

<b><u>MEETING</u></b>
<b>FINANCIAL PERFORMANCE AND CONTRACTS COMMITTEE</b>
<b><u>DATE AND TIME</u></b>
<b>WEDNESDAY 19TH JUNE, 2019</b>
<b>AT 7.00 PM</b>
<b><u>VENUE</u></b>
<b>HENDON TOWN HALL, THE BURROUGHS, LONDON NW4 4BG</b>

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

Chairman: Councillor Peter Zinkin,  
Vice Chairman: Councillor Thomas Smith

**Councillors**

Anthony Finn	Barry Rawlings	John Marshall
Kathy Levine	Arjun Mittra	Alex Prager

**Substitute Members**

Geof Cooke	Lisa Rutter	Golnar Bokaei
Ammar Naqvi	Alison Moore	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, Friday 14 June. Requests must be submitted to Salar Rida at [salar.rida@barnet.gov.uk](mailto: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](mailto:salar.rida@barnet.gov.uk)

Media Relations Contact: Gareth Greene 020 8359 7039

**ASSURANCE GROUP**

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# **Decisions of the Financial Performance and Contracts Committee**

11 March 2019

Members Present:-

**AGENDA ITEM 1**

Councillor Peter Zinkin (Chairman)

Councillor Anthony Finn (Vice-Chairman)

Councillor Kathy Levine

Councillor John Marshall

Councillor Arjun Mittra

Councillor Alex Prager

Councillor Barry Rawlings

Also in attendance

Councillor Julian Teare (Substitute)

Apologies for Absence

Councillor Thomas Smith

## **1. MINUTES OF THE PREVIOUS MEETING**

The Chairman of the Committee, Councillor Peter Zinkin welcomed all attendees and opened the meeting.

The Committee agreed that where practicable any information in response to agreed Actions be tabled and appended to the Minutes, except where information is confidential or exempt. (**Action:** Governance)

**It was RESOLVED that the minutes of the previous meeting of the Financial Performance and Contracts Committee held on 11<sup>th</sup> March 2019 be agreed as a correct record.**

## **2. ABSENCE OF MEMBERS**

Apologies were received from Councillor Thomas Smith who was substituted by Councillor Julian Teare.

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

The following declaration was made:

Councillor	Agenda Item(s)	Declaration
John Marshall	7, 11	Non-pecuniary interest by virtue of being a Council appointed Director of Re

#### **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.

The Chairman invited Mr John Dix who joined the meeting and made a Public Comment which was noted.

The Committee received a number of supplementary questions from Mr Dix which were responded to verbally by Officers and the Chairman.

#### **6. MEMBERS' ITEMS (IF ANY)**

There were none.

#### **7. CHIEF FINANCIAL OFFICER REPORT PERIOD 9/QUARTER 3**

The Chairman introduced the CFO Report which was presented by the Chief Finance Officer.

Officers summarised and highlighted the key points under each section of the report.

In response to the Committee's request at the previous meeting, Officers informed Members about the level of debt and debtors.

The Committee heard about the work of the Corporate Debt Board which meets on a bi-monthly basis to encourage Budget Holders to ensure that debts to the Council are paid on a timely basis.

Since December 2018, there has been strong improvement in respect of outstanding debt. Officers also noted that meetings have taken place with Barnet CCG Finance and that discussions are progressing.

It was agreed that the Top 10 Debtors Table be retained within future CFO reports under the Debtors section. (**Action:** CFO Report)

It was noted that in relation to the forecasted budget, there has been a favourable monthly movement of £0.623m due to increased housing benefit overpayment recovery.

Following a query from the Committee, Officers noted that this can be apportioned to late reporting of change of circumstances in housing benefit applications.

It was unanimously **RESOLVED:**

- 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 6.**
- 3. The Committee noted the level of reserves and balances as detailed in Tables 10 and 11.**
- 4. The Committee noted the 2018/19 capital forecast outturn, as detailed in Table 7 and in Appendix B.**
- 5. The Committee noted the treasury position outlined in section 4.**
- 6. The Committee noted the debtors position outlined in section 5.**

## **8. TEMPORARY WORKERS CONTRACT IMPLEMENTATION**

Upon invitation of the Chairman, Natasha Edmunds the Strategic HR Lead joined the meeting and presented the report.

As part of the mobilisation of the contract with Matrix, Ms Edmunds spoke about the associated measures to attract the best candidates. She explained the process to convert temporary workers to permanent staff and increase clarity around responsibilities.

Following a comment from the Committee about Temporary Worker Expenditure. Officers noted that the expenditure was stable for October and November with an increase in December 2018 and a reduction for January 2019. The increase was explained by seasonal demand, the new portal as well as implementation issues around the new waste collection service.

The Committee agreed that the next report on Temporary Worker Expenditure should include comparable data for the current and previous year.

It was unanimously **RESOLVED:**

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

## **9. IMPROVING CUSTOMER SERVICES - WEBSITE PROGRESS REPORT**

Following introduction of the report, the Chairman invited Barry May, Head of Customer Strategy and Programmes who presented the report.

Mr May informed the Committee about the feedback received on the new website which was largely positive. He also noted that reported issues are currently being worked on to continue to improve its operation.

Following a comment from the Committee about adaptability, it was noted that the new website is easier to change and provides more flexibility for users to adopt changes.

The Committee noted that further work will take place this year to enhance the accessibility to the new website on mobile technology devices.

In response to a query about the search functionality, the Committee heard that the search function has been modified to imbed wider search results and that in the future Officers will consider options to enhance search results further.

The Chairman thanked Officers on behalf of the Committee for their efforts towards improving the website.

It was unanimously **RESOLVED**:

**That the Committee noted the actions being taken by officers to improve web satisfaction and performance and the progress made to improve the council's website.**

## **10. HIGHWAYS RECRUITMENT AND RESOURCING**

The Chairman introduced the report which was presented by Mr Alun Parfitt, Operations Director at Re.

Mr Parfitt spoke about the test phase for reporting issues and the development of the system including the option for residents to report issues by sending a photo through the system.

It was unanimously **RESOLVED that the Committee:**

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

## **11. QUARTER 3 2018/19 CONTRACTS PERFORMANCE REPORT**

The Chairman introduced the Contracts Performance Report for Q3 which was presented by Officers.

The Committee received an update on the transition planning for insourcing of the Finance Team. It was noted that a range of activities to improve financial management skills of staff in the organisation are underway. An update will be provided as part of the next report to the Committee.

The Committee raised concerns around the issue of Data Quality of Pensions Data and heard about the improvement plan to rectify issues. In respect of the improvement plan for Pensions, it was agreed that an update be provided following feedback from the Actuary on data quality improvement to Members of the Financial Performance & Contracts Committee, Pension Fund Committee and Local Pension Board. (**Action: Pension**)

It was unanimously **RESOLVED that:**

**The Committee reviewed 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 noted any recommendations**

**to Policy and Resources Committee or Theme Committees on issues arising from this review.**

**12. COLINDALE OFFICE MOVE - UPDATE**

The Chief Executive for LBB, John Hooton and Head of Estates, Chris Smith joined the meeting and provided an update on the Colindale Office Move.

It was noted that both the internal and external parts of the Building was due for completion in the coming period. Over the periods May-September this year most service areas will be expected to move across to the new Offices in Colindale. The Committee heard about the parking options in the vicinity of the Office and for mobile working as well as training and development for staff towards flexible remote working.

It was unanimously **RESOLVED**:

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

**13. 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.**

**14. ANY OTHER ITEMS THAT THE CHAIRMAN DECIDES ARE URGENT**

None.

**15. MOTION TO EXCLUDE THE PRESS AND PUBLIC**

The Chairman moved a motion, which was seconded and approved, to exclude the Press and Public on the basis that the exempt item will involve discussion of confidential information. Members of the press and public vacated the room and the public gallery was cleared.

**16. EXEMPT - COLINDALE OFFICE MOVE UPDATE**

The Committee noted the exempt information.

**17. ANY OTHER EXEMPT ITEMS THAT THE CHAIRMAN DECIDES ARE URGENT**

None.

The meeting finished at 9.45 pm

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AGENDA ITEM 7

## Financial Performance and Contracts Committee

19<sup>th</sup> June 2019

<b>Title</b>	<b>Chief Financial Officer Report - 2018/19 Revenue and Capital Outturn</b>
<b>Report of</b>	Director of Finance (Section 151 Officer)
<b>Wards</b>	All
<b>Status</b>	Public
<b>Urgent</b>	No
<b>Key</b>	No
<b>Enclosures</b>	Appendix A: Revenue Appendix B: Capital Outturn
<b>Officer Contact Details</b>	Paul Clarke, Deputy Section 151 Officer <a href="mailto:paul.clarke@barnet.gov.uk">paul.clarke@barnet.gov.uk</a>

### 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 March 2019.

### Officer Recommendations

- 1. The Committee is asked to note the 2018/19 revenue outturn, as detailed in Table 2 and Appendix A;**
- 2. The Committee is asked to note the savings 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 Table 11;**
- 4. The Committee is asked to note the 2018/19 capital outturn, as detailed in Table 7 and in Appendix B;**
- 5. The Committee is asked to note the treasury position outlined in section 4.**

## Officer Recommendations

### 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 Outturn for the 2018/19 financial year.
- 1.2 **Revenue.** The General Fund Revenue Outturn for 2018/19 was a net overspend of £0.822m, which is an improvement of £0.605m against the Period 11 forecast of £1.427m.
- During the year services contributed a net £1.333m into revenue reserves largely as a result of significant one off receipts during the year, such as the Capital commercial settlement and recognition of the NLWA balances held.
  - Although there has been a reduction in reserves from of £12.129m (£75.755m to £63.626m), this reduction entirely resulted from a planned decision to reduce capital reserves and was £11.113m better than forecast in June 2018. This reduction entirely result from a planned decision to use CIL funding to fund a capital project. Revenue reserves reflected at £6m increase mainly as a result of the one off transactions such as the Capital commercial settlement and NLWA levy balances
- 1.3 The outturn compared to the Revised Budget, is explored in section 2. Of the 10 budget areas, 7 underspent (£5.699m) and three overspent (£4.877m). The detailed Service position is set out at Appendix A.
- 1.4 The **General Fund balance** as at 1 April 2018 was £15.083m (excluding schools' balances). The net overspend of £0.822m would ordinarily reduce the General Fund balance as at April 1<sup>st</sup> 2019; however the balance is being maintained by means of a transfer from the MTFS reserve.
- 1.5 The **capital** outturn confirms the expectation of a reduced capital spend compared to the original plan. In summary, the main change was on the Regional Enterprise (Re) budget, dominated with £49.9m (or 91%) of the GF slippage. The HRA essentially delivered to plan. Appendix B sets out the detail.

**Table 1: Spend compared to original plan £m/%**

	Original Budget	Deletion	Slippage	Spend	% Change on Orig Budget
General Fund	262.855	-0.816	-54.003	208.035	-20.9
Housing HRA	33.564	nil	-0.517	33.047	-1.5

- 1.6 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.
- 1.7 As at 31 March 2019, **deposits** were £65.350m, achieving an average annual rate of return of 0.79% against a benchmark average (London Interbank Bid Rate - LIBID) of 0.57%. The benchmark is the rates that banks pay to attract deposits from other banks.

- 1.8 The total value of **long-term loans** as at 31 March 2019 was £304.080m, taken at an average interest rate of 3.86%. There has been no new external **long-term** borrowing in the 2018/19 financial year to date, but the council did borrow £45m on a short term basis split into £15m on the 1<sup>st</sup> of November 2018, £20m on the 7<sup>th</sup> December 2018 and £10m on the 30<sup>th</sup> March 2019. All short term borrowing was taken for a period of 6 months, with the first two tranches being taken at a rate of 1%pa and the final tranche being taken at a rate of 0.95% p.a. (and additional broker commission of £0.004m).
- 1.9 The total **sundry debt** owed to the Council as at 31 March 2019 was £48.188m. Between February and March 2019 overall debt increased by £14.911m as a result of normal seasonal fluctuation at the end of the financial year. The value of debts aged over 60 days decreased by £4.666m. Further detail regarding the debt owed to the Council is set out in section 5 of this report and Appendix C.

## 2. Financial Considerations

### 2.1. Revenue Forecast

#### General Fund

- 2.1.1 The General Fund revenue outturn for 2018/19 was a net overspend of £0.822m; the comparable M11 figure was £1.427m. This Outturn was stated after the net contribution to/from specific and general earmarked reserves.

**Table 2: General Fund Revenue Outturn.**

Service	Revised Budget £000	Outturn £000	Variance from Revised Budget Adv/(fav) £000	Reserve Movts £000	Outturn after reserve movements £000	Variance after Reserve Movts Adv/(fav) £000	Variance explained in the paragraphs below
Adults and Communities	95,493	95,101	(392)	(191)	94,910	(583)	2.1.3
Assurance	6,348	6,892	544	(277)	6,615	267	2.1.7
Central Expenses	44,790	41,636	(3,154)	303	41,939	(2,851)	2.1.8
Children's Services	66,718	67,718	1,000	(256)	67,462	744	2.1.22
Commissioning Group	19,510	17,946	(1,564)	121	18,067	(1,443)	2.1.9
CSG and Council Managed Budgets	25,062	24,559	(503)	3,315	27,874	2,812	2.1.20
Housing General Fund (Tackling Homelessness)	6,926	7,454	528	(418)	7,036	110	2.1.33
Public Health	17,160	18,090	930	(930)	17,160	-	2.1.34
Development and Regulatory Services (Including Re)	684	1,900	1,216	(409)	1,491	807	2.1.35
Street Scene	12,053	12,937	884	75	13,012	959	2.1.37
<b>Total General Fund</b>	<b>294,744</b>	<b>294,233</b>	<b>(511)</b>	<b>1,333</b>	<b>295,566</b>	<b>822</b>	

Housing Revenue Account	754	2,682	1,928	0	2,682	1,928	2.1.38
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2.1.2 The main reasons for the outturn overspend of £0.822m are set out below.

#### Adults and Safeguarding

2.1.3 The service recorded an underspend of £0.583m, as illustrated in the table below:

**Table 3: Adults & Safeguarding Revenue Outturn (2018/19)**

Service	Revised Budget	18/19 Outturn	Variance from Revised Budget Adv/(fav)	Reserve Movements	18/19 Outturn after Reserve Movements	Variance after Reserve Movements Adv/(fav)
	£000	£000	£000	£000	£000	£000
Integrated Care – Learning Disabilities	28,226	28,368	142	0	28,368	142
Integrated Care – Mental Health	6,604	6,601	(3)	0	6,601	(3)
Integrated Care – Older Adults	32,139	31,974	(165)	0	31,974	(165)
Integrated Care – Physical Disabilities	8,430	8,471	41	0	8,471	41
Workforce	14,598	13,832	(766)	0	13,832	(766)
A&C Other	5,496	5,663	167	0	5,663	167
<b>Adults and Communities</b>	<b>95,493</b>	<b>94,910</b>	<b>(583)</b>	<b>0</b>	<b>94,910</b>	<b>(583)</b>

2.1.4 The non-placements budgets underspent by £0.598m, which is the net effect of £0.766m underspend on staffing budget and £0.167m overspend mostly due to voluntary organisations budget and Deprivation of Liberty safeguards (DOLs) assessment costs.

2.1.5 The placements budget overspent by £0.015m with adverse variances in working age Learning and Physical Disability clients being offset by underspends in Older Adults and Mental Health clients. The placements budget includes Winter Pressures funding from the Government of £1.400m which was allocated to the relevant client budgets to reflect pressure from hospital discharges.

2.1.6 There are several significant debtors (such as the CCG) which if not actively managed, could result in debt write offs and a cost to the service. The service management are working hard to resolve the debt issue and the council has put in place a Debt Board to look at how debt is managed and pursued.

#### Assurance

2.1.7 The revenue outturn position for Assurance was an overspend of £0.267m with the variance being driven by an overspend in the HB Public Law contract (£0.713m) offset by an underspend in Elections (£0.311m). The underspend on election costs was partially caused by the £0.150m expected contribution to the Elections Reserve not being made for 18/19 owing to prior year contributions being sufficient to meet future commitments. The HB Public Law service is a demand-led service and this year demand has exceeded the available budget. The outturn for 2017/18 was a £0.789m overspend. This increased in 2018/19 due to a combination of increased contract prices and demands for the service.

## Central Expenses

2.1.8 The revenue budget for Central Expenses outturn position was an underspend of £2.851m relating mainly to capital financing costs caused by slippage on the capital programme (£2.110m). This was coupled with underspends on levies (£0.184m) and insurance costs (£0.775m). The significant underspend was partially offset by the one-off payment of pension strain arrears due to the Pension Fund (£0.218m).

## Commissioning Group

2.1.9 The revenue budget for Commissioning Group was underspent by £1.443m, with the below areas being the key contributors to this position:

2.1.10 Environment elements of the Commissioning Group underspent by £0.607m due primarily to the adjustment to NLWA levy to reflect lower volumes of household waste processed in 2018/19. NLWA will apply the reduction to the 2019/20 levy charge. However, as the reduction relates to prior year accrued balances, a year end debtor was recognised and subsequently the majority of the surplus was transferred to reserves.

2.1.11 The Special Parking account underspent by £1.058m and was due to additional income from Moving Traffic Contraventions.

2.1.12 Resources outturn position was an underspend of £0.410m due to additional Housing Benefit overpayments being recouped.

2.1.13 Street Lighting achieved an underspend by £0.324m due to actions taken throughout the year to reduce costs such as active management of the lighting network and improved contract management.

2.1.14 The Council Management Team (previously Strategic Commissioning Board) overspent by £0.118m, due to interim staff costs.

2.1.15 Information management outturn position was an overspend of £0.254m due to overspends in the confidential waste contract, on Office 365 licences, and additional temporary staffing in Civil Protection agreed as part as a corporate review of the Authority's arrangements.

2.1.16 Human resources outturn position was an overspend by £0.690m due to staff costs in Trade Unions (£0.058m), HR staff costs (£0.235m) and additional costs in relation to project work including work on Pay Modelling, Equal Pay Audit Review and Apprenticeship Scheme 2017.

2.1.17 Adults and health underspent by £0.110m due to part-year vacancies being held in the Joint Commissioning Service.

2.1.18 Growth and Development underspent by £0.039m. The net position was due to an overspend on the Local Plan, Regeneration Strategy and related policy workstreams that the council were required to deliver however no permanent budget provision exists. This is partially offset by an underspend on the Care Leavers Participation staffing budget.

2.1.19 The Registrar service overspent by £0.047m, primarily due to staff cost increases (£0.021m) and a reduction in the Government contribution to the citizenship ceremony grant (£0.015m).

## CSG and Council Managed Budgets

2.1.20 The revenue budget for CSG and Council Managed Budgets was an overspend of £2.812m, with the below areas being the key contributors to this position;

2.1.21 The overspend was due to pressure on the CSG Managed Budget (£1.120m) which was due to on-going structural pressures within the Estates budget. £0.919m pressures funding has been allocated to this budget for 19/20 to address the structural problem. Income shortfalls on retained income lines (£0.425m), the loss of Agency admin recharge of £0.899m (for which a benefit has been recognised in frontline service areas) and £0.610m due to Collection Fund gainshare costs (where the additional income on which gainshare was paid is credited to the Collection Fund) are all causing a £1.692m pressure on the CSG Management Fee line. These areas where income and expenditure are misaligned, will be resolved in 2019/20.

#### Children's Services

2.1.22 Children's Services reported an adverse outturn variance of £0.744m on a delivery unit budget of £66.718m. Cost pressures to be managed within the Children Services at the start of 2018/19 were £12.375m in addition to the service savings identified of £2.337m. The majority of these pressures have been mitigated and savings achieved. The overspend has arisen from staffing projections, placement pressures, non-pay pressures and inspection preparation. These have been offset by additional income relating to Cambridge Education Contract, the use of grants and a reduction in agency costs due to the new contract, of approximately £0.590m. The overall position is offset by the use of £2.3m one-off funding. Pressures remaining at the end of the year were recognised during the 2019/20 budget setting process.

2.1.23 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.

2.1.24 Family Services Management has a £4.649m underspend as additional resources from the Policy and Resources Committee of February and June 2018 are being held here. The service has not yet allocated this budget across the department.

2.1.25 Education skills have a £0.671m underspend, principally due to £0.231m reductions in costs for the CE contract and additional unbudgeted DSG contributions in relation to £0.300m SEN support and inclusion costs charged to the DSG.

2.1.26 The Corporate Parenting, Disability and Permanence service has a £4.741m overspend. The service is broken down into; Social care management (£0.225m), CSC 0-25 (£0.605m), Permanence Transitions & Corporate Parenting (£1.287m) and Placements (£2.624m). The overall service overspend was due to a staffing variance of £1.342m, and a non-staffing variance of £3.399m generated principally by use of agency staff and increases in the number and unit cost of placements and support packages.

2.1.27 Assessment, Intervention & Planning reported an overspend of £2.692m. £1.785m was principally due to agency staffing and over-establishment and £0.849m of this overspend was a result of costs incurred Section 17 costs and people no recourse to public funding pressures.

2.1.28 Early Help 0-19 underspent by £0.494m, principally generated by credits received for overpayment of centrepoint accommodation and additional DSG income.

2.1.29 Risk & Vulnerability underspend by £0.361m, mainly relating to the receipt of the Youth Justice Board Grant.

2.1.30 Central Education underspent by £0.350m principally to receipt of a Schools grant.

2.1.31 De-minimis variances across the service result in a projected £0.119m underspend

2.1.32 Libraries and Community Engagement overspent by £0.055m due to late notification of £0.122m backdated rate charges to 2017/18 for Church End library. This was offset by £0.061 reduction for security costs. In addition, credits for utilities were received for £0.012m which were backdated to 2017/18.

#### Housing General Fund (Tackling Homelessness)

2.1.33 The revenue budget for Housing General Fund (Tackling Homelessness) has overspent by £0.110m. The outturn includes mitigations put in place, including the acquisition of affordable properties to replace temporary accommodation, additional Flexible Homelessness Support Grant and appropriate recharging of costs to the HRA.

#### Public Health

2.1.34 The revenue budget for Public Health achieved a balanced position against its budget.

#### Development and Regulatory Services (Including Re)

2.1.35 The revenue outturn for Re Guaranteed Income and Management Fee was an overspend of £0.807m.

2.1.36 There was a shortfall in income totalling £1.280m, generated primarily by income targets on a number of areas not being achieved. The adverse variance is offset by income to the HRA that is part of Re's contractual target, but which cannot contribute to this budget as this is in the General Fund and not the HRA. The Management Fee underspent by £0.491m due to a £0.350m Brent Cross rebate and additional contributions from CIL/S106 admin fee.

#### Streetscene

2.1.37 The Street Scene, the outturn variance was an overspend of £0.959m, an improvement of £0.189m when compared to the Period 9 (Q3) position. The key contributor to this position were Waste (frontline) – this service overspent by £2.015m. The delays in the start of, and difficulties embedding, the recycling and waste service changes resulted in increased expenditure relating to the recognition of the existing overspend and enhanced by the non-delivery of historic savings. This was 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. The adverse variance was partially offset by an underspend of £0.385m relating to ground maintenance, generated by grass cutting savings due to weather conditions, as well as an underspend of £0.672m relating to planned management and service support savings.

#### **Housing Revenue Account (HRA)**

2.1.38 The Housing Revenue Account (HRA) has a budgeted contribution from balances of £0.754m in 2018/19. The outturn shows a deficit of £2.681m, there was a year-end balance of £12.321m as at 31 March 2019.

**Table 4: Housing Revenue Account Outturn**

	Revised Budget £000	Outturn £000	Variance from Budget Adv/(Fav) £000
Dwelling rents	(49,810)	(49,902)	(92)
Service and other charges	(9,133)	(7,832)	1,301
Housing management	20,375	21,717	1,343
Repairs and maintenance	7,570	7,553	(17)
Provision for bad debts	250	325	75
Regeneration	837	116	(720)
Capital charges	30,760	30,863	103
Interest on balances	(95)	(159)	(65)
<b>Total</b>	<b>754</b>	<b>2,681</b>	<b>1,927</b>

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

2.1.40 **Income** - Dwelling rents over achieved by £0.092m compared with the revised budget. The outturn for Service and Other Charges shows that this under recovered by £1.301m. The variance relates to the following: garage and commercial rents, service charges and water services. Garage and commercial rental income was a £0.490m 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 to tenants and leaseholders was a £0.602m underachievement primarily related to the number of voids on regeneration sites prior to demolition. There was a reduction in the income received on the commission for collecting water rates from tenant.

2.1.41 **Expenditure** - Housing management costs mainly reflect the core management fee of £17m paid to Barnet Homes to manage the housing stock in addition to £3m for Insurance and other service costs. This budget was overspent by £1.343m as follows: £0.545m increase in the insurance premiums on the housing stock for fire and leaseholder insurance and fees relating to commissioned services of £0.798m which includes the cost of wardens on the regeneration estates, costs of decanting, revenue costs relating to the fire on Guilfoyle and additional bin collections.

2.1.42 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 outturn showed an underspend of £0.017m.

2.1.43 The housing regeneration showed increased income of £0.721m for cost recovery from developers on several regeneration schemes at Dollis Valley, Grahame Park, West Hendon and Granville Road.

### Dedicated Schools Grant (DSG)

2.1.44 The DSG budget for 2018/19 was revised to take into account the brought forward reserve of £0.501m, £0.500m prior year Early Years adjustment and additional High Needs funding from Central Government of £0.964m announced in December 2018. The £0.501m carry forward has, as planned, been offset against the position, giving a total underspend of £1.543m.

2.1.45 The High Needs block was an overspend of £0.246m 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.

2.1.46 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

2.1.47 The High Needs pressure was partly offset by underspends in the Schools Block. The Growth Fund for expanding schools was underspend by £0.073m, the late conversion of a school to the maintained sector has resulted in a £0.234m underspend.

2.1.48 Although the Early Years Block underspent by £0.983m, clawback of funding is expected in 2019/20 where there has been a change between January 2018 and January 2019 in early years pupil numbers.

2.1.49 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.

2.1.50 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 generally reduced, largely to pay for growth funding and because of the growing pressures on the High Needs budget.

2.1.51 This is a reflection of the fact that there was 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.

2.1.52 At year end a recovery plan was 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 2019-20, provided demand pressures are in line with current forecasts.

**Table 5: Dedicated Schools Grant**

	Revised Budget £000	Outturn £000	Variance from Budget Adv/(Fav) £000
Schools			
- Individual Schools Budget	141,227	140,993	(234)
- Growth Fund	897	825	(72)
- Central schools expenditure	1,268	1,268	-
- ESG retained funding	852	852	-
<b>Sub-total</b>	<b>144,245</b>	<b>143,938</b>	<b>(306)</b>
Early Years Block	29,037	28,054	(983)
High Needs Block	45,182	45,428	246
<b>Sub-total</b>	<b>218,464</b>	<b>217,420</b>	<b>(1,043)</b>

DSG Income	(217,963)	(217,963)	-
DSG c/f	(501)	-	501
Early Years 2017/18		(500)	(500)
<b>DSG Total</b>	-	<b>(1,044)</b>	<b>(1,044)</b>

## Savings

2.1.53 In 2018/19 the Council budgeted to deliver £11.287m of savings. Table 6 below summarises by Theme Committee the value of savings that were achieved against the savings programme. In total, £10.287m of savings was delivered by year end, representing 91.1% of the target. Delivery of these savings was included in the forecasts reported in Table 2.

**Table 6: Savings 2018/19**

Service	2018/19 MTFS Savings Target £000	Savings Expected to be Achieved £000	Savings Unachievable £000	Savings Expected to be Achieved %
Adults and Safeguarding	2,980	2,980	-	100.0
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
	<b>11,287</b>	<b>10,287</b>	<b>1,000</b>	<b>91.1</b>

2.1.54 In Assets, Regeneration and Growth the unachieved savings of £0.500m will now be achieved in 2019/20 as a result of the Office Move to Colindale taking place later than originally planned.

2.1.55 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 Outturn on the council's 2018/19 capital programme was £241m, of which £208m relates to the General Fund programme and £33m to the HRA capital programme. This was £55m less than the currently approved 2018/19 budget of £296m. Table 7 below summarises the actual expenditure, budget and variance by service.

**Table 7: Capital Outturn**

Service	2018/19 Budget £000	Additions/ (Deletions) £000	(Slippage)/ Accelerated Spend £000	2018/19 outturn £000	Variance from Approved Budget £000	Variance from Approved Budget %
Adults and Communities	2,400	(481)	(388)	1,531	(869)	(36.2)
Commissioning Group	53,856	(128)	(4,954)	48,774	(5,082)	(9.4)

Children's services -Education and Skills	21,361	0	(1,401)	19,961	(1,401)	(6.6)
Children's services - Family Services	6,046	(170)	(421)	5,455	(591)	(9.8)
Housing Needs and Resources	44,246		5,208	49,454	5,208	11.8
Parking and Infrastructure	1,517		(461)	1,056	(461)	(30.4)
Regional Enterprise (Re)	129,603	187	(50,093)	79,697	(49,906)	(38.5)
Street Scene	3,825	(225)	(1,493)	2,107	(1,718)	(44.9)
<b>General Fund Programme</b>	<b>262,855</b>	<b>(816)</b>	<b>(54,003)</b>	<b>208,035</b>	<b>(54,820)</b>	<b>(20.9)</b>
HRA (Managed by Barnet Homes)	33,564		(517)	33,047	(517)	(1.5)
<b>Total Capital Programme</b>	<b>296,419</b>	<b>(816)</b>	<b>(54,521)</b>	<b>241,082</b>	<b>(55,337)</b>	<b>(18.7)</b>

2.2.2 All but one service areas had slippage, with five 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** had slippage of £0.388m and a deletion of £0.481m on the Mosaic project. The deletion was due to project costs being transferred to revenue and funded under the flexible use of capital receipts as approved by Council in March 2019.
- **Commissioning** had slippage of £4.95m and deletions of £0.128m. The deletion was as a result of the community centre fit out and the Tarling Road community centre projects being combined, releasing funds that were no longer required. The slippage related 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)** has slippage of £1.401m, this was largely due to re-phasing works within the Schools Modernisation Programme and the budget held for emergency reactive works not being required (£0.655m). Underground contamination problems caused delays to the Blessed Dominic build which resulted in £0.745m slippage.
- The **Children's services (Family Services)** had slippage of £0.421m. This was primarily due to delays to Meadow Close (£0.162m), re-profiling of Early Education and Childcare place sufficiency works into 2019/20 (£0.186m) and delays in Foster Carers adaptions (£0.110m).
- The **Housing General Fund (Tackling Homelessness)** reported an overspend of £5.208m. This was largely due to accelerated spend of £7.300m for Direct acquisitions where there have been additional acquisitions and the Open Door project where further funds were required to be drawdown to facilitate the new build. The Empty Properties programme also slipped by £1.670m as a number of CPO's were delayed.
- The **Parking and Infrastructure** programme slipped by £0.461m. This was as a result of expenditure on the lines and signs project being completed in the next financial year; the upgrade of pay and display machines will take place in 2019/20 and the Highways permanent re-instatements, which is on-going, and will continue into the next financial year.
- The **Re (Regeneration)** outturn was £66.512m (slippage of £49.583m). The Thameslink Station (£31.544m) slippage was due to a delay in signing the Implementation Agreement and securing HMG funding following Brent Cross North's deferral. Slippage on the Strategic Infrastructure Fund (£16.000m) resulted from the Legal Agreement taking longer than expected.

- **Street Scene** slippage was £1.493m, which together with deletions of £0.225m, resulted in a programme that was £1.718m less than budget. The slippage mainly related to vehicles where further purchases will take place in 2019/20; the procurement of the Data Management System which completed in April 2019 and the next stage of the Green spaces development project will commence in 2019/20.
- The **HRA** capital programme was £33.047m against a revised budget of £33.564m, resulting in a forecast variance of £0.517m. The most significant movements were:
  - The HRA fire and safety programme accelerated spend of £1.009m following a review of the plans for delivery of all the various improvements to the tower blocks.
  - The Upper and Lower Fosters project slipped by £0.480m following a review of the profile of the spend and the phasing of the project.
  - The extra care pipeline project slipped by £0.585m following delays in the purchase of leaseholder properties
  - Ansell Court (formerly Moreton Close) slipped by £0.600 mainly due to the retention payment which is due in 2019/20.
  - The main housing programme has accelerated expenditure of £0.139m due to increased works across the programme.

### **Funding of Capital Programme**

2.2.3 Table 8 below shows the how the 2018/19 forecast capital programme is being funded. The full table is at Appendix B

**Table 8: Funding of 2018/19 Capital Programme**

Service Area	Grants/ Other contribns	S106	Capital Receipts	Revenue/ MRA	CIL	Borrowing	Total
	£000	£000	£000	£000	£000	£000	£000
General Fund Programme	57,875	8,617	13,289	-	29,092	99,162	208,034
HRA	1,773	-	4,997	26,276	-	-	33,047
<b>Total Capital Programme</b>	<b>59,648</b>	<b>8,617</b>	<b>18,286</b>	<b>26,276</b>	<b>29,092</b>	<b>99,162</b>	<b>241,080</b>

2.2.4 Table 9 below shows the impact of the movements in the forecast of the capital programme when compared to the budget. The full table is at Appendix B

**Table 9: Funding movements of 2018/19 Capital Programme**

Service Area	Grants/ Other contribns	S106	Capital Receipts	Revenue /MRA	CIL	Borrowing	Total
	£000	£000	£000	£000	£000	£000	£000
General Fund Programme	(28,777)	(496)	(2,303)	(546)	115	(22,812)	(54,820)
HRA	1,713	0	4,168	928	0	(7,327)	(517)
<b>Total Capital Programme</b>	<b>(27,064)</b>	<b>(496)</b>	<b>1,865</b>	<b>382</b>	<b>115</b>	<b>(30,139)</b>	<b>(55,338)</b>

## **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 £0.822m would ordinarily reduce the General Fund balance as at April 1<sup>st</sup> 2019, however the balance was 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 earmarked reserves of £75.755m. Although there was been a reduction of £12.129m, to £63.626m, this reduction entirely resulted from a planned decision to reduce capital reserves. Revenue reserves reported an improvement in position of £6.603m, as Table 10 shows:

**Table 10: Drivers of Reserves change £12.129m (Capital -£18.7m; Rev +£6.6m)**

Drivers	Detail	£m
Non-ringfenced capital reserves	A reduction of £18.731m, due to the use of the Community Infrastructure Levy.	-18.731
Non-ringfenced revenue reserves	An increase of £2.556, mainly on the MTFS reserve as a result of the Capita commercial dispute resolution payment and recognition of balances within the NLWA. This was offset by the revenue overspend position.	+2.556
Ringfenced reserves	Mainly three items: DSG; the Collection Fund smoothing reserve; Housing Benefits.	+4.047

- 3.1.3 The column 'Movement' illustrates a re-distribution between funds, and nets to nil.

**Table 11: Reserves**

Description	Reserves b/fwd 01 April 2018	Drawdown	movement	Contribution	Reserves C/fwd 31st March 2019
	£000	£000	£000	£000	£000
<u>Capital</u>					
Community Infrastructure Levy	22,560	(29,685)	(450)	9,963	2,388
Revenue implications of capital	-	(1,021)	2,436	26	1,441
<b>Total Capital Reserves</b>	<b>22,560</b>	<b>(30,705)</b>	<b>1,986</b>	<b>9,988</b>	<b>3,829</b>
<u>Revenue</u>					
Balancing the MTFS	30,374	(240)	(882)	4,785	34,036
Strategic Contract re-alignment	-	-	600	-	600
Revenue - Projects	2,613	(661)	(1,223)	900	1,629
Transformation	3,432	(2,350)	2,000	-	3,083
Revenue - Service Specific	5,144	(2,097)	(53)	1,777	4,771
<b>Non Ringfenced Revenue Reserves</b>	<b>41,563</b>	<b>(5,348)</b>	<b>442</b>	<b>7,462</b>	<b>44,119</b>
<u>Ringfenced</u>					

DSG	501	-	-	1,042	1,543
Collection fund smoothing	2,481	-	(2,428)	6,327	6,380
Housing Benefits	3,542	(194)	-	632	3,981
North London Sub Region	567	(488)	-	-	79
Public Health	2,392	(980)	-	50	1,462
Special Parking Account (SPA)	2,148	(1,015)	-	1,100	2,233
<b>Total Ringfenced</b>	<b>11,631</b>	<b>(2,677)</b>	<b>(2,428)</b>	<b>9,152</b>	<b>15,678</b>
<b>Total Earmarked Reserves</b>	<b>75,755</b>	<b>(38,731)</b>		<b>26,601</b>	<b>63,626</b>

## Public Health Reserve

- 3.1.4 Included within earmarked reserves was the ring fenced public health reserve which, after drawdowns, totals £1.462m. This will be used to fund eligible expenditure in future years.

## Housing Revenue Account Balance

- 3.1.5 The Housing Revenue Account (HRA) had budgeted contribution from balances of £0.754m in 2018/19. The Outturn was a deficit of £1.928m, thus there was a balance of £12.321m as at 31 March 2019.

**Table 12: HRA Balance**

	£000
<b>HRA Balance brought forward 1 April 2018</b>	<b>(15,003)</b>
Budgeted deficit	754
variance from budget	1,928
<b>Forecast HRA Balance 31 March 2019</b>	<b>(12,321)</b>

## Dedicated Schools Grant Balance

- 3.1.6 The DSG reserve as at 1 April 2018 was £0.501m which was budgeted to be drawn down, however this was not required. There was an underspend of £1.042m mainly within the Early Years block, DfE will announce the clawback amount in the summer term.

**Table 13: DSG Balance**

	£000
<b>DSG Balance brought forward 1 April 2018</b>	<b>(501)</b>
In-year underspend	(1,042)
<b>Forecast DSG Balance 31 March 2019</b>	<b>(1,543)</b>

## 4. Treasury Management

### 4.1. Investment Performance

- 4.1.1 Investment deposits are managed internally. As at 31 March 2019, deposits outstanding were £60.35 million, achieving an average annual rate of return of 0.79% against a benchmark average (7-day London Interbank Bid Rate - LIBID) of 0.57%. The benchmark are the rates that banks pay to attract deposits from other banks. The list of deposits outstanding is detailed in table 14 below.

**Table 14: Investments Outstanding as at 31 March 2019**

	Principal (£'000)	Interest Rate (%)	Start Date	Maturity Date	Lowest long- term rating	Historic risk of Default (%)
<b>Money Market Fund</b>						
MMF Federated Investors	17,400	0.79			AAA	0.000
MMF Invesco	22,250	0.78			AAA	0.000
MMF Goldman Sachs	10,000	0.72			AAA	0.000
MMF Aberdeen Standard	10,700	0.79			AAA	0.000
<b>Total Money Market</b>	<b><u>60,350</u></b>					
<b>Banks</b>						
LLOYDS BANK	5,000	1.00	19-Jun-18	19-Jun-19	A+	0.012
<b>Total Banks</b>	<b><u>5,000</u></b>					
<b>Total Investments</b>	<b><u>65,350</u></b>	<b><u>0.79</u></b>				<b><u>0.001</u></b>

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 March 2019, there were no breaches of the Authorised Limit (maximum permitted debt) and the Operational Boundary (the value of debt considered affordable).

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.

- 4.2.2 The total value of long-term loans as at 31 March 2019 was £304.08m. There has been no new external long-term borrowing in the 2018/19 financial year but see note below on short-term borrowing. The average interest rate for long-term borrowing is 3.86%.

### New Short-term Borrowing

- 4.2.3 The Treasury Management Strategy Statement requires any new borrowing to be reported to Members. During March 2019 an additional 6-month short-term loan of £10 million was required to maintain liquidity. The loan was from Durham County Council and is repayable on 30<sup>th</sup> September 2019, with an annual interest rate of 0.95%. There was also broker commission of 3.5bps (£3,500). Total short-term loans at the year end are £45 million, all from local authorities.

- 4.2.4 The total loans outstanding has increased to £349.08 million. The authorised debt limits (absolute maximum permitted) was £659.2 million and the Operational Boundary

(maximum consistent with long term affordability) was £568.8 million. The outstanding debt value (excluding £15.6 million of finance leases) was lower than projected in the 2019-20 TMSS projection of £361.5 million for end March.

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

- 4.2.5 These indicators allow the Council to manage the extent to which it was exposed to changes in interest rates.
- 4.2.6 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 15: Upper limits for Interest rate exposure**

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

**Table 16: Maturity Structure of Fixed Rate Borrowing**

Maturity Structure of Fixed Rate	Upper Limit %	Lower Limit %	Actual Fixed Rate Borrowing as at 31/03/19 £'000	% Fixed Rate Borrowing as 31/03/19	Compliance with Set Limits?
Under 12 months	0	50	45,000	12.89%	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	6.45%	Yes
10 years and above	0	100	281,564	80.66%	Yes
<b>Total</b>			<b>349,080</b>	<b>100.00%</b>	

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

**Table 17: Capital Financing Requirement and External Debt**

	Forecast for March 2019 £'000
<b>Prudential Indicator – Capital Financing Requirement (CFR)</b>	
CFR – Non-housing	370,846
CFR – Housing	207,961
<b>Total CFR</b>	<b>578,807</b>
<b>Prudential Indicator – The Operational Boundary for External Debt</b>	
Borrowing	568,784
Other long-term liabilities	15,661
<b>Total debt</b>	<b>584,445</b>

- 4.2.8 Normally, borrowing should be less than the CFR indicating that all borrowing is for capital purposes. The debt balance as at 31 March 2019 reported above was £349.08 million, both below the projected CFR and the operational debt limit.

## 5. Debtors

- 5.1 An analysis of debtors as at the 31 March 2019 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 February and March 2019 overall debt increased by £14.911m as a result of normal seasonal fluctuation at the end of the financial year. The value of debts aged over 60 days decreased by £4.666m
- 5.3 Concerted effort by the council's finance team has been dedicated to reducing the level of outstanding debt. Table 19 gives detail of the top ten individual debts by debtor (totalling £26.895m) and the actions being undertaken to expedite recovery. As a result of the recovery work, £10.911m (41%) in outstanding debt has been recovered (payment physically received) since 31<sup>st</sup> March 2019, with payment agreed for a further £1.715m (9%) resulting in a material improvement to the council debt position.

**Table 18: Aged Debt Analysis as at 31<sup>st</sup> March 2019 (all aged debt)**

Period	Not overdue	Up to 30 days	Up to 60 days	Up to 90 days	Over 90 days	Total debt
Month 12	14,973,541	17,823,844	4,732,236	282,160	10,376,530	48,188,310
Month 11	7,044,408	8,615,458	2,292,544	1,134,635	14,189,909	33,276,953
<b>Movement</b>	<b>7,929,133</b>	<b>9,208,385</b>	<b>2,439,692</b>	<b>(852,475)</b>	<b>(3,813,379)</b>	<b>14,911,357</b>

**Table 19: Top 10 debtors as at 31<sup>st</sup> March 2019**

Debtor	Not overdue	Up to 30 days	Up to 60 days	Up to 90 days	Over 90 days	Total debt
NHS BARNET CCG	4,548,552	9,795,325	2,190,104	70,500	1,219,354	17,823,835
Mott MacDonald Ltd	1,522,097	2,134,753	7,900	0	140	3,664,890
Regional Enterprise Ltd	1,979,164	2,250	500	0	98,372	2,080,286
The Barnet Group	78,061	1,063,761	657,086	9,419	2,901	1,811,229
BARNET PF	1,583,251	0	0	0	0	1,583,251
CHOICES FOR GRAHAME PARK LTD	0	1,500,000	6,100	0	344	1,506,444
HASMONEAN HIGH SCHOOL	714,261	627,054	0	0	(36)	1,341,279
COMER HOMES	0	0	0	0	992,522	992,522
HAMMERSHOL PLC	0	48,828	324,294	(230,287)	822,644	965,479
THE FREMANTLE TRUST	0	212,205	0	0	574,738	786,943
<b>Total</b>	<b>10,425,386</b>	<b>15,384,176</b>	<b>3,185,984</b>	<b>(150,368)</b>	<b>3,710,980</b>	<b>32,556,158</b>

## **6 Reasons for Recommendations**

6.1 The report provides an overview of the council's financial performance for the whole of the 2018/19 financial year.

## **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)**

9.2.2 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](http://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 11th March, 2019 7.00 pm	Chief Financial Officer Report Period 9/Quarter 3	<a href="https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=693&amp;MId=9465&amp;Ver=4">https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=693&amp;MId=9465&amp;Ver=4</a>
Financial Performance and Contracts Committee Monday 17th December, 2018 7.00 pm	Chief Financial Officer Report (Period 7)	<a href="https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=693&amp;MId=9787&amp;Ver=4">https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=693&amp;MId=9787&amp;Ver=4</a>
Financial Performance and Contracts Committee Tuesday 9th October, 2018 7.00 pm	8 Chief Finance Officer report - Month 4 Forecast	<a href="http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=693&amp;MId=9731&amp;Ver=4">http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=693&amp;MId=9731&amp;Ver=4</a>
Financial Performance and Contracts Committee Monday 2nd July 2018 7.00 pm	8 Future financial Reporting	<a href="http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=693&amp;MId=9716&amp;Ver=4">http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=693&amp;MId=9716&amp;Ver=4</a>
Budget Council, Council Tuesday 7th March 2017 7.00 pm	11 Report of Policy and Resources Committee - Business Planning 2017 to 2020	<a href="http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=162&amp;MId=8819&amp;Ver=4">http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=162&amp;MId=8819&amp;Ver=4</a>

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## Appendix A - Revenue Forecast 2018/19

### Adults and Communities

	Original Budget £000	Revised Budget £000	Period 12 outturn £000	Variation to revised budget £000	Reserve Movements £000	Period 12 outturn after reserve movements £000	Variation to revised budget £000
Integrated Care - LD	26,277	28,226	28,368	142	0	28,368	142
Integrated care - MH	5,331	6,604	6,601	(3)	0	6,601	(3)
Integrated Care - OA	31,678	32,139	31,974	(165)	0	31,974	(165)
Integrated Care - PD	7,091	8,430	8,471	41	0	8,471	41
Workforce	13,599	14,598	14,023	(575)	(191)	13,832	(766)
A&C Other	5,144	5,496	5,663	167	0	5,663	167
<b>Total</b>	<b>89,119</b>	<b>95,493</b>	<b>95,101</b>	<b>(392)</b>	<b>(191)</b>	<b>94,910</b>	<b>(583)</b>

### Assurance

	Original Budget £000	Revised Budget £000	Period 12 outturn £000	Variation to revised budget £000	Reserve Movements £000	Period 12 outturn after reserve movements £000	Variation to revised budget £000
Elections	549	687	1,044	357	(668)	376	(311)
Assurance Management	583	702	661	(41)	0	661	(41)
Governance	2,168	2,197	2,255	59	(148)	2,107	(89)
Internal Audit & CAFT	749	675	132	(543)	538	670	(5)
HB Law	2,036	2,088	2,801	713	0	2,801	713
<b>Total</b>	<b>6,085</b>	<b>6,348</b>	<b>6,893</b>	<b>545</b>	<b>(278)</b>	<b>6,615</b>	<b>267</b>

### Central Expenses

	Original Budget £000	Revised Budget £000	Period 12 outturn £000	Variation to revised budget £000	Reserve Movements £000	Period 12 outturn after reserve movements £000	Variation to revised budget £000
C3							

Capital Financing	16,280	16,336	14,529	(1,807)	0	14,529	(1,807)	
Central Contingency	14,473	6,013	5,826	(188)	0	5,826	(188)	
Corporate Fees and Charges	234	234	195	(39)	0	195	(39)	
Corporate Subscriptions	194	227	192	(35)	0	192	(35)	
Early Retirement	3,577	3,577	4,026	448	(230)	3,796	218	
Local Area Agreement	105	105	65	(40)	0	65	(40)	
Levies	17,788	18,048	17,864	(184)	0	17,864	(184)	
Miscellaneous Finance	740	249	(1,059)	(1,308)	533	(526)	(775)	
<b>Total</b>	<b>53,392</b>	<b>44,790</b>	<b>41,636</b>	<b>(3,154)</b>	<b>303</b>	<b>41,939</b>	<b>(2,851)</b>	

### Children's Services

	Original Budget	Revised Budget	Period 12 outturn	Variation to revised budget	Reserve Movements	Period 12 outturn after reserve movements	Variation to revised budget
	£000	£000	£000	£000	£000	£000	£000
Family Services Management	3,039	4,466	(69)	(4,534)	(98)	(167)	(4,632)
Education Skills	6,460	6,698	6,149	(549)	(122)	6,027	(671)
Social Care Management	1,597	639	864	225	0	864	225
CSC 0-25	8,147	7,984	8,589	605	0	8,589	605
Permanence Trns & CorParenting	4,124	4,078	5,365	1,287	0	5,365	1,287
Placements	17,535	18,153	20,778	2,624	0	20,778	2,624
Assessmnt,Intervntion & Planning	7,110	7,933	10,625	2,692	0	10,625	2,692
Clinical Services	980	991	786	(205)	0	786	(205)
Early Help 0-19	4,764	4,898	4,404	(494)	0	4,404	(494)
Risk & Vulnerability	727	736	375	(361)	0	375	(361)
Safeguarding,QA & Workforce Deve	1,136	2,670	2,771	100	0	2,771	100
Commissioning	1,083	1,194	1,155	(38)	0	1,155	(38)
Comm,Complaint & BusinessSupport	1,063	1,263	1,156	(107)	0	1,156	(107)
Libraries & Comm.Engagement	3,429	3,443	3,508	65	(10)	3,498	55
Performance Imporvement & Custom	1,181	1,152	1,209	57	0	1,209	57
Partnership and VofChild	299	390	307	(84)	41	348	(43)
Central Education (Commissioni	136	29	(254)	(283)	(67)	(321)	(350)
<b>Total</b>	<b>62,808</b>	<b>66,718</b>	<b>67,718</b>	<b>1,000</b>	<b>(256)</b>	<b>67,462</b>	<b>744</b>

### Commissioning Group

	Original Budget	Revised Budget	Period 12 outturn	Variation to revised budget	Reserve Movements	Period 12 outturn after reserve movements £000	Variation to revised budget	
	£000	£000	£000	£000	£000	£000	£000	
Strategic Commissioning Board Resources	567 389	578 406	673 (244)	94 (651)	24 241	697 (3)	118 (410)	
Information Management	988	1,392	1,646	254	0	1,646	254	
Commercial Communications	1,757 646	1,796 758	1,725 894	(71) 136	0 (154)	1,725 740	(71) (18)	
Commissioning Strategy	663	415	465	50	25	490	75	
Customer Service	0	257	323	65	0	323	65	
Human Resources	33	235	925	690	0	925	690	
Adults and Health	1,286	1,300	1,060	(240)	83	1,143	(157)	
Children and Young people								
Growth and Development	224	433	1,114	681	(720)	394	(39)	
Registrar Service (Births, Deaths and Marriages)	(160)	(160)	(113)	47	0	(113)	47	
Mortuaries	99	98	121	22	0	121	22	
<b>Environment, Parking and Infrastructure</b>								
- Environment	14,620	14,791	13,579	(1,212)	605	14,184	(607)	
- Greenspaces	1,353	1,389	1,924	535	(553)	1,371	(18)	
- Highway Inspection/Maintenance	260	561	936	376	(374)	562	2	
- Parking	(538)	(558)	(572)	(14)	0	(572)	(14)	
- Special Parking Account	(10,850)	(10,850)	(12,850)	(2,000)	942	(11,908)	(1,058)	
- Street Lighting	6,339	6,669	6,344	(325)	0	6,344	(325)	
<b>Total</b>	<b>17,678</b>	<b>19,510</b>	<b>17,948</b>	<b>(1,562)</b>	<b>119</b>	<b>18,067</b>	<b>(1,443)</b>	

#### Customer Support Group and Council Managed Budgets

	Original Budget	Revised Budget	Period 12 outturn	Variation to revised budget	Reserve Movements	Period 12 outturn after reserve movements £000	Variation to revised budget	
	£000	£000	£000	£000	£000	£000	£000	
CSCG Managed Budget	835	3,160	4,557	1,397	(277)	4,280	1,120	

CSG Management Fee	28,017	30,256	27,932	(2,325)	3,592	31,524	1,267
Retained Income	(7,516)	(8,355)	(7,930)	425	0	(7,930)	425
<b>Total</b>	<b>21,336</b>	<b>25,062</b>	<b>24,559</b>	<b>(503)</b>	<b>3,315</b>	<b>27,874</b>	<b>2,812</b>

#### Housing Needs and Resources

	Original Budget £000	Revised Budget £000	Period 12 outturn £000	Variation to revised budget £000	Reserve Movements £000	Period 12 outturn after reserve movements £000	Variation to revised budget £000
Housing Needs and Resources	6,860	6,926	7,454	528	(418)	7,036	110
<b>Total</b>	<b>6,860</b>	<b>6,926</b>	<b>7,454</b>	<b>528</b>	<b>(418)</b>	<b>7,036</b>	<b>110</b>

#### Public Health

	Original Budget £000	Revised Budget £000	Period 12 outturn £000	Variation to revised budget £000	Reserve Movements £000	Period 12 outturn after reserve movements £000	Variation to revised budget £000
Public Health	17,156	17,160	18,090	930	(930)	17,160	0
<b>Total</b>	<b>17,156</b>	<b>17,160</b>	<b>18,090</b>	<b>930</b>	<b>(930)</b>	<b>17,160</b>	<b>0</b>

#### Regional Enterprise

	Original Budget £000	Revised Budget £000	Period 12 outturn £000	Variation to revised budget £000	Reserve Movements £000	Period 12 outturn after reserve movements £000	Variation to revised budget £000
Guaranteed Income	(16,249)	(16,545)	(15,192)	1,353	(73)	(15,265)	1,280
RE Managed Budgets	(63)	(63)	118	182	-	163	(45)
RE Projects	-	-	241	241	-	174	67

Management Fee	16,639	17,292	16,733	(559)	0	16,733	(559)
<b>Total</b>	<b>326</b>	<b>684</b>	<b>1,901</b>	<b>1,217</b>	<b>(410)</b>	<b>1,491</b>	<b>807</b>

### Street Scene

	Original Budget	Revised Budget	Period 12 outturn	Variation to revised budget	Reserve Movements	Period 12 outturn after reserve movements	Variation to revised budget
	£000	£000	£000	£000	£000	£000	£000
Commercial Services Streetscene	(2,258)	(1,786)	(1,790)	(5)	0	(1,790)	(5)
Fleet and Transport	281	628	610	(18)	0	610	(18)
Ground Maintenance(Front line)	2,533	2,356	1,971	(385)	0	1,971	(385)
Management and Service Support	0	1,146	686	(460)	75	761	(385)
Street Cleansing (Front Line)	0	2,543	2,475	(68)	0	2,475	(68)
Waste (Front Line)	0	6,045	8,060	2,015	0	8,060	2,015
Street Scene Service Delivery	10,335	1,121	926	(195)	0	926	(195)
<b>Total</b>	<b>10,891</b>	<b>12,053</b>	<b>12,937</b>	<b>884</b>	<b>75</b>	<b>13,012</b>	<b>959</b>

<b>TOTAL BEFORE DSG AND HRA</b>	<b>285,650</b>	<b>294,745</b>	<b>294,237</b>	<b>(507)</b>	<b>1,329</b>	<b>295,566</b>	<b>822</b>
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### Dedicated Schools' Grant

	Original Budget	Revised Budget	Period 12 outturn	Variation to revised budget	Reserve Movements	Period 12 outturn after reserve movements	Variation to revised budget
	£000	£000	£000	£000	£000	£000	£000
<b>Schools</b>							
- Individual Schools Budget	141,056	141,227	140,993	(234)	0	140,993	(234)
- Growth Fund	984	897	825	(72)	0	825	(72)
- Central schools expenditure	1,268	1,268	1,267	-1	0	1,267	(1)
- ESG retained funding	852	853	853	0	0	853	0
<b>Sub-total</b>	<b>144,160</b>	<b>144,245</b>	<b>143,938</b>	<b>(307)</b>	<b>0</b>	<b>143,938</b>	<b>(307)</b>
Early Years Block	28,837	29,037	28,054	-983	0	28,054	(983)
High Needs Block	44,310	45,182	45,428	246	0	45,428	246
<b>Sub-total</b>	<b>217,307</b>	<b>218,464</b>	<b>217,420</b>	<b>(1,044)</b>	<b>0</b>	<b>217,420</b>	<b>(1,044)</b>
DSG Income	(216,806)	(217,963)	(217,963)	0	0	(217,963)	0

Early Years 2017/18 adjustment	0	0	(500)	-500		(500)	(500)
DSG c/f	(501)	(501)		501	0	0	501
<b>Total</b>	<b>0</b>	<b>0</b>	<b>(1,043)</b>	<b>(1,043)</b>	<b>0</b>	<b>(1,043)</b>	<b>(1,043)</b>

#### Housing Revenue Account

	Original Budget £000	Revised Budget £000	Period 12 outturn £000	Variation to revised budget £000	Reserve Movements £000	Period 12 outturn after reserve movements £000	Variation to revised budget £000
HRA Other Income and Expenditure	11	11	2,725	2,714	0	2,725	2,714
HRA Regeneration	837	837	116	(721)	0	116	(721)
HRA Surplus/Deficit for the year	(754)	(754)	(2,682)	(1,928)	0	(2,682)	(1,928)
Interest on Balances	(95)	(95)	(159)	(65)	0	(159)	(65)
<b>Total</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>0</b>

**Capital outturn 2018/19**

	2018/19 Revised Budget	Additions/ Deletions Recommended	Slippage / Accelerated Spend Recommended	2018/19 Period 12	Variance from Approved Budget	% slippage of 2018/19
	£000	£000	£000	£000	£000	%
Investing in IT	2,400	(481)	(388)	1,531	(869)	(16.18%)
<b>Adults and Communities</b>	<b>2,400</b>	<b>(481)</b>	<b>(388)</b>	<b>1,531</b>	<b>(869)</b>	<b>(16.18%)</b>

	2018/19 Revised Budget	Additions/ Deletions Recommended	Slippage / Accelerated Spend Recommended	2018/19 Period 12	Variance from Approved Budget	% slippage of 2018/19
	£000	£000	£000	£000	£000	%
Depot relocation	1,290	-	(174)	1,116	(174)	(13.46%)
Coppall Infrastructure Enhancement	1,000	-	-	1,000	-	-
Community Centre - Tarling Road	2,966	-	(33)	2,933	(33)	(1.12%)
Asset Management	922	-	(609)	313	(609)	(66.06%)
Libraries asset management	300	-	(235)	65	(235)	(78.28%)
Centre for Independent Living & Libraries	-	-	-	-	-	-
Daws Lane Community Centre	-	-	-	-	-	-
ICT strategy	960	-	270	1,230	270	28.10%
Community Centres fit out	-	-	-	-	-	-
Customer Services Transformation Programme	2,961	-	(698)	2,263	(698)	(23.58%)
Implementation of Locality Strategy	273	-	(151)	122	(151)	(55.32%)
Sport and Physical Activities	23,277	-	326	23,603	326	1.40%
Saracen Loan	165	-	(9)	156	(9)	(5.23%)
Gaelic playing pitch relocation	-	-	-	-	-	-
CCTV Installation	-	-	-	-	-	-
Office Build	19,742	(128)	(3,640)	15,974	(3,768)	(18.44%)
<b>Commissioning Group</b>	<b>53,856</b>	<b>(128)</b>	<b>(4,954)</b>	<b>48,774</b>	<b>(5,082)</b>	<b>(9.20%)</b>

	2018/19 Revised Budget	Additions/ Deletions Recommended	Slippage / Accelerated Spend Recommended	2018/19 Period 12	Variance from Approved Budget	% slippage of 2018/19
	£000	£000	£000	£000	£000	%
<b>Modernisation - Primary &amp; Secondary</b>	<b>3,094</b>	<b>(3)</b>	<b>(655)</b>	<b>2,436</b>	<b>(658)</b>	<b>(21.17%)</b>
Healthy Pupils Fund	47	3	154	204	157	327.66%
Urgent Primary Places - Temporary Allocated	-	111	-	111	111	-
Orion Primary School	29	-	-	29	-	-
Menorah Foundation	-	-	-	-	-	-
Martin Primary	-	-	-	-	-	-
Monkfrith	89	(39)	(50)	-	(89)	(56.18%)
Wren Academy	80	1	-	81	1	-
London Academy	10	3	(10)	3	(7)	(100.00%)
St Agnes	55	-	(8)	47	(8)	(15.07%)
Saracens Primary	30	(15)	-	15	(15)	-
Kosher Kitchen	100	-	(100)	-	(100)	(100.00%)
Brookland	863	-	-	863	-	-
<b>Permanent Secondary Expansion Programme</b>						
Christ college	-	1	-	1	1	-
Coppall	-	-	-	-	-	-
Oak Lodge Special School	278	-	(45)	233	(45)	(16.15%)
St Mary's & St John's	287	-	85	372	85	29.76%
St James / Blessed Dominic	13,342	-	(745)	12,597	(745)	(5.58%)
Christ College Facilities Upgrade	252	(2)	-	250	(2)	-
Grammer school projects	-	-	-	-	-	-
<b>SEN Programme</b>						
Coppets Wood ASD	62	-	-	62	-	-
Chalgrove Primary school ASD	740	37	-	777	37	-
Whitefield School ASD	142	-	-	142	-	-
<b>Other Projects</b>						
Whittings Hill, Colindale and Northway/Fairway	471	(39)	(6)	426	(45)	(1.27%)
School place planning (Primary )	-	(21)	21	-	-	-
School place planning (Secondary)	-	-	-	-	-	-
SEN	-	(37)	37	-	-	-
Alternative Provision	270	-	(80)	191	(80)	(29.47%)

Contingency	-	-	-	-	-	-
Children's services -Education and Skills	20,241	0	(1,401)	18,841	(1,401)	(6.92%)

	2018/19 Revised Budget	Additions/ Deletions Recommended	Slippage / Accelerated Spend Recommended	2018/19 Period 12	Variance from Approved Budget	% slippage of 2018/19
	£000	£000	£000	£000	£000	%
Capital Schemes managed by Schools	1,120	-	-	1,120	-	-
<b>Capital Schemes managed by Schools</b>	<b>1,120</b>	<b>-</b>	<b>-</b>	<b>1,120</b>	<b>-</b>	<b>-</b>

	2018/19 Revised Budget	Additions/ Deletions Recommended	Slippage / Accelerated Spend Recommended	2018/19 Period 12	Variance from Approved Budget	% slippage of 2018/19
	£000	£000	£000	£000	£000	%
Early Education and Childcare place sufficiency	835	(170)	(187)	478	(357)	(22.40%)
Information Management	290	-	85	375	85	29.46%
Youth Zone	3,999	-	1	4,000	1	0.03%
Loft conversion and extension policy for Foster Carers	110	-	(110)	-	(110)	(100.00%)
New Park House Children's home	17	-	0	17	0	1.35%
East Barnet Partnership Library	-	-	-	-	-	-
Meadow Close Children's Homes	360	-	(162)	198	(162)	(44.94%)
Family Services Estate - building compliance, extensive R&M	435	-	(49)	386	(49)	(11.22%)
<b>Children's services - Family Services</b>	<b>6,046</b>	<b>(170)</b>	<b>(421)</b>	<b>5,455</b>	<b>(591)</b>	<b>(6.96%)</b>

	2018/19 Revised Budget	Additions/ Deletions Recommended	Slippage / Accelerated Spend Recommended	2018/19 Period 12	Variance from Approved Budget	% slippage of 2018/19
	£000	£000	£000	£000	£000	%
Empty Properties	1,843	-	(1,670)	173	(1,670)	(90.63%)
Alexandra Road	-	-	-	-	-	-
Chilvins Court	-	-	-	-	-	-
Out of borough acquisition	-	-	-	-	-	-
Direct Acquisitions	26,000	-	4,230	30,230	4,230	16.27%
Modular Homes	182	-	(182)	-	(182)	(100.00%)
St Georges Lodge temporary accommodation conversion	-	-	-	-	-	-
Hermitage Lane	346	-	(313)	33	(313)	(90.52%)
Open Door	13,000	-	3,071	16,071	3,071	23.62%
Pinkham Way land release	250	-	(122)	128	(122)	(48.76%)
Micro sites	2,625	-	195	2,820	195	7.43%
<b>Housing Needs Resources</b>	<b>44,246</b>	<b>-</b>	<b>5,208</b>	<b>49,454</b>	<b>5,208</b>	<b>11.77%</b>

	2018/19 Revised Budget	Additions/ Deletions Recommended	Slippage / Accelerated Spend Recommended	2018/19 Period 12	Variance from Approved Budget	% slippage of 2018/19
	£000	£000	£000	£000	£000	%
Lines and Signs	170	-	(137)	33	(137)	(80.70%)
LED Lighting	-	-	-	-	-	-
Pay and Display parking machine estate upgrade	120	-	(120)	-	(120)	(100.00%)
Moving traffic cameras	50	-	(31)	19	(31)	(62.93%)
Controlled parking zones review	50	-	(50)	-	(50)	(100.00%)
CCTV	-	-	-	-	-	-
CCTV Projects Retention	-	-	-	-	-	-
Town Centre Bays	-	-	-	-	-	-
Parking signs and lines introduction and replenishment	-	-	-	-	-	-
Car Parking improvement	-	-	-	-	-	-
Highways (permanent re-instatement)	567	-	(123)	444	(123)	(21.64%)
Highways proactive patching	560	-	-	560	-	-
DLO restructure and Investment project	-	-	-	-	-	-
<b>Parking and Infrastructure</b>	<b>1,517</b>	<b>-</b>	<b>(461)</b>	<b>1,056</b>	<b>(461)</b>	<b>(30.41%)</b>

	2018/19 Revised Budget	Additions/ Deletions Recommended	Slippage / Accelerated Spend Recommended	2018/19 Period 12	Variance from Approved Budget	% slippage of 2018/19
	£000	£000	£000	£000	£000	%
<b>HIGHWAYS TfL - LOCAL IMPLEMENTATION PLAN</b>						
Local Implementation Plan 2016/17 and onwards	3,769	(535)	-	3,234	(535)	-
Bus stop Accessibility	-	-	-	-	-	-

Bridge Assessment	-	19	-	19	19	-
Borough Cycling Programme	-	672	-	672	672	-
<b>HIGHWAYS non-TfL</b>						
Footway Reconstruction	-	-	-	-	-	-
Traffic Management	-	-	(0)	(0)	(0)	-
Reconstruction of Railway Bridges	-	-	-	-	-	-
Highways Improvement	14	-	27	41	27	189.68%
Travel Plan Implementation	50	-	(50)	-	(50)	(100.00%)
Carriageways	237	-	334	571	334	140.85%
Highways Planned Maintenance Works Programme	-	-	-	-	-	-
Saracens	-	31	(24)	7	7	-
Drainage Schemes	70	-	(70)	-	(70)	(100.00%)
Road Traffic Act - Controlled Parking Zones	60	-	(60)	-	(60)	(100.00%)
Parking	-	-	-	-	-	-
Investment in Roads & Pavement (NRP)	9,308	-	(666)	8,642	(666)	(7.15%)
GF Regeneration	-	-	-	-	-	-
Mill Hill East	-	-	-	-	-	-
BXC - Funding for land aquistion	22,358	-	(1,074)	21,284	(1,074)	(4.80%)
Colindale – Highways and Transport	700	-	(608)	92	(608)	(86.92%)
Colindale – Parks, Open Spaces and Sports	1,336	-	(171)	1,165	(171)	(12.77%)
Colindale Station Works	1,500	-	-	1,500	-	-
Grahame Park – Community Facilities	60	-	(10)	50	(10)	(15.98%)
West Hendon Highway Improvement	-	-	-	-	-	-
Town Centre	188	-	(92)	96	(92)	(48.67%)
Thames Link Station	64,913	-	(31,544)	33,369	(31,544)	(48.59%)
Development pipeline	13	-	(13)	-	(13)	(100.00%)
Development pipeline strategic opportunities fund	5,633	-	20	5,653	20	0.36%
Strategic Infrastructure Fund	16,000	-	(16,000)	-	(16,000)	(100.00%)
Housing Association Development Programme - New Affordable Housing	-	-	-	-	-	-
Disabled Facilities Grants Programme	2,946	-	-	2,946	-	-
Refurbish and regenerate Hendon Cemetery and Crematorium	149	-	5	154	5	3.06%
Hendon Cemetery & Crematorium Enhancement	116	-	(32)	84	(32)	(27.80%)
Decent Homes Programme	180	-	(65)	115	(65)	(35.90%)
DECC - Fuel Poverty	3	-	(0)	3	(0)	(6.42%)
<b>Regional Enterprise</b>	<b>129,603</b>	<b>187</b>	<b>(50,093)</b>	<b>79,697</b>	<b>(49,906)</b>	<b>(38.65%)</b>

	2018/19 Revised Budget	Additions/ Deletions Recommended	Slippage / Accelerated Spend Recommended	2018/19 Period 12	Variance from Approved Budget	% slippage of 2018/19
	£000	£000	£000	£000	£000	%
Old Court House - public toilets	40	-	(40)	-	(40)	(100.00%)
Parks & Open Spaces and Tree Planting	61	-	(19)	42	(19)	(31.95%)
Park Infrastructure	140	(136)	(0)	4	(136)	(0.28%)
Victoria Park Infrastructure	75	-	(75)	-	(75)	(100.00%)
Data Works Management system	432	-	(380)	52	(380)	(87.92%)
Parks Equipment	101	(10)	(7)	84	(17)	(6.99%)
Fuel Storage Tank	-	-	-	-	-	-
Waste	220	-	0	220	0	0.11%
Weekly Collection Support Scheme	442	-	1	443	1	0.12%
Replacement Bins	-	-	-	-	-	-
Street litter bins	-	-	-	-	-	-
Vehicles	897	-	(683)	214	(683)	(76.16%)
Street cleansing and greenspaces - vehicles and equipment	1,050	-	(1)	1,049	(1)	(0.09%)
Green spaces development project	367	(79)	(288)	-	(367)	(78.47%)
<b>Street Scene</b>	<b>3,825</b>	<b>(225)</b>	<b>(1,493)</b>	<b>2,107</b>	<b>(1,718)</b>	<b>(39.03%)</b>

<b>General Fund Programme</b>	<b>262,855</b>	<b>(816)</b>	<b>(54,003)</b>	<b>208,035</b>	<b>(54,820)</b>	<b>(20.54%)</b>
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	2018/19 Revised Budget	Additions/ Deletions Recommended	Slippage / Accelerated Spend Recommended	2018/19 Period 12	Variance from Approved Budget	% slippage of 2018/19
	£000	£000	£000	£000	£000	%
Major Works (excl Granv Rd)	5,300	-	(210)	5,090	(210)	(3.96%)
Regeneration	1,300	-	(345)	955	(345)	(26.54%)
Misc - Repairs	2,584	-	491	3,075	491	19.00%
M&E/ GAS	6,260	-	(104)	6,156	(104)	(1.67%)
Voids and Lettings	3,985	-	307	4,292	307	7.71%
Advanced Acquisitions (Regen Estates)	11	-	1	12	1	4.95%
Ansell Court - extra care housing	6,069	-	(600)	5,469	(600)	(9.89%)

Dollis Valley	30	-	(12)	18	(12)	(38.71%)
Extra Care- housing (Stag & Cheshire)	360	-	(20)	340	(20)	(5.68%)
Burnt Oak Broadway Flats - additional storey	61	-	32	93	32	51.97%
Upper & Lower Fosters Community Led Design	1,304	-	(480)	824	(480)	(36.81%)
Stag house - property purchase	1,300	-	(585)	715	(585)	(44.99%)
HRA Fire Safety Programme	5,000	-	1,009	6,009	1,009	20.17%
<b>Housing Revenue Account</b>	<b>33,564</b>	<b>-</b>	<b>(517)</b>	<b>33,047</b>	<b>(517)</b>	<b>(1.54%)</b>
<b>Total Capital Programme</b>	<b>296,419</b>	<b>(816)</b>	<b>(54,521)</b>	<b>241,082</b>	<b>(55,337)</b>	<b>(18.39%)</b>

	AGENDA ITEM 8
	<b>Financial Performance and Contracts Committee</b>
	<b>19 June 2019</b>
<b>Title</b>	<b>Legal Services</b>
<b>Report of</b>	Director (Commercial and IT Services)
<b>Wards</b>	All
<b>Status</b>	Public
<b>Urgent</b>	No
<b>Key</b>	No
<b>Enclosures</b>	None
<b>Officer Contact Details</b>	<p>David Tatlow - Chief Legal Advisor &amp; Monitoring Officer  <a href="mailto:David.tatlow@barnet.gov.uk">David.tatlow@barnet.gov.uk</a>    020 8359 2786</p> <p>Tim Campbell - Commercial Advisor  <a href="mailto:tim.campbell@barnet.gov.uk">tim.campbell@barnet.gov.uk</a>    020 8359 4085</p>

## **Summary**

This report updates the Committee with the current position of the Council's Legal Services delivered through an Inter Authority Agreement by Harrow and Barnet Public Law – HBPL.

## **Officers Recommendations**

- 1. That the Committee notes the report and completion of the revised Inter Authority Agreement with Harrow.**
- 2. That the Committee notes the overview of the performance and financial position.**

## **1. WHY THIS REPORT IS NEEDED**

- 1.1 At its meeting on 17 December 2018, under Agenda Item 8, Performance of Back Office Functions – Legal Services, the Financial Performance and Contracts Committee agreed that HBPL will be included in future monitoring reports to the Committee.

## **2. REASONS FOR RECOMMENDATIONS**

### **2.1 Background**

- 2.1.1 Committee noted at the 17 December meeting that the Council had agreed to extend the Inter Authority Agreement with Harrow for a further period of five years until 1 September 2022. Committee also noted that a proposed revised Agreement was in negotiation.
- 2.1.2 Discussions have now concluded, and agreement reached on key changes recommended relating to the method of charging which 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.
- 2.1.3 A revised Inter Authority Agreement (IAA) has now been signed and sealed by both Barnet and Harrow. As previously reported, this includes revised TUPE arrangements at the end of the Agreement; the revised method of charging; revised termination and exit arrangements; ongoing Pension Liabilities; revised reporting and monitoring arrangements; and updated terms to reflect legislative changes such as the European Union General Data Protection Regulation.
- 2.1.4 The previous contract ended 31st August 2017 and the revised contract, although signed and sealed in March 2019 is backdated to commence 1st January 2018 and ends 31st August 2022. Notice of termination of the new revised contract can be given 30 months following the commencement date and effective one year later. It is suggested that next year consideration will need to be given to the options relating to the re-procurement of the contract from September 2022.

### **2.2 Performance**

- 2.2.1 Under the IAA the Council pays for the hours worked by lawyers within HBPL at a fixed rate. In addition, HBPL pass on the costs of all matters referred on by them to external Barristers and Solicitors plus fees.
- 2.2.2 It should be noted that both Barnet Homes and Regional Enterprises (Capita Re) have separate Service Level Agreements with HBPL for legal work which relates to their own contractual obligations. These are monitored and paid for separately and do not form part of this report.

- 2.2.3 The enhanced quarterly reporting under the revised IAA allows more fine-grained monthly reports on overall number of hours worked with breakdown by work type; cost of disbursements; volume of new instructions; number of open matters; number of matters closed with total hours charged for each matter; and cost of external Barristers and Solicitors.
- 2.2.4 The gross total cost of legal services including external barrister and solicitor costs acting for the council for the year immediately prior to the IAA (i.e. 2016/17) was £4.2m.

2.2.5 The breakdown for actual costs in 2017/18 compared to 2018/19 is:

HARROW & BARNET PUBLIC LAW 2017/18/19									
Department	Costs	Costs	Costs	Costs	Costs	Fees	Fees	Totals	Totals
	Annual	Annual	Annual	Annual	Annual	Annual	Annual	Gross	Gross
	2017/18	2018/19	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19
	HBPL	HBPL	HBPL	Barrister/Solr	Barrister/Solr			Actual	Actual
	Actual	Estimated	Actual						
Family Services	980,000	1,200,000	1,160,000	360,000	460,000	60,000	150,000	1,400,000	1,770,000
Adult Services	195,000	140,000	210,000	4,000	20,000	15,000	20,000	214,000	250,000
Environment	92,000	62,000	89,000	7,000	5,000	2,000	2,000	101,000	96,000
Assurance	156,000	160,000	143,000	43,000	22,000	1,000	3,000	200,000	168,000
Commercial Services	95,000	100,000	76,000	75,000	620,000	2,000	2,000	172,000	698,000
Housing GF (BH)	133,000	170,000	163,000	16,000	17,000	39,000	2,000	188,000	182,000
Housing Regen (HRA)	218,000	145,000	166,000	130,000	20,000	25,000	24,000	373,000	210,000
RE: Planning/Regulatory	266,000	320,000	285,000	45,000	77,000	5,000	5,000	316,000	367,000
CE: Education	46,000	62,000	107,000	2,000	34,000	2,000	2,000	50,000	143,000
CSG: Property Services	291,000	380,000	382,000	42,000	1,000	5,000	7,000	338,000	390,000
CSG: Resources	85,000	150,000	120,000	74,000	13,000	6,000	7,000	165,000	140,000
Public Health		12,000	12,000						12,000
Totals Gross 2017/18	2,557,000			798,000		162,000		3,517,000	
Estimated Gross 18/19		2,901,000	2,913,000		1,289,000		224,000		4,426,000

NB: these figures do not include income and other adjustments and do not represent the final budget position

- 2.2.6 Detailed performance information including an analysis of expenditure is supplied to all Departments quarterly by the Council's Chief Legal Advisor & Monitoring Officer.
- 2.2.7 A summary of performance by Department for the year ending 31st March 2019, based on the performance data and discussions between Department Leads and the Council's Chief Legal Advisor & Monitoring Officer:

### 2.2.8 Family Services

By far the largest user of legal services. The number of instructions for legal work is down 15% compared with the previous year but gross legal costs are up 20% due to some very complex child protection cases and associated Barrister fees. Unit costs for each main type of legal work appear to demonstrate good value but will be subject to further examination. Overall performance is considered to be good.

### 2.2.9 Adult Services

Demand for legal work is up slightly (from 131 to 156 matters per year) and

unsurprisingly therefore overall legal costs are also up slightly. Unit costs for each main type of legal work appear to demonstrate good value. Overall performance is considered to be good.

#### **2.2.10 Environment Services**

Demand for legal work is slightly down compared with the previous year and unsurprisingly therefore overall legal costs are down slightly. Unit costs for each main type of legal work appear to demonstrate good value. Overall performance is considered to be good.

#### **2.2.11 Assurance**

Demand for legal work is slightly down compared with the previous year and unsurprisingly therefore overall legal costs are down slightly. Unit costs for each main type of legal work appear to demonstrate good value. Overall performance is considered to be good.

#### **2.2.12 Education (Cambridge Education)**

Demand for legal work has doubled when compared with the previous year due to the increase in Special Education Needs Tribunal cases as a consequence overall legal costs have significantly increased. An explanation for the increase in Tribunal legal cases is currently being sought. Unit costs for each main type of legal work appear to demonstrate good value. Overall performance is considered to be good.

#### **2.2.13 Commercial Services**

Legal advice work has mainly (90% by value) been carried out by Barristers and private law firms. Performance is good. The unit rate for private firms is more than double the HBPL unit rate.

#### **2.2.14 Housing Options**

Legal work carried out for Barnet Homes relating to Homeless services but paid for by the Council. Demand for legal work is up slightly (from 127 to 147 matters per year) and unsurprisingly therefore overall legal costs are also up slightly. Housing possessions matters have increased by 40% from 83 in 2017/18 to 117 in 2018/19. Unit costs for each main type of legal work appear to demonstrate good value. Overall performance is considered to be good.

#### **2.2.15 Development and Regulatory Services**

Legal work carried out for Re but paid for by the Council covers planning, regulatory services and property regeneration. As set out in the exempt report.

#### **2.2.16 CSG (Capita)**

Legal work carried out for the Customer Services Group covers property, finance, human resource back office functions. As set out in the exempt report.

### **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

3.1 None.

#### **4. POST DECISION IMPLEMENTATION**

4.1 Officers will continue to work with HBPL to strengthen monitoring and address performance and quality issues.

#### **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 staffing ICT or property implications.

##### **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 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 The council has an established approach to risk management, which is set out in the Risk Management Framework. All risks are reviewed on a quarterly basis (as a minimum) and the corporate risk register (comprising strategic and high-level service/joint risks) is reported to Policy and Resources Committee as part of the quarterly Strategic Performance Report.
- 5.5.2 There were no high level (scoring 15+) risks linked to this service in Q4 2018/19.

## **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.

## **5.7 Corporate Parenting**

5.7.1 This section does not apply to this report.

## **5.8 Consultation and Engagement**

5.8.1 Not applicable.

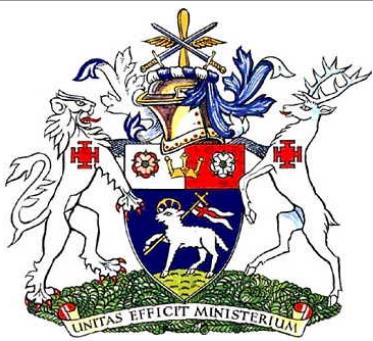
## **5.9 Insight**

5.9.1 Not applicable.

## **6 BACKGROUND PAPERS**

6.1 Minutes of Financial Performance and Contracts Committee on 17 December 2018: [Agenda for Financial Performance and Contracts Committee on Monday 17th December, 2018, 7.00 pm](#)

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## AGENDA ITEM 9 Financial Performance and Contracts Committee

19 June 2019

<b>Title</b>	<b>Performance of back office functions – off-contract agency expenditure</b>
<b>Report of</b>	HR Director
<b>Wards</b>	All
<b>Status</b>	Public
<b>Urgent</b>	No
<b>Key</b>	No
<b>Enclosures</b>	None
<b>Officer Contact Details</b>	Natasha Edmunds – HR Director <a href="mailto:Natasha.Edmunds@Barnet.gov.uk">Natasha.Edmunds@Barnet.gov.uk</a> 0208 359 2978

### Summary

This report shows total agency spend, focusing on the off-contract spend by the council for the last financial year, detailing the usage and expenditure that creates no additional financial pressure on the council, against usage and expenditure that creates revenue pressures. It will show actions taken by officers to reduce expenditure.

### Officers Recommendations

**That the Committee notes off-contract agency spend and the actions taken by officers to reduce this expenditure.**

## **1. WHY THIS REPORT IS NEEDED**

### **CONTEXT AND BACKGROUND INFORMATION**

- 1.1 The purpose of this report is to set out the council's off-contract expenditure on temporary workers that are hired from specialist recruitment firms not on the current agency framework.
- 1.2 As of October 2018, the council use Matrix SCM (Matrix) as its Managed Service Provider (MSP), which provides the majority of its temporary workers, in both numbers and expenditure. Prior to this, Comensura was the council's MSP.
- 1.3 A temporary workforce is made up of different types of workers whose employment is temporary in nature. Off-contract usage comes from either:
  - I) Contracting: bought in for a special project or to cover an extended absence. Employed on a fixed-term or rolling contract, dependent on the project or absence they are covering. Typically used to cover known periods of absence such as maternity leave, career breaks or for time limited specific projects.
  - II) 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.
- 1.4 Contract expenditure occurs through the Matrix framework, where agencies and Matrix agree a rate, or fee, (at a level acceptable to the council) so they can be included on the Matrix framework. Off-contract expenditure results from the council directly interacting with an agency that is not on the Matrix framework but which is on another approved framework of suppliers which is broader in scope than temporary workers.
- 1.5 There are many benefits of hiring temporary workers through the Matrix framework:
  - I) Cost control of agency spend through set costs
  - II) Greater assurance on quality of workers
  - III) Compliance of temporary workers of council's policy (strong safeguarding and pre-employment checks)
  - IV) Transparency of spend
  - V) Additional benefits built into the contract

However, there is occasional need to hire an expert or executive role. These types of temporary workers are typically provided by specialist interim firms that are not on the agency framework, Matrix and often provide a higher calibre of candidate. In these exceptional cases, the council direct contracts with interim agencies.

- 1.6 The compliance of the Matrix contract management, including the process and procedures, has been excellent, with few escalations. It has led to a reduction in expenditure and further assurances around safeguarding.

## 2. 2018/19 FINANCIAL YEAR EXPENDITURE

**Graph A: Total Temporary Workers Expenditure Financial Year 2018/19<sup>1</sup>**



<sup>1</sup> Only for Commissioning Group (Include Assurance Group), Adults & Communities, Family Services and Street Scene

**Table A: Breakdown of Expenditure between Service Areas**

Service Area	Off Contract Expenditure	On Contract Expenditure	Total Expenditure	Off Contract Spend as a % of Total Expenditure
Adults & Communities	£10,000	£1,643,000	£1,653,000	0.6%
Commissioning Group <sup>1</sup>	£483,000	£1,737,000	£2,220,000	21.8%
Family Services	£258,000	£9,343,000	£9,601,000	2.7%
Street Scene <sup>2</sup>	£0	£1,868,000	£1,868,000	0%
<b>Total for Service Areas above</b>	<b>£751,000</b>	<b>£14,591,000</b>	<b>£15,342,000</b>	<b>4.9%</b>

<sup>1</sup> Includes Assurance Group

<sup>2</sup> Includes Green Spaces and Parking & Infrastructure

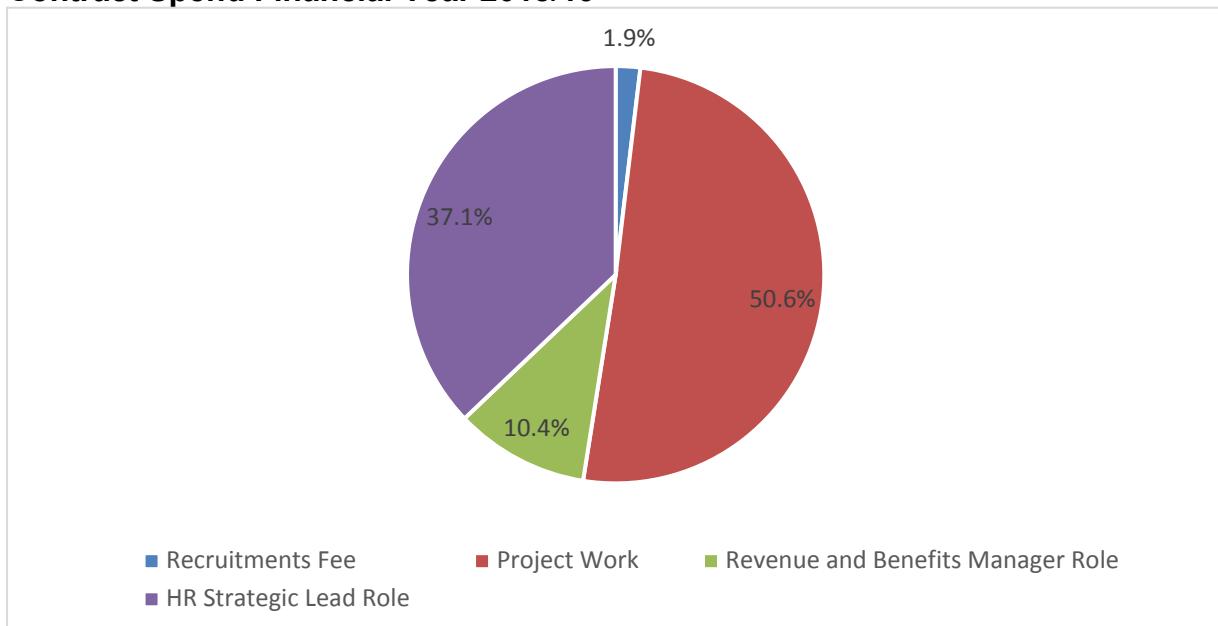
\* Figures rounded to the nearest '000

\*\* Figures are taken finance outturn report

\*\*\* Figures may differ from Open Data Portal as they do not include Capital Expenditure and there is a variance which can be attributed to timing differences between work date and payment date

- 2.1 The off-contract expenditure for the service areas above is £751,000, 4.9% of total expenditure, £15,342,000. This is a low percentage, with the majority of expenditure for Full Year 2018/19 through the agency frameworks of Comensura and Matrix.
- 2.2 As seen in Table A, the Commissioning Group (including Assurance) had the largest off-contract expenditure at £483,000, 21.8% of their (Commissioning Group) total agency expenditure. Family services off-contract spend was 2.7% of its total agency expenditure, £9,601,000. Adults & Communities off-contract spend was £10,000, while Street Scene was the only service who used the contract framework to employ their temporary workforce.
- 2.3 As stated in 1.3, off-contract spend is a result of either contracting and/or interim staff. The reason for the requirement for interim resource will usually determine whether this creates additional financial pressure on the council. In most cases interim resource requirements are funded by project budgets and are forecast as such, sometimes they are covering vacancies and therefore are funded from existing salary budgets. However, there are occasions when interims are used to fill a newly created role which creates a revenue budget pressure.
- 2.4 The off-contract spend in Family Services is for two reasons. Firstly, at £170,000, is one specialist resource that is involved in the improvement plan. This expenditure is designated as necessary by the service area given its important role. Secondly, expenditure of £88,000 for clinical staff.
- 2.5 The off-contract spend for Adults & Communities of £10,000 is for recruitment fees for one council employee. Here, a specialist agency was used to conduct a candidate search process, which created a small, temporary additional financial pressure on the council. However, this reduced the potential additional pressure in hiring agency staff (either off or on contract) if needed.

**Graph B: Commissioning Group Expenditure (Including Assurance) Off-Contract Spend Financial Year 2018/19**



- 2.6 As can be viewed in Graph B, Commissioning Group expenditure can be split between project work, recruitment fees, the Strategic HR Lead role and covering the vacant revenue and benefits manager role and further detail is provided on each of these below.
- 2.7 Off-contract project spend, at a value of £244,000, relates primarily to two specific projects for which funding was agreed. These projects included the financial control review and the strategic contract review. The financial control review was commissioned following the identification of significant fraud and although the resource was employed by the council the cost was recouped from Capita. The strategic contract review was commissioned to enable a potential realignment of the council's partnership with Capita which resulted in the recent return to the council of the Strategic HR and Finance functions. These projects required specialised resources that were not available on the agency framework.
- 2.8 The Strategic HR Lead is an interim role, which was identified by officers as a key requirement for the contract management of the CSG HR function during 2017/18, including leading the TUPE process for the recently returned Strategic HR and Finance functions. It has also been heavily involved until recently in managing the pensions improvement plan and as such a proportion of the cost was funded by the pension fund. Off-contract spend for this individual is £179,000, although £46,000 of this expenditure is back-dated pay for 2017/18. Going forward once a permanent role has been recruited this interim role will cease although the role will be temporarily covered by the current interim with the costs funded by the salary budget.

- 2.9 The spend on recruitment fees (£9,000) is for one council employee within the Commissioning Group. As stated in 2.5, a specialist agency was used to conduct a candidate search process.
- 2.10 The final off-contract agency expenditure of £50,000 was to cover the vacant Revenue and Benefits Manager. The role has now been filled and the off-contract spend has now ceased.

### **3. NEXT STEPS**

- 3.1 Since Matrix became the council's managed service provider, a further 105 new agency suppliers have been added to the agency framework. Over time, the objective is to possess the widest possible range to agency employees, although it must be recognised that sometimes specialist resources will not be available through the framework.
- 3.2 The internal process for hiring staff, including agency workers, is being updated, with the current policy being overhauled. This will also include changes to the recruitment panel. On top of this, communications will be reissued to all hiring managers to ensure that off-contract agency workers are only used when needed.
- 3.3 The council can investigate ways to reduce overall agency expenditure through, for example, having a greater focus on longer term workforce planning.
- 3.4 Procurement to 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 off-contract expenditure.

### **4. REASONS FOR RECOMMENDATIONS**

- 4.1 The purpose of this report is to ensure that the Committee has a clear overview of off-contract agency expenditure, and fully understands the actions officers are taking to reduce this expenditure in the future.

### **5. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

5.1 None.

## **6. POST DECISION IMPLEMENTATION**

6.1 The council will continue to track off-contract agency spend through regular reports, which will help achieve the aim of reducing in this type of expenditure.

## **7. IMPLICATIONS OF DECISION**

### **7.1 Corporate Priorities and Performance**

5.1.1 The council's corporate plan published in March/April 2019 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 Contract 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.

### **7.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

7.2.1 In setting out off-contract agency expenditure, the council is attempting to reduce the usage and expenditure of this type of expenditure. The process shows that the council is ensuring value for money in delivering services to the highest standard.

### **7.3 Social Value**

7.3.1 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.

### **7.4 Legal and Constitutional References**

7.4.1 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.

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

## 7.5 Risk Management

7.5.1 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 off-contract agency 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.

## 7.6 Equalities and Diversity

7.6.1 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.

## 7.7 Corporate Parenting

7.7.1 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.

## **7.8 Consultation and Engagement**

- 7.8.1 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.

## **7.9 Insight**

- 7.9.1 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.

## **8. BACKGROUND PAPERS**

- 8.1 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>
- 8.2 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>
- 8.3 Report on the Performance of Back Office Functions – Temporary Workers Contract Implementation to the Financial Performance and Contract Committee on the 11th March 2019. This is available online at:  
<https://barnet.moderngov.co.uk/documents/s51502/Temporary%20Workers%20Contract%20Implementation.pdf>

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	<b>AGENDA ITEM 10</b> <b>Financial, Performance and Contracts Committee</b> <b>19<sup>th</sup> June 2019</b>
<b>Title</b>	<b>Review of Capita Contracts – Lessons Learned</b>
<b>Report of</b>	Director – Commercial and IT Services
<b>Wards</b>	All
<b>Status</b>	Public
<b>Urgent</b>	No
<b>Key</b>	No
<b>Enclosures</b>	None
<b>Officer Contact Details</b>	Deborah Hinde, Director – Commercial and IT Services <a href="mailto:deborah.hinde@barnet.gov.uk">deborah.hinde@barnet.gov.uk</a> 020 8359 2461  Andrew Merritt-Morling, Programme Manager <a href="mailto:andrew.merritt-morling@barnet.gov.uk">andrew.merritt-morling@barnet.gov.uk</a> 020 8359 7024

### Summary

This report provides a summary of the lessons learned from the transition of the Finance and Strategic HR services back to the council on 1<sup>st</sup> April 2019.

### Officer Recommendations

**That the Committee:**

1. Notes the successful return of Finance and Strategic HR services to the council.
2. Notes the lessons learned from the process, which will inform any future in-sourcing activity.

## **1. WHY THIS REPORT IS NEEDED**

- 1.1. At its meeting on 11<sup>th</sup> December 2018, Policy and Resources Committee considered a report setting out the work that had been carried out on developing the business case for realignment of the Capita contracts as originally agreed by the Committee on 19<sup>th</sup> July 2018.
- 1.2. Based on detailed analysis of the Finance and strategic Human Resources (HR) services, the report recommended that these services be returned to the council as a matter of priority, subject to the outcome of public consultation.
- 1.3. In accordance with the recommendations that were agreed by Policy and Resources Committee in December 2018, work progressed on the preparation for returning the Finance and Strategic HR services to the council, in parallel with the conduct of public and best value consultation. Following the conclusion of the public and best value consultation exercise on 15<sup>th</sup> February 2019, the Chief Executive, in consultation with the Chairman of the Policy and Resources Committee, duly considered the responses from the consultation and an updated equality impact assessment and concluded that the return to the council of the Finance and Strategic HR services should proceed on 1<sup>st</sup> April 2019, subject to completion of the necessary due diligence and contract change documentation. This decision was documented in a Delegated Powers Report, dated 27<sup>th</sup> March 2018. The contractual due diligence was completed and the necessary Contract Change Notice signed on 29<sup>th</sup> March 2019, thus enabling the transfer to take place on 1<sup>st</sup> April 2019.
- 1.4. Due to the significant efforts of the teams from both parties, the transfer of staff and associated technology took place smoothly on 1<sup>st</sup> April 2019.
- 1.5. Programme Teams from both Capita and LBB were jointly asked to provide a lessons learned report within six weeks following the date of transfer, with a view to informing a further report on the review of Capita Contracts that is due to be submitted to the Policy and Resources Committee on 17<sup>th</sup> June 2019. This report was informed by a series of workshops covering all workstreams and involving officers from both Capita and the council that played key roles in the transfer process.

## **2. LESSONS LEARNED**

- 2.1. The lessons learned report recognises that there was a high level of commitment demonstrated by both council and Capita colleagues across all the work-streams, with the objective of ensuring that the transfer of Finance and Strategic HR services would take place on 1<sup>st</sup> April 2019.
- 2.2. The transfer itself, and the lead-up to it, proved to be largely seamless. This is attributed to strong project management from both parties. The transfer was overseen by a Joint Programme Review Board, which gave the respective programme teams the focus and governance that was required to make the transfer happen within what was a very tight timescale.
- 2.3. As a result of the transfer, the council and Capita both now have a much better understanding of the depth and scope of work required to facilitate a transfer, particularly in the areas of financial modelling, commercial preparation and negotiations, and operational readiness. The transfer was delivered through a number of workstreams, both service-specific and cross-cutting, drawing on input from the council's HR, finance, commercial, IT, legal and communication teams. This input was co-ordinated and supported by the dedicated Programme Team.
- 2.4. Each workstream involved multiple joint meetings during the period up to the transfer, in addition to work taking place outside those meetings. In addition to the direct cost of the Programme Team and legal support, it is estimated that the time input to meetings during the period January to March 2019 from the council's commercial, finance, IT and HR teams was approximately 250 days. On the basis of an assumed rate of £500 per day (including all overheads), this equates to an opportunity cost of approximately £125k.
- 2.5. The Change Notice itself, along with its appendices, runs to some 400 sides of A4 and covers the critical contractual changes only. It includes the following documents:
  - Revised output specifications to cover the Finance and HR services that are being retained by Capita
  - A new output specification for the Integra and Core HR information systems, as they are required to support the delivery of services that are now with the council
  - Revised method statements to cover the Finance and HR services that are being retained by Capita
  - Identification of new key performance indicators (KPIs) and performance indicators (PIs) to cover the Capita retained services, as well as identification of KPIs and PIs that will require amendments
  - Detailed schedules of the assets, software and third-party contracts that needed to transfer with the services
  - Detailed information on the staff that would be subject to TUPE regulations

- Agreement regarding ongoing responsibilities in respect of the financial controls rectification programme
  - Detailed agreement in respect of changes to the financial model
- 2.6. A further, supplementary Notice is required to confirm some of the supporting detail and it is anticipated that this will be completed by the end of June 2019. This will include finalising the agreement of:
- Interfaces between the Finance and HR services that have transferred, the Finance and HR services that have been retained by Capita and the Pensions Administration service
  - The detail of the new and revised KPIs and PIs
  - Any amendments to service volumes and service provider commitments
- 2.7. Once completed, the revised contractual documents will be published (redacted as required) on the Open Barnet portal.
- 2.8. The work required to consider the implications of the changes through the hierarchy of commercial documents was exceedingly complex and not fully understood at the beginning of the process. As a result, more time than was anticipated was spent in the early stages focusing on commercial and contractual issues. This resulted in preparation for operational readiness being pushed closer towards the April transfer date than originally envisaged. The joint Programme Teams suggest that in future, separate discussions are arranged to focus on commercial and operational readiness issues, so that both can proceed in parallel.
- 2.9. In retrospect, the use of the term “lift and shift” (to describe a transfer process involving no immediate change to structure or processes) within the programme teams meant that, in the early stages of the transfer, a lack of urgency was evident in some quarters, as the complexity of the task was considerably under-estimated. As a result, the most significant progress was made in the two months immediately prior to the date of transfer, leaving supporting functions and work-stream leads being stretched, whilst also having to meet business as usual priorities. The joint Programme Teams suggests that in future, terms such as “lift and shift” should be avoided, as they lead to a culture of under-estimating the scale of the task.

### **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1. None.

### **4. POST DECISION IMPLEMENTATION**

- 4.1. The content of this report will inform the implementation of future phases of the

review.

## **5. IMPLICATIONS OF DECISION**

### **5.1. Corporate Priorities and Performance**

- 5.1.1. Whilst this report has no direct implications, it will inform future phases of the contract review, the aims of which have been designed to ensure high quality, good value services, as envisaged in the council's Corporate Plan.

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

- 5.2.1. There are no direct implications from this report.

### **5.3. Social Value**

- 5.3.1. There are no direct implications from this report.

### **5.4. Legal and Constitutional References**

- 5.4.1 Under the Council's Constitution, Article 7, Committees, Forums, Working Groups and Partnerships the terms of reference of the Financial Performance and Contracts Committee includes the responsibilities 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. The council has an established approach to risk management, which is set out in the Risk Management Framework. All risks are reviewed on a quarterly basis (as a minimum) and the corporate risk register (comprising strategic and high-level service/joint risks) is reported to Policy and Resources Committee as part of the quarterly Strategic Performance Report. There are no specific risks arising from this 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.

5.6.4 There are no direct implications from this report.

## 5.7. **Corporate Parenting**

5.7.1. There are no direct implications from this report.

## **5.8. Consultation and Engagement**

5.8.1. There are no direct implications from this report.

## **5.9. Insight**

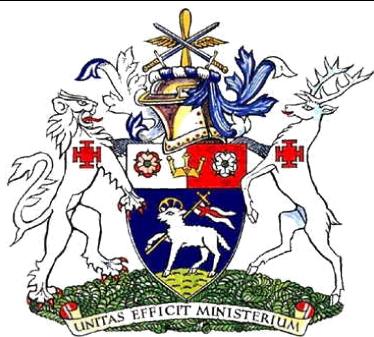
5.9.1. This report provides information that will assist in the delivery of future phases of the contract review.

## **6. BACKGROUND PAPERS**

6.1. Report to Policy and Resources Committee, Review of Capita Contracts – Strategic Outline Case:

<http://barnet.moderngov.co.uk/documents/s47263/Capita%20Realignment.pdf>

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AGENDA ITEM 11

## Financial Performance and Contracts Committee

**19 June 2019**

<b>Title</b>	<b>End of Year 2018/19 Contracts Performance Report</b>
<b>Report of</b>	Director (Commercial and IT Services)
<b>Wards</b>	All
<b>Status</b>	Public
<b>Urgent</b>	No
<b>Key</b>	No
<b>Enclosures</b>	None
<b>Officer Contact Details</b>	Elaine Tuck, Head of Commercial Management <a href="mailto:elaine.tuck@barnet.gov.uk">elaine.tuck@barnet.gov.uk</a> Alaine Clarke, Head of Programmes, Performance and Risk <a href="mailto:alaine.clarke@barnet.gov.uk">alaine.clarke@barnet.gov.uk</a>

### 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 End of Year (EOY) 2018/19 Themed Performance Reports.

### Officers Recommendations

The Committee is asked to review the End of Year (EOY) 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 End of Year (EOY) 2018/19 Themed Performance Reports. The report covers the **back-office functions** delivered by **CSG** (except Estates, which is reported to Assets, Regeneration and Growth Committee) and **Planning (Re)**.

### Back office functions (CSG)

#### Overview

- 1.2 Strategic HR and Finance services successfully transferred to the council on 1 April 2019. Transactional services such as Payroll and Accounts Payable remain with CSG and will continue to be monitored and reported on. Further work is taking place to revise indicators for the remaining services now CSG have returned parts of the services. This includes revision of the user satisfaction survey indicators.

Serious issues arose during the year in relation to financial controls and the Pensions service. In terms of financial controls, almost all improvements that formed part of the Grant Thornton action plan have been completed and assured as implemented. The improvement in controls has resulted in some delays in accounts payable and a taskforce is in place to help minimise the impact on suppliers.

In terms of Pensions, serious issues were identified by the Scheme Manager and the Actuary. Significant efforts were made during 2018/19 to improve data quality and there was a significant (88 per cent) reduction in critical data issues to 775 errors in April 2019. The focus is currently on ensuring high quality data for the triannual evaluation, the timely and accurate issuing of annual benefits statements and implementing outstanding audit actions. The Pensions Regulator continues to keep Barnet under close scrutiny.

Key achievements and developments during the year included:

- Implementing the financial controls action plan
  - Delivery of a new council website, which has received positive customer feedback
  - Moving all staff over to Office 365 and rolling out Skype telephony
  - The removal of procurement gainshare and guarantees and settlement of historic commercial issues
  - Recovery of c£0.5m more Housing Benefits Overpayments monies, supported by a gainshare arrangement that enabled CSG to invest in more resources to recover additional monies.
- 1.3 A key area of focus for the coming year will be the Year 6 contract review, which will commence during 2019/20. Alongside this a review of 'in-year' collection rates for Council Tax and Business Rates and a benchmarking exercise to review IT costs, estate, performance and user satisfaction across the council are proposed. User satisfaction has been problematic, with CSG having never met the contracted levels, and will also be a key focus during the coming year.

## Finance

- 1.4 **Contract reset** - a key element of activity in Q4 related to the contract reset and the associated TUPE transfer. In the case of finance this related to the transfer of 39 Capita staff to the council. This was achieved effectively to a tight deadline with all necessary statutory requirements met.
- 1.5 **Financial controls** - following the Grant Thornton report issued in 2018, which identified the need for significant improvements in financial controls, the vast majority of improvement actions have been implemented. This was a significant undertaking and progress has been reported to Audit Committee throughout the year. Most recently, Capita has provided a proposal for a system amendment to Integra, which will allow the implementation of recommendations relating to capital budget monitoring.
- 1.6 **Accounts Payable** – the introduction of enhanced financial controls as part of implementing the Grant Thornton action plan led to delays in suppliers getting paid. A joint task force was put in place to try to minimise the impact on suppliers, including clearing a backlog of 377 unallocated invoices. These challenges continue to be worked through and should reduce upon roll out of the ‘No PO, No Pay’ policy towards the end of Q1 2019/20.
- 1.7 **Traded Schools** – work is ongoing to remodel the Traded Schools Service post contract reset. This will include changing the reporting line of the Capita Traded Schools team to ENTRUST (the Capita Education Company) to provide a more effective service and better outcomes to residents.
- 1.8 The final **Closing of Accounts for 2018/19** took place in April/May 2019 after Finance transferred to the council.
- 1.9 An **Integra upgrade** was implemented during the year following successful user acceptance testing (UAT), with no disruption to normal operations. This improved the e-forms functionality (directly addressing internal audit recommendations) and reduced manual processes. Capita will continue to provide Integra to the council and there is a new agreement in place that clarifies performance levels.
- 1.10 There were two key indicators linked to Finance. Neither indicator met the EOY target. This service has returned to the council and new indicators were incorporated in the Annual Delivery Plan for Policy and Resources (P&R) Committee.
- Budget forecasting - variance to budget (RAG rated AMBER)** and **Budget savings monitoring report produced (RAG rated AMBER)**. These indicators failed in Q4 because sufficient and robust financial forecasts and associated assumptions for Q3 were not provided accurately by the date required.

Indicator <sup>1</sup>	Polarity	2018/19 Target	2018/19 EOY Result	2017/18 EOY Result	DOT
Budget forecasting - variance to budget	N/A	Pass	Fail <sup>2</sup> (A)	Fail	➔ S

<sup>1</sup> No benchmark data available for CSG KPIs.

<sup>2</sup> This is contested by CSG but the council thinks the indicators failed in Q4 based on the information provided by CSG.

Indicator <sup>1</sup>	Polarity	2018/19 Target	2018/19 EOY Result	2017/18 EOY Result	DOT
Budget savings monitoring report produced	N/A	Pass	Fail <sup>3</sup> (A)	Pass	↓ W

1.11 There was one high level (scoring 15+) risk on the joint risk register with CSG for Finance in Q4 2018/19, which is being managed in accordance with the council's risk management framework.

- **CSG07 - 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. The CSG Management Team continued to work closely with the client team to manage the risk and ensure resources were deployed in the most effective manner. This risk will be closed in Q1.

## Pensions

1.12 There has been significant improvement in data quality issues. Critical errors, as measured by Hymans Robertson's independent portal, showed a reduction in errors by 88 per cent (between December 2018 and April 2019). As at 11 April 2019, 775 errors remained, most of which were with third party payroll providers.

1.13 A number of admission agreements and bonds remained outstanding and are being followed up. Agreement was sought at the Pension Fund Committee in March 2019 to delegate authority to the council's S151 Officer in relation to arranging and signing admission agreements.

1.14 The council remains under scrutiny from the Pensions Regulator.

1.15 There was one high level (scoring 15+) risk on the joint risk register with CSG for Pensions in Q4 2018/19, which is being managed in accordance with the council's risk management framework.

- **CSG08 - Misstatement of Pension Fund (residual score 15).** 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 and a conditional data cleanse plan has been in place. The details of this have been sent to the Pensions Regulator. The HR data was submitted for an independent analysis of data conducted by Hymans Robertson who identified a significant number of critical errors that are to be addressed before the valuation. The council has requested another upload to Hymans Robertson for a second analysis.

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<sup>3</sup> This is contested by CSG but the council thinks the indicators failed in Q4 based on the information provided by CSG.

## Human Resources

- 1.16 The **Strategic HR** service was successfully transferred back to the council on 1 April 2019. In addition, the Senior Management restructure and TUPE payroll configuration work was completed.
- 1.17 Achievements in 2018/19 include:
- The successful upgrade of the Core HR system
  - Implementation of a new recruitment system - Vacancy Filler
  - Implementation of a new agency/temporary worker supplier contract - Matrix, which enabled an improvement in controls following an audit of the arrangements in place with the previous supplier.
  - Significant progress in implementing the priority audit actions relating to DBS requirements, automation of the system, temporary worker requirements and contract management, as reported to Audit Committee on 1 May 2019.
- 1.18 Strategic HR reported resource constraints during Q4 and this led to concerns over the quality of support provided to the council. Work was re-prioritised by the council HR Lead to focus on completion of critical audit actions and key strategic projects such as the senior management restructure and payroll configuration for TUPE transfer.
- 1.19 There were four key indicators linked to HR. The service achieved the EOY target on three indicators, but failed to achieve the EOY target on one indicator.
- **Payroll accuracy - error rates (RAG rated RED)** – 0.65% against EOY target of 0.1% (536 errors out of 82048 transactions). The indicator failed in Q1 and Q2. The HR system and human errors were established as the root cause. The HR system was upgraded to improve payroll accuracy and the indicator passed in Q3 and Q4.

Indicator <sup>4</sup>	Polarity	2018/19 Target	2018/19 EOY Result	2017/18 EOY Result	DOT
Payroll Accuracy - error rates	Smaller is Better	0.1%	0.65% <sup>5</sup> (R)	0.3%	⬇️ W -127%
DBS verification audits	Bigger is Better	100%	100% (G)	99.7%	⬆️ I +0.3%
Absence projects and Interventions <sup>6</sup>	N/A	Pass <sup>6</sup>	Pass (G)	Pass	→ S
Payroll - correct pay date	Bigger is Better	100%	100% (G)	100%	→ S

- 1.20 There were no high level (scoring 15+) risks on the joint risk register with CSG for HR in Q4 2018/19.

<sup>4</sup> No benchmark data available for CSG KPIs.

<sup>5</sup> This has been rounded up to one decimal point. The actual result for the year was 0.34%

<sup>6</sup> 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.

## **Corporate Programmes**

- 1.21 During the year, work continued on key programmes, notably The Way We Work (TW3), leisure centres and schools.
- **TW3 Programme** was a priority of the council during the year, with CSG delivering the different strands across the programme. The Office 365 project was completed and a large proportion of council staff attended Skype training sessions. CSG delivered the Staff Development Programme training and provided continuous support around the TW3 scheme in Q4, with model offices set up and information sessions at both NLBP and Barnet House. Core audio-visual equipment and desk accessories were procured for the new office, ready for the council to start moving staff across to the new office from May 2019.
  - **Investment in leisure centres** – the two new leisure centres at New Barnet and Copthall are due for practical completion in July and August 2019. CSG provided project management for the two builds, with the construction period taking up most of the financial year.
  - **Blessed Dominic and St James' school expansion** - CSG provided project management and other technical advice on the continued delivery of this school expansion. The project is on track to deliver new pupil places for September 2019.
- 1.22 There were no key indicators or high level (scoring 15+) risks on the joint risk register with CSG for Corporate Programmes in Q4 2018/19.

## **Customer Services**

- 1.23 There was a focus on managing demand through reducing telephone contacts and costs by providing an enhanced web experience but recognising that some circumstances require a direct answer. The expected benefits and delivery dates of a range of demand reduction initiatives were agreed between CSG and the council. The baseline against which demand is calculated was revised to reflect the impact of these initiatives and a tracker put in place to monitor progress. These initiatives ensured no additional contract costs were incurred in Q3 and Q4. It is anticipated that this cost-neutral position will be maintained and savings generated in 2019/20.
- 1.24 A new website was launched in February 2019 with a focus on resident testing and engagement to ensure the website addressed key concerns and feedback. The new website has improved navigation and search, enabling residents to find information quicker and easier. Improvements were also made to the 'MyAccount' functionality.
- 1.25 There were five key indicators linked to Customer Services. The service achieved the EOY target on four indicators, but failed to achieve the EOY target on one indicator.
- **Cases/transactions completed via self-service channels (RAG rated AMBER)** – 47.1% against EOY target of 48% (200,822 out of 426,269 transactions). To support the bin round changes and additional calls that resulted, the automated messaging on the council's telephony system was removed so more calls were answered directly by staff and hence required manual intervention. This impacted the number of transactions completed via self-serve channels.

Indicator <sup>7</sup>	Polarity	2018/19 Target	2018/19 EOY Result	2017/18 EOY Result	DOT
Customers who rate phone calls, emails and face-to-face service as good (GovMetric)	Bigger is Better	89%	90.0% (G)	90.3%	⬇️ W -0.2%
Customers satisfied following case closure	Bigger is Better	65%	70.6% (G)	69.2%	⬆️ I +2%
Customer Services closing cases on time	Bigger is Better	94%	96.9% (G)	97.4%	⬇️ W -0.5%
Customer Services closing cases on time (Customer Advocacy Service)	Bigger is Better	96.9% <sup>8</sup>	100% (G)	100%	➡️ S
Cases/transactions completed via self-service channels	Bigger is Better	48% <sup>9</sup>	47.1% (A)	New for 18/19	New for 18/19

- 1.26 There were no high level (scoring 15+) risks on the joint risk register with CSG for Customer Services in Q4 2018/19.

## Information Systems

- 1.27 The Office 365 project was concluded during the year and transitioned to the Operations team as business as usual. Office 365 mailboxes were migrated to the cloud from on-premise servers. All staff were successfully moved over to Office 2016 and Skype for Business; and the Skype telephony roll-out was completed. A lessons learned document has been produced on the Office 365 roll-out and a strategy recommending next steps drafted. Further work is taking place to develop an Office 365 Strategy to look at other functionality available from Microsoft on this platform.
- 1.28 The council has engaged SOCITM (Society for IT practitioners in the public sector) to carry out a benchmarking exercise to review IT costs, estate and performance, which includes a user satisfaction survey that will be sent to all staff. This will enable the council to focus its IT investment and future improvement plan to maximise financial and customer benefit.
- 1.29 The introduction of a 'Pass Phrase' to help users remember their passwords more easily helped reduce the number of requests for password reset in March 2019 (200, compared with 786 in October 2018). Dedicated Wi-Fi set up to enable Members to login and connect without the requirement of re-authenticating was extended to NLBP, Barnet House and Hendon Town Hall. IT has engaged with the Elections Service to support planning for the European Elections. The roll-out of Windows 10 continues with all new laptops on this platform and with the laptop refresh due to

<sup>7</sup> No benchmark data available for CSG KPIs.

<sup>8</sup> The target for this KPI is to achieve more than the period's result for the Customer Services closing cases on time KPI.

<sup>9</sup> 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.

begin this summer, which will see c.1500 devices upgraded. Most incidents and requests were resolved in a timely manner.

- 1.30 There were two key indicators linked to Information Systems. The service achieved the EOY target on one indicator, but failed to achieve the EOY target on the other indicator.
- **Incident resolution<sup>10</sup> (RAG rated AMBER)** - 93.3% against EOY target of 95%. There was a slight drop in the indicator performance in Q2, as a result of near doubling of telephone and Skype call volumes to 6,128 (compared to 3,259 in the same period last year). Workshops were organised for staff to encourage best practice going forward and the indicator passed in Q3 and Q4.

Indicator <sup>11</sup>	Polarity	2018/19 Target	2018/19 EOY Result	2017/18 EOY Result	DOT
Incident resolution	Bigger is Better	95% <sup>12</sup>	93.3% (A)	92.8%	
Critical system availability	Bigger is Better	99.5%	99.9% (G)	99.9%	→ S

- 1.31 There were no high level (scoring 15+) risks on the joint risk register with CSG for Information Systems in Q4 2018/19.

## Procurement

- 1.32 This year saw the removal of **procurement gainshare and guarantees**, and settling of past commercial disputes around gainshare. Work was undertaken to review the procurement output specification and discuss changes to the operating model. There are currently over 60 live procurement projects.
- 1.33 Significant work undertaken during 2018/19 included:
- Development of a **Contract Management Toolkit**, which was formally launched to services in Q4, with training sessions commencing in Q1 2019/20
  - Approval of the 2019/20 **Annual Procurement Plan** at Policy and Resources Committee on 11 December 2018, following which work was undertaken to identify procurements that are critical to services and focus resources accordingly. For example, support for the planned phased move to the new Colindale office, including office furniture, vending services and access controls
  - A procurement open day providing training and information and attended by over 40 staff
  - Updating the **Contracts Register** to ensure contracts information are up-to-date;
  - Procuring the new **Agency Contract** and supporting its mobilisation and ongoing contract management
  - Work on **Tenders**, including adults extra care, parking and traffic enforcement, short breaks, corporate cleaning and Brent Cross station

<sup>10</sup> An incident is defined as any event which is not part of the standard operation of a service and which causes, or may cause, an interruption to, or a reduction in, the quality of that service.

<sup>11</sup> No benchmark data available for CSG KPIs.

<sup>12</sup> The target was increased from 90% to 95% in 18/19 in line with the contractual provisions.

- Reviewing **Mobile Phones** to identify a more cost-effective solution
- Providing procurement input to the accounts payable improvement work.

1.34 There were five key indicators linked to Procurement. The service achieved the EOY target for all five indicators.

Indicator <sup>13</sup>	Polarity	2018/19 Target	2018/19 EOY Result	2017/18 EOY Result	DOT
Contract compliance - new contracts over £25k <sup>14</sup>	Bigger is Better	100%	100% (G)	100%	➔ S
Contract compliance - legacy contracts over £25k <sup>15</sup>	Bigger is Better	98.9%	99.9% (G)	99.9%	➔ S
Effective contract management - complex legacy contracts (Contract Procedure Rules)	Bigger is Better	60%	100% (G)	100%	➔ S
London Procurement Pledge - cumulative apprenticeships <sup>16</sup>	Bigger is Better	60	85 (G)	65	⬆️ I +31%
London Procurement Pledge - cumulative work experience <sup>17</sup>	Bigger is Better	240	353 (G)	258	⬆️ I +37%

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

- **CSG99 - Brexit uncertainty leads to increase in the cost of goods and services (NEW) (residual score 15).** This was a new risk for Q4. The expected departure from the European Union could lead to implementation of tariffs and/or staffing shortages resulting in an increase cost of goods and services for the council. Adults and Communities, Family Services and Street Scene are managing risks associated with their major suppliers and this is being reported to the Brexit Group. Consideration is being given as to whether to extend existing contracts (where applicable) to mitigate any financial costs then pursue a procurement exercise.
- **CSG100 - Brexit uncertainty leads to delays in receiving procured goods and services (NEW) (residual score 15).** This was a new risk for Q4. The expected departure from the European Union could lead to delays in receiving procured goods and services resulting in an impact on service quality and outcomes. Areas of concerns are construction and energy/fuel sectors. The council's partners in these two sectors have been asked for an updated position on the possible impact and mitigations in place. Service areas will be encouraged to think ahead and begin procurement processes early if there is a tangible belief that there will be a significant delay between contract signing and goods being available.

<sup>13</sup> No benchmark data available for CSG KPIs.

<sup>14</sup> Percentage of the value of new contracts over £25k awarded and managed in accordance with CPR's and procurement legislation.

<sup>15</sup> Percentage of the value of legacy contracts over £25k managed in accordance with CPR's and procurement legislation.

<sup>16</sup> Cumulative refers to the start of the contract - September 2013.

<sup>17</sup> Cumulative refers to the start of the contract - September 2013.

## Revenue and Benefits

- 1.36 Four yearly collection targets for both Council Tax (98.7%) and Business Rates (99.4%) were met, as reported to P&R Committee on 17 June 2019.
- 1.37 **Housing Benefit Overpayment Recovery** increased by 46% (from £1,194,475 in 2017/18 to £1,740,286 in 2018/19), which was an additional income of £546,000. The gainshare arrangement put in place for 2018/19 enabled CSG to invest in more resources to recover additional monies.
- 1.38 Full Service Universal Credit in Barnet continues to generate increasing volumes of additional work. The change in the Council Tax Support scheme from April 2019 (approved by Full Council in December 2018) was designed in part to mitigate this additional workload so this will be monitored closely in the new financial year. The report is available online at:  
<https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=162&MId=9454&Ver=4>
- 1.39 A new suite of **Digital forms** for Council Tax went ‘live’ in March 2019; usage and customer feedback will be monitored to maximise take up and customer experience. Following annual billing, the council will work with Capita to introduce e-billing.
- 1.40 The 2017/18 **Annual Housing Benefit Subsidy Audit** identified a historic error in the system, which led to the claim being qualified. The additional work requested by DWP has been carried out by both CSG and BDO (external audit) and submitted to DWP for review on 1 May 2019. A final decision on any repayment of subsidy is awaited from DWP. Under the current contractual terms should the council be requested to repay any subsidy, Capita will be required to meet this cost.
- 1.41 Benefits complaints dropped to 21 in Q4 from 39 in Q3 (31 in Q2 and 36 in Q1, with **complaints upheld partially or in full** at 29% in Q4 (67% in Q3, 39% in Q2 and 53% in Q1). Benchmarking data has been requested from other London Boroughs to help understand how Barnet’s Revenue and Benefits service compares against its neighbours.
- 1.42 There were three key indicators linked to Revenue and Benefits. The service achieved the EOY target on two indicators, but failed to achieve the EOY target on one indicator.
- **Accuracy of benefit assessments (RAG rated AMBER)** – 91.5% against EOY target of 95%. The methodology for this indicator was updated to improve accuracy check benefit assessments carried out by CSG Revenue and Benefits service. Using the updated methodology, the indicator failed to meet target. Appropriate measures are being put in place to achieve the required levels.

Indicator <sup>18</sup>	Polarity	2018/19 Target	2018/19 EOY Result	2017/18 EOY Result	DOT
Accuracy of benefit assessments	Bigger is Better	95%	91.5% (A)	96.4%	New for 18/19

<sup>18</sup> No benchmark data available for CSG KPIs.

Indicator <sup>18</sup>	Polarity	2018/19 Target	2018/19 EOY Result	2017/18 EOY Result	DOT
Speed of processing new claims	Smaller is Better	22	20 (G)	22	
Speed of processing changes	Smaller is Better	6	5 (G)	5	

- 1.43 There were no high level (scoring 15+) risks on the joint risk register with CSG for Revenue and Benefits in Q4 2018/19.

### Safety, Health and Wellbeing (SHaW)

- 1.44 The annual work plan target was met at the end of Q4. During the year, the risk profiling heat map was 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 was an increase in training provided to council employees and schools (from 12 classroom based training in 2017/18 to 23 in 2018/19), and positive feedback received.
- 1.45 A Workplace Health and Wellbeing Steering Group was re-established during the year with representation from across the council to oversee the delivery of a range of actions. The Group has met to drive the council's workplace wellbeing strategies. Health checks were made available to staff in January 2019, and a staff survey was carried out in Q3 to gain information on the type of wellbeing activities staff were keen to be made available to them. 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.
- 1.46 There were no key indicators or high level (scoring 15+) risks on the joint risk register with CSG for SHaW in Q4 2018/19.

### User satisfaction and commissioner satisfaction

- 1.47 **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. User satisfaction has been problematic, as Capita have never met the contracted levels. There have been incremental improvements in some service areas since the beginning of the contract. 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. Satisfaction KPIs will be reviewed during 2019/20, including in light of the return of Strategic HR and Finance services.

Indicator	Polarity	Baseline	17/18 EOY <sup>19</sup>	2018/19 EOY Target	2018/19 EOY Result	DOT	Q3 17/18 <sup>20</sup> Result
User Satisfaction - IT	Bigger is Better	2.2	3.27	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)	3.18 (R)	⬇️ W -0.9%	3.21
User satisfaction - Procurement	Bigger is Better	2.81	2.47	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)	3.43 (R)	⬇️ W -0.3%	3.44
User satisfaction - Finance	Bigger is Better	2.62	2.49	3.41 (Upper quartile score)	2.89 (R)	⬆️ I +7.0%	2.70
Commissioner Satisfaction - Corporate IS	Bigger is Better	2.02	2.75	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)	2.87 (R)	⬆️ I +4.4%	2.75
Commissioner Satisfaction - Procurement	Bigger is Better	3.2	2.4	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)	2.38 (R)	⬇️ W -1.2%	2.41
Commissioner Satisfaction – Finance	Bigger is Better	2.52	2.62	3.68 (Upper quartile score)	2.03 (R)	⬇️ W -31%	2.96

## Cross-cutting

**1.48 Compliance with Authority Policy (RAG rated AMBER).** This indicator failed in Q1 due to repeated failures to comply with information governance policies relating to

<sup>19</sup> Result as reported in 2017/18.

<sup>20</sup> 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.

the use of Integra. Capita has taken action to address these particular shortcomings to prevent future occurrence and the indicator passed in Q2, Q3 and Q4.

Indicator <sup>21</sup>	Polarity	2018/19 Target	2018/19 EOY Result	2017/18 EOY Result	DOT
Compliance with Authority Policy	N/A	Pass	Failed Q1 (A)	Fail	➔ S

## Planning (Re)

### Overview

1.49 Re continued to deliver a good and effective planning service, accommodating high levels of activity. Despite a handful of cases where the quality of service could have been better, the overall service provided in Barnet compares very well with other council's. Re's development management teams continue to be shortlisted for industry awards and are employed by other local authorities to assist with the delivery of top-up and additional planning services. The Planning Enforcement service was recognised as a national leader in 2018 and efforts by the team this year have continued to clear through the historic backlog to secure successful prosecutions.

### Development Management

- 1.50 Barnet processed the 7<sup>th</sup> highest number of planning applications in England and the 2<sup>nd</sup> highest in London. It also ensured the 2<sup>nd</sup> highest number of major applications in London were processed on time, 94% within 13 weeks or agreed time, compared with the London average of 88%. Additionally, 92% of minor applications were processed within 8 weeks or agreed time, against an 88% London average.
- 1.51 The Planning Service was shortlisted for a Local Government Chronicle award in the Innovation category for operating a satellite office from Belfast. The service was shortlisted for a Planning Award in the Affordable Housing Category linked to its work with Barnet Homes in 2018/19; the result will be available in June 2019.
- 1.52 National planning statistics in Q4 continued to show the council serving the highest number of enforcement and breach of conditions notices in England; although this will begin tailing off as compliance improves and developers become more cautious about breaching planning rules or developing without permission.
- 1.53 There were three key indicators linked to Development Management. The service achieved the EOY target on two indicators, but failed to achieve the EOY target on one indicator. However, this level of performance was considered acceptable due to the increase in cases.
- **Prosecution and direct action within 3 or 6 months period of compliance expiring (RAG rated AMBER).** Only 17 cases out 43 were delivered on time during 2018/19, but the total number of on time cases has increased over the past two years. The significant increase in cases taken to Court is resolving many complex historic planning breaches to the benefit of local residents. It is also sending a clear message

<sup>21</sup> No benchmark data available for CSG KPIs.

that unlawful development is unacceptable and will be pursued, including suitable financial claims against landowners where appropriate.

Indicator <sup>22</sup>	Polarity	2018/19 Target	2018/19 EOY Result	2017/18 EOY Result	DOT
Compliance with planning application statutory timescales for major, minor, other applications	Bigger is Better	75%	84.4% (G)	85.6%	⬇️ W -1%
Enforcement or breach of condition notices shall be service within timescales	Bigger is Better	60%	70.7% (G)	86.6%	⬇️ W -18%
Prosecution and direct action <sup>23</sup>	Bigger is Better	60%	39.5% (R)	34.4%	⬆️ I +15%

- 1.54 There were no high level (scoring 15+) risks on the joint risk register with Re for Development Management in Q4 2018/19.

## Building Control

- 1.55 The construction market appears to have stabilised in Q4, indicating a slight increase in construction activity locally, but the council continues to monitor levels of activity.
- 1.56 A programme to update service standards saw the schedule of fees and charges comprehensively reviewed to fairness of recharging between all types of service.
- 1.57 The service has continued marketing efforts to address a declining market share for the council's building control activities in the borough. 2018/19 began with a campaign to market the service to smaller local developments, with more recent efforts focused on improving partnership work with larger local developers e.g. bidding for work at Colindale Gardens, Millbrook Park and Saracens (West Stand).
- 1.58 Furthermore, to modernise the service, a pilot for mobile working technology also began this year. If successful it will see all building control staff move across to flexible mobile devices that enable more activities to be completed on site (such as capturing photos directly into case notes and issuing certificates to clients).
- 1.59 There was one key indicator linked to Building Control, which met the EOY target. Service performance showed 99.7% of building regulations cases were completed within statutory timescales during the year.

Indicator <sup>24</sup>	Polarity	2018/19 Target	2018/19 EOY Result	2017/18 EOY Result	DOT
Decisions made within building regulation statutory timescales	Bigger is Better	96%	99.7% (G)	97%	⬆️ I +3%

<sup>22</sup> No benchmark data available for CSG KPIs.

<sup>23</sup> The purpose of this KPI is to monitor the effectiveness of the enforcement team in protecting the environment by prosecuting or taking direct action where the requirements of an effective notice have not been complied with within 3 or 6 months period of compliance expiring.

<sup>24</sup> No benchmark data available for CSG KPIs.

1.60 There were no high level (scoring 15+) risks on the joint risk register with Re for Building Control in Q4 2018/19.

## Strategic Planning

- 1.61 Work to begin drafting a new Local Plan started during 2018/19. A number of meetings of the Members Advisory Group took place to review a first draft. However, the Local Plan was deferred in February 2019 when MHCLG published an updated position on the housing target for Barnet. Whilst this target is discussed with MHCLG, a Growth Strategy for the borough will be brought forward as a precursor document clarifying the council's role in growth and regeneration. This should help frame a direction of travel for the Local Plan and Transport Strategy.
- 1.62 During the year, the council approved the final draft of the North London Waste Plan and the Planning Committee confirmed the Brownfield Land Register (2018 update). In addition, payments totalling £4.5m of Community Infrastructure Levy (CIL) were collected from new developments. This contributes to the funding of capital projects, including the parks investment in Colindale and the re-development of the leisure centres.
- 1.63 Work has begun on the annual plan for 2019/20 that will build on studies produced in 2018/19. This includes the scoping reports for Supplementary Planning Documents for Edgware, Middlesex University/The Burroughs and Whetstone, alongside masterplans for Brent Cross West and Cricklewood, and a borough-wide Tall Buildings/Heights study, including detailed assessments of key road corridors. Funding secured from the GLA has provided an additional £200k that has enabled this expansion of the work programme.
- 1.64 Work on the Local List commitment continues. The timescale for completion of this work has been, in part, dependent on the capacity and willingness of community groups to engage. In addition, a review of Conservation Area Advisory Committees has taken place and presented options for future directions for these advisory groups to be taken forward in 2019-20.
- 1.65 Relating to Brent Cross, the waste transfer centre application is moving forward. Non-material amendments were submitted in February 2019 and are being considered, whilst the condition application submitted in January 2019 has been approved.
- 1.66 There were four key indicators linked to Strategic Planning. The service achieved the EOY target on three indicators, but failed to achieve the EOY target on one indicator.
- **Section 106 cases cleared annually (payment of Section 106 obligations by developers to the Authority) (Annual) (RAG rated AMBER).** This is a dual indicator measuring both the percentage of cases cleared and the collection of funds from the top 20 highest value cases. The target percentage of cases has been missed as service efforts during the year focused on capturing expenditure data by services following an internal audit. The target for highest value cases was also missed, but in all three cases the service had requested payment and were in the process of escalating matters with developers to ensure payment is made.

Indicator <sup>25</sup>	Polarity	2018/19 Target	2018/19 EOY Result	2017/18 EOY Result	DOT
Average time taken to process requests for Full Official Searches (online and post) in Land Charges	Smaller is Better	3 days	2.47 (G)	3 days	↗ I -20%
Strategic planning documents completed and signed off	Bigger is Better	100%	100% (G)	100%	→ S
Section 106 cases cleared annually (payment of Section 106 obligations by developers to the Authority) (Annual)	Bigger is Better	80%	74.5% (A)	88.9%	⬇ W -16%
Community Infrastructure Levy (CIL) cases cleared annually (payment of overall CIL obligations by developers to the Authority)	Bigger is Better	80%	82% (G)	83.1%	⬇ W -1%

## High level risks

1.67 There were no high-level (scoring 15+) risks on the joint risk register with Re for Planning in Q4 2018/19.

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<sup>25</sup> No benchmark data available for CSG 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 EOY 2018/19 Themed Performance Reports. The Committee is asked to review the EOY 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 EOY 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 (scoring 15+) risks 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](http://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.

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AGENDA ITEM 12



## Financial Performance and Contracts Committee

19 June 2019

<b>Title</b>	<b>Colindale Office Move - Update</b>
<b>Report of</b>	Assistant Director - Estates
<b>Wards</b>	All
<b>Status</b>	Public (with exempt report which is not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972 as it contains information relating to the financial and business affairs of the building contractor and the council)
<b>Urgent</b>	No
<b>Key</b>	No
<b>Enclosures</b>	None
<b>Officer Contact Details</b>	Chris Smith, Assistant Director - Estates <a href="mailto:Chris.smith@barnet.gov.uk">Chris.smith@barnet.gov.uk</a>

### Summary

This report provides an update to the report submitted to Financial Performance and Contracts Committee on 11 March 2019, following handover of the new office development in Colindale from the building contractor and the initial relocation of staff.

### Officers Recommendations

1. That the Committee notes the progress including the first successful relocation of services 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.

### UPDATE ON PROGRESS

- 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*. Following delayed handover of the building from the main contractor in April a number of remedial actions were required ahead of building control sign-off for occupation. This slightly delayed the first move which was moved back to take place concurrently with the second move on 10 May. The move schedule is now back on track however and the table below details the schedule of staff relocation from NLBP and Barnet House to Colindale.

Service Area/Partner	Move date (last day at current location)
CSG	10 May - complete
Finance and HR	10 May - complete
Growth and Corporate Services	31 May - complete
Public Health	31 May - complete
Environment	31 May - complete
Adults and Health	7 June and 21 June

Cambridge Education	14 June
Assurance	28 June
Re	21 June, 28 June and 12 July
The Barnet Group - staff	5 July and 12 July
Family Services	16 September
Housing Options & WRTF	Date TBC – likely to be Sep 19 on completion of ground floor fit-out

- 1.3 Over 200 members of staff in CSG, HR and Finance are now occupying the ground, sixth and eighth floors at Colindale. Staff in the Way We Work programme team have been present across the floors helping staff settle in and answering their queries. Other floors are being made ready for the arrival of other staff in a phased manner following the move schedule. The Council's move contractor will be packing all team storage and unpacking it in the new location therefore reducing the requirement of staff to do this.
- 1.4 Feedback on the moves process and the new environment has been very positive. Open plan office supports collaboration across staff who also are enjoying trying out the new audio-visual equipment in meeting rooms; eating lunch on the fourth floor terrace; and exploring their new surroundings in Colindale. Following the relocation of all staff from Building 4 at NLBP, decommissioning is underway ahead of the lease end in June.
- 1.5 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 attachment to this paper

## **2 REASONS FOR RECOMMENDATIONS**

- 2.1 Staff have begun moving into the new office space in Colindale with remaining moves scheduled over the Summer months. A support model is in place for the first few days and weeks in the new office to help staff settle in to their new environment.
- 2.2 The Council is working closely with its lawyers to resolve the ongoing dispute with the building contractor, the latest position on this is summarised in the exempt paper.

## **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 completion of the successful transition of all staff to Colindale by Autumn 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 in line with the Corporate Plan 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

5.4.2 Details of the contractual dispute are contained within the exempt attachment to this paper.

## **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 An assessment was carried out on the impact of the 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.
- 5.6.2 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 Colindale Office Move – Update submitted to FPC Committee 11 March 2019 –  
<https://barnet.moderngov.co.uk/documents/s51507/Colindale%20Office%20Move%20Update%20Report.pdf>
- 6.2 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>
- 6.3 Locality Strategy submitted to ARG Committee in July 2016 -  
<https://barnet.moderngov.co.uk/documents/s33204/ARG%20committee%20report%20-%20Locality%20Strategy.pdf>
- 6.4 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>

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**London Borough of Barnet  
Financial Performance and  
Contracts Committee  
Forward Work Programme  
2019-2020**

Contact: Salar Rida 020 8359 7113 [salar.rida@barnet.gov.uk](mailto:salar.rida@barnet.gov.uk)

AGENDA ITEM 13

<b>Title of Report</b>	<b>Overview of decision</b>	<b>Report Of (officer)</b>	<b>Issue Type (Non key/Key/Urgent)</b>
<b>28 October 2019</b>			
Chief Finance Officer Report	To review and note the council's financial performance.	Director of Finance (S151 Officer) Deputy Chief Finance Officer	<b>Non key</b>
Deep dive into capital programme	To provide an in-depth look at the capital programme.	Director of Finance (S151 Officer) Deputy Chief Finance Officer	<b>Non key</b>
Update on finance matters	To provide an update on finance matters, including Council Tax/Business Rates collection and Revenues/Benefits complaints.	Deputy Chief Finance Officer	<b>Non key</b>
Performance of back office functions – Pensions Administration service	To review the performance of the Pensions Administration service.	Director of Finance (S151 Officer)	<b>Non key</b>
Overview of SPIRS and contract variations	To provide an overview of SPIRs and contract variations on strategic contracts.	Director (Commercial and IT Services)	<b>Non key</b>
Update on Colindale (post move)	To provide an update on the Colindale post move	Director of Corporate Programmes (CSG)	<b>Non key</b>
Copthall leisure centres	To provide an update on delivery of the contract for the Copthall leisure centres.	Executive Director of Adults & Health Assistant Director Green Spaces and Leisure	<b>Non key</b>
Relocating the depot to Oakleigh Road	To report on the relocation of the depot to Oakleigh Road.	Deputy Chief Executive	<b>Non key</b>

<b>Subject</b>	<b>Decision requested</b>	<b>Report Of</b>	<b>Type</b>
Q1 2019-2020 Contracts Performance Report	To review and note the performance of strategic contracts.	Director (Commercial and IT Services)	<b>Non key</b>
<b>16 December 2019</b>			
Chief Finance Officer Report	To review and note the council's financial performance.	Director of Finance (S151 Officer) Deputy Chief Finance Officer	<b>Non key</b>
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.	Director (Commercial and IT Services)	<b>Non key</b>
Brent Cross, incl. Thameslink Station	To provide an update on delivery of the contract for Brent Cross, including the Thameslink Station.	Director of Growth	<b>Non key</b>
Q2 2019-2020 Contracts Performance Report	To review and note the performance of strategic contracts.	Director (Commercial and IT Services)	<b>Non key</b>
<b>18 March 2020</b>			
Chief Finance Officer Report	To review and note the council's financial performance.	Director of Finance (S151 Officer) Deputy Chief Finance Officer	<b>Non key</b>
Q3 2019-2020 Contracts Performance Report	To review and note the performance of strategic contracts.	Director (Commercial and IT Services)	<b>Non key</b>

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of the Local Government Act 1972.

## AGENDA ITEM 17

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of the Local Government Act 1972.

## AGENDA ITEM 18

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