

MEETING

FINANCIAL PERFORMANCE AND CONTRACTS COMMITTEE

DATE AND TIME

MONDAY 11TH MARCH, 2019

AT 7.00 PM

VENUE

HENDON TOWN HALL, THE BURROUGHS, LONDON NW4 4BG

**TO: MEMBERS OF FINANCIAL PERFORMANCE AND CONTRACTS COMMITTEE
(Quorum 3)**

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

Councillors

Kathy Levine	Barry Rawlings	John Marshall
Thomas Smith	Arjun Mittra	Alex Prager

Substitute Members

Geof Cooke	Lisa Rutter	Alison Moore
Shimon Ryde	Jess Brayne	Julian Teare

In line with the Constitution's Public Participation and Engagement Rules, requests to submit public questions or comments must be submitted by 10AM on the third working day before the date of the committee meeting. Therefore, the deadline for this meeting is 10AM, Wednesday 6 March 2019. Requests must be submitted to Salar Rida at 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 Services contact: Salar Rida 020 8359 7113 salar.rida@barnet.gov.uk

Media Relations Contact: Gareth Greene 020 8359 7039

ASSURANCE GROUP

Please consider the environment before printing. The average Print Cost for this Agenda is £30.53 per copy.

ORDER OF BUSINESS

Item No	Title of Report	Pages
1.	Minutes of the Previous Meeting	5 - 10
2.	Absence of Members	
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)	
6.	Members' Items (if any)	
7.	Chief Financial Officer Report Period 9/Quarter 3	11 - 58
8.	Temporary Workers Contract Implementation	59 - 68
9.	Improving Customer Services - Website progress report	69 - 76
10.	Highways Recruitment and Resourcing	77 - 84
11.	Quarter 3 2018/19 Contracts Performance Report	85 - 102
12.	Colindale Office Move - Update	103 - 116
13.	Committee Forward Work Programme	117 - 120
14.	Any Other Items that the Chairman Decides are Urgent	
15.	Motion to Exclude the Press and Public	
16.	Exempt - Colindale Office Move Update	121 - 126
17.	Any Other Exempt Items that the Chairman Decides are Urgent	

FACILITIES FOR PEOPLE WITH DISABILITIES

Hendon Town Hall has access for wheelchair users including lifts and toilets. If you wish to let us know in advance that you will be attending the meeting, please telephone Salar Rida 020 8359 7113 salar.rida@barnet.gov.uk. People with hearing difficulties who have a text phone, may telephone our minicom number on 020 8203 8942. All of our Committee Rooms also have induction loops.

FIRE/EMERGENCY EVACUATION PROCEDURE

If the fire alarm sounds continuously, or if you are instructed to do so, you must leave the building by the nearest available exit. You will be directed to the nearest exit by uniformed custodians. It is vital you follow their instructions.

You should proceed calmly; do not run and do not use the lifts.

Do not stop to collect personal belongings

Once you are outside, please do not wait immediately next to the building, but move some distance away and await further instructions.

Do not re-enter the building until told to do so.

This page is intentionally left blank

Decisions of the Financial Performance and Contracts Committee

17 December 2018

Members Present:-

AGENDA ITEM 1

Councillor Peter Zinkin (Chairman)
Councillor Anthony Finn (Vice-Chairman)

Councillor Kathy Levine
Councillor Shimon Ryde
Councillor John Marshall
Councillor Arjun Mittra
Councillor Alex Prager
Councillor Barry Rawlings (Substitute)

Apologies for Absence

Councillor Jess Brayne

1. MINUTES OF THE PREVIOUS MEETING

The Chairman, Councillor Peter Zinkin opened the meeting and it was **Resolved that the Minutes of the previous meeting of the Financial Performance And Contracts Committee held on 9th October 2018 be agreed as a correct record.**

2. ABSENCE OF MEMBERS

Apologies were received from Councillor Jess Brayne who was substituted by Councillor Barry Rawlings.

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

The following declarations were made:

Councillor	Agenda Item(s)	Declaration
John Marshall	11	Non-pecuniary interest by virtue of being a Council appointed Director of Re
Peter Zinkin	7	Non-pecuniary interest by virtue of being a Member of the North London Waste Authority

4. REPORT OF THE MONITORING OFFICER (IF ANY)

None.

5. PUBLIC QUESTIONS AND COMMENTS (IF ANY)

The Responses to the Public Questions were published prior to the meeting and tabled. There were no further supplementary questions.

6. MEMBERS' ITEMS (IF ANY)

There were none.

7. CHIEF FINANCIAL OFFICER REPORT (PERIOD 7)

Upon invitation of the Chairman, Officers presented the report to the Committee.

Following a query from the Committee on staff retention within Children's Services, Officers informed Members about the work of the Agency Board to support staff from agency to permanent employment. Members were informed that this remains a challenging area as it relates to individuals' personal preferences.

In response to a query about maintaining contingencies and reserves, Officers informed the Committee about the council's overarching financial strategy of eradicating the use of one-off funding to balance the budget over the MTFS period.

The Committee noted the data relating to the level of debt and list of top 10 debtors under Table 19 of the report. Members also noted the importance of regularly reviewing this data to ensure that action is being taken in respect of debt owed.

The Committee was informed that this will continue to be closely monitored going forward and that a Debt Board has been established to ensure that debts are paid in a timely manner.

Members requested that under the Debtors section within the next report, further analysis be provided in relation to the top 10 Debtors, including an update on the Barnet CCG debt and the work of the Debt Board. **(Action)**

Officers informed the Committee that the Barnet CCG debt listed within the table relates to a number of invoices which are due to be resolved and settled. The Chairman encouraged further dialogue between Officers of the LBB and CCG Finance teams.

Members agreed that the Adults & Safeguarding Committee, when considering whether investment in Early Prevention has made a difference to outcomes, request assistance where practicable, from the Financial Performance & Contracts Committee. **(Action)**

It was noted that additional funding would be made available in year towards Adult Social Care. Members queried the risks associated with the budget for Adults and Communities. Officers noted that estimated forecast include a level of risk and that if mitigating actions are not achieved, this could lead to an increased pressure.

Members were informed about the challenge to positions provided by Service Areas and Budget Holders in order for reporting to be as accurate as possible.

In relation to CSG and Council Managed Budgets, Members asked for an update on the improvement work – Officers briefed the Committee about improvements to budget management and monitoring processes which has resulted in a much better understanding of current position and therefore enhanced reporting.

It was agreed that Officers provide data to the Chairman and Councillor Kathy Levine on the collective experience from other Local Authorities on the impact of Universal Credit towards Housing and Homelessness. (**Action**)

Members expressed concerns over the level of deficit in respect of the Dedicated Schools Grant balance and noted the new requirement for Local Authorities to report on how they will bring any deficit position back in line if the deficit is more than 1% of total DSG which for Barnet equates to £2m. Officers noted the concerns raised.

It was **RESOLVED** that:

1. **The Committee noted the 2018/19 revenue forecast outturn, as detailed in Table 1 and in Appendix A;**
2. **The Committee noted the savings anticipated to be delivered in 2018/19, as detailed in Table 5;**
3. **The Committee noted the level of reserves and balances as detailed in Tables 9 and 10;**
4. **The Committee noted the 2018/19 capital forecast outturn, as detailed in Table 6 and in Appendix B;**
5. **The Committee noted the treasury position outlined in section 2.4.**
6. **The Committee noted the debtors position outlined in section 2.5.**
7. **The Committee noted the strategic financial matters outlined in section 3.**

8. PERFORMANCE OF BACK OFFICE FUNCTIONS - LEGAL SERVICES

The Chairman introduced the item and invited Mr David Tatlow, Chief Legal Advisor and Monitoring Officer and Ms Jessica Farmer, Head of HBPL to present the report.

The Committee received a presentation on the core purpose of the HBPL agreement and overall performance of the service, costs and key challenges and improvements.

Following a query from the Committee on recruitment, Ms Farmer informed that in addition to growing and developing internally, various recruitment methods have been deployed such as Open Days and Market HR tools to attract interest.

In response to a query about Rates charged to LBB, Ms Farmer noted that LBB is one of the largest clients for HBPL and that as such a large number of hours are contracted which makes hourly rates more effective in comparison to purchasing smaller number of hours.

Mr Tatlow briefed the Committee on the main changes in respect of managing the HBPL contract, namely

- (i) the methodology for charging of hours - which will alter from hours of work 'estimated' to hours of work completed and a revision to the hourly rate to allow a contingency fund to be developed
- (ii) to monitor demand for instructions by service areas in order to review demand trends and the reasons, and
- (iii) to increasingly look at fixed hourly prices in line with benchmarking exercise with other LA's and the private sector.

The Committee noted that monitoring will continue on a regular basis.

The Chairman welcomed the report and it was agreed that the HBPL Contract will be included in future Monitoring reports to this Committee alongside other key contracts. (**Action:** Q Performance Reports)

It was **RESOLVED:**

1. **That the Committee noted the report and progress in approving the revised Inter Authority Agreement with Harrow.**
2. **That the Committee noted the details of the revised monitoring arrangements and the overview of the performance and financial position.**

9. QUARTER 2 2018-19 CONTRACTS PERFORMANCE REPORT

Officers presented the report. In reference to page 62 Paragraph 1.27 the Committee agreed to receive an update on Incident Resolution under the Customer Services Improvement item at a future meeting.

Following concerns expressed over the response to the Pensions Regulator it was noted that improvement work is ongoing and that a response will be put together in respect of the issues raised by the Regulator. It was agreed that the Committee would be further updated on the matter. (**Action:** Pensions)

It was **RESOLVED that:**

The Committee reviewed the Quarter 2 (Q2) 2018/19 performance in relation to back office functions delivered by the Customer and Support Group (CSG) and Planning (CSG) and to note any recommendations to Policy and Resources or Theme Committees on issues arising from this review.

10. UPDATE ON MAJOR CONTRACTS AND CONTINGENCY PLANNING

Upon invitation of the Chairman, Ms Deborah Hinde Interim Assistant Commercial Director joined the Committee and presented the report.

Following concerns expressed by Members over risks associated with Capita becoming insolvent and continuing ICT provision, Ms Hinde noted that business continuity and disaster recovery plans in place for ICT are reviewed on a regular basis as well as arrangements for ensuring continued access to data centres. She also noted that officers have carried out further work to strengthen the contingency plans for these two areas of activity.

It was **RESOLVED:**

That the Committee noted the contingency planning arrangements set out in the report.

11. RESOLUTION OF IT ISSUES BETWEEN REGIONAL ENTERPRISE AND CONWAY AECOM

The Chairman introduced the report which sets out the IT issues between the Regional Enterprise (Re) and the council's term maintenance contractor, Conway Aecom, and explains the path to resolution. The Chairman welcomed Mr Alun Parfitt Operations Director at Re who provided a detailed presentation to the Committee.

It was **RESOLVED:**

That the Committee noted the progress to date on the resolution of IT issues.

12. COMMITTEE FORWARD WORK PROGRAMME

The Committee noted the standing item on the Agenda which lists the items on the Committee's Forward Work Programme for 2019.

RESOLVED that the Committee noted the Forward Work Programme for 2019.

13. ANY OTHER ITEMS THAT THE CHAIRMAN DECIDES ARE URGENT

None.

The meeting finished at 9.10 pm

This page is intentionally left blank

	Financial Performance and Contracts Committee 11th March 2019
Title	Chief Financial Officer Report Period 9/Quarter 3 (December 2018)
Report of	Director of Finance (Section 151 Officer)
Wards	All
Status	Public
Urgent	No
Key	No
Enclosures	Appendix A: Revenue forecast Appendix B: Capital forecast
Officer Contact Details	Paul Clarke, Deputy Section 151 Officer paul.clarke@barnet.gov.uk

Summary

This report contains a summary of the Council's capital and revenue financial performance for the financial year 2018/19. It also contains information on the level of debt, debtors and treasury performance for the period to 31 December 2018.

Officer Recommendations

- 1. The Committee is asked to note the 2018/19 revenue forecast outturn, as detailed in Table 1 and in Appendix A;**
- 2. The Committee is asked to note the savings anticipated to be delivered in 2018/19, as detailed in Table 6;**
- 3. The Committee is asked to note the level of reserves and balances as detailed in Tables 10 and 11;**
- 4. The Committee is asked to note the 2018/19 capital forecast outturn, as detailed in Table 7 and in Appendix B;**

Officer Recommendations

5. The Committee is asked to note the treasury position outlined in section 4.

6. The Committee is asked to note the debtors position outlined in section 5.

1. Executive Summary

- 1.1 This report provides an overview of the council's forecast financial outturn for the 2018/19 financial year.
- 1.2 The General Fund revenue forecast for 2018/19 is a net overspend of £2.396m, an improvement of £0.414m on the Period 8 forecast position.
- This forecast is stated after taking into account the contributions to specific and general earmarked reserves totalling £1.226m, as shown in Table 1. Excluding these reserve movements, the net forecasted overspend is £1.168m.
 - The reserve movements in Table 1 include two one-off transfers to reserves of £3.685m and £1.000m respectively following the contract settlement with Capita and North London Waste Authority (NLWA) levy charge.
 - The above reserve movements are in addition to the £4.040m MTFs drawdown agreed as part of the agreed budget set in March 2018 to balance the 2018/19 budget.
- 1.3 This financial forecast displays a favourable movement of £0.414m from period 8, with the most significant variances being set out below:

Favourable movements;

Commissioning

The budget has forecasted a favourable monthly movement of £0.623m due to increased housing benefit overpayment recovery (£0.500m – resulting in a total of £1.3m), the anticipated capitalisation of transformation costs (£0.055m) and an increase to the forecasted underspend on the NLWA levy budget (£0.069m).

Adults and Communities

The budget has forecasted a favourable monthly movement of £0.536m generated by the planned flexible use of capital receipts to fund Mosaic costs.

CSG and Council Managed Budgets

The budget has forecasted a favourable monthly movement of £0.181m due to a reduction in the estates maintenance and repairs budget (£0.343m) and increased expected income on Managed Budget Lines (£0.118m), partially offset by a £0.340m increase in gain share costs, generated principally by Housing Benefit recovery and linked to the benefit within the Commissioning division.

Children's Services

The budget has forecasted a favourable monthly movement of £0.180m due to reduced pension costs relating to Cambridge Education and reductions in new placement inflows

Adverse Movements;

Development and Regulatory Services (Including Re)

The budget is currently forecasting an adverse monthly movement of £0.191m due to unfunded Capital Costs relating to DFG; this is currently subject to review.

Streetscene

The budget has forecasted an adverse monthly movement of £0.875m due to the delay in the delivery of the Waste and Recycling saving (£0.450m). The changes were previously anticipated to claw back an overspend relating to inherent historical service pressures as well as achieving planned MTFS savings. The delays in the start of, and difficulties embedding, the recycling and waste service changes have resulted in an increase in forecast relating to both the recognition of the existing overspend and enhanced by the non-delivery of savings. This has been exacerbated by increased costs of transformation, due to the service not being fully embedded by Christmas, and additional unresolved pressure generated by increased costs of maintenance on the recycling and waste fleet as it ages. A detailed paper relating to the waste round reorganisation will be taken to the Environment Committee on the 14th March 2019.

- 1.4 The General Fund balance as at 1 April 2018 was £15.083m (excluding schools' balances). The net overspend of £2.396m would ordinarily reduce the General Fund balance as at April 1st 2019, however the balance is planned to be maintained by means of a transfer from the MTFS reserve.
- 1.5 The council has set aside specific amounts as reserves for future policy purposes or to cover contingencies. As at 31 March 2018, the council held reserves of £75.755m. Net drawdowns from earmarked reserves of £24.321m are forecast as at month 9 which would result in total earmarked reserves as at 31 March 2019 of £51.434m. The £24.321m earmarked reserve drawdown consists of £3.459m to support the in-year revenue position, £4.685m contribution to reserves and £25.547m of other drawdowns. These 'other' drawdowns principally consist of £18.977m CIL drawdown and £6.436m to underpin the MTFS. Full details of forecast drawdowns can be found in table 12.
- 1.6 The forecast as at 31 December 2018 on the council's 2018/19 capital programme is £294.791m, £261.227m of which relates to the General Fund programme and £33.564m to the HRA capital programme. This is £70.966m less than the currently approved 2018/19 budget of £365.758m.
- 1.7 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.
- 1.8 As at 31 December 2018, deposits were £38.600m, achieving an average annual rate of return of 0.8% against a benchmark average (London Interbank Bid Rate - LIBID) of 0.58%. The benchmark is the rates that banks pay to attract deposits from other banks.

- 1.9 The total value of long-term loans as at 31 December 2018 was £304.080m. There has been no new external long-term borrowing in the 2018/19 financial year to date, but the council did borrow £35m on a short term basis split into £15.000m on the 1st of November 2018 and £20.000m on the 7th December 2018. The average interest rate for long-term borrowing is 3.86%. The short term borrowing was taken at a rate of 1%pa for a period of 6 months.
- 1.10 The total sundry debt owed to the Council as at 31 December 2018 was £37.977m. Between November and December 2018 overall debt increased by £9.127m, and the value of debts aged over 90 days decreased by £0.064m. In the last two months, significant further progress has been made in collecting these monies. Further detail regarding the debt owed to the council is set out in section 5 of this report.

2. Financial Considerations

2.1. Revenue Forecast

General Fund

- 2.1.1 The General Fund revenue forecast for 2018/19 is a net overspend of £2.396m, and improvement of £0.414m over the Period 8 forecast of an overspend of £2.810m. This forecast is stated after the net contribution to specific and general earmarked reserves totalling £1.226m. Excluding these reserve movements, the forecasted overspend is £1.168m. The reserve movements in table 1 include two one-off transfer to reserves relating to the gains of £3.685m and £1.000m respectively following the contract settlement with Capita and a recognition of balances held within the North London Waste Authority (NLWA).
- 2.1.2 All proposed reserve drawdowns and contributions will be considered and approved, if appropriate, later in the financial year. It is important to note that these reserve movements are over and above the planned use of £6.436m of reserves in balancing the budget.
- 2.1.3 At the Policy and Resources Committee on 23rd October approval was sought to allocate additional funds from the council's contingency budget. These movements have been reflected in Table 1 below. Additionally, it was announced that additional government funding would be made available in year towards Adult Social Care. This will be included in future period forecasts once more details are available.

Table 1: General Fund Revenue Forecast

Service	Revised Budget	Period 9/Quarter 3 forecast	Variance from Revised Budget Adv/(fav)	Reserve Movts	Period 9 Forecast /Quarter 3after Reserve Movts	Variance after Reserve Movts Adv/(fav)	Variance explained in the paragraphs below
	£000	£000	£000	£000	£000	£000	
Adults and Communities	95,498	95,071	(426)	-	95,071	(427)	2.1.6

Service	Revised Budget	Period 9/Quarter 3 forecast	Variance from Revised Budget Adv/(fav)	Reserve Movts	Period 9 Forecast /Quarter 3after Reserve Movts	Variance after Reserve Movts Adv/(fav)	Variance explained in the paragraphs below
	£000	£000	£000	£000	£000	£000	
Assurance	6,344	7,904	1,559	(582)	7,322	978	2.1.11
Central Expenses	44,082	41,913	(2,169)	-	41,913	(2,169)	2.1.12
Children's Services	66,657	68,472	1,814	(918)	67,554	897	2.1.13
Commissioning Group	19,197	17,606	(1,591)	(189)	17,417	(1,780)	2.1.16
CSG and Council Managed Budgets	25,062	23,455	(1,607)	3,685	27,140	2,078	2.1.2.20
Housing General Fund (Tackling Homelessness)	6,926	7,056	129	-	7,056	130	2.1.21
Public Health	17,160	17,160	-	-	17,160	-	2.1.24
Development and Regulatory Services (Including Re)	689	3,001	2,312	(770)	2,231	1,542	2.1.25
Street Scene	11,711	12,858	1,147	-	12,858	1,147	2.1.26
Total	293,326	294,496	1,168	1,226	295,722	2,396	

2.1.4 The forecasted overspend as at Period 9 (after reserve movements) has decreased by £0.414m from £2.810m to £2.396m since the forecast reported at period 8. The main movements are shown in Table 2 below and laid out in more detail in 2.1.5 onwards.

Table 2: Movement from Period 8 Forecast

Service	Period 8 forecast variance	Period 9/Quarter 3 forecast variance	Increase / (Decrease)	Explanation for significant movements
	£000	£000	£000	
Adults and Communities	110	(426)	(536)	Planned flexible use of capital receipts to fund Mosaic costs
Assurance	977	977	-	
Central Expenses	(2,169)	(2,169)	-	
Children's Services	1,077	896	(180)	Reduced pension costs relating to Cambridge Education together with reductions in new placement inflows have reduced the forecast from Period 8
Commissioning Group	(1,157)	(1,780)	(623)	The Resources division has reduced due to increased housing benefit overpayment recovery (£0.500m), the anticipated capitalisation of transformation costs (£0.055m) and an increase to the forecasted

				underspend on the NLWA levy budget (£0.069m).
CSG and Council Managed Budgets	2,259	2,078	(181)	<p>Favourable movements: -£0.343m reduction in the estates maintenance and repairs budget -£0.118m increased expected income on Managed Budget lines</p> <p>Offset by the following adverse movement: £0.340m increase in gain share contractual payments and other areas of Managed Budgets</p>
Housing General Fund (Tackling Homelessness)	89	129	40	Increased void loss than previously forecast
Public Health	-	-	-	
Development & Regulatory Services (including Re)	1,351	1,542	191	Unfunded capital costs relating to DFG
Street Scene	273	1,147	875	Delay in the implementation and changes to recycling and waste rounds resulting in continuation of inherent unfunded in-year pressures and delay in achieving addition MTFs savings. This has been exacerbated by increased costs of transformation as a result of not embedding the changes by Christmas, and continued expected pressure in Q4
Total	2,810	2,396	(414)	

- 2.1.5 The main reasons for the forecast overspend of £2.396m as at Period 9 are set out below. Further detail can be seen in Appendix A.
- 2.1.6 A proposal will be put to Council to use capital receipts to fund one off costs relating to the Mosaic project. As a result, the revenue budget for **Adults and Communities** is projected to underspend by £0.426m, an improvement of £0.536m when compared to the Period 8 position. The underspend relates to staffing budgets within the service. These had previously been assumed to be offset but additional revenue costs relating to the implementation of the Mosaic system. These are now proposed to be funded through the flexible use of capital receipts, subject to Council approval.
- 2.1.7 Non-achievement of any mitigating actions will lead to an increased pressure. Risks are monitored monthly and will result in an overspend of £0.573m, if all materialise. One of the key risks being monitored is the potential increase in forecast for winter spikes in activity (currently estimated at £0.315m).
- 2.1.8 The non-placements budgets are forecasting a net underspend of £0.562m which is the net effect of £0.417m underspend on staffing budget and £0.145m underspend mostly due to Equipment and Adaptation. The Equipment and Adaptation underspend is as a result of appropriate capitalisation of the cost of large items of equipment via the Disabled Facilities Grant (DFG) budget. This is partially offset by overspends on Deprivation of Liberty safeguards (DOLs) assessment costs.

- 2.1.9 The forecast outturn on placements is currently showing a £0.135m overspend as at period 9, all due to Older Adults. Winter Pressures funding from the Government of £1.400m is included within the projections, and was reallocated in period 8 to better reflect pressure from hospital discharge.
- 2.1.10 There is presently a backlog in raising invoices for income due to the service. In addition, there are a number of significant debtors (such as the CCG) for the service which could result in debt write offs being written back to the service. The service management are working hard to resolve the backlog and the council is introducing a Corporate Debt Working Group to manage and reduce debt owed to the Council.
- 2.1.11 The overspend of £0.977m in **Assurance**, which is unchanged from the previous month, is driven by the HB Public Law contract. This is a demand-led service and in this year to date, demand has exceeded the available budget. The outturn for 2017/18 was a £0.789m overspend. This has increased in 2018/19 due to a combination of increased contract prices and demand for the service.
- 2.1.12 **Central Expenses** is projecting an underspend of £2.169m which represents 4.9% of the overall budget and is unchanged from the previous month. The underspend relates mainly to capital financing costs caused by slippage on the capital programme coupled with underspends on levies. The significant underspend is partially offset by the one-off payment of pension strain areas due to the Pension Fund.
- 2.1.13 **Children's Services** are currently reporting an overspend of £0.896m, 1.34% of the overall budget and which represents an improvement of £0.180m from the previous month. Children Services gross pressures at the start of 2018/19 were £12.375m in addition the service savings of £2.337m to achieve, the majority of these pressures have been mitigated and savings achieved. An element of the mitigation has been a reduction in agency costs due to the new contract, approximately £0.590m. Children's Services are currently reporting a budget pressure of £0.896 on a budget of £66.657m. The realisation of pressures in the system has resulted in the reported variance. Pressures arise from staffing projections, placement forecast and other non-pay budgets offset by additional income relating to Cambridge Education Contract. Reductions of £0.181m have been recognised in the current month's forecast due to ongoing recovery plans – specifically the placements review and the use of grant income. This has mitigated the additional pressure for non-receipt of Vulnerable Children Funding £0.280m.
- 2.1.14 The nature of services provided to children and families by Family Services manage significant levels of risk. The implementation of the Barnet Children's Services Improvement Action Plan based on inspection findings and recommendations reduce this risk and drive forward improvements towards good quality services.
- 2.1.15 The Period 9 position requires mitigating actions by management to deliver a planned reduction of agency spend of £0.250m. The forecast builds in new placements of £0.043m, however due to the often need to meet emergency situations expenditure can fluctuate month on month. There is an assumption that charges from other departments will be within the allocated budget including legal.

- 2.1.16 **Commissioning Group** is forecasting an underspend of £1.780m which represents 14.5% of the overall budget and is an improvement of £0.623m from the previous month.
- 2.1.17 The underspend is primarily as a result of the Special Parking Account, which is expected to exceed its income target resulting in an underspend of £1.145m, the North London Waste Authority Levy (£0.311m) and street lighting (£0.122m) as a result of electricity savings.
- 2.1.18 The forecasted underspends are offset partially by an overspend in Human Resources, which are projecting an overspend of £0.293m. The activity in this area is greater than budgeted, including an ongoing commitment for organisational development resources and a one-off cost pressure resulting from implementation of a new recruitment system. In addition, the registrar service is currently overspending due to income forecasts being below budgeted and operational costs above budgeted levels, together totalling £0.142m.
- 2.1.19 The most significant risks to the forecast are a risk to Parking and Infrastructure where the budgets are based on a mild winter. If there is a severe winter the SPA may not be able to absorb the impact.
- 2.1.20 The overspend for **CSG and Council Managed Budgets** is £2.078m, 8.1% of the overall budget and an improvement of £0.181m from the previous month. The overspend is due to Estates Repair and Maintenance budget (£0.636m), income shortfalls on retained income lines (£1.346m) and an overspend of £0.046m in contractual gain share budget. The variance has moved by £0.121m from period 8 because of reduced forecast on Estates Repair and Maintenance budget (£0.343m) and £0.118m favourable movement on Retained Income because of pension fund recharge income (0.068m) and increased forecast on court case recovery awarded (£0.050m), offset by the increase of £0.340m of contractual gain share costs (linked to the increase in anticipated Housing Benefit Overpayment recoupment).
- 2.1.21 The forecasted overspend of £0.129m for **Housing General Fund (Tackling Homelessness)** represents 1.9% of the total Delivery Unit budget, and is £0.040m higher than last month.
- 2.1.22 The forecast includes mitigations in place including acquisition of affordable properties to replace temporary accommodation, additional Flexible Homelessness Support Grant and appropriate recharging of costs to the HRA.
- 2.1.23 The current main risks to the forecast are around increases in demand for temporary and emergency accommodation. There are currently approximately 2,689 households in temporary accommodation. The expected cost of servicing these properties will be £27.880m in 2018/19.
- 2.1.24 **Public Health** are forecasting to deliver to budget.
- 2.1.25 The forecast for **Development & Regulatory Services (including Re)** is an overspend of £1.542m, £0.191m higher than last month. The variance primarily relates to a £0.900m adverse variance as a result of a misclassification of income between the General Fund and the HRA (this matter has been resolved in 2019/20 and going forward). Additionally, there are £0.185m of LIP (Local implementation

plan) pressures due to negotiated fees being higher than budgeted, £0.278m relating to estimated legal costs and unfunded capital costs of £223k. The forecast could also be affected if further income is counted towards guaranteed income but not reflected in the Re budget.

2.1.26 The overspend of £1.147m for the **Street Scene** service represents 9.8% of the total Delivery Unit budget.

The budget has forecasted an adverse monthly movement of £0.875m due to the delay in the delivery of the Waste and Recycling saving (£0.450m). The changes were previously anticipated to claw back an overspend relating to inherent historical service pressures as well as achieving planned MTFs savings. The delays in the start of, and difficulties embedding, the recycling and waste service changes have resulted in an increase in forecast relating to both the recognition of the existing overspend and enhanced by the non-delivery of savings. This has been exacerbated by increased costs of transformation, due to the service not being fully embedded by Christmas, and additional unresolved pressure generated by increased costs of maintenance on the recycling and waste fleet as it ages. A detailed paper relating to the waste round reorganisation will be taken to the Environment Committee on the 14th March 2019.

Housing Revenue Account (HRA)

2.1.28 The Housing Revenue Account (HRA) has a budgeted contribution from balances of £0.754m in 2018/19. The forecast for the year as at 31 December 2018 is a deficit of £1.147m, thus there is a forecast year-end balance of £13.856m as at 31 March 2019.

Table 3: Housing Revenue Account Forecast

	Revised Budget £000	Period 9 Forecast £000	Variance from Budget Adv/(Fav) £000
Dwelling rents	(49,810)	(49,784)	26
Service and other charges	(9,133)	(8,401)	732
Housing management	20,375	20,158	(217)
Repairs and maintenance	7,570	7,570	-
Provision for bad debts	250	250	-
Regeneration	837	713	(124)
Capital charges	30,760	30,760	-
Interest on balances	(95)	(119)	(24)
Total	754	1,147	393

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

2.1.30 **Income** - Dwelling rents are projected to under achieve by £0.026m compared with the revised budget. Service and Other Charges are currently projected to under recover by £0.732m. This relates to two areas of variance, being garage income and service charges. Garages income is forecasting £400k underachievement due to a higher level of voids and lower numbers of relets (ie. how long it takes to re-let after they become void). Service Charges (Tenants) is forecasting £272k

underachievement due to higher voids (as per Dwelling Rents). The primary reason for this is the number of voids on regeneration sites prior to demolition.

2.1.31 **Expenditure** - Housing management costs mainly reflect the core management fee of £17m paid to Barnet Homes to manage the housing stock. There is a forecast underspend of £0.217m, which largely relates to a reduction in professional fees and other running costs.

2.1.32 The repairs and maintenance budget of £7.570m relates to the management fee paid to Barnet Homes for the repair and maintenance of housing stock and refurbishment of properties when they become void. The current forecast is to budget.

2.1.33 The housing regeneration forecast shows an underspend of £0.124m due to costs being partially recovered from developers on a number of regeneration schemes at Dollis Valley, Grahame Park, West Hendon and Granville Road.

Dedicated Schools Grant (DSG)

2.1.34 The DSG budget for 2018/19 has been revised to take into account the brought forward reserve of £0.501m and additional funding from Central Government of £0.964m announced in December 2018. Despite these additions to the budget the DSG is forecasting an overspend of £0.297m.

2.1.35 The High Needs block is forecasting an overspend of £0.525m due to top-up funding for high needs pupils. The high needs funding system supports provision for children and young people with special educational needs and disabilities (SEND) from their early years to age 25, enabling both local authorities and providers to meet their statutory duties under the Children and Families Act 2014. High needs funding is also intended to support good quality Alternative Provision for pre-16 pupils who cannot receive education in schools.

2.1.36 DSG High Needs funding has not kept up with inflation or the rate of demographic growth in recent years, whereas demand, driven by a mixture of demographic change, the growing complexity of needs and the new framework created by the SEN reforms, has grown significantly. Local authorities across England are facing similar problems and many are known to have faced significant overspending on their High Needs budgets

2.1.37 The High Needs pressure is partly offset by underspends in the Schools Block. The Growth Fund for expanding schools is forecasted to underspend by £0.105m, the late conversion of a school to the maintained sector has resulted in a £0.185m underspend. Further underspend is likely in relation to this school. The underspend is partly offset by a pressure of £0.062m relating to NNDR

2.1.38 It should be noted that the current DSG forecasted overspend on the High Needs Block will take the DSG reserve into a negative balance. There is also a risk that this overspend will increase and further analysis is being carried out to quantify the risk. The council is able to carry forward a negative balance on this reserve for a limited period subject to having a robust recovery plan in place.

- 2.1.39 The council had submitted a request to the Secretary of State in relation to the transfer from the school's block of DSG to the high needs block in order to address pressures in this area. However, following a funding announcement in December where an additional £0.964m was allocated for 2018/19 and 2019/20 this request was withdrawn.
- 2.1.40 The council did however, successfully request that the Secretary of State approve the 2019/20 transfer of £1m from maintained schools for central education services previously funded by the Education Services Grant (ESG).
- 2.1.41 There have been no previous transfers between funding blocks under the new ring-fenced arrangements for funding blocks. In previous years there has been underspending in the overall Schools Budget, which helped to create reserves that could be used to address new pressures, such as the need to allocate 'growth funding' for new and expanding schools. However, the reserves have gradually been used up, largely to pay for growth funding and because of the growing pressures on the High Needs budget.
- 2.1.42 This is a reflection of the fact that there is an overall shortfall in the High Needs Block nationally. 'London Councils' is continuing to lobby the Government to request this is dealt with as part of the Comprehensive Spending Review.
- 2.1.43 A recovery plan is also in place to secure savings within the High Needs Block. Savings of £1.2m have already been achieved and plans are in place to achieve further savings of over £1m in 2019-20, rising to £2m in 2020-21. Combined with the additional funding announced in December of £1.928m over two years for the High Needs block, this should remove the deficit next year, provided demand pressures are in line with current forecasts.

Table 4: Dedicated Schools Grant

	Revised Budget £000	Period 9 / Quarter 3 Forecast £000	Variance from Budget Adv/(Fav) £000
Schools			
- Individual Schools Budget	141,143	141,020	(123)
- Growth Fund	897	792	(105)
- Central schools expenditure	1,268	1,268	-
- ESG retained funding	852	852	-
Sub-total	144,160	143,932	(228)
Early Years Block	29,037	29,037	-
High Needs Block	45,182	45,707	525
Sub-total	218,379	218,676	297
DSG Income	(217,878)	(217,878)	-
DSG c/f	(501)	(501)	-
DSG Total	-	297	297

Agency

- 2.1.44 Table 5 below shows agency staff expenditure included in the forecasted outturn.

Table 5: Agency 2018/19

Service	Period 9 / Quarter 3 2017/18 £000	Period 9 / Quarter 3 2018/19 £000	Change %	2017/18 Full year actual £000	2018/19 Full year forecast £000
Adults and Communities	2,151	1,127	(48)	2,510	1,390
Assurance	14	9	(41)	16	12
Childrens Services	6,726	7,399	10	10,407	10,081
Commissioning Group	1,092	1,066	(2.3)	1,501	2,017
Customer Support Group	-	21	100	50	-
HRA	-	-	-	-	-
Public Health	-	131	100	8	171
Development & Regulatory Services (including Re)	2	-	(100)	-	-
Streetscene	1,956	1,156	(41)	2,427	1,459
Capital	1,177	1,143	(3)	2,274	1,525
	13,118	12,052	(8)	19,193	16,655

Savings

2.1.45 In 2018/19 the council budgeted to deliver £11.287m of savings. Table 6 below summarises by Theme Committee the value of savings that are expected to be achieved against the savings programme. In total, £9.622m of savings is expected to be delivered by year end, representing 85.2% of the target. Delivery of these savings is included in the forecasts reported in table 1.

Table 6: Savings 2018/19

Service	2018/19 MTFS Savings Target £000	Savings Expected to be Achieved £000	Savings Unachiev- able £000	Savings Expected to be Achieved %
Adults and Safeguarding	2,980	2,315	665	77.7
Assets, Regeneration and Growth	2,355	1,855	500	78.8
Children, Education and Safeguarding	2,692	2,692	-	100.0
Environment	1,915	1,915	-	100.0
Policy and Resources	1,345	845	500	62.8
	11,287	9,622	1,665	85.2

2.1.46 Adults and Safeguarding savings of £0.665m are unlikely to be achieved in 2018/19. £0.465m relates to moving clients into Moreton close, the construction of which will not complete until the end of the year. £0.150m is linked with savings from cases 0-25 years old which is currently under review but will not be resolved in 2018/19, and £0.050m is linked with lower than anticipated savings from the reduction of care agency usage by personal assistant employed directly by service users.

2.1.47 Assets, Regeneration and Growth unachievable savings of £0.500m will now not be achieved until 2019/20 as a result of the Office Move to Colindale taking place later than originally planned.

2.1.48 Policy and resources savings of £0.500m as part of the Customer transformation programme have been delayed until 2019/20.

2.2. Capital Programme

2.2.1 The forecast as at 31 December 2018 on the council's 2018/19 capital programme is £294.791m, £261.227m of which relates to the General Fund programme and £33.564m to the HRA capital programme. This is £70.966m less than the 2018/19 budget of £365.758m which was approved by Policy and Resources committee on the 11th December 2018. Table 7 below summarises the actual expenditure, budget and variance by service.

Table 7: Capital Forecast

Service	2018/19 Revised Budget £000	Additions/ (Deletions) £000	(Slippage)/ Accelerated Spend £000	Forecast £000	Variance from Budget £000	Variance from Budget %
Adults and Communities	2,850	-	(450)	2,400	(450)	(15.8)
Commissioning Group	59,974	(526)	(5,757)	53,691	(6,283)	(10.57)
Children's Service (Education and Skills)	31,092	(110)	(10,739)	20,243	(10,849)	(34.9)
Children's Service (Family Services)	7,568	-	(1,522)	6,046	(1,522)	(20.1)
Housing General Fund (Tackling Homelessness)	68,232	-	(23,986)	44,246	(23,986)	(35.2)
Parking and Infrastructure	1,585	-	(68)	1,517	(68)	(4.3)
Development & Regulatory Services (Including Re)	150,366	13	(21,120)	129,259	(21,107)	(14.0)
Street Scene	4,201	1	(377)	3,825	(376)	(9.0)
General Fund Programme	325,869	(622)	(64,019)	261,227	(64,641)	(19.8)
HRA (Barnet Homes)	39,889	-	(6,325)	33,564	(6,325)	(15.9)
Total Capital Programme	365,758	(622)	(70,344)	294,791	(70,966)	(19.4)

2.2.2 Forecast capital expenditure for 2018/19 as at period 9 totals £294.791m which is £70.966m (19.4%) lower than the latest budget. The majority of service areas are forecasting slippage with two areas identifying deletions. The principal variances from budget and the reasons for these are highlighted below. Further detail can be found in appendix B:

- **Adults and Communities** have forecasted slippage of £0.450m on the Mosaic project.
- As at month 9 **Commissioning** are forecasting slippage of £5.757m and deletions of £0.526m. The deletion is as a result of the community centre fit out and the Tarling Road community centre projects being combined and releasing funds that are no longer required. The slippage relates primarily to the Office build where construction will not be completed until 2019/20 and the ICT Strategy where implementation of systems is now scheduled in 2019/20.
- The **Children's Services (Education)** forecast £20.243m includes slippage of £10.739m, this is largely due to the Saracens and Grammar school projects now not starting until 2019/20 (£2.000m), access issues causing delays to the Alternative Provision project (£2.995m) and underground contamination problems causing delays to the Blessed Dominic build (£2.586m). The forecast also includes a deletion of £0.110m as a result of a clawback of funding by the EFSA
- The **Children's services (Family Services)** forecast of £6.046m includes slippage of £1.522m. This is primarily due to delays to Meadow Close (£0.551m) and re-profiling of library works into 19/20 (£1.065m)
- The **Housing General Fund (Tackling Homelessness)** capital programme is showing slippage of £23.986m. This is largely due to Direct acquisitions that will not complete until 2019/20 (£14.000m), the Open Door project (£9.000m) where land transfer delays have delayed the drawdown of funds and the Pinkham Way Land release which will not complete until 2019/20 (£1.250m). The programme also has accelerated spend in relation to the Micro sites project which is expected to now complete in 2018/19 (£0.673m).
- The **Parking and Infrastructure** programme is forecasting slippage of £0.068m. This is as a result of budget realignment on the Highways permanent re-instatements project.
- The **Development & Regulatory Services (including Re)** capital programme has decreased by £21.107m overall, £5.000m of which relates to the Colindale Station following an updated timescale from TFL. The Thames Link station (£5.000m) and Strategic Infrastructure fund (£7.000m) projects have been re-profiled. The Hendon Cemetery refurbishment has slipped by £1.000m as a result of delays to the scheme design, and the Colindale Highways and transport project will slip £0.800m into 2019/20 following delays by TFL for junction works. The Graham Park community facility project has re-profiled £0.940m into 2019/20 following re-planning of this project after initial plans were aborted.
- **Street Scene** is forecasting slippage of £0.377m for vehicles where further purchases will not take place in 2018/19.
- As at period 9, forecasted capital expenditure on the **HRA** capital programme is £33.228m against a revised budget of £33.564m, resulting in a forecast variance of £6.325m. The most significant movements are:
 - The HRA fire and safety programme forecasting slippage of £5.000m following a review of the plans for delivery of all the various improvements to the tower blocks to ensure residents are where possible only disturbed once.
 - The Upper and Lower Fosters project is forecasting slippage of £0.365m following a review of the profile of the spend and the phasing of the project.

- The extra care pipeline project has identified slippage of £0.621m following delays in leaseholder purchases.
- The voids and lettings project has accelerated spend of £0.380m following increases in the expected work required.

Funding of Capital Programme

2.2.3 Table 8 below shows the how the 2018/19 forecast capital programme is being funded.

Table 8: Funding of 2018/19 Capital Programme

Service Area	Grants £000	S106/ Other Contrib- utions £000	Capital Receipts £000	Revenue / MRA £000	CIL £000	Borrow- ing £000	Total £000
Adults and Communities	-	-	-	-	-	2,400	2,400
Commissioning Group	-	-	6,523	200	23,293	23,675	53,691
Children's Service (Education and Skills)	15,509	4,734	-	-	-	-	20,243
Children's Service (Family Services)	-	-	835	-	4,434	777	6,046
Housing General Fund (Tackling Homelessness)	250	1,855	5,955	346	-	35,840	44,246
Parking and Infrastructure	-	-	1,127	-	-	390	1,517
Development and Regulatory Services (including Re)	68,832	2,399	445	-	1,250	56,333	129,259
Street Scene	599	125	707	-	-	2,394	3,825
General Fund Programme	85,190	9,113	15,592	546	28,977	121,809	261,227
HRA	60	-	829	25,348	-	7,327	33,564
Total Capital Programme	85,250	9,113	16,421	25,894	28,977	129,136	294,791

2.2.4 Table 9 below shows the impact of the movements in the forecast of the capital programme when compared to the budget.

Table 9: Funding movements of 2018/19 Capital Programme

Service Area	Grants £000	S106 £000	Capital Receipts £000	Revenue / MRA £000	CIL £000	Borrow- ing £000	Total £000
Adults and Communities	-	-	-	-	-	(450)	(450)
Commissioning Group	(2020)	-	(3,212)	200	2,516	(3,767)	(6,283)
Children's Service (Education and Skills)	(9,581)	(268)	-	-	-	(1,000)	(10,849)
Children's Service (Family Services)	-	-	(768)	-	335	(1,089)	(1,522)
Housing General Fund (Tackling Homelessness)	(1,250)	471	(2,089)	(191)	-	(20,927)	(23,986)
Parking and Infrastructure	-	-	(33)	-	-	(35)	(68)
Development and Regulatory Services (including Re)	(5,536)	(7,341)	(495)	-	(40)	(7,695)	(21,107)
Street Scene	2	-	-	-	-	(378)	(376)

Service Area	Grants £000	S106 £000	Capital Receipts £000	Revenue / MRA £000	CIL £000	Borrow- ing £000	Total £000
General Fund Programme	(18,385)	(7,138)	(6,597)	9	2,811	(35,341)	(64,641)
HRA	10	-	(163)	(4,102)	-	(2,070)	(6,325)
Total Capital Programme	(18,375)	(7,138)	(6,760)	(4,093)	2,811	(37,411)	(70,966)

3. Reserves and Balances

3.1. General Fund Balance

3.1.1 The General Fund balance as at 1 April 2018 was £15.083m (excluding schools' balances). The net overspend of £2.396m would ordinarily reduce the General Fund balance as at April 1st 2019, however the balance being maintained by means of a transfer from the MTFS reserve.

Earmarked Reserves

3.1.2 The council has set aside specific amounts as reserves for future policy purposes or to cover contingencies. As at 31 March 2018 the council held reserves of £75.755m. Net drawdowns from earmarked reserves of £24.321m are forecast as at Period 9 which would result in total earmarked reserves as at 31 March 2019 of £51.434m.

Table 11: Reserves

Service Area	Reserves b/fwd 1 April 2018 £000	Estimated Drawdown* £000	Estimated Contrib- utions/ new reserves raised/ transfers* £000	Reserves c/fwd 31 March 2019 £000
Capital				
Central - Community Infrastructure Levy	22,560	(29,107)	10,000	3,453
Revenue Implications of Capital	-	-	2,428	2,428
Total Capital Reserves (GF)	22,560	(29,107)	12,428	5,881
Non Ringfenced Revenue Reserves				
New Homes Bonus	-	-	-	-
Central - MTFS	30,374	(6,436)	4,685	28,623
Revenue - Uncommitted	2,056	(833)	-	1,223
Transformation	3,432	(2,000)	-	1,432
Revenue – Service Specific	5,145	(1,837)	150	3,458
Total Non-Ringfenced Revenue Reserves	41,007	(11,106)	4,835	34,736

Service Area	Reserves b/fwd 1 April 2018 £000	Estimated Drawdown* £000	Estimated Contributions/ new reserves raised/ transfers* £000	Reserves c/fwd 31 March 2019 £000
Ringfenced Revenue Reserves				
DSG	501	(798)	-	(297)
Collection Fund Smoothing Reserve	3,038	-	1,962	5,000
Housing Benefits	3,542	(430)	-	3,112
North London Sub Regional Partnership (NLSR)	567	-	-	567
PFI	-	-	-	-
Public Health	2,392	(600)	-	1,792
Special Parking Account	2,148	(1,505)	-	643
Sub-total Ring-fenced Reserves	12,188	(3,333)	1,962	10,817
Total Earmarked Reserves	75,755	(43,536)	19,225	51,434

Table 12: Estimated drawdown details

Title & Description	Use of reserves reported in the revenue forecast £000	Other planned reserve drawdowns and contributions	Total
Barnet CIL (non admin fee)		(18,977)	(18,977)
Transformation Reserve		(2,000)	(2,000)
Balancing the MTFS reserve	3,685	(6,436)	(2,751)
NWLA contribution to MTFS reserve	1,000		1,000
Council tax and NNDR smoothing reserve		4,390	4,390
Area Committee		(16)	(16)
Entrepreneurial Barnet - BOOST employment support, Skills Escalator		(355)	(355)
Community Budgets and Troubled Families	(318)		(318)
Service Development Reserve	(833)		(833)
Mayoral CIL 4% Admin Fee	(28)		(28)
Barnet CIL 5% Admin Fee Only	(102)		(102)
Local Elections Reserve		150	150
Local Elections Reserve	(473)		(473)
Corporate Anti-Fraud Team Reserve (CAFT)	(73)		(73)
Communications FTC funding'	(204)		(204)
Sports Development	(40)		(40)

Benefit Subsidy	(430)		(430)
Public Health	(600)		(600)
DSG		(798)	(798)
Local Welfare Provision	(345)		(345)
SHAPE (11501)	(13)		(13)
Special Parking Account		(1,505)	(1,505)
	1,226	(25,547)	(24,321)

Public Health Reserve

- 3.1.3 Included within earmarked reserves is the ring fenced public health reserve which, after proposed drawdowns, totals £1.792m. The service is identifying proposals to deliver better public health outcomes which may reduce it further.

Housing Revenue Account Balance

- 3.1.4 The Housing Revenue Account (HRA) has a budgeted contribution from balances of £0.754m in 2018/19. The forecast outturn for the year as at 31 December 2018 is a deficit of £1.147m, thus there is a forecast balance of £13.856m as at 31 March 2019.

Table 13: HRA Balance

	£000
HRA Balance brought forward 1 April 2018	(15,003)
Budgeted deficit	754
variance from budget	393
Forecast HRA Balance 31 March 2019	(13,856)

Dedicated Schools Grant Balance

- 3.1.5 The DSG reserve as at 1 April 2018 was £0.501m which was budgeted to be drawn down. In addition, as at period 9, an in-year overspend is forecast which would result in the DSG balance being in deficit by £0.297m.

Table 14: DSG Balance

	£000
DSG Balance brought forward 1 April 2018	(501)
Budgeted drawdown	501
In-year overspend	297
Forecast DSG Balance 31 March 2019	297

- 3.1.6 The Schools Forum need to approve any carry forward of a DSG deficit on central expenditure to the following year, if it is to be funded from the schools' budget. Otherwise, the deficit will fall on the General Fund.

The options to reduce / limit the forecast deficit are as follows:

- Move 0.5% or less from the school block to the high needs block with Secretary of State approval. A recovery plan will be needed. Internally the council already requires all services with an overspend to develop a recovery plan.
- Reduce the high needs top up rates for SEN pupils/ reduce out of borough education places, review central services and operate full cost recovery charging.

3.1.7 From the autumn term, there will be a new requirement for local authorities to report on how they will bring any deficit position back in line if the deficit is more than 1% of total DSG as at 31 March 2019; for LBB 1% equates to £2m.

4. Treasury Management

4.1. Investment Performance

4.1.1 Investment deposits are managed internally. As at 31 December 2018, deposits outstanding were £38.6 million, achieving an average annual rate of return of 0.80% against a benchmark average (7-day London Interbank Bid Rate - LIBID) of 0.58%. The benchmark is the rates that banks pay to attract deposits from other banks. The list of deposits outstanding as at 31 December 2018 are detailed in table 14 below.

4.1.2 Investment deposits have declined over the last nine months, this is primarily as a result of a larger capital programme than in previous years. Expenditure on capital in the first nine months of the year exceeds the total expenditure for the full 2017/18 year.

Table 15: Investments Outstanding as at 31 December 2018

	Principal (£'000)	Interest Rate (%)	Start Date	Maturity Date	Lowest long term rating	Historic risk of Default (%)
Money Market Fund						
MMF Federated Investors	12,300	0.76			AAA	0.000
MMF Aberdeen Standard	11,300	0.68			AAA	0.000
Total Money Market	23,600					
Local Authority Deposits						
LONDON BOR OF SOUTHWARK	5,000	0.95	28-Mar-18	02-Jan-19	AA	0.000
Total Local Authority	5,000					
Banks						
LLOYDS BANK	5,000	0.85	02-Feb-18	04-Feb-19	A+	0.005
LLOYDS BANK	5,000	1.00	19-Jun-18	19-Jun-19	A+	0.025

Total Banks	<u>10,000</u>		
Total Investments	<u>38,600</u>	<u>0.80</u>	<u>0.004</u>

NB: All the above counterparties have a limit of £25 million. No limits are exceeded.

4.2. Borrowing

- 4.2.1 The council has operated within the Prudential Indicators with an emphasis on high quality secure borrowers in relation to investment activity and ensuring that funds remain available to meet cash requirements. The Local Government Act 2003 requires the council to set maximum limits on its total outstanding debt. During the period to 31 December 2018, there were no breaches of the Authorised Limit (maximum permitted debt) and the Operational Boundary (the value of debt considered affordable).
- 4.2.2 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 2018/19 was approved by Council on 6 March 2018. The Treasury Management Strategy requires regular compliance reporting to include an analysis of deposits made during the period. This also reflects good practice and will serve to reassure that all current deposits for investment are in line with agreed principles as contained within the corporate Treasury Management Strategy
- 4.2.3 The total value of long-term loans as at 31 December 2018 was £304.08m. There has been no new external long-term borrowing in the 2018/19 financial year to date, but see note below on short-term borrowing. The average interest rate for long-term borrowing is 3.86%.

New Short-term Borrowing

- 4.2.4 The Treasury Management Strategy Statement requires any new borrowing to be reported to Members. Additional loans of £15 million were acquired on 1st November 2018. These comprise three loans of £5 million each from local authorities at a rate of 0.9% with a 6-month (1 May 2019) maturity. On 7 December further £20 million of 6-month local authority borrowing was taken at a rate of 1%, bringing total short-term borrowing to £35 million. Both loans have an effective annual cost of 1% (0.5% for the loan period) as the first tranche of loans incurred 0.1% annualised broker commission (Tradition). These loans are to support the capital programme and coincided with expenditure on Brent Cross development.
- 4.2.5 The total loans outstanding has increased to £339.08 million. The authorised debt limits (absolute maximum permitted) is £659.2 million and the Operational Boundary (maximum consistent with long term affordability) is £568.8 million. The current projected year end debt (excluding £16 million of leases) is £386.4 million.

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

- 4.2.6 These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates.
- 4.2.7 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.

Table 16: Upper limits for Interest rate exposure

	Limits for 2018/19 %
Upper Limit for Fixed Rate Exposure	100
Compliance with Limits:	Yes
Upper Limit for Variable Rate Exposure	30
Compliance with Limits:	Yes

Table 17: Maturity Structure of Fixed Rate Borrowing

Maturity Structure of Fixed Rate	Upper Limit %	Lower Limit %	Actual Fixed Rate Borrowing as at 30/11/18 £'000	% Fixed Rate Borrowing as 30/11/18	Compliance with Set Limits?
Under 12 months	0	50	35,000	10.32%	Yes
12 months and within 24 months	0	50	0	0.00%	Yes
24 months and within 5 years	0	75	0	0.00%	Yes
5 years and within 10 years	0	75	22,516	6.64%	Yes
10 years and above	0	100	281,564	83.04%	Yes
Total			339,080	100.00%	

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

Table 18: Capital Financing Requirement and External Debt

	Forecast for March 2019 £000
Prudential Indicator – Capital Financing Requirement (CFR)	
CFR – Non-housing	395,791
CFR – Housing	208,166
Total CFR	603,957
Prudential Indicator – The Operational Boundary for External Debt	
Borrowing	568,784
Other long-term liabilities	15,661
Total debt	584,445

4.2.9 The table above demonstrates that capital plans for 2018/19 and associated debt are within the agreed borrowing limit. It is anticipated that the out-turn for CFR will be considerably lower than the above forecast reflecting deferrals to the capital programme.

5. Debtors

5.1 An analysis of debtors as at the 31 December 2018 is displayed within this section of the report. It should be noted that this information is a snapshot as at that date and the position moves on a daily basis.

5.2 Between November and December 2018 overall debt increased by £9.127m, this was the third month in a row that overall debt had increased. As a consequence debt has increased by £12.340m since September. The value of debts aged over 90 days decreased slightly by £0.064m. The invoice raised at year end and previously reported as still outstanding for £2.254m with NHS Barnet CCG still remains outstanding. This invoice, together with a number of other invoices within the CCG balance owed of £12.93m (see table 20) have been escalated to the Service Director.

5.3 Concerted effort by the council's finance team has been dedicated to reducing the level of outstanding debt. Their efforts have made a material impact on the level of debt which was outstanding at the end of period 9. Table 21 gives detail of the top ten individual debts by debtor (totalling £24.829m) and the actions being undertaken to expedite recovery. As a result of the recovery work, £13.318m (54%) in outstanding debt has been recovered (payment physically received) since 31st December 2018, with payment agreed for a further £5.466m (22%) resulting in a material improvement to the council debt position.

Table 19: Aged Debt Analysis as at 31st December 2018

Period	Not overdue	Up to 30 days	Up to 60 days	Up to 90 days	Over 90 days	Total debt
Month 9	1,545,773	11,863,786	1,852,278	5,135,538	17,579,608	37,976,983
Month 8	2,324,560	2,418,463	6,216,410	246,349	17,643,893	28,849,675
Movement	(778,787)	9,445,323	(4,364,132)	4,889,189	(64,285)	9,127,308

Table 20: Top 10 debtors as at 31st December 2018

Organisation	Sum of Amount (£)	Age
NHS Barnet CCG	12,931,290	£8,067,620 over 90 days, £331,133 up to 90, £743,126 up to 60 days £3,682,012 up to 30 days and £107,399 not yet overdue
The Barnet Group	5,874,642	Age £2,897,127 up to 90 days, £29,917 up to 60 days and £2,947,599 up to 30 days
Hasmonean High	3,106,867	Up to 30 days

School		
Hammerson PLC	1,021,353	£682,133 up to 90 days, £339,220 over 90 days
Comer Homes	992,522	Over 90 days
The Archer Academy	894,904	Up to 30 days
Capita Business Services	870,174	£80,757 up to 60 days £213,837 up to 90 days, £575,580 Over 90 days
Regional Enterprise Ltd	793,501	£623,582 Up to 90 days, £169,919 over 90 days
Barratt London	587,416	up to 30 days
The Fremantle Trust	576,875	Over 90 days

Table 21: Top 10 debt invoices, and recovery actions undertaken since 31/12/18, by debtor

21.1: NHS Barnet CCG

Organisation	Invoice Value	Detail of Invoice	Action being undertaken to recover debt
NHS BARNET CCG	3,518,211	BCF -18/19 Ext Nursing Care OA Ext Residntl Care OA Direct Payments - OA Resp Care Rsdntl OA Equip & Adaptatns OA Ext Residntl Care LD Ext Residntl Care LD	No Dispute, payment expected
NHS BARNET CCG	2,254,368	11 months actual spend on the Millbrook Community Equipment contract and 1 month based on projection	Client is disputing the invoice and proposed to pay at least £1.9M
NHS BARNET CCG	732,228	CCG Section 75 money	Invoice currently in dispute
NHS BARNET CCG	684,088	Q2-LD shared funded clients	Now paid
NHS BARNET CCG	652,939	Tripartite funded placements	Now paid
NHS BARNET CCG	635,965	Placement costs	Now paid

NHS BARNET CCG	571,555	Continuing Care	Now paid
NHS BARNET CCG	507,730	Q2-LD shared funded clients	Now paid
NHS BARNET CCG	405,143	CHC Recharges for LD QTR 4	Now paid
NHS BARNET CCG	236,708	Q1-PSI shared funded clients	Now paid

Value of top ten Debtor Invoices at report date	£10,198,936
--	-------------

of which;

Payment received	(£3,694,128)
Payment agreed	(£3,518,211)
Resolution awaited	£2,986,596

21.2: The Barnet Group

Organisation	Invoice Value	Detail of Invoice	Action being undertaken to recover debt
The Barnet Group	2,892,260	Paid M10	Now paid
The Barnet Group	880,500	Paid M10	Now paid
The Barnet Group	880,500	Paid M10	Now paid
The Barnet Group	425,820	Grounds Maintenance April to September 2018	Dialogue with organisation ongoing
The Barnet Group	403,348	Paid M10	Now paid
The Barnet Group	220,301	Paid M10	Now paid
The Barnet Group	43,446	Paid M10	Now paid
The Barnet Group	34,999	Barnet Homes Q1 & Q2 Revs & Bens	Dialogue with organisation ongoing
The Barnet Group	31,597	Paid M10	Now paid
The Barnet Group	31,573	Paid M10	Now paid

Value of top ten Debtor Invoices at report date	£5,844,344
--	------------

of which;

Payment received	(£5,383,525)
Payment agreed	£0
Resolution awaited	£460,819

21.3: Hasmonean High School

Organisation	Invoice Value	Detail of Invoice	Action being undertaken to recover debt
HASMONEAN HIGH SCHOOL	707,252	November 2018 Payroll invoice	Now paid
HASMONEAN HIGH SCHOOL	634,792	September 2018 Payroll invoice	Now paid
HASMONEAN HIGH SCHOOL	610,938	August 2018 Payroll invoice	Now paid
HASMONEAN HIGH SCHOOL	583,161	July 2018 Payroll invoice	Now paid
HASMONEAN HIGH SCHOOL	557,385	October 2018 Payroll invoice	Now paid
HASMONEAN HIGH SCHOOL	13,376	Payroll Services for the period April 18-March 19	Now paid
HASMONEAN HIGH SCHOOL	-36	receipt	

Value of top ten Debtor Invoices at report date	£3,106,867
of which;	
Payment received	(£3,106,867)
Payment agreed	£0
Resolution awaited	£0

21.4: Hammerson Plc

Organisation	Invoice Value	Detail of Invoice	Action being undertaken to recover debt
HAMMERSON PLC	235,491	Brent Cross North Aug-18	More info requested by debtor
HAMMERSON PLC	150,411	Brent Cross North May-18	More info requested by debtor
HAMMERSON PLC	147,314	Brent Cross North May-18	More info requested by debtor
HAMMERSON PLC	128,660	Hammerson Invoice Jun-18 Brent Cross North May-18	More info requested by debtor
HAMMERSON PLC	115,654	Brent Cross North Jul-18	More info requested by debtor
HAMMERSON PLC	100,787	Brent Cross Jan-18	More info requested by debtor
HAMMERSON PLC	91,119	Brent Cross Feb-18	More info requested by debtor
HAMMERSON PLC	14,687	Brent Cross North Jul-18 Only	More info requested by debtor

HAMMERSON PLC	12,745	Brent Cross North Aug-18 Only	More info requested by debtor
HAMMERSON PLC	12,108	Brent Cross North May-18 Excluding	More info requested by debtor

Value of top ten Debtor Invoices at report date	£1,008,976
of which;	
Payment received	£0
Payment agreed	£0
Resolution awaited	£1,008,976

21.5: Comer Homes

Organisation	Invoice Value	Detail of Invoice	Action being undertaken to recover debt
COMER HOMES	201,488	Elec Re-charge B3 - Apr 13	Invoice under dispute – Referred to legal
COMER HOMES	151,702	Elec Re-charge B3 - Dec 2012 With Harrow Legal Hpublic Law	Invoice under dispute – Referred to legal
COMER HOMES	138,753	Cost Recovery Building 3 NLBP Electricity Re-Charge April 2015 Building 3 NLBP Electricity Re-Charge May 2105 June 2015 July 2015 August 2015 September 2015 October 2015	Invoice under dispute – Referred to legal
COMER HOMES	104,542	FEES AND CHARGES Electricity Re-Charge Building 3 - NLBP For October 2014 For November 2014 For December 2014 For January 2015 For February 2015 For February 2015	Invoice under dispute – Referred to legal
COMER HOMES	100,032	FEES AND CHARGES Electricity Re-charge Building 3 - April 2014 Building 3 - May 2014 Building 3 - June 2014 Building 3 - July 2014 Building 3 - August 2014 Building 3 - September 2014	Invoice under dispute – Referred to legal
COMER HOMES	59,254	Elec Re-charge Feb 2011 B3	Invoice under dispute – Referred to legal
COMER HOMES	57,673	Elec Re-charge B3 - Feb 2014	Invoice under dispute – Referred to legal
COMER HOMES	38,267	Elec Re-charge August 2012 B3	Invoice under dispute – Referred to legal
COMER HOMES	28,708	Elec Re-charge April 2011	Invoice under dispute – Referred to legal

Organisation	Invoice Value	Detail of Invoice	Action being undertaken to recover debt
COMER HOMES	22,720	Elec Re-charge April 2012	Invoice under dispute – Referred to legal

Value of top ten Debtor Invoices at report date	£903,138
of which;	
Payment received	£0
Payment agreed	£0
Resolution awaited	£903,138

21.6: The Archer Academy

Organisation	Invoice Value	Detail of Invoice	Action being undertaken to recover debt
The Archer Academy	310,664	October 2018 Payroll invoice	Now paid
The Archer Academy	308,162	November 2018 Payroll invoice	Now paid
The Archer Academy	267,136	September 2018 Payroll invoice	Now paid
The Archer Academy	8,942	Payroll Services for the period April 18 - March 19	Invoice under query

Value of top ten Debtor Invoices at report date	£894,904
of which;	
Payment received	(£885,962)
Payment agreed	£0
Resolution awaited	£8,942

21.7: Capita Business Service

Organisation	Invoice Value	Detail of Invoice	Action being undertaken to recover debt
Capita Business Services	213,837	Hendon Town Hall - Oakleigh Depot	Capita have agreed to pay debt; monitor repayment
Capita Business Services	185,887	COMM	Capita have agreed to pay debt; monitor repayment
Capita Business Services	172,922		Now paid

Capita Business Services	156,290	NLBP 4 Security true up 2016/17	Capita have agreed to pay debt; monitor repayment
Capita Business Services	122,047	P7 to P12 Security true up Mill Hill Depot	Capita have agreed to pay debt; monitor repayment
Capita Business Services	41,133		Now paid
Capita Business Services	24,232	True up to Feb 18 17/18, procurement, customer services, revs & bens, HR, IT	Now paid
Capita Business Services	19,207	16/17 Final True up adjustment	Capita have agreed to pay debt; monitor repayment
Capita Business Services	11,074	TU Services 15/16 LBAD	Capita have agreed to pay debt; monitor repayment
Capita Business Services	7,760	O2 Mobile phone recharges	Face to face meeting with Capita. Debt is under review

Value of top ten Debtor Invoices at report date	
--	--

	£954,390
--	----------

of which;

Payment received	
-------------------------	--

	(£238,287)
--	------------

Payment agreed	
-----------------------	--

	(£708,343)
--	------------

Resolution awaited	
---------------------------	--

	£7,760
--	--------

21.8: Regional Enterprise Ltd

Organisation	Invoice Value	Detail of Invoice	Action being undertaken to recover debt
Regional Enterprise Ltd	587,689	Income agreed between both parties	R.E. have agreed to pay debt; monitor repayment
Regional Enterprise Ltd	31,970	Month 4 True Up 18/19 Land Registry	R.E. have agreed to pay debt; monitor repayment
Regional Enterprise Ltd	30,324	Vehicle hire/Lease 2014/15; Overheads 2014/15; Insurance 2014/2015	R.E. have agreed to pay debt; monitor repayment
Regional Enterprise Ltd	12,926	RE legal hours + disb Nov 16	Face to face meeting with RE. Debt is under review
Regional Enterprise Ltd	11,590	RE legal hours + disb Sept 16	Face to face meeting with RE. Debt is under review
Regional Enterprise Ltd	11,575	RE legal hours + disb Aug 16	Face to face meeting with RE. Debt is under review
Regional Enterprise Ltd	11,183	M8/M9 True Up: Planning, Building Control; Pvt Sector Hsg; Strategic dev. Unit; Hendon Crem; Scientific Services; Empt Prop Enforcement; Decent Homes	R.E. have agreed to pay debt; monitor repayment

Regional Enterprise Ltd	11,148	RE legal hours + disb Oct 16	Face to face meeting with RE. Debt is under review
Regional Enterprise Ltd	11,074	Trade Union Services 15/16	Face to face meeting with RE. Debt is under review
Regional Enterprise Ltd	10,613	RE legal hours + disb June 16	Face to face meeting with RE. Debt is under review

Value of top ten Debtor Invoices at report date	£730,092
of which;	
Payment received	£0
Payment agreed	(£661,166)
Resolution awaited	£68,926

21.9: Barratt London

Organisation	Invoice Value	Detail of Invoice	Action being undertaken to recover debt
Barratt London	266,812	CPO2 Cost recovery	No response from debtor
Barratt London	196,991	Property Acquisition Acquisition	No response from debtor
Barratt London	66,950	CPO cost recovery Q2 18-19	No response from debtor
Barratt London	56,662	PDA Cost recovery Q2 18-19	No response from debtor
Barratt London	5,880	Works undertaken	Now paid
Barratt London	4,397	West Hendon fees for design & legal advice and associated work for Phase 4 in Jan 2017 (LPA Ref. H/01054/13)	No response from debtor
Barratt London	3,795	West Hendon fees for work undertaken in relation to the PPA for June 2018	No response from debtor
Barratt London	3,215	ENVS - Stonegrove Q2 2018-19	Now paid
Barratt London	2,861	West Hendon fees for work undertaken in relation to the PPA for August 2018	No response from debtor
Barratt London	1,897	West Hendon fees for work undertaken in relation to the PPA for September 2018	No response from debtor

Organisation	Invoice Value	Detail of Invoice	Action being undertaken to recover debt
		Value of top ten Debtor Invoices at report date	£609,461
		of which;	
		Payment received	(£9,095)
		Payment agreed	£0
		Resolution awaited	£600,366

21.10: The Fremantle trust

Organisation	Invoice Value	Detail of Invoice	Action being undertaken to recover debt
THE FREMANTLE TRUST	199,290	100 beds	Intention to settle by end of the financial year
THE FREMANTLE TRUST	192,511	Recharge- lease costs	Intention to settle by end of the financial year
THE FREMANTLE TRUST	186,503	Block contract /Lease contribution private Bed-	Intention to settle by end of the financial year

Value of top ten Debtor Invoices at report date	£578,304
of which;	
Payment received	£0
Payment agreed	(£578,304)
Resolution awaited	£0

6. Reasons for Recommendations

- 6.1 The report provides an overview of the council's financial performance to period 9 of the 2018/19 financial year. The report also provides a commentary on the strategic financial issues facing the council during the period.

7. Alternative options considered and not recommended

- 7.1 None.

8. Post decision implementation

8.1 None.

9. Implications of decision

9.1 Corporate Priorities and Performance

9.1.1 The report provides an outline of the forecast financial performance for the 2018/19 financial year.

9.1.2 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.

9.1.3 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.

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

9.2.1 This report considers the financial position of the Council.

9.3 Social Value

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

9.4 Legal and Constitutional References

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

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

9.4.3 The council's Constitution, Article 7 Committees, Forums, Working Groups and Partnerships, sets out the functions of the Financial Performance and Contracts Committee as being Responsible for the oversight and scrutiny of:

- The overall financial performance of the council
- The performance of services other than those which are the responsibility of the: Adults & Safeguarding Committee; Assets, Regeneration & Growth Committee; Children, Education & Safeguarding Committee; Community Leadership & Libraries Committee; Environment Committee; or Housing Committee
- The council's major strategic contracts including (but not limited to):
 - Analysis of performance
 - Contract variations
 - Undertaking deep dives to review specific issues
 - Monitoring the trading position and financial stability of external providers
 - Making recommendations to the Policy & Resources Committee and/or theme committees on issues arising from the scrutiny of external providers
- At the request of the Policy & Resources Committee and/or theme committees consider matters relating to contract or supplier performance and other issues and making recommendations to the referring committee
- To consider any decisions of the West London Economic Prosperity Board which have been called in, in accordance with this Article.

9.4.4 The council's Financial Regulations can be found at:
<https://barnet.moderngov.co.uk/documents/s47388/17FinancialRegulations.doc.pdf>

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

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

9.5 Risk Management

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

9.6 Equalities and Diversity

- 9.6.1 The Equality Act 2010 requires organisations exercising public functions to demonstrate that due regard has been paid to equalities in:
- Elimination of unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010.
 - Advancement of equality of opportunity between people from different groups.
 - Fostering of good relations between people from different groups.
- 9.6.2 The Equality Act 2010 identifies the following protected characteristics: age; disability; gender reassignment; marriage and civil partnership, pregnancy and maternity; race; religion or belief; sex and sexual orientation.
- 9.6.3 In order to assist in meeting the duty the council will:
- Try to understand the diversity of our customers to improve our services.
 - Consider the impact of our decisions on different groups to ensure they are fair.
 - Mainstream equalities into business and financial planning and integrating equalities into everything we do.
 - Learn more about Barnet's diverse communities by engaging with them.

This is also what we expect of our partners.

- 9.6.4 This is set out in the council's Equalities Policy together with our strategic Equalities Objective - as set out in the Corporate Plan - that citizens will be treated equally with understanding and respect; have equal opportunities and receive quality services provided to best value principles.
- 9.6.5 Progress against the performance measures we use is published on our website at: www.barnet.gov.uk/info/200041/equality_and_diversity/224/equality_and_diversity

9.7 Corporate Parenting

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

9.8 Consultation and Engagement

- 9.8.1 None in the context of this report

9.9 Insight

9.9.1 None in the context of this report

10. Background Papers

Meeting	Description	Link
Financial Performance and Contracts Committee Monday 17th December 2018 7pm	7 Chief Finance Officer report - Month 7 Forecast	http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=693&MId=9787&Ver=4
Financial Performance and Contracts Committee Tuesday 9th October, 2018 7.00 pm	8 Chief Finance Officer report - Month 4 Forecast	http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=693&MId=9731&Ver=4
Financial Performance and Contracts Committee Monday 2nd July 2018 7.00 pm	8 Future financial Reporting	http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=693&MId=9716&Ver=4
Budget Council, Council Tuesday 7th March 2017 7.00 pm	11 Report of Policy and Resources Committee - Business Planning 2017 to 2020	http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=162&MId=8819&Ver=4

Appendix A - Revenue Forecast 2018/19

Adults and Communities

	Original Budget	Revised Budget	Actuals to 31/12/2018	Period 9/Quarter 3 Forecast	Variation to revised budget	Reserve Movements	Period 9/Quarter 3 Forecast after reserve movements	Variation to revised budget	Period 8 forecast	Variation to Period 8 forecast	Commentary	% Variation to revised budget
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000		
Integrated Care - LD	26,277	28,226	17,419	28,226	0		28,226	0	28,226	0		0.0%
Integrated care - MH	5,331	6,604	4,070	6,604	(0)		6,604	(0)	6,604	0		(0.0%)
Integrated Care - OA	31,678	32,139	20,189	32,274	135		32,274	135	32,261	13	Month 9, Overspend of £0.135m. This shows that the pressures facing the older adults budgets with growing demand from health are still leading to an overspend despite the investment of winter pressures monies. There is pressure of £0.515m in Supported Living being mitigated by underspends in Home Care (£0.254m) and Direct Payments (£0.126m).	0.4%
Integrated Care - PD	7,091	8,430	6,240	8,430	0		8,430	0	8,430	0	In month movement of £0.013m impacted by the following: - Net increase of 5 clients, with an increase of £0.165m; - £0.178m additional costs related to client packages not yet recorded on mosaic; - £0.038m increase accross all other services offset by : - £0.082m favourable movement in Client income from Month 8; - Ongoing work related to 2017/18 client service costs, has identified £0.286m that is no longer due for payment.	0.0%
Workforce	13,599	14,601	12,211	14,242	(359)		14,242	(359)	14,735	(493)	The underspend of £0.359m is due to: -52 posts being held vacant either full year or part year (£1.121m); - Agency cost reduction due to staff transitioning in to permanent posts (£0.229m); Offset by - Gross pressure from occupied posts (£0.728m); - 2018/19 Inflation pressure not funded (£0.263m); The monthly movement of £493k is due to: - Removal of Mosaic programme staff revenue cost pressure (£0.481m) to be covered by capital receipts - £12k is due to delayed recruitment in the front door team counting for one post , two months delay.	(2.5%)
A&C Other	5,144	5,498	5,336	5,295	(202)		5,295	(202)	5,352	(57)	Underspend of £0.202m at Quarter 3 due to: - Equipment & Adaptations (£0.246m) and Telecare (£0.086m), this is after Capitalising £0.95m DFG adaptations. - There are also favourable variances in the Carers service (£0.060m) and Receivership (£0.044m), due to the receipt of income above budget. - These partly offset overspends in Deprivation of Liberty Safeguards (DoLS) assessment costs of £0.148m and software licences £0.087m. The monthly movement of £57k is due to transfer of Mosaic software forecast to be covered by capital receipts.	(3.7%)
Total	89,119	95,497	65,465	95,071	(426)	0	95,071	(426)	95,608	(537)		(0.4%)

Assurance

	Original Budget	Revised Budget	Actuals to 31/12/2018	Period 9/Quarter 3 Forecast	Variation to revised budget	Reserve Movements	Period 9/Quarter 3 Forecast after reserve movements	Variation to revised budget	Period 9/Quarter 3 Forecast after reserve movements	Variation to Period 8 forecast	Commentary	% Variation to revised budget
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000		
Elections	549	705	916	1,175	471	(473)	702	(2)	702	0		(0.3%)
Assurance Management	583	683	496	683	0	0	683	0	683	0		0.0%
Governance	2,168	2,193	1,640	2,229	36	(36)	2,193	0	2,193	0		0.0%
Internal Audit & CAFT	749	676	728	749	73	(73)	676	0	676	0		0.0%
HB Law	2,036	2,088	2,319	3,068	980	0	3,068	980	3,068	0	The monthly variance of £980k is because of budget historically been set lower than spend, due to an unrealisable income target. The outturn for 2017/18 was a £789,000 overspend. This is projected to increase to £1.2m in 2108/19 due to a combination of increased contract prices and demand for legal services.	46.9%
Total	6,085	6,344	6,098	7,904	1,559	(582)	7,322	977	7,322	0		15.4%

Central Expenses

	Original Budget	Revised Budget	Actuals to 31/12/2018	Period 9/Quarter 3 Forecast	Variation to revised budget	Reserve Movements	Period 9/Quarter 3 Forecast after reserve movements	Variation to revised budget	Period 8 forecast	Variation to Period 8 forecast	Commentary	% Variation to revised budget
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000		
Capital Financing	16,280	16,336	10,835	13,534	(2,802)	0	13,534	(2,802)	13,534	0	The underspend is due to lower borrowing interest payable and MRP.	(17.2%)
Central Contingency	14,473	5,052	0	5,052	0	0	5,052	0	5,162	(110)	The monthly movement is due to transfer of £110k bugged to CSG Management Fees and forecast reduction of the same amount leaving a net NIL variance	0.0%
Corporate Fees and Charges	234	234	76	200	(34)	0	200	(34)	200	0	The underspend (£34k) is due to reduction in corporate subscriptions cost.	(14.5%)
Corporate Subscriptions	194	227	162	162	(65)	0	162	(65)	162	0	The current underspend is due to reduction in corporate subscriptions cost.	(28.7%)
Early Retirement	3,577	3,577	3,439	4,499	922	0	4,499	922	4,499	0	Current variance is due to historic pension costs.	25.8%
Local Area Agreement	105	105	35	105	0	0	105	0	105	0		0.0%
Levies	17,788	18,048	13,444	17,858	(190)	0	17,858	(190)	17,858	0	The monthly underspend is due to reduced demand on the levies budget .	(1.1%)
Miscellaneous Finance	740	502	3,191	502	0	0	502	0	502	0		0.0%
Total	53,392	44,082	31,181	41,913	(2,169)	0	41,913	(2,169)	42,023	(110)		(4.9%)

Children's Services

	Original Budget	Revised Budget	Actuals to 31/12/2018	Period 9/Quarter 3 Forecast	Variation to revised budget	Reserve Movements	Period 9/Quarter 3 Forecast after reserve movements	Variation to revised budget	Period 9/Quarter 3 Forecast after reserve movements	Variation to Period 8 forecast	Commentary	% Variation to revised budget
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000		
Family Services Management	3,039	4,482	445	344	(4,138)	(484)	(140)	(4,622)	(140)	0	Commentary below refers to the overall service	(103.1%)
Education Skills	6,460	6,579	2,815	5,858	(721)	0	5,858	(721)	6,158	(300)		
Social Care Management	1,597	631	657	837	206	0	837	206	858	(21)	Forecast pressures are being offset in the main by additional resources of £2.333m from the Performance and Resources	32.6%
CSC 0-25	8,147	8,185	5,798	8,976	791	0	8,976	791	8,999	(22)	Committee of February and June 2018 and additional one-off grant	9.7%
Permanence Trns & CorParenting	4,124	4,089	4,526	5,193	1,104	0	5,193	1,104	4,722	471	funding.	27.0%
Placements	17,535	18,144	14,048	20,166	2,022	0	20,166	2,022	20,439	(273)		11.1%
Assessmnt, Intervntion & Planning	7,110	7,818	7,130	10,382	2,565	0	10,382	2,565	10,382	0		32.8%
Clinical Services	980	987	633	963	(25)	0	963	(25)	963	0	The main pressure area continues to relate to external high cost specialist placements and associated services, as well as staffing	(2.5%)
Early Help 0-19	4,764	4,908	3,342	5,246	337	(318)	4,928	19	4,928	0	pressures.	0.4%
Risk & Vulnerability	727	737	673	519	(218)	0	519	(218)	519	0		(29.6%)
Safeguarding, QA & Workforce Deve	1,136	2,674	2,107	2,887	213	(116)	2,771	97	2,771	0		3.6%

Commissioning	1,083	1,116	1,008	1,122	6	0	1,122	6	1,125	(3)		0.5%
Comm, Complaint & Business Support	1,063	1,080	917	1,288	208	0	1,288	208	1,288	0		19.3%
Libraries & Comm. Engagement	3,429	3,474	2,788	3,479	6	0	3,479	6	3,473	6		0.2%
Performance Improvement & Customer	1,181	1,337	796	1,209	(129)	0	1,209	(129)	1,234	(26)		(9.6%)
Partnership and VofChild	299	390	257	365	(25)	0	365	(25)	380	(15)		(6.4%)
Central Education (Commissioning)	136	26	(376)	(362)	(388)	0	(362)	(388)	(364)	2		(1472.6%)
Total	62,808	66,657	47,561	68,472	1,814	(918)	67,554	896	67,734	(180)		1.3%

Commissioning Group

	Original Budget	Revised Budget	Actuals to 31/12/2018	Period 9/Quarter 3 Forecast	Variation to revised budget	Reserve Movements	Period 9/Quarter 3 Forecast after reserve movements	Variation to revised budget	Period 8 forecast	Variation to Period 8 forecast	Commentary	% Variation to revised budget

	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000		
Strategic Commissioning Board Resources	567 389	580 486	544 (21,955)	547 595	(33) 108	0 (775)	547 (180)	(33) (667)	547 492	0 (673)	The current variance is due to staffing cost underspend. The monthly underspend (and monthly movement) is due to additional benefit overpayment recovery and unbudgeted extra flexible housing support grant.	(5.8%) (137.1%)
Information Management	988	1,392	845	1,400	8	0	1,400	8	1,397	3	The monthly variance is due to overspends in confidential waste disposal contract (£13k) offset by an underspend in staffing budget (£5k). The £3k monthly movement is due to staff cost forecast on information management.	0.6%
Commercial	1,757	1,798	1,240	1,798	0	0	1,798	0	1,747	51	The monthly movement is due to correction of staff costs forecast which should have been done in month 8	0.0%
Communications	646	703	711	855	152	(204)	651	(52)	709	(57)	The current underspend of £52k is due to: -Removal of forecast for Comms - TW3 post FCR £55k Offset by : - £3k due to under achievement of income - this may increase further in Barnet First / Filming / regeneration recharges.	(7.4%)
Commissioning Strategy	663	416	7	416	0	0	416	0	416	0		0.0%
Customer Service	0	257	205	413	157	(157)	256	(0)	243	13	The monthly movement is due to reserve drawdown to remove the base budget underspend.	
Human Resources	33	235	52	528	293	0	528	293	528	0	Current overspend is due to £58k staff costs in Trade Unions, £235k HR staff costs.	124.9%
Adults and Health	1,286	1,305	1,282	1,250	(55)	(53)	1,197	(108)	1,257	(60)	Underspend is mainly due to part year vacancies in Joint Commissioning Unit. Movement of £60k from month 8 is due to the pressures in Mortuaries service previously reflected under Adults & Health.	(8.2%)
Children and Young people Growth and Development	224	435	460	632	197		632	197	578	0 54	The current overspend is due to : Planning Policy Forecast (£336k) spend related to the Local Plan, Regeneration Strategy and related policy workstreams that the Council are required to deliver and were previously expected to be funded from reserves. To reduce the in-year impact some spend is now delayed until 2019/20. The forecast also includes unbudgeted spend of 34k on the North London Waste Plan. This is offset by £146k underspend in the Care Leavers Participation predominantly relates to staffing costs and the timing of recruitment means budget will not be fully spend this year. Further , there is a small overspend (£7k) on Sc Growth & Development which relates to some staffing and other costs not recoverable via recharge/other income	45.3%
Registrar Service (Births, Deaths and	(160)	(157)	(16)	(15)	142	0	(15)	142	(15)	0	The current monthly variance is due to : staff cost increased by £21k (£10k permanent and £11k agency); £15k reduction in government contribution to citizenship ceremony grant; £51k reduction in BD&M income; £40k increase in citizenship catering forecast; £10k final Capita SPIR2015&289 project costs; £5k in cleaning costs.	(90.5%)
Mortuaries	99	99	140	159	60	0	159	60	99	60		60.3%
Environment, Parking and Infrastructure										0		
- Environment	14,620	14,791	11,472	13,473	(1,318)	1,000	14,473	(318)	14,484	(11)	Reduction in forecast agency staff cost and an underspend against the North London Waste Authority Levy	(8.9%)
- Greenspaces	1,353	1,324	711	1,323	(0)	0	1,323	(0)	1,324	(0)		0.0%
- Highway Inspection/Maintenance	260	273	275	273	0	0	273	0	273	0		0.0%
- Parking	(538)	(558)	(460)	(593)	(36)	0	(593)	(36)	(558)	(36)	Car Parks Off Street is projected to over achieve its income target by £0.115m, however, this will offset by unbudgeted costs, it will also be necessary to pay for some essential repairs to the minor car park works. The overall position is an underspend of £0.025m. Abandoned Vehicles, is projecting un underspend Of £0.010m due to additional income achievable	6.4%
- Special Parking Account	(10,850)	(10,850)	(2,476)	(11,995)	(1,145)	0	(11,995)	(1,145)	(12,027)	33	The SPA is projecting to over achieve its income target by £1.705m reporting an overall underspend of £1.145m.The majority of this additional projected income above budget is in relation to Moving Traffic income.	(10.5%)
- Street Lighting	6,339	6,669	4,385	6,547	(122)	0	6,547	(122)	6,546	0	The Street Lighting is projecting an underspend by £0.122m. This is due to pro-active actions taken throughout the year to reduce costs	(1.8%)

Total	17,678	19,197	(2,578)	17,606	(1,591)	(189)	17,417	(1,780)	18,040	(623)	(14.5%)
-------	--------	--------	---------	--------	---------	-------	--------	---------	--------	-------	---------

Customer Support Group and Council Managed Budgets

	Original Budget	Revised Budget	Actuals to 31/12/2018	Period 9/Quarter 3 Forecast	Variation to revised budget	Reserve Movements	Period 9/Quarter 3 Forecast after reserve movements	Variation to revised budget	Period 8 forecast	Variation to Period 8 forecast	Commentary	% Variation to revised budget
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000		
CSG Managed Budget	835	3,173	3,386	3,859	686	0	3,859	686	4,152	(293)	The current monthly overspend of £636k is due to pressures on Civic Building costs £2,043; Miscellaneous property costs £1,055; not previously included pooled car costs (£82k) and GLL evaluation (£7k); offset by increased in commercial property rent income £2,211; increased R&M budget and adjusted forecast £330k; PH funding of £10k . The monthly favourable movement of £343k is due to : £618k reduction in the repairs and maintenance forecast, removal of £500k MTFS savings pressure, 73k reduction of the managed budgets forecast and a 212k additional inflation budget. This is offset by: £520k increase in forecast of properties miscellaneous costs; £323k income forecast reduction due to : ISS Material Rebate from Atrium Cafe claimed by CHI (£160k), Brent Cross rent (£66k), libraries (£59k), legal recharge (£55k) Hendon Town Hall (£10k), Colin Hurst (£10k) , RTB (£5k), offset by increase in income for Community Barnet backdated rent (£43k); £132k increase in insurance forecast that should have been included in month 8; not previously included pooled car costs £82k; and GLL evaluation £7k.	20.1%
CSG Management Fee	28,017	30,244	23,145	26,605	(3,639)	3,685	30,290	46	29,950	340	The monthly overspend of £46k is because of : -Removal of £200k recovery line on Rev and Bens Case Load volumetric -Gain share Capita contractual payments £652k -Management fee fixed contractual payments overspending by £797k, -Workstreams increased forecast of £190k offset by : -Unused procurement gain share creditor £533k, -Comensura rebate of £850k, -Agency staff admin recharge £300k -Contingency Budget transfer of £110k The monthly movement of £490k is because of: -Removal of £200k recovery line on Rev and Bens Case Load volumetric -£120k increase in gainshare payments for Housing Benefit overpayment collection -£95 increase in customer services call volume forecast -£85k increase in the GF collection gain share payments -£40k increase correction in CSG HR forecast covering general costs -£47k increase in Single Person Discount gain share and cost to service Offset by: -£167k reduction on payment to CSG for Information System , including licences -£61k reduction in Capita contractual change requests -£10k reduction in court cost gain share payments. -£8k reduction in Revs&Bens case load	0.2%

Retained Income	(7,516)	(8,355)	(2,821)	(7,009)	1,346		(7,009)	1,346	(6,891)	(118)	The overspend is due to : -£872k retained income lines, consisting of historical unachievable income targets of £1.3m, partially offset by recovery of court costs being higher than budgeted by £0.5m. - £288k reduced Barnet Group SLA income; -£230k doc solution adjustment from management fee budget; -£108k pension fund recharge recovery plan no longer viable; -offset by £34k increase in HRA recharges for CSG services -£68k due to monthly movement on pension fund recharge income forecast adjustment. -50k Income increase for Court Costs Awarded The monthly favourable movement (118k) movement is due to; -50k increase in court costs awarded income - 68k increase in Pensions Fund recharge	16.1%
Total	21,336	25,062	23,710	23,455	(1,607)	3,685	27,140	2,078	27,211	(71)		8.1%

Housing Needs and Resources

	Original Budget	Revised Budget	Actuals to 31/12/2018	Period 9/Quarter 3 Forecast	Variation to revised budget	Reserve Movements	Period 9/Quarter 3 Forecast after reserve movements	Variation to revised budget	Period 8 forecast	Variation to Period 8 forecast	Commentary	% Variation to revised budget
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000		
Housing Needs and Resources	6,860	6,926	1,557	7,056	129	0	7,056	129	7,015	40	Overspend is from higher than budgeted net TA costs. The movement from last month is as a result of increased void loss on block booked Temporary Accomodation and a slower letting rate of acquisitions than previously forecast	1.9%
Total	6,860	6,926	1,557	7,056	129	0	7,056	129	7,015	40		1.9%

Public Health

	Original Budget	Revised Budget	Actuals to 31/12/2018	Period 9/Quarter 3 Forecast	Variation to revised budget	Reserve Movements	Period 9/Quarter 3 Forecast after reserve movements	Variation to revised budget	Period 8 forecast	Variation to Period 8 forecast	Commentary	% Variation to revised budget
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000		
Public Health	17,156	17,160	10,271	17,160	0	0	17,160	0	17,160	(0)		0.0%
Total	17,156	17,160	10,271	17,160	0	0	17,160	0	17,160	(0)		0.0%

Regional Enterprise

	Original Budget	Revised Budget	Actuals to 31/12/2018	Period 9/Quarter 3 Forecast	Variation to revised budget	Reserve Movements	Period 9/Quarter 3 Forecast after reserve movements	Variation to revised budget	Period 8 forecast	Variation to Period 8 forecast	Commentary	% Variation to revised budget
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000		
Guaranteed Income	(16,249)	(16,549)	(8,960)	(15,120)	1,429	0	(15,120)	1,429	(15,311)	191	There is a projected £0.900m income shortfall because of PDA income accounted for in the HRA. As projected PDA income has fallen, a further £227k income shortfall is no longer covered. The accountancy treatment is subject to further discussion. An additional one-off pressure of £78k arises from the settlement of an outstanding GI shortfall from 17/18 and a further £223k over for unfunded capital expenditure.	8.6%
Re Managed Budgets	(63)	(63)	514	122	185	-	122	185	122	0	LIP pressure due to negotiated fees.	291.7%
RE Projects	-	-	(7,456)	-	-	-	-	-	-	-		0.0%
Management Fee	16,639	17,301	15,859	17,999	698	(770)	17,229	(72)	17,229	0	£350k Brent cross rebate negated by LBB client costs of £278k which is mainly in relation to Legal fees plus additional bad provision	(0.4%)
Total	326	689	(43)	3,001	2,312	(770)	2,231	1,542	2,040	191		224.0%

Street Scene												
	Original Budget	Revised Budget	Actuals to 31/12/2018	Period 9/Quarter 3 Forecast	Variation to revised budget	Reserve Movements	Period 9/Quarter 3 Forecast after reserve movements	Variation to revised budget	Period 8 forecast	Variation to Period 8 forecast	Commentary	% Variation to revised budget
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000		
Commercial Services Streetscene	(2,258)	(1,786)	(2,453)	(1,785)	2	0	(1,785)	2	(1,787)	3	Positive Commercial Service changes continue in 2018/19 from the 2017/18 re-structure Early cold weather and a very hot dry summer has led to increase in year savings i.e. from grass cutting Planned in year savings A delayed start to the Recycling and Waste changes have resulted in an increase period of time of over spend of budget in the beginning of the year a reduced ability to embed the service and bring in savings in the current financial year. This has combined with an increased cost of transformation, due to the service not being fully imbedded by Christmas and additional pressure from increased fleet costs due to the age of the recycling and waste fleet. Planned in year savings	(0.1%)
Fleet and Transport	281	560	3,081	560	0	0	560	0	559	1		0.1%
Ground Maintenance(Front line)	2,533	2,343	1,534	2,173	(170)	0	2,173	(170)	2,197	(25)		(7.3%)
Management and Service Support	0	913	748	696	(217)	0	696	(217)	735	(38)		(23.7%)
Street Cleansing (Front Line)	0	2,533	2,102	2,535	2	0	2,535	2	2,527	8		0.1%
Waste (Front Line)	0	6,024	5,936	7,770	1,745	0	7,770	1,745	6,581	1,189	29.0%	
Street Scene Management	10,335	1,125	669	909	(216)	0	909	(216)	1,172	(263)	(19.2%)	
Total	10,891	11,711	11,617	12,858	1,147	0	12,858	1,147	11,984	875		9.8%
TOTAL BEFORE DSG AND HRA	285,650	293,326	194,838	294,496	1,170	1,226	295,722	2,396	296,137	(415)		
Dedicated Schools' Grant												
	Original Budget	Revised Budget	Actuals to 31/12/2018	Period 9/Quarter 3 Forecast	Variation to revised budget	Reserve Movements	Period 9/Quarter 3 Forecast after reserve movements	Variation to revised budget	Period 8 forecast	Variation to Period 8 forecast	Commentary	% Variation to revised budget
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000		
Schools												
- Individual Schools Budget	141,056	141,143		141,205	62	0	141,020	(123)	141,205	(185)	Pressure takes into account the additional £0.964m received in December 2018, the pressure relates to place funding additional costs and pressures within high needs top-ups.	(0.1%)
- Growth Fund	984	897		792	(105)	0	792	(105)	792	0		(11.7%)
- Central schools expenditure	1,268	1,268		1,268	0	0	1,268	0	1,268	0		0.0%
- ESG retained funding	852	852		852	0	0	852	0	852	0		0.0%
Sub-total	144,160	144,160		144,117	(43)	0	143,932	(228)	144,117	(185)		(0.2%)
Early Years Block	28,392	29,037		29,037	0	0	29,037	0	29,037	0	0.0%	
High Needs Block	44,309	45,182		45,373	191	0	45,707	525	45,373	334	1.2%	
Sub-total	216,861	218,379		218,527	148	0	218,676	297	218,527	149	0.1%	
DSG Income	(216,360)	(217,878)		(217,878)	0	0	(217,878)	0	(217,878)	0	0.0%	
DSG c/f	(501)	(501)		(501)	0	(297)	(798)	(297)	(649)	(149)	59.3%	
Total	0	0	24,288	148	148	(297)	0	0	0	0		0.0%
Housing Revenue Account												
	Original Budget	Revised Budget	Actuals to 31/12/2018	Period 9/Quarter 3 Forecast	Variation to revised budget	Reserve Movements	Period 9/Quarter 3 Forecast after reserve movements	Variation to revised budget	Period 8 forecast	Variation to Period 8 forecast	Commentary	% Variation to revised budget
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000		
HRA Other Income and Expenditure	11	11	(24,561)	553	541	0	553	541	626	(73)		4742.0%
HRA Regeneration	837	837	1,321	713	(124)	0	713	(124)	684	29		(14.9%)
HRA Surplus/Deficit for the year	(754)	(754)	0	(1,146)	(393)	0	(1,146)	(393)	(1,191)	45		52.1%
Interest on Balances	(95)	(95)	(5)	(119)	(24)	0	(119)	(24)	(119)	0		(25.6%)
Total	0	0	(23,245)	0	0	0	0	0	0	0		0.0%

This page is intentionally left blank

Capital outturn 2018/19

	2018/19 Revised Budget	Additions/ Deletions Recommended	Slippage / Accelerated Spend Recommended	2018/19 Period 9/Quarter 3	Variance from Approved Budget	Expenditure up to 31/12/2018	% slippage of 2018/19	Comments
	£000	£000	£000	£000	£000	£000	%	
Investing in IT	2,850	-	(450)	2,400	(450)	913	-15.79%	£0.450m slipped forworkd that will not complete until 2019/20
Adults and Communities	2,850	-	(450)	2,400	(450)	913	-15.79%	

	2018/19 Revised Budget	Additions/ Deletions Recommended	Slippage / Accelerated Spend Recommended	2018/19 Period 9/Quarter 3	Variance from Approved Budget	Expenditure up to 31/12/2018	% slippage of 2018/19	Comments
	£000	£000	£000	£000	£000	£000	%	
Depot relocation	1,950	-	(660)	1,290	(660)	1,093	-33.85%	Retention payment due in 2019/20 as defect corrections are expected to be resolved in 2019/20
Copthall Infrastructure Enhancement	1,000	-	-	1,000	-	-	0.00%	
Community Centre - Tarling Road	2,646	200	120	2,966	320	2,586	4.54%	Budget reprofiled - £0.200m addition and £0.120m acceleration to cover works scheduled for 2018/19
Asset Management	962	-	(40)	922	(40)	274	-4.16%	Budget reprofiled in line with works scheduled for 2018/19
Libraries asset management	506	(206)	-	300	(206)	44	0.00%	Budget reprofiled and surplus budget deleted.
Centre for Independent Living & Libraries	-	-	-	-	-	-	0.00%	
Daws Lane Community Centre	-	-	-	-	-	-	0.00%	
ICT strategy	2,210	-	(1,250)	960	(1,250)	979	-56.56%	Budget reprofiled and slipped for implementation if IT and 0365 systems scheduled for 2019/20
Community Centres fit out	520	(520)	-	-	(520)	-	0.00%	Budget no longer required
Customer Services Transformation Programme	3,301	-	(340)	2,961	(340)	1,233	-10.30%	Budget reprofiled and extended in to 19/20
Implementation of Locality Strategy	695	-	(422)	273	(422)	62	-60.72%	Budget reprofiled for planning and design costs in 2018/19. £0.422m slippage to cover works scheduled in 2019/20
Sport and Physical Activites	22,761	-	516	23,277	516	15,569	2.27%	Budget reprofiled - £0.516m accelerated for works scheduled in 2018/19
Gaelic playing pitch relocation	-	-	-	-	-	-	0.00%	
CCTV Installation	-	-	-	-	-	-	0.00%	
Office Build	23,423	-	(3,681)	19,742	(3,681)	12,900	-15.72%	Budget slipped for expenditure scheduled in 2019/20
Commissioning Group	59,974	(526)	(5,757)	53,691	(6,283)	34,740	-9.60%	

	2018/19 Revised Budget	Additions/ Deletions Recommended	Slippage / Accelerated Spend Recommended	2018/19 Period 9/Quarter 3	Variance from Approved Budget	Expenditure up to 31/12/2018	% slippage of 2018/19	Comments
	£000	£000	£000	£000	£000	£000	%	
Modernisation - Primary & Secondary	4,309	(216)	(999)	3,094	(1,215)	2,096	-23.18%	Slippage of £0.999m for projects which will now complete in 2019/20.
Healthy Pupils Fund	-	216	(169)	47	47	24	0.00%	Funded by ringfenced Grant previously allocated to
Urgent Primary Places - Temporary Allocated	-	-	-	-	-	-	0.00%	
Orion Primary School	75	(6)	(40)	29	(46)	29	-53.33%	Project complete, £0.040m retention payment due in 2019/20
Menorah Foundation	182	(182)	-	-	(182)	-	0.00%	Project complete
Martin Primary	9	(9)	-	-	(9)	-	0.00%	Project complete

Monkfrith	161	(10)	(62)	89	(72)	-	-38.51%	Project to complete in 19/20
Wren Academy	80	-	-	80	-	81	0.00%	Project complete
London Academy	21	-	(11)	10	(11)	-	-52.38%	Project to complete in 19/20
St Agnes	87	-	(32)	55	(32)	7	-36.78%	Project to complete in 19/20
Saracens Primary	1,000	30	(1,000)	30	(970)	-	-100.00%	Final contribution to be paid in 2019/20 therefore budget has slipped £0.970m.
Kosher Kitchen	100	-	-	100	-	-	0.00%	Current status: Phase 1 to increase access.
Brookland	830	33	-	863	33	863	0.00%	Project complete
Permanent Secondary Expansion Programme								
Christ college	-	1	-	1	1	1	0.00%	Project completed
Copthall	-	1	-	1	1	-	-	
Oak Lodge Special School	288	(10)	-	278	(10)	184	0.00%	Final cost expected to be £0.010m less than planned
St Mary's & St John's	721	-	(434)	287	(434)	107	-60.19%	Slipped £0.434m as the latest delivery timetable forecasts completion in 2019/20
St James / Blessed Dominic	14,001	1,927	(2,586)	13,342	(659)	7,956	-18.47%	Addition of £1.927m for contaminated ground works which may not occur in 2018/19 and £0.600m slipped to next year due to delay in FF&E and ICT procurement/installation.
Christ College Facilities Upgrade	251	-	-	251	-	250	0.00%	Project completed
Grammar school projects	1,000	-	(1,000)	-	(1,000)	-	-100.00%	Budget reprofiled and budget slipped to 2019/20 as no contribution costs are scheduled for 2018/19
SEN Programme								
Coppets Wood ASD	62	-	-	62	-	59	0.00%	Project complete
Chalgrove Primary school ASD	500	240	-	740	240	754	0.00%	£0.240m transferred from SEN for additional works required.
Whitefield School ASD	500	-	(358)	142	(358)	123	-71.60%	Construction due to commence in 2019/20 therefore, £0.358m slipped
Other Projects								
Whitings Hill, Colindale and Northway/Fairway	431	40	-	471	40	154	0.00%	Budget reprofiled with £0.040m added for additional works identified
School place planning (Primary)	951	1	(952)	0	(951)	-	-100.11%	no further works identified for 2018/19
School place planning (Secondary)	2,268	(1,927)	(341)	-	(2,268)	-	-15.04%	Transferred £1.927m to St James/Blessed Dominic and £0.341m slipped to 2019/20 as no further works have been identified for 2018/19
SEN	-	(240)	240	-	-	-	100.00%	Accelerated £0.240m and transferred to Chalgrove Primary for additional works identified.
Alternative Provision	3,265	-	(2,995)	270	(2,995)	170	-91.72%	£2.995m slipped as project is in the planning and design stage and construction will not commence until 2019/20
Contingency	-	-	-	-	-	-	0.00%	
Children's services -Education and Skills	31,092	- 110	(10,739)	20,243	(10,849)	12,857	-34.54%	

	2018/19 Revised Budget	Additions/ Deletions Recommended	Slippage / Accelerated Spend Recommended	2018/19 Period 9/Quarter 3	Variance from Approved Budget	Expenditure up to 31/12/2018	% slippage of 2018/19	Comments
	£000	£000	£000	£000	£000	£000	%	
Early Education and Childcare place sufficiency	500	-	335	835	335	542	67.00%	Budget reprofiled - £0.335m accelerated for spend now occurring in 2018/19
Information Management	463	-	(173)	290	(173)	301	-37.37%	Budget reprofiled to reflect works scheduled for 2018/19 - £0.173m slipped to 2019/20
Youth Zone	3,999	-	-	3,999	-	3,200	0.00%	Project on track
Left conversion and extension policy for Foster Carers	175	-	(65)	110	(65)	-	-37.14%	not as many allocations in 2018/19 as expected

New Park House Children's home	20	-	(3)	17	(3)	17	-15.00%	
East Barnet Partnership Library	-	-	-	-	-	-	0.00%	
Meadow Close Children's Homes	911	-	(551)	360	(551)	133	-60.48%	£0.551m slipped to 2019/20 as delays in the technical design stage have resulted in works now not planned to start until Q4 2018/19.
Family Services Estate - building compliance, extensive R&M	1,500	-	(1,065)	435	(1,065)	133	-71.00%	Library works delayed until 2019/20
Children's services - Family Services	7,568	-	(1,522)	6,046	(1,522)	4,327	-20.11%	

	2018/19 Revised Budget	Additions/ Deletions Recommended	Slippage / Accelerated Spend Recommended	2018/19 Period 9/Quarter 3	Variance from Approved Budget	Expenditure up to 31/12/2018	% slippage of 2018/19	Comments
	£000	£000	£000	£000	£000	£000	%	
Empty Properties	1,843	-	-	1,843	-	158	0.00%	Budget to be re-profiled as expenditure of this nature is unpredictable.
Alexandra Road	-	-	-	-	-	-	0.00%	
Chilvins Court	-	-	-	-	-	-	0.00%	
Out of borough acquisition	-	-	-	-	-	-	0.00%	
Direct Acquisitions	40,000	-	(14,000)	26,000	(14,000)	16,833	-35.00%	Budget to be re-profiled based on properties estimated to be completed in the current year
Modular Homes	300	-	(118)	182	(118)	-	-39.33%	Delays to project has resulted in £0.118m to be re-profiled to 2019/20.
St Georges Lodge temporary accommodation conversion	100	-	(100)	-	(100)	-	-100.00%	Planning permission is awaited and works expected to commence in 2019/20 .
Hermitage Lane	537	-	(191)	346	(191)	-	-35.57%	This scheme was delayed and requires £0.191m to be re-profiled
Open Door	22,000	-	(9,000)	13,000	(9,000)	12,811	-40.91%	Budget to be re-profiled to reflect delays in the project
Pinkham Way land release	1,500	-	(1,250)	250	(1,250)	-	-83.33%	Majority of the work expected to occur in 2019/20
Micro sites	1,952	-	673	2,625	673	2,820	34.48%	Expenditure on this project is in line with the development agreement and will require the budget to be re-profiled into the current year.
Housing Needs Resources	68,232	-	(23,986)	44,246	(23,986)	32,622	-35.15%	

	2018/19 Revised Budget	Additions/ Deletions Recommended	Slippage / Accelerated Spend Recommended	2018/19 Period 9/Quarter 3	Variance from Approved Budget	Expenditure up to 31/12/2018	% slippage of 2018/19	Comments
	£000	£000	£000	£000	£000	£000	%	
Lines and Signs	170	-	-	170	-	-	0.00%	A review of works is being undertaken to confirm the value of works undertaken in 2018/19
LED Lighting	-	-	-	-	-	-	0.00%	
Pay and Display parking machine estate upgrade	120	-	-	120	-	-	0.00%	Budget to be reviewed
Moving traffic cameras	50	-	-	50	-	-	0.00%	Budget to be reviewed
Controlled parking zones review	50	-	-	50	-	-	0.00%	Budget to be reviewed
CCTV	-	-	-	-	-	-	0.00%	
CCTV Projects Retention	-	-	-	-	-	-	0.00%	
Town Centre Bays	-	-	-	-	-	-	0.00%	
Parking signs and lines introduction and replenishment	-	-	-	-	-	-	0.00%	
Car Parking improvement	-	-	-	-	-	-	0.00%	
Highways (permanent re-instatement)	635	-	(68)	567	(68)	353	-10.71%	Budget reprofiled to reflects works scheduled in 2018/19. £0.068m slipped for works commencing 2019/20
Highways proactive patching	560	-	-	560	-	-	0.00%	Costs for patching works carried out throughout the year to be charged.
DLO restructure and Investment project	-	-	-	-	-	-	0.00%	
Parking and Infrastructure	1,585	-	(68)	1,517	(68)	353	-4.29%	

	2018/19 Revised Budget	Additions/ Deletions Recommended	Slippage / Accelerated Spend Recommended	2018/19 Period 9/Quarter 3	Variance from Approved Budget	Expenditure up to 31/12/2018	% slippage of 2018/19	Comments
	£000	£000	£000	£000	£000	£000	%	
HIGHWAYS TfL - LOCAL IMPLEMENTATION PLAN								
Local Implementation Plan 2016/17 and onwards	3,769	-	(20)	3,749	(20)	845	-0.53%	Budget transfer to associated project "Bridge Assessment".
Bus stop Accessibility	-	-	-	-	-	14	0.00%	
Bridge Assessment	-	-	20	20	20	(10)	0.00%	Budget transfer from Local Implementation Plan 2016/17 onwards
Borough Cycling Programme	-	-	-	-	-	-	0.00%	
HIGHWAYS non-TfL								
Footway Reconstruction	43	-	(43)	-	(43)	-	-100.00%	Budget reviewed and slipped to 2019/20 as works will not commence in 2018/19
Traffic Management	4	-	(4)	-	(4)	(3)	-100.00%	Budget reviewed and slipped to 2019/20 as works will not commence in 2018/19
Reconstruction of Railway Bridges	-	-	-	-	-	-	0.00%	
Highways Improvement	364	-	(350)	14	(350)	-	-96.26%	Budget reprofiled - £0.350m slipped as major works will commence in 2019/20
Travel Plan Implementation	91	-	(41)	50	(41)	-	-45.05%	Budget reprofiled to reflect commitments and works due to be carried out in 2018/19. £0.041m slipped for works planned in 2019/20
Carriageways	237	-	-	237	-	7	0.00%	
Highways Planned Maintenance Works Programme	40	-	(40)	-	(40)	-	-100.00%	Budget reviewed and slipped to 2019/20 as works will not commence in 2018/19
Saracens	16	-	(16)	-	(16)	-	-100.00%	Budget reviewed and slipped to 2019/20 as works will not commence in 2018/19
Drainage Schemes	70	-	-	70	-	-	0.00%	
Road Traffic Act - Controlled Parking Zones	108	-	(48)	60	(48)	-	-44.44%	Slippage of £0.048m slipped for works scheduled in 2019/20
Parking	-	-	-	-	-	-	0.00%	
Investment in Roads & Pavement (NRP)	9,458	-	(150)	9,308	(150)	4,578	-1.59%	£0.150m slipped as a result of Green Lanes resurfacing works commencing 2019/20
GF Regeneration	-	-	-	-	-	-	0.00%	
Mill Hill East	-	-	-	-	-	-	0.00%	
BXC - Funding for land aquisition	22,358	-	-	22,358	-	20,112	0.00%	Project is on track to spend remainder of 2018/19 budget.
Colindale – Highways and Transport	1,500	-	(800)	700	(800)	3	-53.33%	Slippage of £0.800m due to Junction works delayed by TfL
Colindale – Parks, Open Spaces and Sports	1,436	-	(100)	1,336	(100)	255	-6.96%	Slippage of £0.100m due to construction works to Colindale and Rusgrove forecasted to complete 2019/20
Colindale Station Works	6,500	-	(5,000)	1,500	(5,000)	1,000	-76.92%	Slippage to 2019/20 based on updated estimate of TfL timescale
Grahame Park – Community Facilities	1,000	-	(940)	60	(940)	13	-94.00%	Slippage of £0.940m as the majority of works will be carried out in 2019/20
West Hendon Highway Improvement	-	-	-	-	-	-	0.00%	
Town Centre	720	-	(532)	188	(532)	97	-73.89%	Works will commence in Q4 2018/19 with the majority of work completing in 2019/20
Thames Link Station	69,913	-	(5,000)	64,913	(5,000)	17,302	-7.15%	Budget reprofiled based on latest review of works
Development pipeline	0	13	-	13	13	13	0.00%	expenditure needs to be funded or transferred to revenue
Development pipeline strategic opportunities fund	5,633	-	-	5,633	-	5,633	0.00%	Project completed.
Strategic Infrastructure Fund	23,000	-	(7,000)	16,000	(7,000)	-	-30.43%	Budget reviewed - £7m slipped for works that will commence in 2019/20
Housing Association Development Programme - New Afford	-	-	-	-	-	-	0.00%	


Disabled Facilities Grants Programme	2,602	-	-	2,602	-	1,669	0.00%	Programme is on track to spend remainder of 2018/19 budget.
Refurbish and regenerate Hendon Cemetery and Crematorium	1,149	-	(1,000)	149	(1,000)	11	-87.03%	Slippage of £1m due to delays in the scheme design resulting works forecasted to commence in 2019/20
Hendon Cemetery & Crematorium Enhancement	116	-	-	116	-	17	0.00%	Completion and payment expected in 2018/19
Decent Homes Programme	232	-	(52)	180	(52)	65	-22.41%	Slippage due to review of works
DECC - Fuel Poverty	7	-	(4)	3	(4)	3	-57.14%	Works for 2018/19 are completed therefore, remainder of budget has slipped to 2019/20
Regional Enterprise	150,366	13	(21,120)	129,259	(21,107)	51,624	-14.05%	

	2018/19 Revised Budget	Additions/ Deletions Recommended	Slippage / Accelerated Spend Recommended	2018/19 Period 9/Quarter 3	Variance from Approved Budget	Expenditure up to 31/12/2018	% slippage of 2018/19	Comments
	£000	£000	£000	£000	£000	£000	%	
Old Court House - public toilets	40	-	-	40	-	-	0.00%	Current status; quotations received.
Parks & Open Spaces and Tree Planting	61	-	-	61	-	42	0.00%	All works completed and awaiting final invoices.
Park Infrastructure	140	-	-	140	-	107	0.00%	All works completed and awaiting final invoices.
Victoria Park Infrastructure	75	-	-	75	-	22	0.00%	Equipment to be ordered in Q4 following Full Council approval in Jan 2018
Data Works Management system	432	-	-	432	-	39	0.00%	Timetable delivery is being reviewed following re-tender of the contract
Parks Equipment	101	-	-	101	-	54	0.00%	Project is on track to be completed 2018/19
Fuel Storage Tank	-	-	-	-	-	-	0.00%	
Waste	221	(1)	-	220	(1)	230	0.00%	
Weekly Collection Support Scheme	440	2	-	442	2	483	0.00%	
Replacement Bins	-	-	-	-	-	-	0.00%	
Street litter bins	-	-	-	-	-	-	0.00%	
Vehicles	1,274	-	(377)	897	(377)	150	-29.59%	Further vehicle purchases will not complete in 2018/19
Street cleansing and greenspaces - vehicles and equipment	1,050	-	-	1,050	-	530	0.00%	All vehicles purchased and awaiting final invoices.
Green spaces development project	367	-	-	367	-	1	0.00%	Budget under review
Street Scene	4,201	1	(377)	3,825	(376)	1,658	-8.97%	

General Fund Programme	325,869	(622)	(64,019)	261,227	(64,641)	139,095	-19.65%	
-------------------------------	----------------	--------------	-----------------	----------------	-----------------	----------------	----------------	--

	2018/19 Revised Budget	Additions/ Deletions Recommended	Slippage / Accelerated Spend Recommended	2018/19 Period 9/Quarter 3	Variance from Approved Budget	Expenditure up to 31/12/2018	% slippage of 2018/19	Comments
	£000	£000	£000	£000	£000	£000	%	
Major Works (excl Granv Rd)	5,670	-	(370)	5,300	(370)	9,351	-6.53%	Budget reprofiled. The Expenditure to date will be re-allocated to Regeneration, Misc-Repairs and M&E/GAS.
Regeneration	1,200	-	100	1,300	100	157	8.33%	Accelerated following a review of works to be carried out in 2018/19
Misc - Repairs	2,785	-	(201)	2,584	(201)	1,879	-7.22%	Slipped following a review of works expected to complete in 2018/19
M&E/ GAS	5,715	-	545	6,260	545	1,634	9.54%	Accelerated following a review of works to be carried out in 2018/19
Voids and Lettings	3,605	-	380	3,985	380	1,027	10.54%	Budget reprofiled - £0.380m accelerated to assist with increase in voids identified in Dec 2018
Advanced Acquisitions (Regen Estates)	275	-	(264)	11	(264)	-	-96.00%	Budget reprofiled - £0.264m slipped due acquisitions completing in 2019/20
Moreton Close	6,274	-	(205)	6,069	(205)	5,586	-3.27%	Slippage of £0.205m for retention payment due April 2020

Dollis Valley	30	-	-	30	-	-	0.00%	Current status: Awaiting fees from The Barnet Group
Extra Care Pipeline	981	-	(621)	360	(621)	73	-63.30%	Review of acquisitions
Burnt Oak Broadway Flats	250	-	(189)	61	(189)	16	-75.60%	Slippage of £0.189m as delays to designs have impacted planning submission therefore, works will not commence until 2019/20
Upper & Lower Fosters Community Led Design	1,669	-	(365)	1,304	(365)	(273)	-21.87%	Project slipped £0.365m due to delays in the design stages has impacted Phase 3 which will now commence in 2019/20.
Development Pipeline Stag House	1,435	-	(135)	1,300	(135)	475	-9.41%	Completion of Commercial property to finalise in 2019/20 therefore £0.135m slipped to 2019/20.
HRA Fire Safety Programme	10,000	-	(5,000)	5,000	(5,000)	5,798	-50.00%	Slippage of £5m due to reviewing and aligning works which will now commence in 2019/20
Housing Revenue Account	39,889	-	(6,325)	33,564	(6,325)	25,723	-15.86%	
Total Capital Programme	365,758	(622)	(70,344)	294,791	(70,966)	164,817	-19.23%	

	Financial Performance and Contracts Committee 11 March 2019
Title	Temporary Workers Contract Implementation
Report of	Deputy Chief Executive
Wards	All
Status	Public
Urgent	No
Key	No
Enclosures	None
Officer Contact Details	Natasha Edmunds – Strategic HR Lead Natasha.Edmunds@Barnet.gov.uk 020 8359 2978

Summary

This report details the mobilisation of the new contract for the council's temporary workforce with Matrix SCM, noting the usage and expenditure in the first four months. It highlights the implementation and management of the new contract, and the need to continue to see an expected reduction in usage and expenditure going forward.

Officers Recommendations

That the Committee notes the actions being taken by officers to implement and monitor the new contract for the council's temporary workforce

1. WHY THIS REPORT IS NEEDED

CONTEXT AND BACKGROUND INFORMATION

- 1.1 The purpose of this report is to set out how the council has mobilised the contract with Matrix SCM (Matrix), using the opportunity of a new supplier to improve the management, usage and expenditure on agency workers, and the next steps to be taken around the contract implementation; and to address the findings of the recent audit of the previous contract (Comensura).
- 1.2 Matrix were awarded a two-year contract to become the council's new Managed Service Provider (MSP), with the contract starting on the 1st October 2018.
- 1.3 The temporary workforce is made up of different types of workers whose employment is temporary in nature and is made up three different types of worker as follows:
- i) Temporary: working through an agency and paid an hourly rate through the agency, rather than being employed directly by the council. Typically used to cover short terms gaps in the establishment e.g. whilst permanent recruitment is underway, or where there are significant skills shortages impacting on the ability to recruit to the permanent establishment or where there are short term demand pressures that require additional capacity.
 - ii) Contracting: brought in for a special project or to cover an extended absence. Employed on a fixed-term or rolling contract, dependant on the project or absence they are covering. Typically used to cover known periods of extended absence such as maternity leave, career breaks, or for time limited specific projects
 - iii) Interim: senior-level experts that are needed to make an immediate impact. Typically used to provide specialist or executive level expertise and can cover extended absences, requirements for short term expertise, or to provide additional capacity pending organisational change.
- 1.4 This report covers temporary and interim workers, referred to as temporary workers throughout this report.

PREVIOUS PERFORMANCE

- 1.5 Under the previous contract with Comensura, an audit identified several deficiencies in the management of the supply of temporary workers to the council. Management of the temporary worker contract with Comensura sat between CSG HR and CSG Procurement at that time.
- 1.6 These deficiencies put the council at potential risk as usage, expenditure, performance and compliance were not monitored closely enough to meet the council's expectations and requirements.

- 1.7 The consequence of these failures of contract management were that anomalies were not easily picked up and addressed, while a lack of data analysis to challenge temporary worker usage did not help the reduction of expenditure.
- 1.8 The audit also found a lack of clarity around roles and responsibilities between CSG HR, CSG Procurement and the council, resulting in a lack of strong challenges of supplier performance of value for money and compliance.

MOBILISATION OF THE NEW CONTRACT

- 1.9 During the mobilisation period of the new contract, opportunity has been taken to introduce measures to support the reduction of expenditure, improve compliance and apply the lessons learned from the audit.
- 1.10 The measures included more competitive rates to attract the best candidates (increased hourly pay to the temporary workers), a process to convert temporary workers to permanent staff, building in reviews after 12 weeks, tighter contract management and clarity on roles and responsibilities.
- 1.11 In negotiating the contract, the opportunity was taken to build in the following benefits:
 - i) Lower MSP and agency fees
 - ii) Add new workers without them being signed up to an agency (thereby reducing additional margin costs)
 - iii) Get interim workers not on a temporary or permanent contract and onto the Matrix framework from specialist recruitment firms
 - iv) Ensure stronger safeguarding and pre-employment checks
 - v) No introductory agency fee should any workers secure permanent work through a job application with the council
 - vi) No fee if the temporary agency workers are offered employment after 13 weeks of (continuous or not) work
 - vii) Commitment from the supplier to reduce costs of agency workers
 - viii) Demonstrable commitment from the agency supply chain to source temporary workers from the local community.
- 1.12 These benefits should help the council reduce expenditure and have greater flexibility in finding a worker with the relevant skill set.
- 1.13 Importantly, a clear RACI matrix, where activities and decision-making are set against roles, has been put together detailing the roles and responsibilities of those involved in contract management. This will enable strong contract management by identifying, defining and assigning responsibilities, which will keep the council informed of all the contract processes and early identification of deficiencies to enable remedial action to be taken quickly, as well as opportunities.

- 1.14 The agency chose a net/net supplier that removed the rebate mechanism from the fees, so recruiting managers across the council pay market rate leading to clarity of agency cost. Previously, recruiting managers paid an inflated cost which was then returned through the rebate.

CONTRACT IMPLEMENTATION

- 1.15 Since the new supplier contract went live on the 1st October 2018, there have been monthly contract meetings where Matrix have provided monthly figures on usage and expenditure on temporary workers.
- 1.16 Matrix have been on-site once a week, with the Account Manager available. This presence has been circulated around the council with uptake of support reducing over time, indicating that hiring managers are understanding the new system. This understanding has improved over time, and can be seen in the reduction in number of orders requested by Matrix (from seven in October 2018 to three in December 2018).
- 1.17 Monthly meetings were scheduled for the first quarter of the contract, but during the Q3 18/19 review meeting, it was agreed by all parties that monthly meetings will continue until the end of March 2019. This is strong contract management practice and will enable the council to apply improvements and the learning from the audit with the support of Matrix.
- 1.18 Beyond having Matrix's Account Manager on site, information has been circulated to all officers to understand the full benefits of the contract. Matrix have been quick to respond to any queries from hiring managers and send over information in a timely manner.
- 1.19 In the first quarter (Q3 18/19 – October to December 2018), the total cost of temporary workers via Matrix was £3,171,000, a total of 98,380 hours¹ worked. In January 2019 expenditure reduced to £935,000, with a total of 29,895 hours worked. The expenditure figures for Matrix can be seen in Table A.

¹ 30,847 hours in October, 31,505 hours in November and 36,028 hours in December.

Table A: Total Council Temporary Worker Expenditure 01/10/18 – 31/01/2019

Service	October	November	December	January
Adults & Communities	£114,000	£120,000	£136,000	£79,000
Commissioning Group*	£110,000	£143,000	£158,000	£131,000
Family Services	£674,000	£622,000	£724,000	£583,000
Street Scene	£104,000	£115,000	£151,000	£142,000
Total for 5 services	£1,002,000	£1,000,000	£1,169,000	£935,000

* Includes Assurance

** Figures rounded to the nearest '000

*** Figures taken from monthly Matrix reports

**** Figures may differ to those reported on the Open Data Portal given the period, i.e. monthly reports from Matrix to weekly invoices posted on the Open Data Portal, and when timesheets are signed off by managers

1.20 As seen in Table A, expenditure was stable for both October and November 2018, increasing by £169,000 in December 2018. This increase can be explained by both the seasonal demand (full-time staff taking holidays over the Christmas period) and the fact that managers are getting to grips with the new online portal. The increase in Street Scene is the result of the issues around implementation of the new waste collection rounds service.

Table B: Agency Headcount 01/10/18 – 31/01/2019

Service	October	November	December	January
Adults & Communities	28	23	27	23
Commissioning Group*	30	29	27	28
Family Services	143	147	160	150
Street Scene	61	58	78	107
Overall	262	257	292	308

* Includes Assurance

1.21 Table B above shows the usage of temporary workers across the four services. This shows a similar number of temporary workers in October and November 2018, with an increase in December 2018. As with expenditure, this is linked with seasonal demand, where full time workers have taken holiday over the Christmas period.

1.22 As with the previous contract under Comensura, the highest usage and expenditure comes from Family Services, where there is significant labour market pressure across the country.

1.23 With Street Scene, there has been an increase in spend by 45.2% between October and December 2018. This coincided with the recent changes in waste collection routes where there was a need for temporary workers as permanent staff adjusted to the new working patterns and addressing the missed collections which required extra staffing.

- 1.24 In Table A, expenditure for Street Scene decreased between December 2018 and January 2019, but Agency Headcount increased over the same period. The reasons for this include:
- (i) A number of agency staff only working one or two shifts
 - (ii) Managers not closing completed assignments on the Matrix Portal
- 1.25 The implementation of the new contract under Matrix has been good, with minor problems sorted out quickly and effectively by all parties. However, there is more that can be done to obtain the full benefits of switching MSP.

NEXT STEPS

- 1.26 With the contract only four months in, there are several steps that the council is taking to further reduce expenditure and apply all benefits of the new contract through policy and contract management.
- 1.27 Officers continue to progress implementation of the findings of the recent audit of the previous MSP contract management arrangements, into the new temporary workers contract arrangements and anticipate that all the actions will be implemented by their due dates. A link to the recent quarterly audit committee report is provided here:
<https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=144&MId=9495&Ver=4>
- 1.28 Continuing communications to all hiring managers to ensure that interim agency workers are only used when needed, and the continuation of the agency panel.
- 1.29 The proposed return to the council from Capita of the Strategic HR function also means that the council will be able to take a more strategic approach to resourcing and direct its HR function to support strategic council priorities.
- 1.30 The council is requesting improved and more detailed data reporting by Matrix during contract meetings. This will ensure that all involved are clear about the impact on the service area budgets and the overall costs of the contract.
- 1.31 Beyond improving the implementation of the contract, the council can investigate ways to reduce expenditure through, for example, having a greater focus on longer term workforce planning (supported by Strategic HR), increasing the conversion of temporary workers to permanent roles where appropriate to do so.
- 1.32 HR will be assessing the cost-effectiveness of getting off-contract spend onto the Matrix contract. If, during the assessment stage, this will reduce future expenditure, the council will need to work with Matrix.
- 1.33 In addition, Procurement will measure if the new ESPO framework (Procurement Services for the Public Sector) for interims is more cost-effective than Matrix. If the costs are less on a new framework than Matrix, then interims should be sought from here to reduce expenditure.

2 REASONS FOR RECOMMENDATIONS

- 2.1 The purpose of this report is to ensure that the Committee has sufficient information to have a clear understanding of the council's actions to mobilise the new contract and its implementation since October 2018. These actions have resulted in close monitoring of the contract.

3 ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 None.

4 POST DECISION IMPLEMENTATION

- 4.1 The council will continue with the implementation of the new contract to control temporary worker expenditure. Continuous reviews through the quarterly performance reporting cycle will help track financial and non-financial benefits.

5 IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

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

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

- 5.2.1 In setting out the mobilisation, implementation and next steps of the new contract, the council is attempting to reduce the usage and expenditure of its temporary workforce. The process shows that the council is ensuring value for money in delivering services to the highest standard.

5.3 Social Value

- 5.3.1 The Public Services (Social Value) Act 2012 requires people who commission public services to think about how they can also secure wider social, economic and environmental benefits. All contracts awarded to Managed Service Providers are required to adhere to the Act.

5.4 Legal and Constitutional References

- 5.4.1 The council's Constitution, Article 7 Committees, Forums, Working Groups and Partnerships, sets out the functions of the Financial Performance and Contracts Committee as being responsible for the oversight and scrutiny of:
- The overall financial performance of the council
 - The performance of services other than those which are the responsibility of the: Adults & Safeguarding Committee; Assets, Regeneration & Growth Committee; Children, Education & Safeguarding Committee; Community Leadership & Libraries Committee; Environment Committee; or Housing Committee
 - The council's major strategic contracts including (but not limited to):
 - Analysis of performance
 - Contract variations
 - Undertaking deep dives to review specific issues
 - Monitoring the trading position and financial stability of external providers
 - Making recommendations to the Policy & Resources Committee and/or theme committees on issues arising from the scrutiny of external providers
 - At the request of the Policy & Resources Committee and/or theme committees consider matters relating to contract or supplier performance and other issues and making recommendations to the referring committee
 - To consider any decisions of the West London Economic Prosperity Board which have been called in, in accordance with this Article.

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

5.5 Risk Management

5.5.1 The council's Risk Management Framework is used to identify and respond to risks across all council's services. The review of the use of temporary workers will enable the Committee to have more in-depth oversight of performance in this area, which will support the council to mitigate any risks related to these services.

5.6 Equalities and Diversity

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

5.7 Corporate Parenting

5.7.1 In line with Children and Social Work Act 2017, the council has a duty to consider Corporate Parenting Principles in decision making across the council. The recruitment panel exemptions for children's social workers supports the council with

this duty, making sure there are few social work posts vacant for looked after children, meaning looked after children receive a higher quality and more consistent service.

5.8 Consultation and Engagement

5.8.1 Obtaining user feedback is a part of the contract management process to inform service delivery, service development and service improvement. Feedback is regularly sought from services to inform contract management of the temporary worker supplier and deliver continuous improvement. Representatives from all services are invited to give feedback and ask questions in the monthly contract meeting.

5.9 Insight

5.9.1 The provider has a user friendly portal based on a technological platform, which will allow a range of customisable reports to enable greater detailed analytics of Barnet's temporary staff.

6 BACKGROUND PAPERS

6.1 Report on the Performance of Back Office Functions to Financial Performance and Contracts Committee on 2 July 2018. This is available online at:


<https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=693&MId=9716&Ver=4>

6.2 Report on the Performance of Back Office Functions – Temporary Staffing to the Financial Performance and Contracts Committee on 9 October 2018. This is available online at:

<https://barnet.moderngov.co.uk/documents/s48728/Performance%20of%20back%20office%20functions%20-%20temporary%20staffing.pdf>

6.3 Report on Internal Audit Exception Recommendations Report and Q3 progress Report 1 October to 31 December 2018 to the Audit Committee on 31 January 2019. This is available online at:

<https://barnet.moderngov.co.uk/documents/s50900/Internal%20Audit%20Exception%20Recommendations%20Report%20and%20Q3%20Progress%20Report%201st%20October%20to%2031st%20December%20.pdf>

	Financial Performance and Contracts Committee 11 March 2019
Title	Improving Customer Services – Website progress report
Report of	Commercial Director
Wards	All
Status	Public
Urgent	No
Key	No
Enclosures	None
Officer Contact Details	Barry May – Head of Customer Strategy & Digital barry.may@barnet.gov.uk 0208 359 7628

Summary

Following a report to the Financial Performance and Contracts Committee on 9 October 2018, this report provides an update on progress made in improving the council's website. The council successfully launched a new website on 19 February 2019.

Officers Recommendations

1. That the committee note the actions being taken by officers to improve web satisfaction and performance and the progress made to improve the council's website.

1. WHY THIS REPORT IS NEEDED

INTRODUCTION

- 1.1 Following a report to committee on 9 October 2018 an update on progress of the new website was requested at a future meeting.
- 1.2 The new website was successfully launched on 19 February 2019 and to date feedback has been positive. Some minor teething issues were reported in the first few days, as some of the old pages did not re-direct to the new website correctly but these were all resolved by the end of the first week.
- 1.3 Since the previous committee report activity has taken place in the following areas:
- Many hours of testing with residents, staff and technical partners ensuring there was minimal disruption as the new website went live. Resident involvement in the design and testing is intended to improve website satisfaction in the future
 - New online forms were introduced for school admission enquiries, reporting safeguarding concerns for children and the ability to express an interest in adoption was added.
- 1.4 This report provides more detail on the improvements made to the website and importantly outlines how residents were involved in the testing and design of the new site to ensure it better meets their needs. The report also details the additional technical assurance and testing that was carried out to ensure disruption to the public was minimised.

UPDATE ON PROGRESS

- 1.5 The percentage of customers who have rated the website as 'good' over the previous three quarters is set out in the table below.

Description	Q1 18/19 (Apr-Jun 18)	Q2 18/19 (Jul-Sept 18)	Q3 18/19 (Oct-Dec18)
Customer Satisfaction (% customers who rate website as good - GovMetric)	32%	33%	30%
Target Customer Satisfaction	55%	55%	55%
Web sessions	845,180	809,429	874,076

- 1.6 Improvements to the new website include:
- Easier and quicker access for customers to complete top tasks and access key information
 - Improved and simplified content making the site more relevant to those who use it
 - A homepage that can be more easily changed (i.e. prominently featuring news items the council wishes to communicate)
 - Improved navigation and search functionality making it easier to find the information people need

- Improving the scalability, resilience and security of the new site by moving to an industry leading modern cloud hosted solution (award-winning Amazon Web Services)
- The Amazon solution offers increased scale to better meet peak traffic with additional server capacity which should increase stability and speed of the site.

1.7 Summary of resident engagement and wider testing:

- The new website has been co-designed with residents and staff across all demographics with over 250 hours of resident focus groups and 300 hours of staff workshops
- Residents were engaged from the start of the process to inform the design of the new website ensuring Barnet's digital offer reflects their needs
- The content on the website was also designed with residents to avoid jargon and ensure it is meaningful to them and the new icons and homepage layout tested with residents to make sure the site is easier to use and navigate
- Staff undertook over 1,000 hours of testing on key web pages and interactions to ensure the functionality works as it should
- Over 600 technical and functional elements were tested and the mobile first design was fully tested across multiple devices and browsers
- The new website passed rigorous technical testing with an independent assurance provider, testing security of the new website against both internal and external threats (i.e. hackers) and multiple performance tests were carried out to ensure capacity and resilience of the site is prepared for future increased usage
- AA Accessibility testing (screen readers, visual aids) was complete across all major platforms and devices.

1.8 The council is aware digital is not for all, albeit this is an increasingly smaller proportion of the population. It is important safeguards are in place to ensure nobody is left behind by the digital changes and the council supports those that need additional help. A programme of activity is being designed to implement the council's Digital Inclusion Strategy to reduce the proportion of residents who are digitally excluded and ensure that those that are digitally excluded still have effective, cost efficient ways of accessing council services. Residents' feedback has highlighted lack of skills, equipment or access costs being too high (telephone/broadband subscription) as barriers to engaging online.

1.9 To address these, the council has put in place the following initiatives and continues to engage with residents to understand where to prioritise resources in a meaningful way.

- Various IT training / support initiatives that aim to upskill residents who wish to learn basic IT skills
- Initiatives that provide free Wi-Fi and free (limited) use of computers for those who may have limited access otherwise (e.g. libraries, town centres, sheltered housing)
- Customer Advocacy Service (CAS¹) for customers who are unable to use the internet and need additional help to access council services.

1.10 The next steps will be:

¹ This is a small dedicated team based at the Contact Centre that assists customers who require additional support.

- Continued open feedback channels to ensure quick remedy and resolution of any issues raised
- Continual monitoring of the new site through web performance dashboards and internal digital champions network
- Further resident engagement to iteratively improve the website and ensure momentum is not lost following the recent changes
- By the end of March address the remaining legacy online forms, that need to be re-designed for the new site (c.70% of existing forms re-designed to date)
- Introduce automated online forms for high volume Council Tax transactions
- In April 2019, new functionality should be launched to enable residents to book and pay for library rooms, events, and sports pitches and book online appointments for registration services e.g. registering a birth. Residents will, thereafter, also be able to follow an existing report and receive proactive notifications on issues reported.

Update on ICT incident resolution

- 1.11 Following a reported decline in performance last quarter there has been an improvement in the performance of the indicator that measures internal IT incident resolution within SLA in Q3 (95.7% against target of 95%). This has been due to a changeover of management within the IT Service and additional resources to focus on meeting agreed timescales by the IT Service. The target for this KPI was increased in September 2018 from 91% to 95%.

Update on external customer satisfaction (telephony, email and face-to-face visits)

- 1.12 Further context on how the Customer Satisfaction KPI is calculated was requested, the below table shows a summary of the performance over the last three quarters.

Description	Q1 18/19 (Apr-Jun 18) Result	Q2 18/19 (Jul-Sept 18) Result	Q3 18/19 (Oct-Dec18) Result
Customer Satisfaction (excluding website)	90%	89%	90%
Target Customer Satisfaction	89%	89%	89%
Total surveys completed	30,187	27,134	23,379

- 1.13 This metric shows, as a % of total customer feedback, those that rate the service they receive as good, of all feedback received via telephony, email and face-to-face visits combined.
- 1.14 The opportunity to rate the service and provide feedback is offered to residents on calls that are handled in the contact centre. Residents are offered the opportunity to be transferred to a survey and are only transferred if they consent. The offer of the survey is monitored via performance management and quality control. On average for this year, 23% of customers have opted to leave a rating. The feedback is captured via a tool called Govmetric, which is used across local authorities to measure customer satisfaction.

2 REASONS FOR RECOMMENDATIONS

- 2.1 The report provides an update on the progress made in improving the council's website and digital offer. The committee is asked to note the actions being taken by officers to improve web satisfaction and performance and the progress made to improve the council's website.

3 ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 None.

4 POST DECISION IMPLEMENTATION

- 4.1 The council will continue to ensure the improvements highlighted in this report are monitored and will track both the customer and financial benefits enabled by these changes.
- 4.2 The pace of change in digital developments will require a continual focus to ensure the council's website continues to improve, meets resident's expectations and has the flexibility to enable the overall ambition and priorities of the council. A focus on co-designing changes with residents and businesses to ensure the website works for them in the future will continue to be a key priority and focus.

5 IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 Barnet's vision in the Corporate Plan is to have re-designed local services that are integrated, intuitive and efficient, making life simpler for residents and customers. The Customer Transformation Programme enables this priority and is enabling contribution to the council's Medium Term Financial Strategy (MTFS).
- 5.1.2 Customer satisfaction in the website is a corporate indicator and the Financial Performance and Contracts Committee's role in scrutinising the performance of this supports the objectives of achieving value for money and quality services.

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

- 5.2.1 The improvements outlined in this report will enable savings contributing to wider MTFS delivery for the council.

5.3 Social Value

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

5.3.2 Improvements outlined in this report will ensure that more information and services are available online so that customers can access them at a time of their choosing, and that barriers preventing customers accessing online channels are addressed through a Digital Inclusion Strategy.

5.4 Legal and Constitutional References

5.4.1 The council's Constitution, Article 7 Committees, Forums, Working Groups and Partnerships, sets out the functions of the Financial Performance and Contracts Committee as being Responsible for the oversight and scrutiny of:

- The overall financial performance of the council
- The performance of services other than those which are the responsibility of the: Adults & Safeguarding Committee; Assets, Regeneration & Growth Committee; Children, Education & Safeguarding Committee; Community Leadership & Libraries Committee; Environment Committee; or Housing Committee
- The council's major strategic contracts including (but not limited to):
 - Analysis of performance
 - Contract variations
 - Undertaking deep dives to review specific issues
 - Monitoring the trading position and financial stability of external providers
 - Making recommendations to the Policy & Resources Committee and/or theme committees on issues arising from the scrutiny of external providers
- At the request of the Policy and Resources Committee and/or theme committees consider matters relating to contract or supplier performance and other issues and making recommendations to the referring committee
- To consider any decisions of the West London Economic Prosperity Board which have been called in, in accordance with this Article.

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

5.5 Risk Management

5.5.1 The council's Risk Management Framework is used to identify and respond to risks across all the council's services and is used in delivery of the Customer Transformation Programme. An external audit on the Customer Transformation Programme recently closed and a Substantial assurance rating was given in this regard.

5.6 Equalities and Diversity

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

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

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

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

5.6.4 This is also what we expect of our partners.

5.6.5 The delivery of the improvements outlined and enabled by the Customer Transformation Programme have been considered in an Equalities Impact Assessment and Digital Inclusion Strategy implementation plan. There are potential equalities impacts and these are being monitored and addressed within the project as outlined in paragraphs 1.8 and 1.9 above.

5.6.6 It should also be noted that residents across a wide range of demographics and disabilities supported the design of the new site through testing and engagement forums.

5.7 Corporate Parenting

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

5.8 Consultation and Engagement

5.8.1 Obtaining customer feedback is part of the contract management process to inform service delivery, service development and service improvement. Engagement undertaken in the development of the new website has been outlined in this report, in section 1.7 above.

5.9 Insight

5.9.1 The report identifies the approach to ensuring customer insight, data and feedback from residents has been used in regard to the improvements made to the new website.

6 BACKGROUND PAPERS

6.1 Improving Customer Services – website satisfaction, Financial Performance and Contracts Committee, 9 October 2018
<https://barnet.moderngov.co.uk/documents/s48730/Customer%20Services.pdf>

This page is intentionally left blank

	Financial Performance and Contracts Committee 11 March 2019
Title	Highways Recruitment and Resourcing
Report of	Commercial Director
Wards	All
Status	Public
Urgent	No
Key	No
Enclosures	Appendix 1: Vacancy and appointments log
Officer Contact Details	Alun Parfitt, Operations Director, Regional Enterprise (Re) alun.parfitt@capita.co.uk Tim Campbell - Strategic Commercial Lead tim.campbell@barnet.gov.uk

Summary

This report seeks to address concerns raised regarding the recruitment and resourcing issues being experienced within the Re Highways service. It also includes an overview of the risk management measures implemented since November 2018.

This report has been requested in response to a referral from Environment Committee (28 November 2018) in relation to item 9, Quarter 2 (Q2) 2018/19 Environment Performance Report, which resolved that management of risk OP014 regarding insufficient resources within the Highways service be referred to the Financial Performance and Contracts Committee for further assessment. In conjunction with the referral, the Environment Committee also stipulated that the responsible officer should submit a paper detailing the measures implemented towards managing risk OP014.

Officers Recommendations

That the Committee:

- 1. Note the measures implemented to address the resourcing issues in Highways.**
- 2. Note the level of progress to date and the ongoing work to address the recruitment shortfalls.**

1. WHY THIS REPORT IS NEEDED

- 1.1 At the November 2018 meeting the Environment Committee determined that the risk of insufficient resources within the Highways service be referred to the Financial Performance and Contracts Committee for follow-up.
- 1.2 The Environment Committee also requested that a paper be submitted by way of update and reassurance on how the risk of insufficient resources within the Highways service (OP014) is being managed.

2. REASONS FOR RECOMMENDATIONS

2.1 Background

- 2.2 The Development and Regulatory Services (DRS) contract places a specific obligation on the Service Provider (Re) to ensure that it maintains an appropriate level of suitably trained and experienced staff necessary for the performance of the relevant services.
- 2.3 As part of the contract management process, Re has kept the council updated regarding the level of resourcing within the Highways service. Concerns were raised regarding the relatively high level of vacancies operating within the service, which rose to 25% in Q2 2018/19, largely due to ongoing difficulties in recruitment.
- 2.4 In recognition of the risks associated with potential understaffing within the Highways service and the high level residual score (16), the risk was escalated to the corporate risk register in Q2 2018/19. A series of control measures were agreed and are being routinely monitored via the Highways Contract Management Meetings (CMMs).

2.5 Mitigations and Actions

- 2.6 In view of the ongoing recruitment and resourcing and other challenges reported by Re, the council introduced enhanced contract management processes. The CMMs are now chaired by the Strategic Director, and Re has developed a Service Improvement Plan. Additional issue-based meetings are also held including a focus on Recruitment.
- 2.7 The council and Re have been working closely together on recruitment issues. The inability to replace the previous Service Director for Highways, who left in 2018, led to an agreed interim solution. Re has appointed an interim Business Director who is accountable to the Operations Director for implementing the actions that form part of an improvement plan addressing service concerns including recruitment. This support role provides additional capacity to the existing Highways management structure, including to the Associate Director who will be accountable for the day to day service delivery and be the interface with senior stakeholders in the council.
- 2.8 Re has continued to focus efforts into recruitment to the vacant posts, and there have been other key appointments as detailed within Appendix 1.

- 2.9 An analysis of Q3 2018/19 data shows that there were four leavers in the period and five new starters which shows a positive direction of travel. This trend will continue to be monitored and the risk remains under active review and remains at 16.
- 2.10 The vacancy and appointments log is attached at Appendix 1. Table 1 shows that there are 15 posts being actively recruited through a number of agencies as at w/c 2 February 2019. Six of which have shortlisted candidates for interview. Table 2 provides details of the 18 posts that have been filled since October 2018. The vacancy level has reduced to 18% from 25% in Q2 2018/19.
- 2.11 The council continues to work with Re to address the underlying recruitment issues.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 None.

4. POST DECISION IMPLEMENTATION

- 4.1 The effectiveness of the risk management measures will continue to be managed via the Highways Contract Management Meetings in the first instance. The Strategic Director for Environment reserves the right to introduce new measures on Re, to the extent that the Re contract facilitates such actions.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 Robust budget, performance and risk 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.
- 5.1.2 Relevant council strategies and policies include the following:
- Corporate Plan 2015-2020
 - Corporate Plan - 2016/17, 2017/18 and 2018/19 Addendums

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

- 5.2.1 There are no additional staffing, ICT or property implications at this stage. The recruitment review will detail any additional resource requirements for the council, if at all.

5.3 Social Value

- 5.3.1 None in the context of this report.

5.4 Legal and Constitutional References

- 5.4.1 The council's Constitution, Article 7 Committees, Forums, Working Groups and Partnerships, sets out the functions of the Financial Performance and Contracts

Committee as including being responsible for the oversight and scrutiny of:

- The overall financial performance of the council
- The performance of services other than those which are the responsibility of the: Adults & Safeguarding Committee; Assets, Regeneration & Growth Committee; Children, Education & Safeguarding Committee; Community Leadership & Libraries Committee; Environment Committee; or Housing Committee
- The council's major strategic contracts including (but not limited to):
 - Analysis of performance
 - Contract variations
 - Undertaking deep dives to review specific issues
 - Monitoring the trading position and financial stability of external providers
 - Making recommendations to the Policy & Resources Committee and/or theme committees on issues arising from the scrutiny of external providers
- At the request of the Policy & Resources Committee and/or theme committees consider matters relating to contract or supplier performance and other issues and making recommendations to the referring committee
- To consider any decisions of the West London Economic Prosperity Board which have been called in, in accordance with this Article.

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

5.5 Risk Management

5.5.1 The council has an established approach to risk management, which is set out in the Risk Management Framework. Any high level (scoring 15 or above) service/joint risks are added to the corporate risk register and reported to the relevant Theme Committee, as well as to Policy and Resources Committee, as part of quarterly performance reporting.

5.6 Equalities and Diversity

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

- a) Eliminate discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010.
- b) Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
- c) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it. The broad purpose of this duty is to integrate considerations of equality into day to day business and keep them under review in decision making, the design policies and the delivery of services. There is an on-going process of regularisation and de-clutter of street furniture and an updating of highway features to meet the latest statutory or technical expectations.

5.7 Corporate Parenting

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

5.8 Consultation and Engagement

5.8.1 Not applicable.

5.9 Insight

5.9.1 Not applicable.

6. BACKGROUND PAPERS

- 6.1 Q2 2018/19 Environment Performance Report and Draft Minutes (noting referral of OP014 to Financial Performance and Contracts Committee), Environment Committee, 28 November 2018
<https://barnet.moderngov.co.uk/ieListDocuments.aspx?CIId=695&MIId=9478&Ver=4>


This page is intentionally left blank

Vacancy No.	Team	Role	Advertised	Interviews
1	Development Control	Senior DC Engineer		
2	Development Control	Senior DC Engineer (to replace recent resignation)		
3	Development Control	Senior DC Engineer (temporary replacement to cover long term sick)		
4	Development Control	DC Assistant Engineer (to replace internal promo)		
5	Development Control	DC Engineer		
6	Parking Design	Senior Parking Design Engineer		
7	Parking Design	Parking Design Engineer		
8	Programme Team	Programme Officer TBC		
9	Safe & Sustainable Travel Team	Development Travel Plan Advisor		
10	Permit / NRSWA Team	Permit Coordinator (interim replacement to support admin & finance)		
11	NRP	Structures/Flood & Water Manager		
12	NRP	Technical Supervisor		
13	Health, Safety Inspection Team	Highways Inspector: contractor audit		
14	Health, Safety Inspection Team	Highways Safety Inspector		
15	Health, Safety Inspection Team	Damage/Highway Inspector		

Table 1 – Vacancies as at w/c 2nd February 2019

Vacancy No.	Team	Role	Start date
1	Senior Management Team	Interim Business Director	28/01/2019
2	Permit / NRSWA Team	Street Works & Permit Manager	09/10/2018
3	Permit / NRSWA Team	Permit Coordinator	29/10/2018
4	Safe & Sustainable Travel	Schools Travel Advisor	TBC
5	Development Control	DC Engineer	29/10/2018
6	Development Control	DC Engineer	TBC
7	Development Control	DC - Engineer	01/10/2018
8	Licencing Team - Skips/Building Licences	Business Support Assistant	05/11/2018
9	Performance Team	Business Support Assistant -temp 6 week role	05/11/2018
10	Communications	Communication Support Officer	02/01/2019
11	Design Team	Design Engineer	05/02/2019
12	Design Team	Assistant Design Engineer	21/01/2019
13	Performance Team	Business Support Assistant - Streetworks	21/01/2019
14	Permit / NRSWA Team	NRSWA Manager	02/01/2019
15	Permit / NRSWA Team	Permit Coordinator	10/12/2018
16	Development Control	DC Engineer	TBC
17	Safe & Sustainable Travel	Travel Engagement Officer	TBC
18	Design Team	S106 Design Engineer	TBC

Table 2 – Appointments since October 2018

	Financial Performance and Contracts Committee 11 March 2019
Title	Quarter 3 2018/19 Contracts Performance Report
Report of	Commercial Director
Wards	All
Status	Public
Urgent	No
Key	No
Enclosures	None
Officer Contact Details	Elaine Tuck, Head of Commercial Management elaine.tuck@barnet.gov.uk Alaine Clarke, Head of Performance and Risk alaine.clarke@barnet.gov.uk

Summary

This report provides an overview of performance for the key strategic contracts, where information has not been reported to a Theme Committee as part of the Quarter 3 (Q3) 2018/19 Themed Performance Reports.

Officers Recommendations

The Committee is asked to review the Quarter 3 (Q3) 2018/19 performance in relation to back office functions delivered by the Customer and Support Group (CSG) and Planning delivered by Regional Enterprise (Re) and note any recommendations to Policy and Resources Committee or Theme Committees on issues arising from this review.

1. PURPOSE OF REPORT

Introduction

- 1.1 This report provides an overview of performance for the key strategic contracts, where information has not been reported to a Theme Committee, as part of the Q3 2018/19 Themed Performance Reports.
- 1.2 Contract performance for **The Barnet Group** (including Barnet Homes and Your Choice Barnet), **Cambridge Education** and **Regional Enterprise (Re)**, including relevant performance indicators and high level joint risks, has been reported to the Theme Committees. One matter in relation to the Highways service (Re) has been referred to this Committee, which has been set out in a separate paper.
- 1.3 As there is no Theme Committee that considers the **back office functions** delivered by the **Customer and Support Group (CSG)** nor **Planning (Re)**, performance and risk information relating to these services is reported here. Budget forecasts have been included in the Q3 2018/19 Strategic Performance Report to Policy and Resources Committee on 20 February 2019. There is also a separate Chief Finance Officer report to this Committee.

Back office functions (CSG)

Overview

- 1.4 Preparations have been taking place for the insourcing of Strategic HR and Finance functions, subject to the outcome of public consultation. The quality of all CSG services continues to be closely monitored. Payroll accuracy has improved during Q3 and is now on target, customer services demand reduction initiatives are starting to show results, and Housing Benefit Overpayment recovery has increased by 72% when compared to the same time last year (£1,458,074 from £848,426). However, there are particular concerns about **Finance, Pensions and audit action completion**.
 - In terms of **Finance**, progress against the financial controls improvement plan was reported to Audit Committee on 31 January 2019. Whilst good progress had been made some key outstanding areas remain, including the capital budget monitoring process and the accounts payable process of approving new suppliers (both one-time vendors and master data).
 - A **Pensions** improvement plan remains in place. Data quality has improved, but there are remaining data quality issues and significant shortcomings in terms of admission agreements and bonds. The Pensions Regulator is keeping Barnet under close scrutiny.
 - As reported to Audit Committee on 31 January 2019, there are several overdue **audit actions** relating to CSG services, primarily Finance and HR (accounts payable, onboarding, teachers' pensions, and temporary and interim workforce). Work on most of these actions is in progress and officers have committed to significant progress being reported to the next Audit Committee.

- 1.5 In terms of the other CSG services, performance has been broadly satisfactory, with the significant exception of **user and commissioner satisfaction**. The upper quartile targets for satisfaction have not been met since the CSG contract began. More detail on this can be found in paragraph 1.35. An update on each of the CSG services is provided below in paragraphs 1.6 to 1.32.

Finance

- 1.6 The upgrade of system e-forms has been successfully delivered, directly addressing internal **audit action** requirements. A significant portion of the work arising from the Grant Thornton Internal Controls report has been implemented; however there remain a number of significant issues requiring final sign-off such as capital budget monitoring and the accounts payable process where a project has been initiated to understand the issue further with a view to resolving it urgently.
- 1.7 The **closing of accounts** is progressing effectively with a detailed plan established and stakeholders fully engaged. Risks to delivery are being managed through the increased resourcing of the team funded by both Capita and the council.
- 1.8 Plans for the **insourcing of Finance** (subject to the outcome of public consultation) are underway including staff engagement and transition planning. Independent to the transition, staffing changes have been made across the Business Partnering function to improve capacity and performance of the service. A range of activities to improve financial management skills of staff in the organisation are underway. These activities should also strengthen the Finance team and improve service delivery and perception across the council.

Pensions

- 1.9 Following the appointment of a specialist Pensions Consultant by the council, further focus has been placed on **pensions administration**. Despite considerable effort to address the quality of pensions administration and some improvements made, further issues have emerged including some admission agreements and bonds not being in place. These are being followed up urgently.
- 1.10 Data cleanse activity to date has improved data quality, but significant data quality issues remain. Independent analysis of data conducted by Hymans Robertson has confirmed known critical issues outstanding that are being addressed through the action plan in place. A conditional data cleanse plan was drafted in January 2019 and sent to the Pensions Regulator.
- 1.11 The scheme remains under scrutiny by the Pensions Regulator and considerable effort is going into ensuring CSG internal controls are robust and into reporting Scheme Manager activity back to the Pensions Regulator.

Human Resources

- 1.12 The new agency/temporary staff contract with Matrix went live in October 2018. Several high priority **audit actions** relating to DBS requirements for temporary worker roles remain outstanding, as reported to Audit Committee on 31 January 2019. However, officers reported to the Committee that no staff requiring a DBS check currently employed by the council do not have one.

- 1.13 The iTrent payroll system for schools went live and training took place in Q3. The new e-recruitment system (Vacancy Filler) went live in November 2018. The Core HR system upgrade has been completed on time, which will facilitate desktop reporting for managers. Work to identify operational and strategic workforce data requirements is being undertaken as part of the strategic contract review.
- 1.14 There has been an improvement in **Payroll accuracy**. The KPI passed in Q3 (0.02% against a target of 0.1%), with only one payroll error out of 6,852 transactions. The improvement plan provided by Capita is monitored monthly.
- 1.15 An interim Director for CSG HR started in October 2018 and a new Account Director has also started, providing the liaison and client relationship management for offsite HR services. CSG Strategic HR are reporting resource constraints and priority is being given to the work underway to effectively plan for the proposed return of Strategic HR to the council, subject to the outcome of consultation.

Corporate Programmes

- 1.16 During Q3, work continued on key programmes, notably leisure centres, schools and The Way We Work (TW3).
- **Investment in leisure centres** – Mechanical and Electrical work is almost complete on the two new leisure centres at New Barnet and Copthall. Both leisure centres are scheduled to be handed over on the 5 July and 1 August 2019 respectively.
 - **Blessed Dominic and St James' school expansion** - Significant works have taken place in Q3, with external walls for parts of the school complete and windows installed, and the elevation of the North, East and South areas completed.
 - **TW3** - Work has continued on the new office build in Colindale. However, a dispute with the builder about the final fit-out and costings has the potential to impact on the completion date and office move. A separate paper on the Colindale office move is on the agenda for this Committee. The Staff Development Programme, Changing the Way We Work, has been piloted amongst change champions and early adopters ahead of a full roll-out in January 2019. 'Team Principles' have been drawn up and adopted across the organisation to stimulate discussion and agree on how teams will work now and in the future with changing work practices. A competition has been undertaken to name the meeting rooms at Colindale, with some excellent suggestions put forward. Further Skype training sessions have been held to support those who did not attend the original sessions or required further assistance to get the best from this tool.

Customer Services

- 1.17 The focus has remained on reducing telephone contacts and costs. The expected benefits and delivery dates of a range of **demand reduction initiatives** have been agreed between CSG and the council. The baseline against which demand is calculated has also be revised to reflect the impact of these initiatives and a tracker is in place to monitor progress. These initiatives ensured no additional contract costs were incurred in Q3. It is anticipated that this cost-neutral position will be maintained in Q4 and savings will be generated in 2019/20.

- 1.18 **Website satisfaction** at 30% has again missed target (55%) in Q3. The change in bin collection rounds had a negative impact on ratings, as did issues with My Account. There has been an improvement in January 2019, with web satisfaction at 34.9%, as a result of improved bin operations and work is ongoing to resolve issues with passwords. The new council website launched in February 2019 and should improve satisfaction ratings.

Information Systems

- 1.19 The KPIs have been met with most incidents and requests resolved in a timely manner. Dedicated Wi-Fi has been set up for Members, which should enable Members to login and connect without the requirement of re-authenticating. The roll-out of the latest version of Microsoft Windows 10 has continued, with c.1000 staff now live.
- 1.20 A lessons learned document has been produced on the Office 365 roll-out and a strategy recommending next steps has been completed. A detailed review of the **user and commissioner satisfaction survey** results has been carried out and an improvement plan is being put in place as a result of this. A paper will be brought to a future meeting of the Committee.

Procurement

- 1.21 The most significant change this quarter has been the removal of **procurement gainshare and guarantee arrangements** from the CSG contract, as agreed by Urgency Committee on 30 November 2018. Internal processes are being revised in line with this and performance of the procurement service is being closely monitored to ensure that savings continue to be secured.
- 1.22 Progress is being made against the strategic workplan for the year. Following a series of workshops with service areas to identify upcoming procurement requirements, the Procurement team prepared the 2019/20 Annual Procurement Plan, which was approved by Policy and Resources Committee on 11 December 2018. A new Contract Management Toolkit has been agreed with service areas and has started to be rolled-out across contracts; and further training and progression of an e-KPI pilot has taken place with service areas.
- 1.23 There were 25 live procurement projects in Q3, including:
- Award of a new Corporate Cleaning and Washroom Contract
 - Go live of the new agency/temporary staff contract on 1 October 2018. Audit actions in relation to the previous contract have been reflected in the new contract with Matrix and are being progressively implemented as the contract embeds. Progress was reported to Audit Committee on 31 January 2019. A paper on the mobilisation of the new contract with Matrix is on the agenda for this Committee
 - Co-design workshops have been held with parents, carers and providers to develop specifications for Short Breaks

- Market events have been held to communicate opportunities for Homecare and Short Breaks to potential providers and provide training and guidance on how to bid for these opportunities.

Revenue and Benefits

1.24 The four-yearly **collection targets** for council tax and business rates have been met. Both are on track to achieve the end of year target. However, there is currently no benchmarking data available for four-year collection rates, which makes it difficult to know how well Barnet is performing in comparison with other London Boroughs and nationally. This creates a potential financial risk to the council by increased bad debt provisions owing to aged debt being more difficult to collect. The benchmarking data available from MHCLG for in-year collection rates is set out in table 1 below. This shows that in-year collection rates for Barnet have been behind the Outer London Boroughs for some time. In-year collection is a focus for future work.

Table 1: In-year collection rates for council tax and business rates

Council tax collection (in-year)			Business rate collection (in-year)				
	Barnet	Outer London	England		Barnet	Outer London	England
15/16	96.1%	96.8%	97.1%	15/16	96.7%	98.4%	98.2%
16/17	96.1%	97.0%	97.2%	16/17	97.0%	98.6%	98.2%
17/18	96.0%	97.1%	97.1%	17/18	96.9%	98.7%	98.4%

- 1.25 **Housing Benefit Overpayment recovery** has increased by 72% when compared to the same time last year (£1,458,074 from £848,426) providing an increased income to the council.
- 1.26 The introduction in May 2018 of Full Service **Universal Credit (UC)** has continued to generate large volumes of additional work, resulting in resourcing issues for CSG. Currently, notification of changes to UC entitlement are received daily which requires officers to check the document over to ensure the changes don't impact on the Council Tax Support (CTRS) award. This can be time consuming as some of the income included within the UC notice is ignored for CTRS i.e. housing costs. On a lot of the occasions the decision notice doesn't impact on the award of CTRS but the checking is still required. The Council Tax Support scheme will be changing from April 2019, which should provide an opportunity to reduce this pressure as the simpler nature of the banded scheme will allow automatic processing of the UC award notices as it will be looking solely at the earned income field.
- 1.27 Work has progressed to introduce a new suite of **digital forms** for Council Tax. These will be 'live' before the end of March 2019 and should bring an improved customer experience. Following annual billing, the council will work with Capita to introduce e-billing.
- 1.28 The **annual housing benefit subsidy audit** identified a historic error in the system, which has led to the claim being qualified. With assistance from Capita, the council has put a representation forward to the Department of Works and Pensions that the reclaim should be less (£588k) and await their feedback. Under the current contractual terms should the council be requested to repay any subsidy, Capita will be required to meet this cost.

- 1.29 The council is required to submit a **quarterly return to MHCLG** on council tax and business rates collection performance. The Q2 return, which was due in October 2018, was not submitted until after the deadline by CSG. A stronger process is being put in place to ensure future deadlines are met.
- 1.30 Benefits complaints have increased slightly to 39 (from 36 in Q1 and 31 in Q2), with **complaints upheld partially or in full** at 67% (from 53% in Q1 and 39% in Q2). Information on the reasons for complaints and the reasons why they were upheld has been requested from CSG; and analysis will be carried out to understand and address the underlying causes.

Safety, Health and Wellbeing (SHaW)

- 1.31 The service remains on target to meet its annual work plan. The risk profiling heat map has been reviewed by the council and is being finalised. Discussions will take place to review next steps, identify risk areas and evolve service delivery around the actions required to support the business to reduce risk. The service is continuing to deliver support, guidance and advice to staff as well as carrying out monitoring activities such as audits, inspections and investigations. There has been an increase in training being provided to council employees and schools, for which positive feedback has been received.
- 1.32 The Workplace Health and Wellbeing Steering Group has met to drive the council's workplace wellbeing strategies. Health checks have been made available to staff in January 2019. A recent staff survey was carried out to gain information on the type of wellbeing activities staff were keen to be made available for staff. The survey had a good response with many suggestions and offers of support. Three open hours have been arranged for likeminded staff to get together and find ways of organising these activities.

Key Performance Indicators (KPIs)

	Green	Amber	Red	Monitor only	Improved/Same	Worsened	No. indicators
KPIs ¹	23	2	9	1	21	10	35

- 1.33 35 KPIs were reported in Q3. 11 did not meet the quarterly target. These were **accuracy of benefits assessments** (see paragraph 1.34) and 10 (of 11) **user and commissioner satisfaction** indicators (see paragraph 1.35).
- 1.34 **Accuracy of benefit assessments (RAG rated AMBER)** – 93.9% against a target of 95%. The methodology for this KPI has been updated to improve accuracy check benefit assessments carried out by CSG Revenue and Benefits service. Using the updated methodology, the KPI failed to meet its target of 95%. LLB and CSG have agreed to work together between now and the end of Q1 2019/20 to put appropriate measures in place to achieve the required levels.

¹ Includes indicators in the Corporate Plan reported to Policy and Resources Committee.

Indicator ²	Polarity	17/18 EOY	18/19 Target	Q3 18/19			Q3 17/18
				Target	Result	DOT	Result
Accuracy of benefit assessments	Bigger is Better	96.4%	95%	95%	93.9% (A)	New for 18/19	New for 18/19
Payroll Accuracy - error rates	Smaller is Better	0.3%	0.1%	0.1%	0.02% (G)	↑ I -78%	0.11%
Incident resolution	Bigger is Better	92.8%	95%	95%	95.7% (G)	↑ I +2.8%	93.0%
Compliance with Authority policy	Bigger is Better	Fail	Pass ³	Pass	Pass (G)	↓ W	Fail
Customers who rate phone calls, emails and face-to-face service as good (GovMetric)	Bigger is Better	90.3%	89%	89%	90.0% (G)	↑ I +0.2%	89.9%
Customers satisfied following case closure	Bigger is Better	69.2%	65%	65%	76.9% (G)	↑ I +14%	67.6%
Customer Services closing cases on time	Bigger is Better	97.4%	94%	94%	95.2% (G)	↓ W -0.3%	95.4%
Customer Services closing cases on time (Customer Advocacy Service)	Bigger is Better	100%	95.2% ⁴	95.2%	100% (G)	→ S	100%
Cases/transactions completed via self-service channels	Bigger is Better	New for 18/19	48% ⁵	48%	48.3% (G)	New for 18/19	New for 18/19
Budget forecasting - variance to budget	N/A	Fail	Pass	Pass	Pass	→ S	Pass
Budget savings monitoring report produced	Bigger is Better	Pass	Pass	Pass	Pass	→ S	Pass
DBS verification audits	Bigger is Better	99.7%	100%	100%	100% (G)	→ S	100%
Absence projects and Interventions ⁶	N/A	Pass	Pass ⁶	Pass	Pass	→ S	Pass
Critical system availability	Bigger is Better	99.9%	99.5%	99.5%	99.9% (G)	↓ W -0.01%	100%
Facilities management incident resolution	Bigger is Better	100%	100%	100%	100% (G)	→ S	100%

² No benchmark data available for CSG KPIs.

³ This is a qualitative measure. It measures non-compliance with authority policy that could lead to adverse impact (serious risk of death, a judgement against the council by a statutory or regulatory body; a fine, disciplinary measure, successful claim or other award against the council).

⁴ The target for this KPI is to achieve more than the period's result for the Customer Services closing cases on time KPI.

⁵ Target changed from 77% to 48%. The methodology previously included self-service i.e. web forms but also included 'web sessions' i.e. users browsing the website as self-service. 'Web sessions' was removed as a form of self-service and the target was revised down.

⁶ This is a qualitative measure and refers to completion of projects/interventions that have been agreed in a rolling quarterly programme of work to positively reduce the council's staff sickness absence.

Indicator ²	Polarity	17/18 EOY	18/19 Target	Q3 18/19			Q3 17/18
				Target	Result	DOT	Result
Contract compliance - new contracts over £25k ⁷	Bigger is Better	100%	100%	100%	100% (G)	→ S	100%
Contract compliance - legacy contracts over £25k ⁸	Bigger is Better	99.9%	98.9%	98.9%	100% (G)	↑ I +0.1%	99.9%
Effective contract management - complex legacy contracts (Contract Procedure Rules)	Bigger is Better	100%	60%	60%	100% (G)	→ S	100%
London Procurement Pledge - cumulative apprenticeships ⁹	Bigger is Better	65	60	60	85 (G)	↑ I +31%	65
London Procurement Pledge - cumulative work experience ¹⁰	Bigger is Better	258	240	240	353 (G)	↑ I +37%	258
Speed of processing new claims	Smaller is Better	22	22	22	20 (G)	↑ I +10%	22
Speed of processing changes	Smaller is Better	5	6	6	6 (G)	→ S	6
Statutory compliance with civic estate (planned inspections)	Bigger is Better	100%	100% (1861) ¹¹	Monitor	492 (1300 YTD)	N/A	N/A ¹²
Lease renewals	Bigger is Better	100%	100%	100%	100% (G)	New for 18/19	New for 18/19
Payroll - correct pay date	Bigger is Better	100%	100%	100%	100% (G)	→ S	100%

1.35 User satisfaction and commissioner satisfaction indicators (nine RAG rated RED and one RAG rated AMBER). 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. Capita has not hit the targets for satisfaction, but there have been incremental improvements in most areas, with some notable exceptions such as finance where satisfaction has declined. This is in the context of significant savings being delivered through the Capita contract. Satisfaction improvement plans are in place for each service area, and Capita has been asked to evidence that feedback from the satisfaction survey and other more regular surveys are used to inform continuous service improvement activity.

⁷ Percentage of the value of new contracts over £25k awarded and managed in accordance with CPR's and procurement legislation.

⁸ Percentage of the value of legacy contracts over £25k managed in accordance with CPR's and procurement legislation.

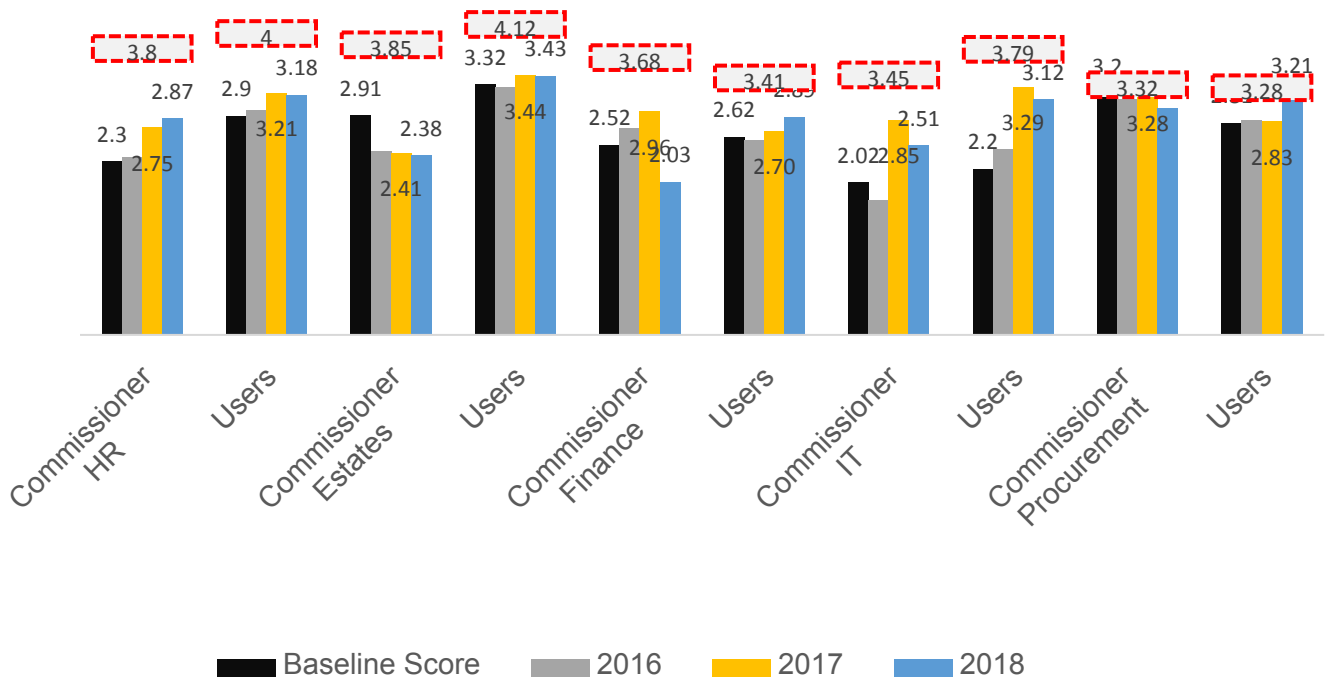
⁹ Cumulative refers to the start of the contract - September 2013.

¹⁰ Cumulative refers to the start of the contract - September 2013.

¹¹ The annual target may change throughout the year because of the removal of buildings due to them being closed, fall under project works or have been leased out.

¹² 2017/18 programme covered five buildings. Q3 2017/18 result not available. The programme in Q3 2018/19 covers 94 buildings.

Trend analysis of survey results from 2016 to 2018



Indicator	Polarity	Baseline	17/18 EOY ¹³	18/19 Target	Q3 18/19			Q3 17/18 ¹⁴
					Target	Result	DOT	Result
User Satisfaction - IT	Bigger is Better	2.2	3.27	3.79 (Upper quartile score)	3.79 (Upper quartile score)	3.12 (R)	↓ W -5.2%	3.29
User satisfaction - HR	Bigger is Better	2.9	2.82	4 (Upper quartile score)	4 (Upper quartile score)	3.18 (R)	↓ W -0.9%	3.21
User satisfaction -Procurement	Bigger is Better	2.81	2.47	3.28 (Upper quartile score)	3.28 (Upper quartile score)	3.21 (R)	↑ I +13%	2.83
User satisfaction - Estates	Bigger is Better	3.32	3.14	4.12 (Upper quartile score)	4.12 (Upper quartile score)	3.43 (R)	↓ W -0.3%	3.44
User satisfaction - Finance	Bigger is Better	2.62	2.49	3.41 (Upper quartile score)	3.41 (Upper quartile score)	2.89 (R)	↑ I +7.0%	2.70

¹³ Result as reported in 2017/18.

¹⁴ Methodology note - Users and commissioners (primarily senior management) are asked to rate services on a scale of 1 to 5 with 1 being strongly disagree and 5 being strongly agree. In 2016's survey those who responded 'not applicable', as they did not use the service, were marked as a 0 and included in the score; this skewed the average score and therefore showed satisfaction as lower than it was. 2018's data has been calculated excluding those who responded 'not applicable' and 2016 and 2017's data has been amended in line with this to ensure consistency. None of the KPIs have been met since contract commencement and the re-calculation does not change this.

Indicator	Polarity	Baseline	17/18 EOY 13	18/19 Target	Q3 18/19			Q3 17/18 ¹⁴
					Target	Result	DOT	Result
Commissioner Satisfaction - Corporate IS	Bigger is Better	2.02	2.75	3.45 (Upper quartile score)	3.45 (Upper quartile score)	2.51 (R)	↓ W -12%	2.85
Commissioner Satisfaction – HR	Bigger is Better	2.3	2.36	3.8 (Upper quartile score)	3.80 (Upper quartile score)	2.87 (R)	↑ I +4.4%	2.75
Commissioner Satisfaction - Procurement	Bigger is Better	3.2	2.4	3.32 (Upper quartile score)	3.32 (Upper quartile score)	3.01 (A)	↓ W -8.2%	3.28
Commissioner Satisfaction - Estates	Bigger is Better	2.91	1.69	3.85 (Upper quartile score)	3.85 (Upper quartile score)	2.38 (R)	↓ W -1.2%	2.41
Commissioner Satisfaction – Finance	Bigger is Better	2.52	2.62	3.68 (Upper quartile score)	3.68 (Upper quartile score)	2.03 (R)	↓ W -31%	2.96

High level risks

1.36 There are two high level risks (scoring 15+) on the joint risk register with CSG, which is being managed in accordance with the council's risk management framework.

- CSG007 - Quality of CSG finance support falls below required standard (residual score 15).** Inadequate resourcing and/or poor processes could lead to incomplete or misleading financial information. Additionally, instances of performance failure have occurred within the Accounts Payable function (such as failed payment runs and lost invoices) leading to potential impacts on the council's functions and service users, its reputation with suppliers and officer time spent dealing with complaints. CSG Management Team are working closely with the client team to manage the risk and ensure resources are deployed in the most effective manner.
- CSG08 - Misstatement of Pension Fund (residual score 15 – increased from 12).** The lack of appropriate resourcing and non-escalation of issues to the appropriate manager could lead to a misstatement of pension fund statutory accounting and reporting (errors and delays) resulting in a qualified audit report. The ongoing audit issues relating to the data quality of membership information for 2017/18 have continued. Errors identified during the audit of Schools Pensions data have led to an increase in the likelihood score from 4 to 5, resulting in an increased residual score of 15 from 12.

Development Management

- 1.37 The Development Management service has continued to perform highly, dealing with the 2nd highest number of planning applications in London and delivering 85.7% of applications within timescales against a 75% target.
- 1.38 A review of the effectiveness of the proactive enforcement post took place; a capacity funded through the increase to planning fees since January 2018. Environmental health and council tax data was used to investigate non-compliance dating back to 2014. During the period, 244 cases were investigated including 132 Houses in Multiple Occupation. This has resulted in 15 enforcement notices being served and 39 planning applications to regularise works.
- 1.39 Considering that 60% of cases (143) are still open and subject to ongoing investigation, the investment has had substantial impact. It has therefore been agreed to fund a second officer in 2019 to provide supplementary capacity and enable a broadening of planning enforcement activities to other sources of data.

Building Control

- 1.40 Performance of the service has been high with 100% of applications being completed within timescales. Marketing exercises have continued to target improved market share of building control activities. As part of this programme of activity the schedule of fees and charges were thoroughly re-worked to ensure fairness of recharging between types of services provided.
- 1.41 The pilot for mobile working technology began, if it proves successful then all building control staff will be able to move across to more flexible mobile devices that will enable more activities to be completed on site (e.g. capturing of photos directly into case notes, and issuing certificates to clients).

Strategic Planning

- 1.42 Work on the Local Plan has continued including several meetings of the Members Advisory Group and production of the first complete Regulation 18 draft of the Plan for internal review. The draft plan is expected in spring 2019.
- 1.43 In December 2018, Council approved the Regulation 19 draft North London Waste Plan and the Brownfield Land Register (2018 update) was approved by Planning Committee.
- 1.44 During Q3, the council secured £4.5m Community Infrastructure Levy (CIL), a further significant contribution from new developments. This will fund projects within the capital programme, including parks investment in Colindale and re-development of leisure centres.

Key Performance Indicators (KPIs)

	Green	Amber	Red	Monitor only	Improved/Same	Worsened	No. indicators
KPIs	5	0	0	1	3	3	6

- 1.45 Six KPIs were reported in Q3 and all met target. One is a 'Monitor only' indicator for the quarter and has worsened since last year.
- 1.46 **Section 106 cases cleared annually - payment of Section 106 obligations by developers to the Authority (Monitor only).** This is an annual indicator monitored on a quarterly basis. The Q3 result was 87.5%, slightly lower than last year (91.7%) but well above the annual target. The KPI is expected to meet the annual target at year-end.

Indicator ¹⁵	Polarity	17/18 EOY	18/19 Target	Q3 18/19			Q3 17/18
				Target	Result	DOT	Result
Decisions made within building regulation statutory timescales	Bigger is Better	97%	96%	96%	100% (G)	↑ I +9.4%	91.4%
Average time taken to process requests for Full Official Searches (online and post) in Land Charges	Smaller is Better	3 days	3 days	3 days	2.7 days (G)	↓ W -3.2%	2.61 days
Compliance with planning application statutory timescales for major, minor, other applications	Bigger is Better	85.6%	75%	75%	84.8% (G)	↑ I +0.8%	84.1%
Strategic planning documents completed and signed off	Bigger is Better	100%	100%	100%	100% (G)	→ S	100%
Section 106 cases cleared annually (payment of Section 106 obligations by developers to the Authority) (Annual)	Bigger is Better	88.9%	80%	Monitor	87.5%	↓ W -4.5%	91.7%
Community Infrastructure Levy (CIL) cases cleared annually (payment of overall CIL obligations by developers to the Authority)	Bigger is Better	83.1%	80%	80%	84.4% (G)	↓ W -9.2%	100%

High level risks

- 1.47 There were no high level risks (scoring 15+) on the joint risk register with Re for Planning.

¹⁵ No benchmark data available for Planning KPIs.

2 REASONS FOR RECOMMENDATIONS

- 2.1 The report provides an overview of performance for the key strategic contracts, where information has not been reported to a Theme Committee, as part of the Q3 2018/19 Themed Performance Reports. The Committee is asked to review the Q3 performance in relation to back office functions delivered by CSG and Planning delivered by Re, which are not reported to any Theme Committee.

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 Budget, performance and risk information for the key strategic contracts in relation to the priorities in the Corporate Plan have been reported to the relevant Theme Committees. One matter in relation to the Re contract has been referred to this Committee, which has been set out in a separate paper.

- 5.1.2 The Q3 2018/19 results for all KPIs are published on the Open Barnet portal at <https://open.barnet.gov.uk/dataset>

- 5.1.3 Robust budget, performance and risk 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.

- 5.1.4 Relevant council strategies and policies include the following:

- Corporate Plan 2015-2020
- Corporate Plan - 2016/17, 2017/18 and 2018/19 Addendums
- Medium Term Financial Strategy
- Performance and Risk Management Frameworks

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

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

- 5.2.1 The budget forecasts for CSG are reported as part of the CFO paper to this Committee.

5.3 Social Value

- 5.3.1 The Public Services (Social Value) Act 2012 requires people who commission public services to think about how they can also secure wider social, economic and environmental benefits. Before commencing a procurement process, commissioners

should think about whether the services they are going to buy, or the way they are going to buy them, could secure these benefits for their area or stakeholders. As set out in the council's Contract Procedure Rules, commissioners should use the Procurement Toolkit, which includes Social Value guidance. The Contract Management Toolkit should also be used to help ensure that contracts deliver the expected services to the expected quality for the agreed cost. Requirements for a contractor to deliver activities in line with Social Value will be monitored through the contract management process.

5.4 Legal and Constitutional References

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

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

5.4.3 The council's Constitution, Article 7 Committees, Forums, Working Groups and Partnerships, sets out the functions of the Financial Performance and Contracts Committee as being Responsible for the oversight and scrutiny of:

- The overall financial performance of the council
- The performance of services other than those which are the responsibility of the: Adults & Safeguarding Committee; Assets, Regeneration & Growth Committee; Children, Education & Safeguarding Committee; Community Leadership & Libraries Committee; Environment Committee; or Housing Committee
- The council's major strategic contracts including (but not limited to):
 - Analysis of performance
 - Contract variations
 - Undertaking deep dives to review specific issues
 - Monitoring the trading position and financial stability of external providers
 - Making recommendations to the Policy & Resources Committee and/or theme committees on issues arising from the scrutiny of external providers
- At the request of the Policy & Resources Committee and/or theme committees consider matters relating to contract or supplier performance and other issues and making recommendations to the referring committee
- To consider any decisions of the West London Economic Prosperity Board which have been called in, in accordance with this Article.

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

<https://barnet.moderngov.co.uk/documents/s47388/17FinancialRegulations.doc.pdf>

5.5 Risk Management

5.5.1 The council has an established approach to risk management, which is set out in the Risk Management Framework. All high level risks (scoring 15 or above) associated with the CSG contract and Re Planning are outlined in the report.

5.6 Equalities and Diversity

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

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

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

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

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

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

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

5.7 Corporate Parenting

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

5.8 Consultation and Engagement

5.8.1 Obtaining customer feedback is part of the contract management process to inform service delivery, service development and service improvement.

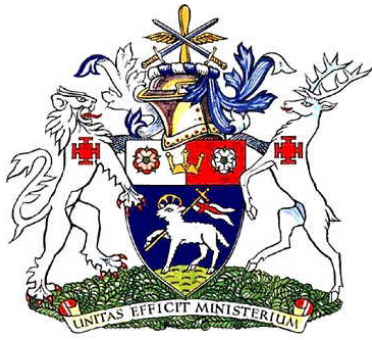
5.9 Insight

5.9.1 The report identifies performance and risk information in relation to the back office functions provided by CSG.

6 BACKGROUND PAPERS

6.1 None.

This page is intentionally left blank



Financial Performance and Contracts Committee

11 March 2019

Title	Colindale Office Move - Update
Report of	Chief Executive
Wards	All
Status	Public (with exempt report which is not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972)
Urgent	No
Key	No
Enclosures	None
Officer Contact Details	Chris Smith, Head of Estates chris.smith@barnet.gov.uk Natasha Edmunds, Strategic HR Lead natasha.edmunds@barnet.gov.uk

Summary

This report provides an update on the upcoming relocation of staff to the new office development in Colindale.

The report summarises progress of the construction of the new office and associated accommodation, along with the technology provision and staff development programme that is being delivered to equip staff for the change in accommodation and working practices.

This reports also sets out the key risks to the successful delivery of the programme along with the mitigation measures in place to reduce the likelihood and impact of these risks.

Officers Recommendations

1. That the Committee notes the progress towards the transition to the new council office in Colindale
2. That the Committee notes the current contractual position with the council's main construction partner delivering the new offices in Colindale

1. WHY THIS REPORT IS NEEDED

INTRODUCTION

- 1.1 The Way We Work (TW3) Programme aims to deliver new office accommodation for council staff and partners in the heart of the regeneration area in Grahame Park, Colindale. This will result in all staff moving out of the existing buildings in NLBP and Barnet House and requires staff to undergo a change programme in how they think about and perform work, by transforming working environments, business processes, working practices, management culture and employee behaviour. There are approx. 2300 staff that will be impacted, based across three sites; North London Business Park (NLBP) Building 2, NLBP Building 4 and Barnet House. This includes staff from partner organisations, including: The Barnet Group, Customer Support Group (CSG), Re, and Cambridge Education.
- 1.2 The overarching vision of The Way We Work Programme is to *Empower people to choose where, when and how they work to deliver the best service to customers*. In practice this means with improved technology the requirement to return to the office is reduced for some staff who can spend more of their time visiting customers around the borough. Skype telephony allows staff to take a call away from their desk as their phone is built into their laptop and follows them wherever they are. Information access is improved with staff now able to access their files whether they work from the office, home, a partner organisation or even when with residents; all they need is access to the internet. Staff are becoming less reliant on paper and storing things electronically therefore the requirement for storage is reduced and officers can access files when they are not in the office. Collaboration between officers and with partners is, therefore, becoming quicker and more efficient and secure. In addition to providing better services to residents, the increased mobility of staff and reduced reliance on physical office space in turn facilitates savings against accommodation requirements. This flexibility and mobility needs to be balanced with effective management oversight and supervision, as well as team cohesion, but it is about becoming a modern 21st century organisation. A mandatory series of training courses for managers and all staff are being designed and delivered through the programme to prepare staff for these changes and maximise the benefits that can be realised.
- 1.3 The objectives of The Way We Work to support the vision are:
 - Staff and employers working flexibly to achieve efficient and effective service delivery, generating significant savings in the civic accommodation by September 2023.
 - Staff working in locations which supports them to dedicate more time delivering frontline services face-to-face and to respond to changing needs and demand.
 - Accommodation that is the right size, in the right place and is flexible enough to respond to changing needs and is accessible to the public.
 - An attractive place to work, with working culture and practices supporting the delivery of our vision for Barnet.

- Staff with access to the information and tools they need to fulfil their role effectively via efficient information systems and devices that are proportionately secured.
- Effective partnership working, facilitated by systems and environments, data sharing and collaboration.

1.4 The Way We Work Programme seeks to achieve this by:

- Delivering a modern, fit for purpose new office building in the heart of the Colindale regeneration area, which is fitted out to offer a very flexible working environment designed and built with a 50-year life span to accommodate the changing needs of the organisation. As well as successfully exiting existing lease agreements.
- Preparing for and delivering a seamless transfer of staff to their new workplaces by: developing new ways of working to best suit the needs of the services whilst also using office space efficiently; by supporting staff with a suite of HR policies; effective training and change programme; by delivering a new office, equipment and storage for staff and partner staff.
- Supporting the delivery of the IT strategy and the development and delivery of the Information Management Strategy 2016-2020 to enable The Way We Work.
- By aligning itself closely and influencing key council strategies and areas of work that are currently underway to ensure the workforce has the required tools to work flexibly, including in locations other than the Colindale Offices.

1.5 The Way We Work Programme is being delivered in three distinct but inter-dependent workstreams: Place, People and Change, Technology. The sections below provide a summary of progress in each of these areas.

UPDATE ON PROGRESS

1.6 Place Workstream

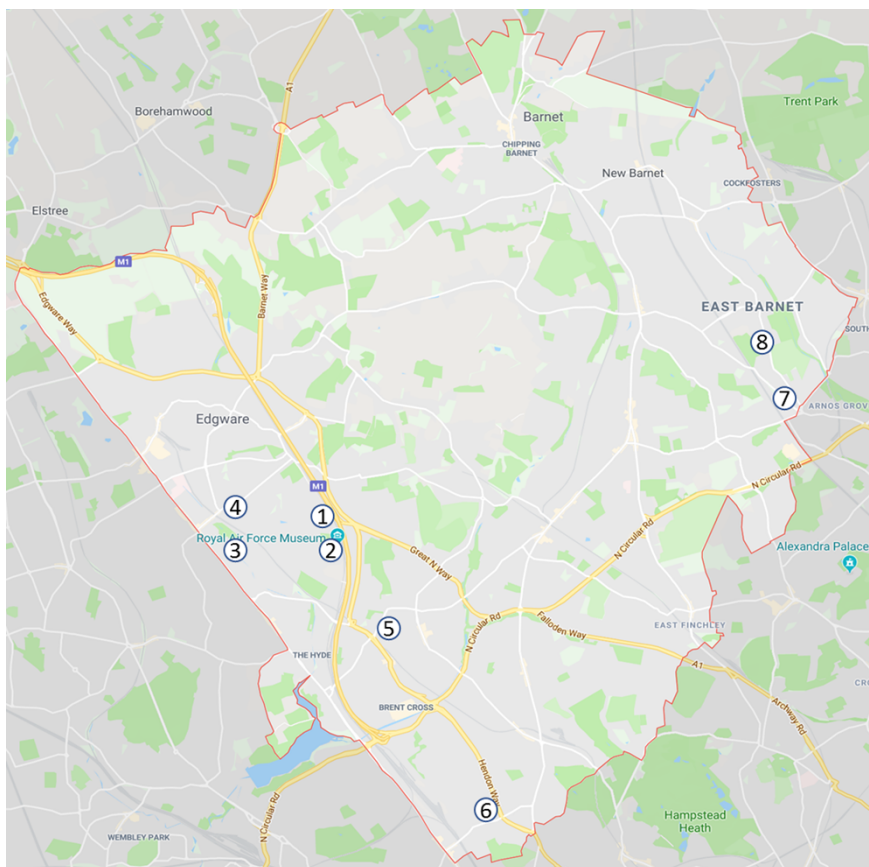
- 1.6.1 The approved construction programme detailed a practical completion date in August 2018 which was subsequently revised and agreed to 17th September 2018 at which point possession of the building would be handed over to the council by the main building contractor.
- 1.6.2 Works on site have been delayed with a building handover date now expected in March 2019.
- 1.6.3 Work on site is progressing well towards this date with work on floors 2-8 largely complete and awaiting final commissioning. Further work is required but continuing at pace on the ground and first floors.
- 1.6.4 It is anticipated that phased staff moves to the new office in Colindale will begin in May and conclude late summer 2019.
- 1.6.5 The Housing Options service will be relocating from Barnet House to the Colindale building towards the end of the move period. The work to complete and fit-out this space will be undertaken after the building is handed over to the council by the main contractor.

- 1.6.6 In order to deliver suitable spaces for meeting children & families, the principle of two 'Family Friendly Hubs' was approved through the Locality Strategy at ARG Committee in June 2016. One of these was agreed to be within the Colindale building and the other in the east of the borough alongside space for children's social workers and other staff to work from. This East Hub for Family Services will be temporarily located at NLBP2 until the lease expires in Summer 2020. Funding for the permanent location for the east hub has not yet been allocated and will be subject to a separate business case.
- 1.6.7 The programme of works to fit-out the IT infrastructure within the building has commenced despite the delay to building completion and is currently on track for a move period to commence in May 2019. The IT strategy at Colindale has been driven by end user requirements and supports the vision of The Way We Work Programme.
- 1.6.8 The building will be equipped with audio-visual systems and equipment that support interaction, learning, training and increased productivity with the workplace. This will take various forms, from general access to high definition television displays, to interactive collaboration, videoconference and media facilities for use in training, communication and interaction with other, associated internal and remote facilities.
- 1.6.9 A supplier has been appointed following a compliant procurement process to supply and install new furniture into the office building ahead of staff occupation.
- 1.6.10 The café on the ground floor will be accessible by staff and members of the public. Under the terms of the council's strategic partnership with Cambridge Education, ISS, who deliver catering services on behalf of Cambridge Education, have first refusal over the contract to run the council office's staff café provision. ISS have selected Costa Coffee as their delivery partner and Costa will therefore run the café operation in the office building. Under the terms of the contract with Cambridge Education, the council will receive a share of the profit from the café provision.
- 1.6.11 Procurement is underway to select a contractor to undertake the works on the Southern Square. This will be an attractive, publicly accessible space adjacent to the main entrance of the building. The square is expected to be complete by the end of the move programme.
- 1.6.12 Parking for staff is being provided in multiple locations in and near Colindale. The original intention was to provide 100 spaces for 'business users' – those for whom having access to a car is deemed a requirement of carrying out their council duties
- 1.6.13 Based on a further assessment of need and engagement with council services and staff, this total was increased to circa 300 spaces. These spaces will be provided at the RAF Museum and Platt Halls, both of which are 5-10 minutes walking distance from the Colindale Office

1.6.14 In addition to spaces for 'business users', the council is providing an additional 180 long and short-term commuter spaces at the Watling Avenue car park near Burnt Oak station.

1.6.15 A number of sustainable travel options are being improved or created including: an extension of the 125 bus route from Finchley Central to Colindale Station; lease of 10 pool cars for staff to use whilst undertaking business journeys; and introduction of pool bikes to aid staff with travel around the borough. The new offices will also provide enhanced shower and changing facilities to encourage cycling to work.

1.6.16 The Colindale office will become the council's primary office location however there will remain other key service locations as summarised on the map below:



Key	Service	Location	Earliest Availability
1	All Staff; Housing Options; Welfare Reform; LBB Reception	Colindale Office	Dec 18
2	Adults (additional touchdown space);	Colindale ILC	Now
3	Print Service	Capitol Way	Sep 18
4	BOOST	Burnt Oak Library	Now
5	Governance	Hendon Town Hall	Jan 18
6	BOOST Childs Hill	Cricklewood Ln	Now
7	Streetscene	Oakleigh Road Depot	Now
8	Family Services remaining in the East Hub (numbers TBC)	NLBP2 (until June 2020)	Jun 19

1.6.17 Place Workstream Key risks

- 1.6.17.1 If there is further delay in the handover of the new office building from the building contractor, there is a risk that the relocation of staff will have to be delayed. This would cause a potential revenue impact due to the requirement to retain staff in Building 4 (NLBP) beyond the current lease end date of June 2019. Early phasing of the move plans to relocate the staff in Building 4 first will help to mitigate the likelihood of this materialising.
- 1.6.17.2 As described in paragraph 1.6.5, there are some works to be completed following the building handover by the main contractor. In the most part these works should be completed prior to occupation however if the date of practical completion moves further into March, there is increasing risk that these works will not be completed prior to occupation, particularly the fit-out of the housing options service. Prioritisation of this work is ongoing to ensure items critical to staff occupation are completed first, the housing options service will remain operational in Barnet House until the space at Colindale is complete.
- 1.6.17.3 There is a risk that with less parking available at Colindale than currently provided at NLBP and Barnet House, some staff may be unable to find alternative travel options and this could lead to poor retention rates and low staff satisfaction. The council responded to early staff feedback regarding the original 100 business user spaces planned and are now providing approximately 300 spaces in Colindale for essential business users plus 180 spaces in Burnt Oak for commuters. This reduces the likelihood of staff leaving for this reason however a risk still remains.
- 1.6.17.4 The council is currently in a contractual dispute with the main building contractor delivering the new office building over the final fit-out and costings. The council have engaged specialist technical and legal advice on the matter to protect the council's interests and help resolve this contractual dispute. More information on the details of the contractual dispute are contained within the exempt version of this paper.
- 1.6.17.5 There is a financial risk associated with the ongoing dispute with the building contractor. If the full scale of the financial risk were to be realised, there would be a significant impact on the capital budget. The council has taken advice from its specialist technical and legal teams and deems the probability of this as low.

1.7 People and Change Workstream

- 1.7.1 The People and Change Workstream aims to ensure staff and the supporting internal HR frameworks are ready for the changes in both ways of working and the move to a new office. In practice this means a number of areas of work are being progressed as follows:
- revisions to existing HR policies and procedures
 - development of new HR policies and procedures
 - design and implementation of a development programme for managers
 - design and implementation of a development programme for staff

- creation, co-ordination and management of a network of change champions
 - alignment of TW3 engagement activities with broader council engagement initiatives such as the recent leadership and management Wellbeing focused management conference.
 - Introduction of Team Principles and team readiness checklist (TW3 Passport) and facilitating roll out
- 1.7.2 A staff development and support programme is in place to aid staff in the transition to the new accommodation and ways of working in line with the new technology, processes and structures. Staff learn more about the practicalities of working in a more agile way, such as managing by outcomes; as well as how to stay resilient through change and how their personal network can support them.
- 1.7.3 The TW3 Development Programme for Managers was delivered in sessions from June – December 2018. The training aimed to explore a range of approaches that managers could consider when moving to new ways of working. It includes methods on managing by outcomes in addition to maintaining team cohesion and culture following the changes to working practices.
- 1.7.4 To follow this, in early 2019, the council launched a development programme to support all staff in changing the way they work. This includes: discussion around the principles, benefits and impact of new working practices; increasing awareness of staff responsibilities and support available; increasing awareness of how technology can support changes to working practices; and how team cohesion can be maintained. Staff are being encouraged to attend and feedback has been very positive.
- 1.7.5 HR Policies and procedures have been revised to ensure the principles of modern working are appropriately supported for all staff for example in relation to flexible working and where it pertains to statutory rights.
- 1.7.6 All teams are required to develop ‘team principles’ to agree how they will work together in a way which balances empowering staff to work more flexibly and at the same time ensuring the delivery of the best services to residents. There has been good progress with this across most directorates and Partner organisations. Staff have been very positive about the benefits of undertaking this exercise within their teams.
- 1.7.7 Throughout 2018 there was a campaign to revitalise the change champion network. There is now significantly increased coverage across all parts of the business with specialist champions to specifically support technology; new ways of working; storage reduction; and staff relocation to Colindale. There are now 170 Change Champions supporting the programme with a spread across all Directorates and Partners.
- 1.7.8 The programme will work closely with move champions and representatives within directorates to support a smooth relocation of staff, equipment and storage to Colindale.

1.7.9 The move to Colindale will happen primarily over weekends and take approximately 10-15 weeks. A full set of induction and 'Day 1' support will be in place in Colindale including floorwalkers from IT and FM.

1.7.10 People and Change Workstream Key Risks

1.7.10.1 A key risk at present is the current delay which has the potential for the programme to lose momentum if staff become disengaged with the move programme and associated changes to working practices.

1.7.10.2 Another key risk is that staff become overwhelmed with the scale of change and do not fully engage with new working practices and are therefore not prepared for the move when it happens.

1.7.10.3 A further key risk is that teams operating within children's social care who are involved in the Ofsted inspections do not have time to prepare for the move.

1.8 Technology Workstream

1.8.1 Over the last 12 months, technology upgrades have been carried out that equip staff with the right tools to be able to work flexibly within the current and new office environment as well as across other locations to suit their working needs

1.8.2 For LBB to achieve their flexible, empowered and agile workforce, Office 365 (O365) was chosen as the solution. Through the O365 project Office 2016 and Skype for Business were installed on over 3000 user laptops and desktops across the council and Partners; approximately 2300 phones were migrated to Skype telephony and over 3000 mailboxes were migrated in the Cloud.

1.8.3 Throughout, a change programme was in place to support staff in the use of these new technologies. Staff were invited to attend training sessions prior to their phones being migrated to Skype. Over 600 members of staff attended training with a 94% overall satisfaction rate and a significant increase in confidence demonstrated.

1.8.4 Prior to the Colindale move, the technology workstream will be distributing a number of accessory items to staff to support the changes to working practices and ensure they are equipped to work in a more agile way as afforded by the software changes described above.

1.8.5 The Colindale office will have a significantly smaller footprint than the current offices at NLBP and Barnet House therefore a project has been undertaken to reduce the council and its Partners storage requirements. In addition to appropriately disposing of equipment and documents where possible, scanning is underway to securely store documents that need to be retained. All service areas are working towards storage targets that they set for themselves prior to the move.

1.8.6 Following the relocation of staff and vacation of existing offices, the IT programme will safely decommission these sites.

1.8.7 Technology Workstream Key Risks

- 1.8.7.1 There is a risk that service areas do not meet their storage reduction targets ahead of the move to Colindale (services committed to storage reduction and provided the targets, these were not imposed). Storage spaces provided are based on these targets therefore any excess cannot be accommodated. The programme are working closely with those who have raised concern around meeting these targets to find solutions.
- 1.8.7.2 A period of User Acceptance Testing relating to the core IT infrastructure of the new office building as been carefully planned to ensure staff can operate without disruption from the date of occupation. However, the window in which this can be completed will be reduced as the handover of the building is delayed therefore delaying the completion of IT infrastructure and the start of User Acceptance Testing. If required, a mitigation plan will be put in place to prioritise floors and services early in the move schedule.
- 1.8.7.3 As the date of building handovers slips, there is less time available to relocate staff from NLBP and Barnet House. Critically, NLBP Building 4 must be vacated with adequate time for decommissioning ahead of the lease end date towards the end of June. The risk to achieving this safely and in time increases as the available window to do so reduces.
- 1.8.7.4 There is a risk that services areas did not specify all requirements or the programme missed requirements that will require unplanned work closer to the occupation date therefore putting some occupation dates at risk – particularly if these are business critical items. Due diligence was undertaken to engage all business partners on requirements and ongoing engagement should flag requirements that may have been missed.

2 REASONS FOR RECOMMENDATIONS

- 2.1 The council is making good progress, despite the delay in building handover, towards a move to Colindale beginning May 2019. Staff have been equipped with the necessary software to facilitate new working practices and are being encouraged to attend training and begin embedding these changes.
- 2.2 The council is working closely with its lawyers to resolve the dispute with the builder. Meanwhile, work is progressing on site and within the wider programme of mobilisation and transition such that the council believes successful occupation can commence from May 2019.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 In September 2015, the council reduced its overall office accommodation from 262,000 to 175,000 sq ft by re-locating staff from North London Business Park (NLBP) Unit 4 to Barnet House and NLBP Unit 2. This initial consolidation was the first short-term part of a two stage approach to revising the office accommodation set out within an Outline Business Case (OBC) that was approved by the council's Assets, Regeneration & Growth Committee on 1 June 2015

- 3.2 The OBC also assessed medium term options (beyond 2017) and identified a preferred way forward – to build new office accommodation at the Grahame Park Site, Colindale. ARG approved that this preferred option was to proceed to Full Business Case (FBC).
- 3.3 The original FBC considered this preferred option in addition to a baseline position (continuing with status quo accommodation setup: leases in both NLBP sites and Barnet House) gaining approval to continue with the preferred option for new development in Colindale.
- 3.4 A refresh of the Office Accommodation Relocation financial analysis was undertaken in July 2018 to take into account the change in context since the FBC was approved in 2016.
- 3.5 A further options appraisal was undertaken to identify a new shortlist of alternative options to be considered, which might offer improved savings whilst still meeting the council's strategic objectives
- 3.6 The following options were shortlisted for appraisal against the new 2018 baseline:
- Options 1: Retain Colindale freehold; 100% LBB occupation of Colindale; early exit Barnet House lease
 - Options 2 to 5: Various iterations that could extract value from the Colindale office by either freehold sale or letting out all or part of the building.
- 3.7 Only two options provided a saving to LBB over 54 years:
- Option 1 (£22.9m): Retain Colindale freehold; 100% LBB occupation of Colindale; early exit Barnet House lease.
 - Option 4 (£15m): Retain Colindale freehold; 51% LBB occupation of Colindale; sub-lease remaining 49% of Colindale; maintain Barnet House lease
- 3.8 The most financially beneficial option that also fits with the council's vision was therefore to continue with the current plan to retain the Colindale freehold, fully occupy the new building and negotiate an early exit from the Barnet House lease.

4 POST DECISION IMPLEMENTATION

- 4.1 Following implementation of the recommendation to continue towards a successful transition of staff to Colindale by late summer 2019, the Council should conduct a post-project evaluation 3 months after the final move.

5 IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 The council is committed to providing staff and service users with office accommodation that provides and flexible working environment in line with modern working practices. The development of this site Colindale brings front line staff closer to service users and other agencies.
- 5.1.2 The new building will also include purpose-built space for the Housing Options service and a Family Friendly Hub with improved facilities for resident interaction with

staff and council provided services.

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

5.2.1 A capital budget of £50.3m was allocated through the original FBC approved at ARG Committee in July 2016. This included the total build cost (including compensation for land, over 50 years) and other associated costs (fit out furniture, audio visual etc). The programme is expecting to come in within this allocated budget at this time.

5.2.2 MTFS associated with the move: £250k savings in 19/20 and a further £750k in 20/21.

5.3 Social Value

5.3.1 The new building contributes toward regeneration benefits for the Grahame Park area including improvements to the wider public space through redevelopment of the Southern Square.

5.3.2 The inclusion of a publicly accessible café on the ground floor provides local recruitment opportunities.

5.4 Legal and Constitutional References

5.4.1 The council's Constitution, Article 7 Committees, Forums, Working Groups and Partnerships, sets out the functions of the Financial Performance and Contracts Committee as being responsible for the oversight and scrutiny of:

- The overall financial performance of the council
- The performance of services other than those which are the responsibility of the: Adults & Safeguarding Committee; Assets, Regeneration & Growth Committee; Children, Education & Safeguarding Committee; Community Leadership & Libraries Committee; Environment Committee; or Housing Committee
- The council's major strategic contracts including (but not limited to):
 - Analysis of performance
 - Contract variations
 - Undertaking deep dives to review specific issues
 - Monitoring the trading position and financial stability of external providers
 - Making recommendations to the Policy & Resources Committee and/or theme committees on issues arising from the scrutiny of external providers
- At the request of the Policy & Resources Committee and/or theme committees consider matters relating to contract or supplier performance and other issues and making recommendations to the referring committee
- To consider any decisions of the West London Economic Prosperity Board which have been called in, in accordance with this Article.

5.5 Risk Management

5.5.1 All risks and issues are being managed in accordance with the council's Risk Management Framework and Project Management Methodology and Toolkits.

5.5.2 Elements of the Programme have been the subject of a review by the council's internal audit function, with a 'substantial assurance' rating received.

5.6 Equalities and Diversity

- 5.6.1 Pursuant to the Equality Act 2010, the council and all other organisations exercising public functions on its behalf must have due regard to the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advance equality of opportunity between those with a protected characteristic and those without; promote good relations between those with a protected characteristic and those without. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. It also covers marriage and civil partnership with regard to eliminating discrimination.
- 5.6.2 An assessment was carried out on the impact of these proposed Colindale Office relocation on both staff and service users within the Equality Impact Assessments contained within appendices to the original Full Business Case approved by Assets, Regeneration and Growth Committee in July 2016. These demonstrated that the proposals set out in the FBC were designed to ensure fair and equitable treatment of all Barnet's communities and its staff in relation to their access to The Civic Estate
- 5.6.3 The Employee Equality Impact Assessment as appended to the Full Business Case approved by Assets, Regeneration and Growth Committee in July 2016 was revised in 2018 to reflect updates to the programme as it has progressed.

5.7 Corporate Parenting

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

5.8 Consultation and Engagement

- 5.8.1 LBB has made a commitment to regeneration of the borough, and in particular within the Colindale area. Specifically, the Colindale Area Action Plan (CAAP) sets out the framework for future development and change in the local area. The CAAP was prepared in partnership with key stakeholders and local communities in the area and represents the outcome of an intensive period of public consultation covering an area of approximately 200ha. It includes an additional 10,000 new homes and a mix of retail, office and other land uses. The vision is that by 2021, Colindale 'will be a vibrant, successful and diverse neighbourhood where people will want to live, work and visit. It will accommodate high quality sustainable developments within four 'Corridors of Change' and a new neighbourhood centre. Colindale will become a successful suburb in North London, providing existing and new communities with high quality local services, improved transport and access to enhanced green space and leisure facilities.' Co-locating an office on the site would likely bring additional employment opportunities, improvements in local infrastructure and support local businesses.
- 5.8.2 The building contractor continues on-site liaison with residents and there is ongoing travel related consultation.

6 BACKGROUND PAPERS

- 6.1 Accommodations Options Review Final Business Case (FBC) submitted to ARG Committee in July 2016 -
<https://barnet.moderngov.co.uk/documents/s33264/ARG%20committee%20report%20-%20Colindale%20FBC%20v0.3.pdf>
- 6.2 Locality Strategy submitted to ARG Committee in July 2016 -
<https://barnet.moderngov.co.uk/documents/s33204/ARG%20committee%20report%20-%20Locality%20Strategy.pdf>
- 6.3 Colindale Area Action Plan – <https://www.barnet.gov.uk/citizen-home/planning-conservation-and-building-control/planning-policies-and-further-information/local-plan/colindale-aap/colindale-area-action-plan.html>

This page is intentionally left blank

**London Borough of Barnet
Financial Performance and
Contracts Committee
Forward Work Programme
2019**

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)
11 March 2019			
Chief Financial Officer Report Period 9/Quarter 3	To review and note the council's financial performance.	Director of Finance Head of Finance Assistant Director of Finance (CSG)	Non key
Temporary Workers Contract implementation	To provide an update on spend on temporary workforce and performance of the contract.	Deputy Chief Executive Strategic Lead - HR	Non key
Improving Customer Services – website progress report	To review progress of the new website and telephony.	Commercial Director Head of Customer Strategy and Digital	Non key
Highways recruitment and resourcing	To consider the referral from Environment Committee on Re's plans to address recruitment and resourcing issues.	Commercial Director Strategic Lead - Commercial Director of Operations (Re)	Non key
Quarter 3 2018/19 Contracts performance report	To review and note Quarter 3 2018/19 performance of strategic contracts.	Commercial Director Head of Performance and Risk	Non key
Colindale Office Move-Update	To note the report.	Chief Executive	Non key
12 June 2019			
Chief Finance Officer report (2018/19 Outturns)	To review and note the council's financial performance.	Director of Finance Head of Finance Assistant Director of Finance (CSG)	Non key
Deep dive into capital programme	To provide an in-depth look at the capital programme.	Director of Finance Head of Finance Assistant Director of Finance (CSG)	Non key

Subject	Decision requested	Report Of	Type
Overview of SPIRS and contract variations	To provide an overview of SPIRs and contract variations on strategic contracts.	Commercial Director Strategic Lead, Commercial	Non key
Performance of back office functions – Pensions Administration service	To review the performance of the Pensions Administration service.	Director of Finance Strategic Lead - HR	Non key
Performance of back office functions - legal services	To receive an update on the performance of HB Public Law.	Commercial Director / Assurance Director Chief Legal Advisor (Monitoring Officer) Strategic Lead - Commercial	Non key
Costs of relocating the depot to Oakleigh Road	To report on the costs of relocating the depot to Oakleigh Road.	Deputy Chief Executive	Non key
End of Year 2018/19 Contracts performance report	To review and note the End of Year 2018/19 performance of strategic contracts.	Commercial Director Head of Performance and Risk	Non key
To be allocated			
Update on Major Contracts and Contingency Planning	To provide an update on the council's contingency planning arrangements, in the event of the failure of one of its providers of significant outsourced services.	Commercial Director Interim Assistant Director (Commercial)	Non key
Overview of capital programme	To provide an overview of the capital programme.	Director of Finance Head of Finance Assistant Director of Finance (CSG)	Non key

This page is intentionally left blank

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

AGENDA ITEM 16

Document is Restricted

This page is intentionally left blank