customer. We shall not in any circumstances be liable to the Customer for any loss of profit or any other consequential or indirect loss (howsoever arising).

The contents of this report are strictly private and confidential and this report is being made available to the Customer solely on that basis. This report must not be made available; or copied, quoted or referred to (in whole or in part) without the prior written consent of us, provided that the Customer may disclose this report to those of its respective employees, directors and advisers who are directly involved in the matter. Neither this report, nor and right under it, as assignable.....

**London Borough of Barnet
Performance and Contract
Management Committee
Work Programme 2017-2018**

Contact: Salar Rida 020 8359 7113 salar.rida@barnet.gov.uk

Title of Report	Overview of decision	Report Of (<i>officer</i>)	Issue Type (Non key/Key/Urgent)
28 November 2017			
Quarter 2 2017/18 Performance Monitoring Report	To review and approve quarter 2 2017/18 finance and performance report for internal and external delivery units.	Commercial Director Head of Performance and Risk	Non key
Quarter 2 2017/18 Financial Monitoring Report	To review and note the council's financial performance for the six months to 30 September 2017.	Director of Resources Head of Finance	Non key
Re Contract Review	To review and receive the update report.	Commercial Director	Non key
Treasury Management – Mid Year Review	To note the report which demonstrates compliance with the limits contained within the Treasury Management Strategy Statement.	Director of Resources Head of Treasury, CSG	Non key
16 January 2018 - CANCELLED			
27 February 2018			
Quarter 3 2017/18 Performance Monitoring Report	To review and approve quarter 3 2017/18 finance and performance report for internal and external delivery units. This report includes treasury management outturn.	Commercial Director Head of Performance and Risk	Non key

Subject	Decision requested	Report Of	Type
Risk Management Update- focusing on high impact risks	To notes the high level risks and mitigating actions being taken to manage the council's risks.	Commercial Director Head of Performance and Risk	Non key
Items to be allocated			
Affordable Housing Report (June 2018)	To receive an update on the performance against the affordable housing target	Head of Strategic Planning Strategic Lead Housing	Non key

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

AGENDA ITEM 14

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