

	<p>Performance and Contract Management Committee</p> <p>1 September 2015</p>
<p>Title</p>	<p>Quarter 1 Performance Monitoring 2015/16</p>
<p>Report of</p>	<p>Chief Operating Officer</p>
<p>Wards</p>	<p>All</p>
<p>Date added to Forward Plan</p>	<p>1 April 2015</p>
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<p>Urgent</p>	<p>No</p>
<p>Key</p>	<p>No</p>
<p>Enclosures</p>	<p>Appendix A Customer Experience Report</p> <p>Appendix B Performance Report (including performance methodology)</p> <p>Appendix C Revenue Monitoring by Delivery Unit</p> <p>Appendix D Capital Monitoring Programme Outturn by Programme</p> <p>Appendix E Capital Programme Funding Adjustments</p> <p>Appendix F Transformation Programme</p> <p>Appendix G Prudential Indicator Compliance</p> <p>Appendix H Investments outstanding as at 30 June 2015</p> <p>Appendix I Corporate Risk Register</p> <p>Appendix J Capita Payments</p> <p>Appendix K Business Planning</p>
<p>Officer Contact Details</p>	<p>Paul Thorogood – Assistant Director of Finance, CSG Finance Service Paul.Thorogood@capita.co.uk</p> <p>Tom Pike – Head of Programmes and Resources, LBB Tom.Pike@barnet.gov.uk</p> <p>Claire Symonds – Commercial & Customer Services Director, LBB Claire.Symonds@barnet.gov.uk</p>

Summary

This report outlines the quarterly position of the Council's performance against the priorities outlined in the Corporate Plan, customer experience, the delivery performance of major contracts and internal Delivery Units, and the overall budget position. Additional information on service and contract performance can be located in Appendix B.

The report is structured to:

- Focus on customer experience and resident perception of services.
- Provide a summary of how the Council compares with other local authorities, to set context of our quarterly results.
- A summary of the successes and challenges identified in the quarter.
- Summarise how the organisation is progressing and performing against the outcomes and targets set by the Council in the Corporate Plan 2015 – 2020.
- Provide an overview of the Council's 189 service performance indicators (referred to as critical indicators), including any exceptions which require an action plan in place to improve.
- The budget position, including revenue and capital expenditure.
- A summary of the status of key projects the Council is delivering to achieve set results or deliverables.
- The Council's top level risk register.

Residents' perception

Residents' satisfaction with Barnet remains high. The spring 2015 survey shows that residents' overall satisfaction with the way the council runs things continues to be high at 71%, in-line with last autumn as well as the national average. Most residents feel the council is doing a good job (77%) and most also agree that the council provides value for money for the council tax they pay (63%).

Customer experience

The customer experience report and more general information on resident satisfaction levels have been brought together in Appendix A of this report. In Quarter 1, overall customer satisfaction remained unchanged with 77% of customers satisfied with the service they received, slightly above the target of 75%. There have been significant improvements in online experience and web-based services and the 80% target for telephone contact has been achieved. However, improvements are required with Members Enquiries, waiting times in face to face contact centres and further improvement to the website and webforms.

Delivery of the Council's Corporate Plan

This is the first time that the Council is reporting against the Corporate Plan 2015-2020, agreed by Council on the 14 April 2015. Appendix K gives as a summary of the Business Planning process as requested by Performance and Contract Management Committee. The Corporate Plan 2015 – 2020 sets the Strategic Objectives within the core principles of

fairness, responsibility and opportunity. Targets are in place to encourage improvement against the long term vision and commissioning intentions.

Of the Strategic Indicators that reported in Quarter 1, the balance of met and missed targets was 55% rated as green, 10% green amber, 12% red amber and 23% of Strategic Performance Indicators were rated as red. Specific challenges are highlighted below in section 1.6.2.

Key successes and challenges

Key successes and challenges are set out in section 1.6 of the report. More detailed performance reports are contained within section 1.7 and Appendix B.

Service performance and monitoring contracts

A summary of progress against critical service delivery indicators is outlined in section 1.8. Across the service performance indicators reported in Quarter 1, 85% are on target.

Detailed assessment of the contracts and Inter Authority Agreements monitored through the quarterly monitoring report (Re, CSG, Barnet Homes, Parking & Infrastructure and HB Public Law) are outlined in paragraph 1.10 (Delivery Performance) with an overview for each contract (including Your Choice Barnet) at Appendix B. The full individual performance reports can be accessed from www.barnet.gov.uk/performance with the most recent quarter at www.barnet.gov.uk/currentperformance.

Programmes

The Council has in place five portfolios of large programmes and projects: Central, Adults and Health, Children's and Young People, Environment and Regeneration and Growth. In total, 78 programmes and projects are currently underway. In addition, we have an Education Capital Programme in place to ensure successful delivery of new school places and improvements to schools.

Budget outturn

The forecasted year-end general fund expenditure outturn (after reserve movements) is £281.915m, which is an adverse variance of £5.449m (1.97%) against the budget of £276.465m.

Investment Performance

As at 30 June 2015, deposits outstanding were £237.700 million, achieving an average annual rate of return of 0.65 per cent against a benchmark average (London Interbank Bid Rate - LIBID) of 0.48 per cent.

Capita Payments

During April to June 2015, the total contract payments to Capita – through the CSG and Re contracts – were £18.935m.

Recommendations

1. The Committee is asked to agree the following referrals to other committees:

COMMITTEE	REFERRAL
Policy and Resources	
Adults and Safeguarding	The Committee to note the ongoing financial, performance and demand pressures within the remit of the committee.
Assets, Regeneration and Growth	
Children, Education, Libraries and Safeguarding	
Community Leadership	
Environment	The Committee to note that the recycling rate is below target and take this into account when setting a future waste strategy.
Housing	The Committee are asked to note the changes in national policy in regards to rent, welfare changes and the potential performance impact to ensure appropriate mitigation activity is commissioned.
General Functions Committee	
Health and Wellbeing Board	

2. The Committee is asked to note the quarter 1 2015/16 revenue budget and capital position contained in paragraphs 1.11 and 1.17.

3. The Committee is asked to note the Agency Costs for the quarter 1 2015/16 as detailed in paragraph 1.19.

4. The Committee is asked to note the Transformation Programme position as at the 30 June 2015 as detailed in paragraph 1.20.

5. The Committee is asked to note the Treasury position outlined in paragraph 1.21.

6. The Committee is asked to note the £7.98m capital slippage of the outturn for 2015/16, as outlined in Appendix D.

WHY THIS REPORT IS NEEDED

1.1 This report outlines the quarterly position of the Council's performance against the priorities outlined in the Corporate Plan, customer experience, the delivery performance of major contracts and internal Delivery Units, and the overall budget position. The report is structured to:

- Firstly, focus on customer experience and resident perception.
- Provide a summary of how the Council compares with other local authorities, to set context of our quarterly results.
- A summary of the successes and challenges identified in the quarter.
- Summarise how the organisation is progressing and performing against the outcomes and targets set by the Council in the Corporate Plan 2015 – 2020.
- Provide an overview of the Council's 189 service performance indicators (referred to as strategic and critical indicators), including any exceptions which require an action plan in place to improve.
- The budget position, including revenue and capital expenditure.
- A summary of the status of key projects the Council is delivering to achieve set results or deliverables.
- The Council's top level risk register.

1.2 In addition to this report, the Council publishes 13 detailed reports on the performance of each service area (Delivery Unit) on the website each quarter. The past three years of performance information is also available at online at www.barnet.gov.uk/performance with the most up-to-date version available from www.barnet.gov.uk/currentperformance.

1.3 Performance for Customers

To ensure the council continues to deliver the services our residents most need, the council carries out a twice-yearly survey of a sample of residents as well as individual service user surveys. Appendix A gives a snapshot of key Council satisfaction and perception information.

In Quarter 1, overall customer satisfaction remained unchanged with 77% of customers satisfied with the service they received, slightly above the target of 75%. In addition, based on the recent Residents' Perception Survey, 70% of residents sampled reported that they felt it is easy to contact the Council.

There are a number of notable successes within the first quarter for 2015/16.

- A new initiative to resolve customer questions at the first point of contact (called 'single agent resolution') took effect. This aims to resolve as many customer requests without needing to refer the customer to a service team. As a result, 71% of all customer contact was resolved at first point of contact.

- Progress has been made with online experience and use of online and self-service channels. There has been a 66% increase in the number of webforms submitted by customers.
- Overall customer satisfaction remains above target. Within this, we have seen significant increases in satisfaction with online services.
- The target for customer calls being answered within 5 rings was exceeded at 82%, an improvement from Quarter 4 2014/15.

In addition, the Council has put in place a new weekly and monthly monitoring regime for overdue complaints, Members Enquiries and other service requests to drive further improvement. There are further areas for improvement:

- **Online experience.** While some improvements were reported in Quarter 1, this remains an area of focus for the Council. Approximately 40% of customer feedback is related to page content on the website and service areas will take actions to improve page content to drive improved service and satisfaction.
- **Members and MPs enquiries.** While the performance of the Council in responding to member enquiries within 5 days increased to 96%, the performance in successfully closing these enquiries within 5 days reduced to 65%.
- **Face to face service wait time.** The initial wait time target met last quarter was missed in Quarter 1. CSG have now made two new permanent management appointments that should start to improve the customer experience at these centres.
- **Desk phone answering** by council staff remains low, with just 75% answered within 20 seconds in Q1, a minor improvement on Q4.
- **Completing customer cases and improving service.** Overall, the proportion of customer cases which were passed to service teams improved in Quarter 1 from 64% to 74%, though remains below the target of 80%.

More detailed information can be found in Appendix A.

1.4 Residents' Perception Survey

The Council conducts a detailed survey of residents twice each year. This information is based on a sample of 1,600 residents to ensure the results given are useable.

Overall perception: Residents remain broadly satisfied with Barnet as a place to live (88%) compared with the national average; 63% of those surveyed reported that they think the Council provides value for money – well above the London average; and 59% of residents were satisfied with the service received when they contacted the Council, well above the London average and an increase of 5 percentage points since Autumn 2014. See Table 1 below.

Table 1: Resident Perception Survey: Spring 2015

	Barnet		London	National
	Spring 2015	Autumn 2014		
Overall how satisfied or dissatisfied are you with the way your local council runs things?	71%	71%	70%	68%
Residents are satisfied with their local area as a place to live	88%	88%	N/A	82%
Provides value for money to the Council Tax they pay	63%		54%	N/A
Council staff friendly and polite	84%	80%	74%	N/A
Residents satisfied with service received when they contacted the Council	59%	53%	51%	N/A

Perceptions of service performance: The level of satisfaction with local services has been maintained since Autumn 2014 for thirteen Council services. Many services have higher levels of satisfaction than the 2013 and 2012 surveyed results. Furthermore, four services have seen significant increases in satisfaction since Spring 2015:

- Street lighting
- Collection of council tax
- Social services for children and families
- Housing benefit service.

However, two services - repair of roads and policing - have seen decreases in satisfaction. Repair of roads is significantly lower than both 2012 and 2013 satisfaction levels.

Satisfaction with Parking also remains low, with just over 1 in 4 people (27%) responding the service is good or excellent. This remains below the London average of 33%.

Top concerns: Residents' top three concerns remain the same:

- Condition of roads and pavements
- Lack of affordable housing
- Crime

Concern about crime, traffic congestion and lack of jobs has significantly decreased since the previous survey carried out in Autumn 2014. Measures on community participation and community cohesion remain high.

Full survey results are available: <https://engage.barnet.gov.uk/consultation-team/residents-perception-survey-spring-2015>

Details are available for individual Delivery Units reports at www.barnet.gov.uk/currentperformance.

To further increase transparency of the Council's performance; each Quarter's results are published on the Council's data portal <https://open.barnet.gov.uk/>.

1.5 Benchmarking

Local authorities review and compare performance with other Council's through benchmarking of common performance indicators. This gives an overview of how the Council compares to other local authorities. To compare performance, we use a comparative report provided by the Local Government Associations' (LGA) – LG Inform (<http://lginform.local.gov.uk>). This ranks Barnet across 18 service indicators. Barnet was above benchmark for 83% of service indicators (15 out of 18). See Appendix B, section 3 for full details.

Table 2: Benchmarking summary

Delivery Unit	RAG Ratings			
	Green (top quartile)	Green amber	Red amber	Red (bottom quartile)
Education Services	2	2	0	0
Children Services	1	5	0	0
Adult's Services	0	2	2	0
Housing Services	1	2	0	1
Overall	4 (22%)	11 (61%)	2 (11%)	1 (6%)

The three service indicators highlighted as below benchmark are:

- Total revenue expenditure on Housing services (General Fund Revenue Account only) per head of population (2013/14) – bottom quartile
- Social care-related quality of life (2013/14)
- Overall satisfaction of people who use services with their care and support (2013/14)

These indicators are due to be updated shortly to provide a more timely indication of Barnet's relative performance. This summary is created by the LGA.

1.6 Summary of Success and Challenges

As set out in section 1.2, the Council's performance reporting is based upon customer experience, delivery of the Corporate Plan, service performance, budget and change activities. This summary highlights the overall key successes and challenges across these different areas of performance. Each section of the report then summarises the specific identified performance challenges.

1.6.1 Successes

There are a number of successes across Barnet for quarter 1, these have been highlighted as:

- Continued positive performance when compared with other local authorities.
- As identified in section 1.3, residents are satisfied with Barnet as a place to live (88% are satisfied), 6 percentage points above the national average.
- There has been increase in the percentage of primary school children attending 'good' or better schools up to 93.1%, above target and a 1.1%pts increase from Quarter 4. The percentage of secondary school children attending 'good' or better schools also continues to achieve target.
- Take-up for the new resident-facing 'My Account' website has increased since go-live in March with 7,216 registered users by the end of June and 20,498 logins during June.
- The new enhanced way for residents to access adult social care – via the social care direct model - is already seeing more effective support at the first point of contact with a client. In a typical week they have investigated, actioned and resolved over 50% of cases and safeguarding referrals.
- In addition, Adults and Communities are reporting an increase from 71% to 80% of adults with mental health needs who live in stable accommodation.
- Valley Way Respite Service, provided by YCB, was inspected in Q4 2014/15 with the report from the Care Quality Commission published in May 2015. The rating was "Good" across all 5 elements of the inspection framework (safety, effectiveness, caring, responsiveness and leadership).

- 100% of parents and guardians of children who applied on time for a reception place were made an offer on time.
- Barnet Homes achieved an increase in the percentage of estates which are rated as satisfactory or very good from 98% to 100%.
- Family services have significantly improved the proportion of care leavers age 19 – 21 in suitable accommodation, from 84% to 91%.
- Re have reduced the cost of disabled adaptations by 3.5% to £6,197 per unit without affecting the quality of work.
- Adults and Communities have significantly reduced the number of working age adults in residential placements from 316 to 302.

1.6.2 Challenges

Continuing challenges

There are a number of ongoing challenges in Quarter 1 requiring the implementation of improvement actions:

- The level of customer experience delivered by the Council has not been to the level expected. This is reflected in the handling of Members Enquiries not meeting the required standard. A separate report on this is provided to the Performance and Contract Monitoring Committee (1 September), setting out improvement actions. In addition, the overall waiting times experienced at Burnt Oak and Barnet House remain high.
- There are significant challenges in delivering services within the Adults and Communities budget including a substantial overspend forecast at the end of the first quarter, arising from the care purchasing budgets. The underlying demand pressures carried forward from 2014/15 have been sustained along with further pressures. A significant proportion of 2015/16 MTFS savings will not be delivered this year (£3m).
- Agency levels have increased to 585 people. Spend on agency workers is mitigated through underspending on the staffing budgets. During Quarter 1, each Delivery Unit has an agreed workforce strategy setting out the next years plan for delivering services in the most appropriate and effective mix of permanent and flexible resourcing. This should see a planned reduction in agency levels by up to 15% by the end of 2015/16.
- The sickness absence levels over the past 12 months averages 8.0 days per full-time equivalent, higher than the Council target of 6 days. This represents a key challenge in service areas where absence is high – Street Scene, Education and Skills and Adults and Communities in particular – please see Appendix B, section 4 for further detail. Sickness absence will be closely monitored by senior managers in the worst affected areas to mitigate the impact on services. An absence management plan for the whole Council will be agreed by the Council's Workforce Board in August 2015.
- Early Years places available for eligible two year olds missed the 1,759 target with 749 places being taken up – 43%, compared to a London average of 52%. Work is ongoing to increase the demand for places and

supply across the borough. A detailed report was presented to the Children, Education, Libraries and Safeguarding Committee on the 20 April and the Council continues to deliver required actions in support of this plan.

- The average length of care proceedings has further increased to 33 weeks, from 26 weeks in Quarter 4, this is as a result of delays in court proceedings and the complexity of some cases.

Emerging challenges

The following challenges are those that are emerging or have continued to decline in Quarter 1:

- The overall recycling rate is below target, although the Quarter 4 outturn is below the outturn from the same time last year, the annual progress in the proportion of waste reused, recycled or composted has continued to rise to 37.95% for 2014/15 – a 1.6 percentage point increase from 2013/14. Please see Table 3 for further details. Participation in food waste recycling is low based on recent participation surveys and waste composition analyses. A project to look at how we can promote greater food waste recycling and encouraging residents to change behaviours to support recycling is underway. In addition, a survey to understand barriers to household recycling has been completed and pilot intervention projects are now being developed to test various approaches to increasing future participation. Further pilot projects are to be developed on food waste recycling for larger flats blocks. This remains a significant challenge for the Streetscene service and lessons from the pilot activities will inform the waste and recycling strategy due for submission to the Environment Committee in autumn 2015.

Table 3: Waste reused, recycled or composted

Recycling Rate	Q1 Apr - June	Q2 July - Sept	Q3 Oct – Dec	Q4 Jan - Mar	Annual Apr - Mar
2012/13	35.10%	36.45%	31.71%	27.79%	33%
2013/14	35.99%	34.97%	38.38%	36.14%	36.35%
2014/15	41.88%	39.48%	35.79%	33.82%	37.95%

- Within Adults and Communities, there are some specific demand pressures. Demand for deprivation of liberty safeguarding assessments (DoLs) continues to rise. June saw the largest volume for a single month in Barnet. The percentage of DoLS applications completed within statutory timeframes performance for Quarter 1 is at 18.2% against the previous outturn and quarterly target of 100%. Actions to mitigate this arising

challenge include recruitment to build in-house capacity and the readiness to review the approach to meeting demand if the peak is sustained.

- The overall perception of the condition of roads and pavements remains low, with action required to ensure the £50m highways investment programme communicates the planned changes and benefits effectively to drive forward the required improvements.
- The presence of weeds on streets around the borough which is both unsightly and causing difficulty for cleansing operations and impacts on perception of Barnet as a place to live.
- Continued housing pressure across London has led to increased temporary accommodation costs pressure, see section 1.12. Although Barnet Homes have been successful in preventing 226 household becoming homeless, there remains a challenge in rising arrears levels, although within expected levels. These pressures combined with the Government announcement of the extension of the Right-to-buy policy to include Housing Association property, a 1% year-on-year reduction in rental levels (against the planned 4% rise) in conjunction with a decrease in welfare support are expected to have a significant impact on future service delivery in this area.
- There are a smaller number of emerging challenges within Adults and Communities. The percentage of carers satisfied with social services and carers' reported quality of have seen a small decrease in performance and are below their Quarter 1 target; the percentage of adults with mental health needs in paid employment is at 4.8%, down from 5.7% in Quarter 4; and the number of new telecare packages installed has fallen to 119 and is less than half the quarterly target of 270.
- The overall performance of the HR function has been below expectation, including missing the target on the number of payroll payment errors; slower than expected progress to update the HR system with up to date establishment data, completing work to configure DBS checks within the system, and provide stronger sickness absence data. CSG HR have developed a full remedial plan to resolve these challenges. They have brought new leadership into the service and delivering required actions.

1.7 Performance against Corporate Plan and key Strategic Indicators

This section of the report tracks performance against the Council's Corporate Plan 2015 – 2020. It also tracks the performance against a set of 'strategic' measures which identify the outcomes or results expected for key services and which were approved by thematic Committees during Quarter 4 of 2014/15. Table 4 below provides a breakdown of the RAG rating of the expected to report in Quarter 1, by each Delivery Unit.

Table 4: Corporate Plan and Strategic Indicator performance by Delivery Unit

Delivery Unit	No. of Strategic indicators expected to report in Quarter 1 2015/16	RAG Ratings					Monitor / No RAG	Positive/neutral Direction of Travel	Negative Direction of Travel	Direction of Travel Available	of Not
		Green	Green amber	Red amber	Red						
Adults and Communities	22	5	1	1	5	10	12	8	2		
Children's Education and Skills	19	5	1	-	-	13	6	-	13		
Family Services	15	3	1	1	2	8	-	3	12		
Commissioning Group	20	5	-	3	4	8	11	3	6		
Streetscene	5	-	1	2	2	-	3	2	-		
Public Health	2	1	-	-	1	-	1	1	-		
Barnet Homes	5	4	-	-	-	1	3	2	-		
Re	18	7	1	-	-	10	5	3	10		
CSG	1	1	-	-	-	-	-	-	1		
HB Public Law	-	-	-	-	-	-	-	-	-		
Parking and Infrastructure	3	2	1	-	-	-	1	-	2		
Total	110	33	6	7	14	50	42	22	46		
Total %	100%	30%	5%	6%	13%	45%	38%	20%	42%		
Total % of RAG Rated Indicators	60	55%	10%	12%	23%						

Of the strategic indicators that are reported in Quarter 1 and returned a RAG rating, the balance of met and missed targets was 55% rated as green, 10% green amber, 12% red amber and 23% of strategic indicators were rated as red. Those indicators rated significantly off target (Red) are:

Adults and Communities

- Percentage of adults with learning disabilities in paid employment
- Percentage of adults with mental health needs in paid employment
- Percentage of older people remaining at home 91 days after discharge
- Number of new telecare packages installed
- Percentage of Service Users receiving on-going services with telecare

Commissioning Group

- Residents' long-term sickness
- Percentage of residents who are satisfied with: Repair of roads
- Percentage of residents who are satisfied with: Quality of pavements
- Performance of services

Re

- Number of new homes provided in Barnet each year (net)

Family Services

- Percentage of care leavers age 19 – 21 in education, employment or training

Street Scene

- Percentage of residents who are satisfied with street cleaning
- Percentage of household waste sent for reuse, recycling and composting

Public Health

- Cumulative percentage of the eligible population aged 40-74 who have received an NHS Health Check – the annual (9,000) target for completed Health Checks has been missed by 1,082, the number of invitations issued has exceeded target set by the NHS.

See section 2.4 of Appendix B for full detail of indicators.

1.8 Service Performance of Critical Indicators

Thematic committees have each approved a Commissioning Plan for future years. This identified a number of measures of critical operational service performance which are tracked each quarter. These critical service indicators are then owned by Delivery Units to give assurance of their day to day service operation. This information aids Performance and Contract Monitoring Committee in reviewing and challenging service performance each quarter.

This section reports against this larger suite of critical service indicators. This reporting is on an exception basis, identifying challenges which could have a

service, customer, financial or longer-term impact and require focussed action to achieve improvement. Each Delivery Unit publishes a detailed quarterly performance report on the Council's website covering their own service performance. The overall service delivery performance for quarter 1 2015/16 for each Delivery Unit's critical service indicators is outlined in Table 5 below.

Table 5: Service performance by Delivery Unit

Delivery Unit	No. of Critical indicators expected to report in Quarter 1 2015/16	RAG ratings					Monitor / No RAG	Positive/neutral Direction of Travel	Negative Direction of Travel	Direction of Travel Available	of Not
		Green	Green amber	Red amber	Red						
Adults and Communities	15	2	1	-	5	7	6	7	2		
Children's Education and Skills	9	-	-	-	1	8	1	-	8		
Family Services	15	5	-	-	1	9	3	2	10		
Commissioning Group	1	-	-	-	-	1	1	-	-		
Streetscene	7	2	3	1	1	-	3	1	3		
Public Health	14	12	1	-	1	-	12	1	1		
Barnet Homes	12	8	-	1	1	2	6	3	3		
Re	78	47	1	1	-	29	36	11	31		
CSG	18	14	1	1	2	-	11	5	2		
HB Public Law	12	12	-	-	-	-	9	3	-		
Parking and Infrastructure	7	3	1	-	-	3	4	-	3		
Total	188	105	8	4	12	59	92	33	63		
Total %	100%	56%	4%	2%	6%	31%	49%	18%	34%		
Total % of RAG Rated Indicators	129	81%	6%	3%	9%						

Contract		Green	Amber	Red	Positive/neutral Direction of Travel	Negative Direction of Travel	Direction of Travel Not Available	Positive/neutral Direction of Travel
YCB	24	17	2	1	4	-	-	24
Total	24	17	2	1	4	0	0	24
Total %	100%	71%	8%	4%	17%	0%	0%	100%
Total % of RAG Rated Indicators	20	85%	10%	5%				

*Monitor / No RAG due to: Indicator does not have a target for the return period; indicator has no target due to being monitored/baselined this financial year;

**The Direction of Travel indicates the performance compared to the last time it was reported. Various KPIs did not report a direction of travel due to reporting for the first time

Table 5 highlights the service Indicators reporting back in Quarter 1 2015/16. Of those measures to receive a RAG rating, 81% achieved or exceeded their target, with 9% rated as red.

The Council uses an escalation approach which highlights where there are performance challenges – or successes - within critical indicators for internal and external Delivery Units.

There are a number of successes across Barnet Delivery Unit Critical Measures for Quarter 1 2015/16, these have been highlighted as:

- The percentage of respondents very or fairly satisfied with repairs and maintenance work by Barnet Homes, up from 97% to 99%.
- The target to make safe all intervention level potholes reported by members of the public within 48 hours, increased from 98% in Quarter 4 2014/15 to 100% in Quarter 1.
- The proportion of care leavers age 19 – 21 in suitable accommodation has increased from 84% to 91%.
- The percentage of childcare settings in the borough achieving a 'good' or 'outstanding' Ofsted judgement is up to 78% and on target.
- Re delivering 100% of invoices within timescale, improving from 60% in Quarter 4 and surpassing the Quarter 1 target of 85%.

There were also some challenges experienced across Barnet Delivery Unit Critical Measures for Quarter 1 2015/16 which include:

- Within Adults and Communities services, the percentage of clients receiving an on-going package of care review has decreased from 70% in Quarter 4 to 66% in Quarter 1 and is below the target of 75%.
- The average number of days from contact with a potential service user to the end of assessment process has increased from 18 to 23.
- There has been a marked decrease in the percentage of statutory homeless appeals completed on time from 97% to 49%.
- The proportion of young offenders in education, training or employment has decreased from 77% to 69% and is below the target of 76%.

1.9 Actions to deliver desired outcomes

Theme committees have set commissioning plans to 2020, including 'commissioning intentions' which reflect the key actions which are required to achieve the outcomes and results set by the Council. Delivering these actions

(commissioning intentions) requires work from across the whole Council. Table 6, summarises progress against the Commissioning Intentions allocated to individual Delivery Units. Reporting is on an exception basis, with those actions which are not on delivering on time identified below.

Table 6: Progress against Commissioning Intentions by Delivery Unit

Delivery Unit	RAG ratings				No. of Commissioning Intentions reported
	Green	Green amber	Red amber	Red	
Adults and Communities	5	0	0	0	5
Assurance	-	-	-	-	0
Children's Education and Skills	10	0	0	0	10
Commissioning Group	52	16	3	0	71
Family Services	6	6	0	0	12
Street Scene	4	6	0	0	10
Public Health	11	2	0	0	13
Barnet Homes	5	0	0	0	5
R ^e	-	-	-	-	0
CSG	-	-	-	-	0
HB Public Law	-	-	-	-	0
Parking & Infrastructure	1	0	0	0	1
Total	94 (74%)	30 (24%)	3 (2%)	0 (0%)	127

Progress against the actions set by theme Committees – known as commissioning intentions - is broadly good with 75% currently on schedule. There are 25% commissioning intentions where progress has been delayed, these areas are outlined below.

Commissioning Group

- Delays to the housing strategy and understanding the impact of the Summer Budget 2015 on the draft Housing Commissioning Plan will lead to further work being required. However, performance of the delivery of new homes remains robust.
- Initial phase of the 0-25 disabilities service will go live from October 2015. The full service requires additional workforce development which will be implemented from October 2015.

- The integrated locality team is still in pilot phase. Multi-disciplinary case management and risk stratification in operation. Plans being developed to roll out the pilot implementation team to 15 more GP practices. Integrated care model being evaluated by Public Health.
- The Commissioning Group is currently developing the Children and Adolescent Mental Health Service (CAMHS) Transformation plan which will outline the future of the CAMHS in Barnet. Work is being undertaken with CAMHS core group (including all providers). The transformation plan to be delivered to the Department of Health will be completed by September 2015, followed by a report to committee in November 2015.
- A business waste recycling service needs to be fully developed.
- The Group is currently in the process of developing a number of pilot schemes looking at behaviour changes. Officers are working to deliver a draft Enforcement Strategy that looks across anti-social behaviour, regulatory services and environment enforcement.
- May 2015 has seen a comparatively slower pace in the Regeneration Programme as key decisions and activities have been completed for current phases, and work being undertaken to prepare for, and facilitate, up and coming phases. Decisions are pending on some schemes before they can progress such as funding grant to facilitate Grahame Park Phase B, decisions by developers regarding their next steps for Granville Road, and the Public Inquiry decision for West Hendon.
- Due to unforeseen staffing issues, the role driving the social enterprise for the small business support is currently vacant. Re are prioritising filling this gap to avoid slippage.

Family Services

- To support independence and choice, the Council supports families through the option of personal budget and the option for direct payments. This is now available for all families apart from those only accessing short breaks. By the end of the financial year all families should have personal budgets and options for direct payments.
- The integrated provision of health-related services in early years setting and health visiting service is planned and work is ongoing with Clinical Commissioning Group colleagues to achieve delivery.
- Focussing on young carers:
 - The young carers policy has been finalised and is now being fully implemented.
 - The young carers needs analysis has been completed and is now being used to influence the specification as well as to engage with suppliers.

- A young carers strategy is in draft and is being consulted on by various people including young carers and the young carers reference group.
- Ofsted readiness is being progressed and further work has been identified and is planned for completion. The Service Improvement Plan has been refreshed with all service areas are being monitored through the Delivering Better Services Board.
- A Serious Youth Violence 'problem profile' has been created. It is being refined to strengthen it and further work is to be undertaken with Community Safety to ensure all work is incorporated.
- Wherever possible the Delivery Unit is constraining inflationary pressures on procured goods and services. More detailed work will be developed.

Street Scene

- Modelling of the future waste flow data to deliver the 2020 recycling target has not been achieved this quarter due to the development of the waste strategy.
- The commercial waste services business plan is being prepared, which will include a review of back-office arrangements. The delivery of the zero based budgeting project has been delayed due to the difficulties in setting up the correct establishment on the Council's HR system.
- The strategic outline case for looking at alternative delivery models has been delayed to allow focus on the waste strategy.
- Parks and Open Spaces is progressing well. However there are further actions required:
 - Procure and implement capital investment projects. Capital investment criteria have been agreed.
 - An events profile and relevant usage data has been compiled. Barnet Homes Service Level Agreement review delayed due to Agreement with Commissioner to select and proceed on pilot criteria for 2015/16 which will be rolled out across Barnet Homes assets in 2016/17.
 - Cost / service standard data for bowling greens to deliver community management of bowling greens has been prioritised to follow later than events review. To be delivered later in 2015/16.

Public Health

- People with a long term condition are encouraged and supported to self-manage their condition and the 'making every contact count' work is under review following the national government's requirement for a 7.4% in-year saving.

1.10 Programmes

The Council has in place five portfolios of large programmes and projects: Central, Adults and Health, Children's and Young People, Environment and Regeneration and Growth. In total, 78 programmes and projects are currently underway. In addition, we have an Education Capital Programme in place to ensure successful delivery of new school places and improvements to schools.

Adults and Health Portfolio

This is a large and complex programme in early stages to deliver the outcomes set in the Commissioning Plan, and to achieve required savings. A number of projects are making progress – new model for Mental Health, the Independence of Young People with Learning Disabilities 0-25 project, and progress with the Sports and Physical Activity project. Two projects are red-rated: The wheelchair housing project due to delays in delivery and the Investing in IT project is also red rated due to delays with the delivery date.

Central Portfolio

This includes a small number of large cross-cutting and complex projects. Progress has been made on the Unified Reward project aiming to be in a position to implement from 1 April 2016 onwards. The Customer Access Strategy is red rated due to a delay in the programme, with expectation of a revised delivery date for the strategy to be presented to Committee in winter 2015. Smarter Working remains a challenging project with work underway to complete moves within NLBP and Barnet House and embed new ways of working.

Children's and Young People Portfolio.

Good progress has been made across a number of projects in the Children's and Young People portfolio. The Education & Skills project is progressing. The social work recruitment project is progressing with a recruitment campaign is due to commence in September 2015. Progress continues on the on the libraries project. The project to identify and develop a new children's home was red rated in Quarter 1 as the costs of the project are likely to be higher than the original budget.

Environment Portfolio

There are a number of projects in the early set up phases. The Parks & Open Spaces strategy is in development with a positive response to the initial engagement. The Waste Strategy is under development for Committee in the autumn. The Mortuary shared service transferred but with final signing of the IAA due.

Growth and Development Portfolio

Barnet Homes Management Agreement provisional Heads of Terms were approved by Housing Committee in June. The Housing Strategy a revised date for the Strategy to be taken to Committee in the Autumn. The update on Regeneration programme is Amber overall. The Granville Road project remains red. The Brent Cross programme is rated as Amber to uncertainties relating to Brent Cross North including the timelines.

Schools Capital programmes

The Development Agreement has been signed for the London Academy, although the project continues to be amber rated as contaminated spoil has been found on site. There are some concerns with regards to the delivery of Oak Lodge and Monkfrith within the current funding envelopes. The Northway/Fairway project has some potential small costs following closure of the project.

1.11 Quarter 1 Revenue Monitoring

Table 7 below provides the forecast outturn position for the financial year 2015/16. This analysis compares the forecast outturn to the revised budget position.

The Council's net budget set by Council is £276.465m and there has been no movement to total service expenditure to date. However there have been a number of movements between individual Council services. The budget position incorporates the changes agreed by the Policy and Resources Committee in July 2015. The movements predominantly relate to:

- The allocation of pay award inflation which was previously held in Corporate contingency.
- The allocation of non-pay inflation which was previously held in Corporate contingency.
- The allocation of growth funding to Adults and Communities in respect of a combination of pressures for Learning Disability transition clients, ordinary residents, demographic increases and clients with depleted funds.
- A series of inter service movements to reflect the new Commissioning structure of the Council.

The forecasted general fund expenditure outturn (after reserve movements) is £281.915m, which is an adverse variance of £5.449m (1.97%) against the budget of £276.465m.

Directors are accountable for any budget variations within their services and the associated responsibility to ensure expenditure and income are managed within agreed budgets. To make sure that this is successfully achieved, it is

essential that Directors develop action plans and review these throughout the financial year to identify all significant emerging variances to ensure that overall expenditure is kept within their total available budget.

Directors are in the process of developing recovery plans where the variation to budget exceeds £0.100m to ensure that adverse variances are bought back in-line with the budget set. The recovery plans include the following services:

- Adults and Communities
- Children's Family Service
- Commercial Services
- Housing Needs Resources
- Regional Enterprise
- Customer Support Group

A breakdown of revenue monitoring by each delivery unit is set out in Appendix C and summarised in the Table 7 below.

Table 7: 2015/16 Outturn revenue analysis – Summary

Description	Variations			
	Original Budget £000	Latest Budget £000	Q1 Forecast £000	Variation £000
Adults and Communities	81,756	81,686	84,920	3,234
Assurance	4,110	4,164	4,157	(7)
Children's Education	6,152	6,087	6,068	(19)
Children's Family Service	48,628	48,000	49,219	1,219
Commissioning Group	20,598	20,623	20,722	99
Streetscene	14,014	14,645	14,699	54
Commercial - Parking and Infrastructure	(1,362)	(1,406)	(1,195)	211
Public Health	14,334	14,334	14,334	0
HB Public Law	1,752	1,752	1,752	0
Housing Needs Resources	3,954	3,949	4,849	900
Regional Enterprise	730	739	1,239	500
Customer Support Group	20,822	20,954	21,453	499
Central Expenses	60,977	60,938	59,697	(1,241)
Service Total	276,465	276,465	281,915	5,449

Housing Revenue Account

Description	Variations			
	Original Budget £000	Latest Budget £000	Q1 Forecast £000	Variation £000
Housing Revenue Account	0	0	(476)	(476)

Dedicated Schools Grant

Description	Variations			
	Original Budget £000	Latest Budget £000	Q1 Forecast £000	Variation £000
Dedicated Schools Grant	-	-	(99)	(99)

1.12 Impact on Balances

General Fund

As set out in paragraph 1.11 services are in the process of formulating in year recovery plans to minimise the reported adverse variance of £5.449m. If this isn't achievable, then the Council's General Fund balances would need to be used to fund the variation at the end of the financial year as set out in Table 8 below:

Table 8: General Fund Balances

	£'000
General Fund Balances brought forward 1 April 2015	(14,871)
Budgeted Use of Balance	-
Outturn Variation	5,449
Forecast General Fund Balances 31 March 2016	(9,422)

The recommended limit for the Council's General Fund balance is £15m and therefore the Council would be £5.578m below this recommended limit. This reduction in General Fund balances would need to be managed through the Council's medium term financial strategy to ensure the balance was replenished in 2016/17 as the reduced balance would not be feasible given the risks the Council faces over the short to long term.

Housing Revenue Account

The in-year Housing Revenue Account (HRA) reserve is increased by £0.476m to £15.418m, which will be factored into the 30 year business plan which is due to be presented to the Housing Committee later on this year.

Table 9: Housing Revenue Account Balances

	£'000
Housing Revenue Account Balances brought forward 1 April 2015	(14,942)
In-year surplus	(476)
Forecast Housing Revenue Account Balances 31 March 2016	(15,418)

Dedicated Schools Grant

The in-year Dedicated Schools Grant (DSG) reserve is increased by £0.099m to £4.955m which will be used to manage future years risk and pressures.

Table 10: Dedicated Schools Grant Balances

	£'000
DSG Balances brought forward 1 April 2015	(4,856)
Budgeted Use of Balance	-
Outturn Variation	(99)
Forecast DSG Balances 31 March 2016	(4,955)

1.13 Commentary for significant Budget Variances**Adults and Communities**

The over spend for Adults and Communities of £3.234m represents 3.96% of the delivery unit budget (£81.686m). The key drivers for this variance are as follows:

- £0.192m for Safeguarding as a result of the Supreme Court Judgement in 2014/15 increasing the number of deprivation of liberty safeguarding (DOLS) cases. The service demand is unpredictable and the Council have a legal duty to support clients who come forward to the service.

In 2015/16 the service is expecting to deliver 1,136 assessments compared to the 630 in 2014/15. Additional funding has already been provided for £0.709m (£0.555m from corporate contingency and £0.154m from a Central Government grant) and therefore without this increased funding the adverse variance would have been in the region of £0.901m.

- £3.300m for client care packages for integrated services (older persons, physical disabilities, learning disabilities and mental health).

As reported in 2014/15 the overspends continue to relate to:

- Additional pressures resulting from new Ordinary Residence clients where the care package responsibility has transferred to the Council.
- An increase in residential and nursing EMI (elderly and mentally infirm) due to increasing client numbers reflecting Barnet's aging population. In 2015/16 there has been an increase of 89 clients in residential and nursing provision.
- An increase in the number of clients who were self funders and having depleted funds have become the financial responsibility of the Council as they are no longer full payers.
- An increase in learning disability clients of 13 clients in the first quarter of the financial year transitioning from Children Services.

Children's Family Services

The overspend for Children's Family Services of £1.219m represents 2.54% of the delivery unit budget (£48.000m).

Social care is projected to overspend by a total of £1.816m. There are a number of contributing factors including the use of agency staff, permanent staff that are paid above the midpoint scale at which the budgets have been set, and also "estimated" new inflows in Placements.

The placements budget is the main contributing factor to the forecast overspend with £1.047m relating to:

- **Adoption:** Projected to overspend by £160k due to adoption support overspending on allowances by £103k. £35k overspend on the staffing team, as agency staff are covering posts.
- **Fostering/ROs/SOs:** Projected to overspend by £416k. This is based on the current number of clients including £220k for potential new inflows. There is also the recruitment of two agency staff - one to cover a vacancy and the other to meet service demand.
- **External Placements:** Projected to overspend by £827k overspend through a combination of residential care, IFAs, secure accommodation and preparing for independence. This includes a projection of 50 new clients entering into the service by the end of the financial year.

The Family and Youth Support service is forecasting to overspend by £100k which predominantly relates to employee related expenditure where a higher

percentage of staff are employed at the top spinal point where the budget was set at the mid-point along with a higher number of staff in receipt of various allowances.

Housing Needs Resources

Overspends for the Housing Needs Resources of £0.900m represents 22.79% of the delivery unit budget (£3.949m). The variance is due to a combination of increasing temporary accommodation demand, and private rental sector prices leading to budget pressures. This is despite of a number of mitigations implemented by Barnet Homes in 2014/15 and additional funding provided to the service.

R_e

The over spend for R_e of £0.500m represents 67.66% of the delivery unit budget (£0.739m). The overspend is largely due to an increase in activity relating to highways which has resulted in an increase in expenditure.

Customer Support Group (CSG)

The Customer Support Group is forecasting an overspend of £0.499m which represents a 2.38% variance against the budget of £20.954m.

The overspend relates to the management fee increase as a result of the Civica contract for Revenues and Benefits not being part of the original transferring baseline. Income from schools on traded services is underachieving due to a number of schools opting out and converting to academy status, however this is off-set by overachievement of procurement savings.

1.14 Savings

In 2015/16 the Council was originally due to achieve £17.269m of savings. At the end of quarter one £3.429m (19.8%) had been achieved and it is currently forecast that a further £8.488m will be achieved by the end of the financial year. The total achievable savings of £11.917m therefore represents 69.0% of this year's target and the remaining 31.0% (£5.352m) will not be achieved.

Table 11 below summarises the forecasting for the 2015/16 saving programme:

Table 11: Savings

Directorate	2015/16 Savings £'000	Savings Achieved Q1 £'000	Savings Achievable £'000	Savings Unachievable £'000	2015/16 Savings Unachievable %
Adults Directorate	(8,424)	(1,488)	(5,382)	(3,042)	36.1%
Assurance	(175)	(75)	(125)	(50)	28.6%
BTL					
Central Expenses	(249)	(249)	(249)		0.0%
Commissioning Group	(276)	(276)	(276)		0.0%
Council Wide					
Children's Education	(1,195)			(1,195)	100.0%
CSG	(2,100)	(350)	(2,100)		0.0%
Children's Families	(2,199)		(1,876)	(323)	14.7%
HNR	(300)	(300)	(300)		0.0%
Legal Services	(200)	(33)	(200)		0.0%
Parking & infrastructure	(170)	(80)	(90)	(80)	47.1%
Re	(300)		(300)		0.0%
Street Scene	(1,681)	(577)	(1,556)	(125)	7.4%
Grand Total	(17,269)	(3,429)	(11,917)	(5,352)	31.0%

The Policy and Resources Committee meeting considered the unachievable savings at their July meetings and it was agreed that corporate contingency would fund the following unachievable savings for 2015/16:

- £0.500m in respect of Children's Education for special educational needs transport.
- £1.500m in respect of Adults & Communities for wheelchair housing.

The Committee decision has therefore reduced the unachievable saving to £3.352m for 2015/16. The savings that are currently identified as not being achievable this year have been reflected in the forecast outturn position in Table 10 and will have been mitigated as much as possible by the service. Directors are working on plans to alleviate the risk of these variances to ensure that the savings are delivered in full in 2016/17.

The material variances relate to:

- £1.512m for Adults procurement activities
- £0.695m for Children's Education alternative delivery model
- £0.323m for Children's Education workforce savings
- £0.110m for Streetscene increasing their charges to the HRA for shared use or amenities

1.15 Provisions

Provisions are made where an event has taken place that gives the Council a legal or commercial obligation that require settlement by a transfer of economic benefits or service potential and a reliable estimate can be made of the account of the obligation. For instance, the Council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

As at the 30th June 2015 the Council held provisions of £13.442m which is a movement of £0.002m since the end of the financial year as presented in Table 12 below. The level of provision held by the Council will continue to be monitored on a monthly basis and adjustments made when the settlements have taken place as necessary.

Table 12: Provisions

Description	Provisions brought forward	In year related Expenditure	Provision carried forward
	£'000	£'000	£'000
Adults	1,151	-	1,151
Resources (grant unit)	82	(2)	80
Corporate (insurance provision)	8,850	-	8,850
Regional Enterprise(RE)	210	-	210
Commercial	256	-	256
Childrens	255	-	255
Central(Business Rates Appeals)	2,640	-	2,640
Total	13,444	(2)	13,442

1.16 Reserves

The Council has set aside specific amounts as reserves for future policy purposes or to cover contingencies. As at the 30th June 2015 the Council held reserves of £114.256m which is a £1.899m reduction since the start of the financial year. The reserve balances are managed by the Policy and Resources Committee.

Table 13: Reserves

Description	Reserve b/fwd 01 April 2015	In year related Expenditure	New Reserves Raised	Reserve c/fwd 30 June 2015
	£'000	£'000	£'000	£'000
Central - Capital	1,457	-	-	1,457
Central - Financing	2,592	-	-	2,592
Central - Community Infrastructure Levy	5,316	-	423	5,739
Central - Infrastructure	29,456	-	-	29,456
Central - Risk	12,035	-	-	12,035
Central - Service Development	7,944	-	-	7,944
Central - Transformation	15,079	(1,074)	-	14,005
Service - Other	22,372	(1,248)	-	21,124
Sub Total General Fund Earmarked Reserves	96,251	(2,323)	423	94,351
Service - DSG	5,106	-	-	5,106
Service - Housing Benefits	6,600	-	-	6,600
Service - NLSR	794	-	-	794
Service - PFI	3,715	-	-	3,715
Services - Lighting	113	-	-	113
Service - Section 256 - NHS Social Care Funding	431	-	-	431
Service - Public Health	1,209	-	-	1,209
Special Parking Account (SPA)	1,936	-	-	1,936
Total Ring Fenced	19,905	-	-	19,905
Total All Earmarked Reserves	116,155	(2,323)	423	114,256

1.17 2015/16 Outturn Capital Monitoring

The forecasted outturn expenditure as at 30th June 2015 on the Council's capital programme is £222.720m, £175.508m of this relates to the general fund programme and £47.212m for the HRA capital programme. This is a variance of £8.447m against the latest approved budget of £214.274m. The table below summarises the expenditure by each service.

Table 14: 2014/15 Capital Programme Outturn Position

	2014/15 Latest Approved Budget	BF Variance at Outturn	Addition/ Deletion at Outturn	2015/16 Latest approved Budget (including 2014/15 slippage)	Additions/ (Deletions) - Quarter 2	(Slippage) / Accelerated Spend - Quarter 2	2014/15 Budget (including Quarter 2)	Forecast to year-end	Variance from Revised Budget
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Adults and Communities	3,721	1,614	21	5,356	(700)	-	4,656	4,657	936
Children's education	49,099	3,319	440	52,858	2,443	(152)	55,149	55,149	6,050
Children's family services	5,162	685	-	5,847	(2,000)	-	3,847	3,847	(1,315)
Commissioning Group	26,467	902	-	27,369	2,912	(2,992)	27,289	27,289	822
Commercial - Parking and Infrastructure	1,697	90	-	1,787	-	-	1,787	1,787	90
Street Scene	1,765	558	323	2,646	20	(60)	2,606	2,606	841
Housing Needs Resources	148	154	-	302	-	-	302	302	154
Regional Enterprise	76,707	14,896	(5,043)	86,560	758	(7,446)	79,872	79,872	3,165
General Fund Programme	164,766	22,218	(4,259)	182,725	3,433	(10,650)	175,508	175,508	10,743
HRA	49,508	2,247	-	51,755	-	(4,543)	47,212	47,212	(2,296)
Total Capital Programme	214,274	24,465	(4,259)	234,480	3,433	(15,193)	222,720	222,720	8,447

The capital monitoring summary and scheme details by service directorate is set out in Appendix D.

Table 15 below analyses the 2015/16 capital programme for the financial year. A detailed analysis of changes including additions, deletions and budget movements is provided in Appendix E.

Table 15: 2014/15 Capital Funding Outturn Changes

	Grants	S106 / Other	Capital Receipts	Revenue	Borrowing	Total
	£000	£000	£000	£000	£000	£000
Adults and Communities	(1,157)	-	-	207	250	(700)
Children's Family Services	-	-	-	-	(2,000)	(2,000)
Children's Education and Skills	2,397	-	-	-	(105)	2,291
Commissioning Group	1,162	-	(2,992)	-	1,750	(80)
Commercial	-	-	-	-	-	-
Street Scene	-	-	-	20	(60)	(40)
Re delivery unit	201	(1,323)	6,600	(11,400)	(765)	(6,688)
The Barnet Group	-	-	-	-	-	-
General Fund Programme	2,602	(1,323)	3,608	(11,173)	(930)	(7,217)
HRA	-	-	-	(4,543)	-	(4,543)
Total Capital Programme	2,602	(1,323)	3,608	(15,716)	(930)	(11,760)

1.18.1 There is a 3.7% increase in the forecasted capital programme compared with the approved budget. This relates to a movement of £7.982m which is largely due to slippage from 2014/15.

The predominant variances for 2015/16 are as follows:

- The total Children's Education and Skills programme is forecasting an increase of £6.050m. This is composed of slippage brought forward from 2014/15 of £3.759m made up of Urgent Primary places £0.386m, Modernising Primary & Secondary schools £0.898m, Permanent secondary expansion £0.957m and East Barnet rebuild £0.364m and additions of £2.291m primarily on the London Academy £2.777m, Temporary expansions of £0.785m reduced by slippage of £1.430m on Monkfrith school. The Council has recently seen cost increases on its school construction programme which is a result of rising building cost inflation. This is not a localised issue, however, construction costs have risen substantially, particularly in London. This increase is assumed to be the consequence of significant demand in the area while markets remain saturated. The Council is currently putting measures in place to improve its control over the current situation. In addition, a number of schemes have identified abnormal costs which have added further pressure to existing budgets.
- Children's family service forecast has decreased by £1,315m. This is due to slippage of £2.000m on the libraries, reduced by slippage brought forward from 2014/15 of £0.685m made up primarily of 2 year old placement offer £0.101m, Information Management £0.135m and Implementation of the library strategy £0.393m.
- The Re delivery unit programme is forecasting an increase of £3.165m. This is largely due to £9.853m of slippage brought forward from 2014/15 (Brent Cross land acquisition £7.969m and TFL £1,794m) reduced by further slippage of £7.153m in 2015/16 on regeneration £4.978m and other projects including Empty Properties £1.052m and the Housing Association Development programme £1.416m.
- HRA forecast has decreased by £2.296m as a result of £4.453m slippage reduced by £2.247m of slippage brought forward from 2014/15. This is mainly on regeneration and M&E/Gas where the budgets have been re-profiled to more accurately reflect the four year programme.

1.18.2 The 'variance from revised budget' column in the report is a net figure based on slippage (budget required for future financial years), accelerated spend (budget required from future years) and under spends. As an example, a budget may be set for a school build but construction may not start until half

way through the year and is due to continue into future financial years. As construction accounts for the majority of the budget, it needs to be re-profiled (slipped) into the financial year it is required for. Slippage does not indicate an over spend, just a movement of budget into future financial years.

1.19 Agency Costs

The table below details agency staff costs for the first quarter of 2015/16 (April to June 2015) as compared to the same period in 2014/15. Agency expenditure has increased by £0.990m compared to quarter 1 of 2014/15.

The current level of agency usage is consistent with the Council's strategic approach to ensure business critical functions continue to operate and perform while going through significant change. This strategic approach reflects the Council's desire to reduce redundancies from the workforce. Each Delivery Unit has an agreed workforce plan to attract and retain talent, develop skills and move from agency to permanent roles when specific actions or projects compete.

Table 16: Agency Costs for 2015/16

Directorate	Quarter 1 2014/15	Quarter 1 2015/16
	Agency Spend	Agency Spend
	£000	£000
Adults and Communities	908	1,179
Assurance	9	50
Barnet Group	-	-
Children's Education	310	445
Children's Families Service	764	1,189
Commercial	0	-
Commissioning Group	577	578
CSG	17	-
HRA	-14	-
Parking & Infrastructure	-	-
Public Health	-	-
Re	46	-
Schools Direct Management	-	-
Street Scene	506	672
Total	3,123	4,113

1.20 Transformation Programme

Policy and Resources Committee (2 December 2014) agreed a drawdown of £16.1m to support projects and programme to achieve base budget savings of £45m, supporting delivering of the Council's Medium Term Financial Strategy. A summary of spend and projected expenditure is provided as Appendix F.

1.21 Treasury Outturn

1.21.1 In compliance with the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice this report provides Members with a summary report of the treasury management activity during the period to 30 June 2015. The Prudential Indicators have not been breached and a prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield. Further details of compliance with prudential indicators are contained in Appendix G.

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

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 2015/16 was approved by Council on 3 March 2015. The Treasury Management Strategy demands regular compliance reporting to this Committee to include an analysis of deposits made during the review period. This also reflects good practice and will serve to reassure this Committee that all current deposits for investment are in line with agreed principles as contained within the corporate Treasury Management Strategy.

This report therefore asks the Committee to note the continued cautious approach to the current investment strategy: to note also, that as a result of considerable stabilisation and in some cases improvement in credit metrics, the revised treasury strategy for 2014/15 has extended the maximum duration to 10 years with further diversification, albeit with maximum recommended duration of deposits for different banks depending on risk assessment.

1.21.2 Investment Performance

Investment deposits are managed internally. As at 30 June 2015, deposits outstanding were £237.700 million (excluding Icelandic deposits), achieving an average annual rate of return of 0.65 per cent (adjusted for Icelandic deposits) against a benchmark average (London Interbank Bid Rate - LIBID) of 0.48per cent. A list of deposits outstanding as at 30 June 2015 is attached as Appendix H.

The benchmark, the average 7-day LIBID rate, is provided by the authority's treasury advisors Arlingclose. The LIBID rate is the rate that a Euromarket

bank is willing to pay to attract a deposit from another Euromarket bank in London.

The Council holds a balance of circa £2.9 million in a third party bank account established by the winding up board of the former bank Glitnir. These funds cannot yet be accessed due to Icelandic Government currency export restrictions but they can be traded, though the market is illiquid. On 9th July 2015 Policy and Resources Committee agreed to delegate powers that would enable officers to process any sale, in consultation with the Committee Chairman, if an acceptable offer is made to the Council. There are no acceptable offers currently being considered.

1.21.3 Debt Management

The total value of long term loans held by the Council as at 30 June 2015 was £304.08m. There has been no external borrowing in the financial year to date. The average total cost of borrowing for the quarter ending 30 June 2015 was 3.89 per cent.

2 REASONS FOR RECOMMENDATIONS

- 2.1 These recommendations are to allow the Council to meet the budget agreed by Council on 3 March 2015.

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 This report presents the performance of the Council at meeting the measures of success for the Corporate Plan. This report also includes performance indicators of the delivery of services by the Council, such as the performance levels of contracts, internal Delivery Units and partners.

- 5.1.2 The past three years of performance information is available at: www.barnet.gov.uk/performance

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

5.1.4 Relevant Council strategies and policies include the following:

- Corporate Plan 2015-20
- Medium Term Financial Strategy
- Treasury Management Strategy
- Debt Management Strategy
- Insurance Strategy
- Risk Management Strategy
- Capital, Assets and Property Strategy.

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

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

5.2.1 Robust budget and performance monitoring plays an essential part in enabling an organisation to deliver its objectives efficiently and effectively.

5.3 **Social Value**

5.3.1 The Public Services (Social Value) Act 2013 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.

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, in Part 15 Annex A, Responsibility for Functions, states in Annex A the functions of the Performance and Contract Management Committee including:

- a) Overall responsibility for quarterly budget monitoring, including monitoring trading position and financial strategy of Council Delivery Units.
- b) Monitoring of Performance against targets by Delivery Units and Support Groups including Customer Support Group; Re; the Barnet Group (Including Barnet Homes and Your Choice Barnet); HB Public Law; NSL (Parking Contractor); Adults and Communities; Family Services; Education and Skills; Streetscene; Public Health; Commissioning Group; and Assurance.
- c) Receive and Scrutinise contract variations and change requests in respect of external delivery units.
- d) To make recommendations to Policy and Resources and Theme Committees on relevant policy and commissioning implications arising from the scrutiny of performance of Delivery Units and External Providers.
- e) Specific responsibility for the following function within the Council:
 - a. Risk Management
 - b. Treasury Management Performance
- f) Approve the Annual Report of the Barnet Group Ltd.
- g) To consider reserved matter of the Joint Venture Company (JVCO)

5.4.4 The Council's Constitution, Part 21, Financial Regulations section 4. paragraphs 4.4.9 - 11 state:

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

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

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

- Allocations for unplanned expenditure over £250,000 must be approved by Performance and Contract Management Committee.

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

5.4.6 The Council's Constitution, Part 21, Financial Regulations section 4 paragraph 4.4.3 states amendments to the revenue budget can only be made with approval as per the scheme of virement table below:

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

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

5.5 Risk Management

5.5.1 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.

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

5.6 Equalities and Diversity

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

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

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

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

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

This is also what we expect of our partners.

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

5.6.5 Progress against the performance measures we use is published on our website at:

www.barnet.gov.uk/info/200041/equality_and_diversity/224/equality_and_diversity

5.7 Consultation and Engagement

5.7.1 During the process of formulating budget and Corporate Plan proposals for 2015/20 onwards, three phases of consultation took place:

Phase	Date	Summary
Phase 1: Setting out the challenge	<i>Summer 2013</i>	The Council forecast that its budget would reduce by a further £72m between 2016/17 and 2019/20, setting the scene for the PSR consultation
Phase 2: PSR consultation to inform development of options	<i>October 2013 - June 2014</i>	<ul style="list-style-type: none"> • Engagement through Citizen's Panel Workshops which focused on stakeholder priorities and how they would want the Council to approach the Priorities and Spending Review • An open 'Call for Evidence' asking residents to feedback ideas on the future of public services in Barnet.
Phase 3: Engagement through Committees	Summer 2014	<ul style="list-style-type: none"> • Focus on developing commissioning priorities and MTFs proposals for each of the 6 committees • Engagement through Committee meetings and working groups
Phase 4: Strategic Plan to 2020 Consultation	December 2014 – March 2015	<ul style="list-style-type: none"> • A series of 6 workshops with a cross section of residents recruited from the Citizens Panel and Youth Board, plus two workshops with users¹ of Council services. • An online survey (17 December 2014 – 11 February 2015)

5.8 Insight

5.8.1 The use of insight data is used to ensure correct decision making appropriate decisions. This monitoring report makes use of broader performance and finance information to ensure appropriate decisions are made.

¹ One "service user" workshop was for a cross section of residents who are users of non-universal services from across the Council. The second workshop was for adults with learning disabilities.

6 BACKGROUND PAPERS

- 6.1 Most recent Delivery Unit performance reporting available from www.barnet.gov.uk/currentperformance
- 6.2 Individual Delivery Unit performance reporting from 2012-13 to present available from www.barnet.gov.uk/performance
- 6.3 Full results of the Resident Perception Survey: Spring 2015 are available from <https://engage.barnet.gov.uk/consultation-team/residents-perception-survey-spring-2015>
- 6.4 Further transparency reporting, including a breakdown of Customer Service data, is available from the Council's data portal <https://open.barnet.gov.uk/>
- 6.5 Performance and Contract Management Committee, 12 May 2015 (Decision Item 7) – approved Final Outturn and quarter 4 Monitoring Report 2014/15 <http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=693&MId=7873&Ver=4>
- 6.6 Council, 3 March 2015 (Decision item 12) – approved Business Planning 2015/16 – 2019/20, including the Medium-Term Financial Strategy. <http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=692&MId=7865&Ver=4>
- 6.7 Council, 14 April 2015 (Decision item 13.3) – approved Corporate Plan 2015-20. <http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=162&MId=7820&Ver=4>