

	<p>Performance and Contract Management Committee</p> <p>15 February 2016</p>
Title	<p>Quarter 3 Performance Monitoring 2015/16</p>
Report of	<p>Chief Operating Officer</p>
Wards	<p>All</p>
Status	<p>Public</p>
Urgent	<p>No</p>
Key	<p>No</p>
Enclosures	<p>Appendix A Customer Experience Report, including Web Action Plan</p> <p>Appendix B Corporate Plan Performance</p> <p>Appendix C Service Performance</p> <p>Appendix D Revenue Monitoring</p> <p>Appendix E Capital Programme</p> <p>Appendix F Capital Programme Funding Adjustments</p> <p>Appendix G Recovery Plans</p> <p>Appendix H Transformation Programme</p> <p>Appendix I Prudential Indicators</p> <p>Appendix J Investments Outstanding</p> <p>Appendix K Capita Payments</p> <p>Appendix L Contract Changes</p> <p>Appendix M Corporate Risk Register</p>
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Summary

This report outlines the **Quarter 3 2015/16** position of the Council's performance against the strategic priorities outlined in the Corporate Plan 2015-2020. The report highlights customer experience and residents' satisfaction, along with corporate and service (Delivery Units and Contractors) performance and the overall budget position.

Residents' perception

Residents' satisfaction with Barnet remains high. The autumn 2015 survey shows that residents' overall satisfaction with Barnet as a place to live remains at 88% (above the national average of 82%; October 2014) and most residents are satisfied with the way the Council runs things (74%; above the national average of 68%; October 2014). Satisfaction with performance of the Council remains on par with the previous survey in spring 2015. A further survey will be undertaken in spring 2016.

Customer experience

Customer satisfaction ratings across our main access channels remains unchanged at 77%, below the 80% target. We have closed more Members' Enquiries within 5 days than at any point in the past but aim to improve this further. We have also responded to more emails and webforms in time, but remain below the 90% target. Satisfaction with face-to-face service has improved. Customer satisfaction for webforms – transactions available on the website - has also improved, to 56% (the best recorded to date) and work continues to drive this higher. Satisfaction with the web improved during the quarter, but remains an area for improvement. A summary improvement plan is included in Appendix A.

Corporate performance

The Corporate Plan identifies a suite of indicators that help us to monitor performance; and targets have been set to encourage improvement against our strategic priorities. The key challenges/successes and an overview of performance are highlighted for Quarter 3. More detailed information can be found in Appendix B.

Service performance

An overview of performance for each service (Delivery Units and Contractors) is provided in relation to the suite of indicators outlined in the Council's key business plans (including the Corporate Plan, Commissioning Plans, Management Agreements and Contracts). More detailed information can be found in Appendix C. The full service reports, including an assessment of contracts and Inter Authority Agreements (Barnet Homes, CSG, HB Public Law and Re), are published on the website at www.barnet.gov.uk/currentperformance

Budget outturn

The forecasted general fund expenditure outturn (after reserve movements) is £280.804m, which is an adverse variance of £2.838m (1.02%) against the budget of £277.966m. This is also an improvement of £0.880m from the previous quarter.

The forecasted outturn expenditure as at 31st December 2015 on the Council's capital programme is £195.437m. £154.466m of this relates to the General Fund Programme and £40.971m to the HRA Capital Programme. This is a variance of £4.922m against the latest approved budget of £200.459m.

Transformation programmes

The Council's Transformation Programme consists of over 100 projects required to deliver the Medium Term Financial Strategy and the Corporate Plan. The majority of projects

within the Transformation Programme are on track to deliver to time, costs and quality. The Adults Alternative Delivery Model Strategic Outline Case was approved by Adults and Safeguarding Committee in December 2015; the preferred location for the leisure centre as part of Sport and Physical Activity project was approved by Policy and Resources in December 2015 and Full Council on 8 December 2015 approved recommendations to appoint Cambridge Education as a strategic partner to provide Education and Skills services, commencing on 1 April 2016. The Depot relocation project is likely to be delayed as a result of a Judicial Review application against the planning decision; and the new Adults IT system is now expected to go-live in April 2016. The current financial projection for the programme is £1.996m underspend.

Treasury outturn

In compliance with the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice this report provides Members with a summary report of the treasury management activity during the period to 31 December 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.

Investment performance

As at 31 December 2015, deposits outstanding were £212.700 million (excluding Icelandic deposits), achieving an average annual rate of return of 0.68 percent (adjusted for Icelandic deposits) against a benchmark average (London Interbank Bid Rate - LIBID) of 0.48 percent.

Contract management

Appendix K provides the current position on spend with Capita and Appendix L summarises contract changes on the Council's key contracts.

Risk management

The report highlights current risks and the respective impact on the Council. There are eight corporate level risks that have a risk level of high or medium. Controls have been put in place to mitigate the risk and control the impact. The full risk assessment can be found in Appendix M.

Recommendations

- 1. The Committee is asked to scrutinise the performance of services (via delivery units and contractors) against the Corporate Plan and (if necessary) make recommendations to other committees on the policy and commissioning implications**
- 2. The Committee is asked to note the Quarter 3 2015/16 revenue budget and forecast position, as detailed in paragraph 1.24**
- 3. The Committee is asked to note the additions and deletions and to approve the accelerations and slippages to the Quarter 3 2015/16 capital position, as detailed in paragraph 1.31**
- 4. The Committee is asked to note the Transformation Programme position as at the 31 December 2015, as detailed in paragraph 1.32**
- 5. The Committee is asked to note the Treasury position outlined in paragraph 1.33**

1. WHY THIS REPORT IS NEEDED

- 1.1 This report outlines the **Quarter 3 2015/16** position of the Council's performance against the strategic priorities outlined in the Corporate Plan 2015-2020. The report highlights customer experience and residents' satisfaction, along with corporate and service (Delivery Units and Contractors) performance and the overall budget position.
- 1.2 The report is structured to:
- Focus on customer experience and residents' perception (from the latest survey).
 - Show how the Council is performing against the outcomes and targets set out in the Corporate Plan, including a summary of the successes and challenges in Quarter 3; and how we compare against other local authorities.
 - Provide an overview of the Council's service indicators, reporting by exception and providing comments on those that have not met target.
 - Provide a summary of the status of key projects the Council is delivering.
 - Report on the budget position, including revenue and capital expenditure.
 - Demonstrate management of the Council's top level risks.
- 1.3. In addition to this report, the Council publishes 14 detailed reports on the performance of each service (Delivery Units and Contractors) on the website each quarter at www.barnet.gov.uk/currentperformance; along with the past three years' reports at www.barnet.gov.uk/performance

Performance for Customers

- 1.4 To ensure the Council maintains its focus on customers, the Council monitors a range of customer indicators and targets. Appendix A provides further detail. In addition, the Council has put in place a new weekly and monthly monitoring regime for senior management visibility of overdue complaints, Members' Enquiries and other customer data to drive further improvement.
- 1.5 In Quarter 3, the customer satisfaction ratings across our main access channels achieved 77%, below target of 80%. We have responded to more complaints and closed more Member Enquiries within 5 days than at any point in the past. However, there were increases in the number of complaints, 19% higher than the previous quarter and 53% higher than the same quarter the previous year, driven primarily by complaints about Streetscene and Parking. During this reporting period six of 13 targets have been achieved and performance has improved on nine measures since Quarter 2.
- 1.6 There are a number of notable successes within Quarter 3:
- The introduction of a new appointments system and ways of working for face-to-face contact has significantly decreased wait times at the Council's two main contact centres - Burnt Oak Library and Barnet House. Furthermore, these changes have increased satisfaction for the face-to-face channel, as 92% of 3,000+ customers rated the service they received as good (the highest percentage recorded to date).

- Customer satisfaction for the webforms available on the Council's website has improved again, to 56%. This performance, the best recorded to date, supports the Council's customer access strategy to increase the number of transactions completed online.
- The Council has responded to 90% of 892 complaints within the policy timeframes - this is significantly higher than the 80% target.
- 97% of the total recorded Members' Enquiries (1,245) were responded to within 5 days and 79% were closed within 5 days. The latter figure, the highest percentage recorded to date, despite an increased volume in Quarter 3.

1.7 The following areas are to be improved over the next three months:

- 58% of the website feedback left by customers is average or negative. Although this percentage is decreasing each quarter, the Council must continue using feedback to improve functionality and content. This will encourage more customers to self-serve, rather than contact the Council by phone or in person.
- Streetscene, Barnet Homes and Parking all recorded a significant increase in Stage 1 complaints in Quarter 3. Whilst this is a seasonal trend for **Streetscene**, the number has increased significantly to the same quarter last year (299, compared to 76 in Quarter 3 2014/15) largely related to waste and recycling collection. **Barnet Homes'** complaints volumes rise in the winter, with a number of gas-related problems in Quarter 3 and engineers missing appointments, which has led to a specific improvement plan on this. **Parking** complaints primarily reflect the introduction of a new e-permits system and problems associated with this, which is also subject to a resolution plan. It is worth noting that over half of the corporate complaints recorded in Quarter 3 were not upheld, including two thirds in Streetscene and a third in Barnet Homes.
- According to the data, only 70% of customer cases (across Customer Services, Revenues & Benefits and Streetscene) were responded to within the promised timescale (compared to 90% target).
- 20% of the 260,000+ desk calls presented in Quarter 3 have not been answered by Council staff and on-site staff in Re and CSG, slightly worse than the previous quarter. Of those that were picked up, only 73% were done so within 20 seconds.

More detailed information can be found in Appendix A.

Residents' Perception Survey

1.8 The most recent survey was undertaken in autumn 2015. The results show that residents remain satisfied with Barnet as a place to live (88%), significantly above the national average (82%). Satisfaction with the way the Council runs things is consistent with the spring 2015 survey (74%), which is eleven percentage points higher than autumn 2012. This is slightly above the London average and five percentage points above the outer London average. Since 2012 many Council services have seen significant increases in satisfaction which have been sustained. Quality of pavements and repair of roads increased (5% and 8% respectively) but note that this is consistent with the survey in autumn 2015. A further survey will be undertaken in spring 2016.

Corporate Performance

- 1.9 The Corporate Plan identifies a suite of indicators that help us to monitor performance; and targets have been set to encourage improvement against our strategic priorities. The key challenges/successes and an overview of performance are highlighted for Quarter 3. More detailed information can be found in Appendix B.

Key Successes and Challenges

- 1.10 This section of the report highlights the most significant successes and challenges within the Council during Quarter 3.

Key successes include:

- There are high-levels of satisfaction with Barnet as a place to live (88%).
- Overall, when compared with other London Councils, 77% of Council services are comparatively high performing.
- Schools in Barnet are high performing, ranked in the top 5 within the country for GCSE results.
- 96.7% of 17 year olds in Barnet are in education, training or work based learning.
- There has been a significant progress with a higher proportion of looked after children in Council foster care (39.4%).
- Over 57% of care leavers aged 19-21 are in education, employment or training (above the London benchmark of 53%).
- Work to prevent homelessness has had significant effect, with 698 homelessness preventions completed.
- 74% of the public are satisfied with the way the Council runs things.
- The Burnt Oak jobs team has supported 90 people into work.

Key challenges include:

- The overall budget variance is £2.838m (1.02%) against the budget of £277.966m. This is also an improvement of £0.880m from the previous quarter, but remains a challenge. Key areas of pressure are in Adults and Communities, Family Services and Homelessness. A recovery plan is in place for each of these service areas and provided in the appendix to this report.
- Waste and recycling performance remains below target, with 38.04% of waste recycled against a target of 41.92% for the quarter. This represents a 0.5% improvement on performance in the same quarter last year, but remains significantly below target. An action plan to improve performance was received by Environment Committee in November 2015 and a summary provided to Performance and Contract Management Committee. A range of actions are underway, including:
 - Expanding the dry recycling service at flats – we have rolled out recycling services to an additional 659 properties between October and December 2015 and this work is continuing
 - Piloting a food waste project at flats commencing during February 2016
 - Completing a range of trials in food waste behaviour change, for cost benefit evaluation. A progress report on the waste action plan will be

provided to Performance and Contract Management Committee at its next meeting.

- In January 2016 the Environment Committee approved the publication and associated consultation of the draft Waste and Recycling Strategy; the outcome of the consultation will form the basis of an action plan to deliver the longer-term 50% recycling rate.
- A new targeted street cleansing regime was implemented in April 2015, which aims to ensure that all roads (with the exception of the town centres that receive a permanent presence) receive as a minimum a thorough cleanse every six weeks. Adopting this approach has ensured the satisfaction standards have been maintained at c.53%. To ensure we have an effective inspection regime, an independent cleanliness assessment in partnership with the Council's in-house team was undertaken by the Keep Britain Tidy (KBT) group in December 2015 to inform future reporting. In the medium term it is proposed that a street cleansing framework, with embedded action plan, will be presented for approval to Environment Committee in March 2016. The approval of the cleansing framework, in conjunction with a strategic review of the cleansing regime, is anticipated to improve the effectiveness and efficiency of the service and raise overall satisfaction of the service. It is proposed that that a progress update be presented to Performance and Contract Management Committee at the next meeting.
- In January 2016 an audit of the Streetscene delivery unit was reported to the Audit Committee. The review highlighted a significant number of deficiencies around governance, which are currently being addressed by a new senior management structure that will implement the Audit Committee's recommendations.
- Customer satisfaction remains below target, with web satisfaction significantly contributing to this – albeit performance improved during Quarter 3. A detailed update on this is provided in Appendix A.
- Housing and homelessness remain challenging for London boroughs, including Barnet. High demand for homelessness services and an increasing reliance on temporary accommodation has had an associated costs to the Council's budget. Demand for temporary accommodation and inflationary pressures are being monitored closely but continue to increase. A range of mitigations are in place to maximise prevention, manage demand and increase affordable supply. These include funding additional prevention officers – with higher levels of prevention now at 698 - sourcing more accommodation outside London and increasing the volume of private sector lettings achieved. There are potential pressures in relation to arrears in future years.
- While the Residents' Perception Survey highlights an overall increase in the proportion of residents satisfied with roads and pavements, there have been challenges within the Highways Service. This includes delivery of the £15m Network Recovery Plan, where 88% of planned works were completed by Quarter 3 but with a high number of Member Enquiries and

resident contact relating to the works and effect of the works. Proposals for the approach for 2016/17 were reported to Environment Committee in January 2016. Re is working with the commissioners and the contractor to ensure all outstanding remedial works are completed to the required standard. In addition, the delivery of the annual TfL funded Local Implementation Plan (LiP) is behind schedule and forecasting an underspend, with Re working on alternative options to fully utilise the funding.

- Adults and Communities are reporting a number of areas of performance challenge, including the number of people with learning disabilities and mental health conditions who are in employment. A detailed improvement plan, including creating new opportunities and pathways into employment are underway. In addition, performance on completion of care reviews is below target but being addressed through additional project resource to complete this work. Adults and Communities is also implementing a service restructure and new IT system, requiring significant focus during Quarter 3.
- Recruitment to social work posts to reduce the number of vacant posts and locum cover remains a challenge. The first phase of a major recruitment campaign has concluded with a significant number of new social workers recruited with a second phase to be launched soon.
- Overall, across the Council each service area has a plan in place to reduce agency levels usage levels to 15% of the wage bill with a number of steps taken to achieve this – including tightening governance of decision-making to Assistant Director level for costly or longer-term deployments, reviewing progress each month and challenging service teams, and a detailed workforce plan in place for each Delivery Unit.
- There are specific challenges within support services, most notably ensuring there is effective capacity and capability in place to deliver IS and Estates projects, and within Quarter 3, underperformance of the IS service against the performance target on critical system availability. A project is underway to refresh the network to increase resilience and stability of the service.
- The introduction on an electronic parking permit system is intended to provide benefit to residents, making access easier. During implementation, 530 individual customers were unable to complete their applications online owing to technical challenges and were required to complete this through the CSG contact centre.

Corporate Plan Indicators

- 1.11 **65** indicators are reported in Quarter 3. Of these, **54** have been given a RAG rating: **72% (39)** are “on or above target” and **29% (15)** are “off target”. **65** have been given a Direction of Travel status: **66% (43)** have an “**improved or maintained**” DOT and **34% (22)** have a “**worsened**” DOT.

Table 1: Corporate Performance by Theme Committee

Theme Committee	No. reported in Q3	No. with a RAG rating in Q3	RAG Ratings				No. with a DOT in Q3	Direction of Travel	
			Green	Green Amber	Red Amber	Red		Improved/maintained	Worsened
A&S	6	6	67% (4)	0% (0)	0% (0)	33% (2)	6	3	3
ARG	3	0	0% (0)	0% (0)	0% (0)	0% (0)	3	1	2
CELS	17	11	82% (9)	0% (0)	0% (0)	18% (2)	17	12	5
Community Leadership	3	3	67% (2)	0% (0)	0% (0)	33% (1)	3	1	2
Environment	16	16	69% (11)	0% (0)	19% (3)	13% (2)	16	12	4
Housing	7	5	80% (4)	20% (1)	0% (0)	0% (0)	7	2	5
Public Health & Wellbeing	9	9	78% (7)	0% (0)	0% (0)	22% (2)	9	8	1
Outstanding Customer Service	4	4	50% (2)	25% (1)	0% (0)	25% (1)	4	4	0
Total	65	54	39	2	3	10	65	43	22
Total %			72%	4%	6%	19%		66%	34%

1.12 The 10 indicators RAG rated as Red (significantly “off target”) are:

Adults and Safeguarding

- Percentage of adults with learning disabilities in paid employment
- Percentage of adults with mental health needs in paid employment

Children, Education, Libraries and Safeguarding

- Percentage of secondary schools rated as ‘good’ or better
- Achievement gap between pupils eligible for Free School Meals (FSM) and their peers achieving end of key stage expectations in nationally reported subjects (Reading, Writing and Maths) at Key Stage 2

Community Leadership

- Levels of crime across the Mayor’s Office for Policing and Crime set of crimes (burglary, vandalism, criminal damage, theft of/from motor vehicle, violence with injury, robbery and theft from a person).

Environment

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

Public Health and Wellbeing

- Cumulative percentage of the eligible population aged 40-74 who have received an NHS Health Check
- Number of people with mental health problems who have accessed the IPS employment support programme

Customer Experience and Effective Services

- Performance of services

More information is available in Appendix B.

Service Performance

- 1.13 The Council's key business plans (Corporate Plan, Commissioning Plans, Management Agreements and Contracts) identify a suite of indicators to help us monitor operational performance. The key challenges/successes and an overview of performance are highlighted for Quarter 3. More detailed information can be found in Appendix C. The full service reports, including an assessment of contracts and Inter Authority Agreements (Barnet Homes, CSG, HB Public Law and Re), are published on the website at www.barnet.gov.uk/currentperformance

Service Challenges and Successes

- 1.14 Key service challenges and successes include:

Adults and Communities

- Undergoing a significant period of change, including staff restructure and implementation of new IT system (Mosaic).
- Work to reduce the overspend and recover the budget position has been progressing.
- Staffing vacancies have been affecting performance, with resources allocated to priority areas such as reviews.
- New delivery approaches such as 'assessment hubs' are being piloted, which will help to deliver the new operating model agreed by Adults and Safeguarding Committee.
- Transformation programme is in progress with Shared Lives and Personal Assistant schemes recruiting; and the tender process for homecare and enablement underway.

Barnet Homes

- A new Chief Executive Officer has been appointed for The Barnet Group. Initial work has focused on finalising the new 10 year management agreement for Barnet Homes and the 5 year Barnet Group business plan.
- Barnet's first women's refuge has been opened. The facility can support 39 clients and will be managed by Solace Women's Aid. It complements the Domestic Violence One Stop Shop, which provides advice and guidance on domestic violence.
- High demand for homelessness services and an increasing reliance on General Fund temporary accommodation has exposed the Council to a greater risk of cost inflation in relation to the cost of accommodation. A range of mitigations are in place to maximise prevention, manage demand and increase affordable supply – including funding additional prevention officers, sourcing more accommodation outside London and increasing the volume of private sector lettings.

Children, Education and Skills

- Cambridge Education has been approved as the new delivery partner for the Education and Skills service at full Council on 8 December 2015.
- The OFSTED inspection framework puts schools at risk of an adverse judgement – requiring improvement or special measures. Continued tracking of individual schools causing concern and additional support to reduce the risk of an adverse judgement and move them to good or outstanding. School improvement partnerships will help to consolidate the increased use of school to school support.
- The Special Educational Needs (SEN) Reforms involve major transition from SEN statements to Education, Health and Care Plans (EHCPs). Budgets have been realigned and the SEN Reform Grant used to support statutory SEN functions in line with the SEN reforms. The proportion of pupils with an SEN statement or an Education, Health and Care Plan attaining level 4+ in reading, writing and maths has improved and is above the national benchmark.
- Attainment levels for primary school pupils at Key Stage 2 Level 4+ in reading, writing and maths has improved (from 83% to 84%) and remains just outside the top 10% of local authorities (ranked 17 out of 152).

Commissioning Group

- Several draft strategies have been considered by Committee prior to public consultation, including the Customer Access Strategy, Recycling and Waste Strategy and Parks and Open Spaces Strategy. In the meantime, focused actions are being taken to significantly improve performance of the website and residents' experience of accessing services online.
- The Joint Health and Wellbeing Strategy has been agreed and an implementation plan will be presented to the Health and Wellbeing Board for approval in January 2016.
- Regeneration schemes have progressed, including the Supplementary Planning Document for Grahame Park; and an updated business case for Brent Cross South. In addition, a number of key capital schemes have been recommended to Committee to proceed to the next stage, including Sport and Physical Activity for new and enhanced facilities, Daws Lane and Tarling Road Community Hubs and a new Youth Zone.

Customer Support Group

- Variable satisfaction with Customer Services – satisfaction with telephony and face-to-face channels has remained high but satisfaction with email and web channels has been low. A targeted improvement plan has been put in place, which focuses on issue and speed of resolution. The GovMetric scores continue to be monitored daily.
- One Super KPI failed during the quarter with service credits of £79,243 applied.
- Estates have been recommended for ISO 9001 accreditation following external audit by the British Standards Institute.
- Changes have been made to the pension fund investment strategy, including a revised asset allocation and fund benchmark. This has required a phased movement of assets between fund managers, £90 million in corporate bonds and £240 million diversified growth funds to

passive equities. Head of Treasury organised a PFC member training session to refine the investment strategy, resulting in member sub-group agreement on allocation to illiquid alternative assets, subject to approval in February.

Family Services

- A marked increase in demand via the front door/Multi Agency Safeguarding Hub (MASH) has meant that more social work resource has needed to be allocated here. The workload is being monitored.
- Ongoing issues with recruitment to social work posts. The first phase of a major recruitment campaign has concluded with a significant number of new social workers recruited. A second phase is to be launched soon.
- The service has been growing the number of nursery school places for 2 year olds and preparing for expansions of places for 3 and 4 year olds. The programme of work is being overseen by the Early Education Programme Board.
- Both children's homes within Barnet have received a 'Good' Ofsted rating under the new inspection framework.

HB Public Law

- An increased cost of locums has affected staffing. A recruitment campaign has resulted in some appointments, including their first legal apprentice.
- The Law Society's lexcel accreditation has been retained, with no non-compliances.
- Increased involvement in Barnet's regeneration schemes, including delivering the high profile planning inquiry for the West Hendon scheme over 8 days with a successful outcome.
- Property team acted on a number of high profile property acquisitions and disposals, including negotiation and completion of an agreement for a comprehensive development to provide 105 residential units plus a 15,000 sq. ft. retail unit and construction of a new public car park. The scheme has yielded a capital receipt of over £9 million.

Parking and Infrastructure

- It is not viable to refinance the PFI project, so unable to achieve planned financial savings from Street Lighting Budget within timescale. Discussions are taking place with the banks to agree changes to the structure of the contract, which will enable the Council to deliver planned ongoing savings.

Public Health

- Two schools (Mathilda Marks Kennedy and Parkfield Primary) have become the first in Barnet to achieve the Healthy Schools London (HSL) Gold Award.
- The post Health Checks interventions programme has begun to receive referrals from GPs.
- The Barnet Substance Misuse Service has been featured in the Public Health England report "Shooting Up: infections among people who inject drugs in the UK", which has resulted in an uptake of testing. Furthermore, the Substance Misuse Strategy has been agreed by the Health and Wellbeing Board, which focuses on improving safeguarding.

- The Ageing Well programme is being reviewed in light of funding uncertainties and strategic priorities. The programme is to be refocused on demand management (including early intervention) for high risk groups rather than wider community engagement.
- Barnet Local Medical Council has raised objections to the data sharing agreement (DSA) for the new Health Checks IT system. An alternative solution, which incorporates patient consent for data sharing, is to be introduced in January 2016.

Re

- Ongoing work to ensure outstanding remedial works are completed as part of the Network Recovery Plan. Re has committed to meeting ward members as part of consultation on the work programme for 2016/17.
- Delivery of the TfL funded Local Implementation Plan (LiP) is behind schedule and an underspend of £450,000 to £750,000 has been forecast against the £3.2m programme. Potential areas for budget transfer or other works, which can be brought forward to utilise maximum available funding are being identified. Additional resource has been secured to ensure that LiP funding is utilised.
- New Depot Planning permission granted in December has been subjected to a judicial review challenge.
- There has been a 50% increase in Shisha Bars in the past year; and 10 of 13 premises inspected by Environmental Health in the last two months were found not to be compliant. Options are being explored for a multi-agency approach to shisha control.
- The local impact of the Housing and Planning Bill and public consultation on revisions to the National Planning Policy Framework are being worked through.

Streetscene

- Significant challenges are set out in section 1.10 above.
- A new approach using existing Street Cleansing resources has been successfully adopted for the annual leaf clearance.
- Recycling facilities have been expanded at 43 flat blocks, serving 659 properties; and a range of interventions have been piloted in six roads to better understand how the Council can increase participation in food waste collection. Both schemes are being analysed, including the cost/benefits of various interventions.
- The Civic Amenity and Recycling Centre has been transferred to LondonWaste Ltd and renamed as the Reuse and Recycling Centre.

Your Choice Barnet

- The Care Quality Commission (CQC) has undertaken a follow-up inspection of the Supported Living Services with result awaited.
- Referrals from other local authorities has been lower than anticipated. YCB is continuing to market its services both within Barnet and neighbouring boroughs.

Service Indicators

- 1.15 **315** indicators are reported in Quarter 3. Of these, **217** have been given a RAG rating: **73% (159)** are “on or above target” and **27% (58)** are “off target”. **227** indicators have been given a Direction of Travel status: **63% (143)** have an “improved or maintained” DOT and **37% (84)** have a “worsened” DOT..

Table 2: Service Performance by Delivery Unit or Contractor

Service	No. reported in Q3	No. with a RAG rating in Q3	RAG Ratings				No. with a DOT in Q3	Direction of Travel	
			Green	Green Amber	Red Amber	Red		Improved/maintained	Worsened
Adults & Communities	41	21	52% (11)	5% (1)	0% (0)	43% (9)	21	48% (10)	52% (11)
Assurance	0	N/A	N/A	N/A	N/A	N/A	0	N/A	N/A
Barnet Homes	15	13	85% (11)	8% (1)	0% (0)	8% (1)	15	60% (9)	40% (6)
Children, Education & Skills	30	27	70% (19)	7% (2)	4% (1)	19% (5)	28	61% (17)	39% (11)
Commissioning Group	20	10	60% (6)	10% (1)	10% (1)	20% (2)	14	64% (9)	36% (5)
CSG	44	22	82% (18)	9% (2)	5% (1)	5% (1)	19	68% (13)	32% (6)
Family Services	28	12	67% (8)	17% (2)	0% (0)	17% (2)	16	56% (9)	44% (7)
HB Public Law	12	12	83% (10)	17% (2)	0% (0)	0% (0)	12	83% (10)	17% (2)
Parking and Infrastructure	8	5	100% (5)	0% (0)	0% (0)	0% (0)	8	63% (5)	38% (3)
Public Health	36	36	69% (25)	8% (3)	8% (3)	14% (5)	36	67% (24)	33% (12)
Re	70	53	81% (43)	13% (7)	2% (1)	4% (2)	52	67% (35)	33% (17)
Registrars	TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC
Streetscene	11	6	50% (3)	0% (0)	17% (1)	33% (2)	6	33% (2)	67% (4)
Total	315	217	159	21	8	29	227	143	84
Total %			73%			27%		63%	37%

Service	No. reported in Q3	No. with a RAG rating in Q3	RAG Ratings			No. with a DOT in Q3	Direction of Travel	
			Green	Amber	Red		Improved/maintained	Worsened
YCB*	24	19	84% (16)	11% (2)	5% (1)	-	-	-

- 1.16 Detailed information on the 27% of indicators that are “off target” is outlined in Appendix C, including comments on performance. Actions (or interventions) required to improve performance can be found in the full service reports published on the website at www.barnet.gov.uk/currentperformance

Benchmarking

- 1.17 The Council participates in both the London Councils (**LAPS**) and Local Government Association's (**LG Inform**) benchmarking clubs, so we can see how our performance on key indicators compares with other local authorities.
- 1.18 The most recent London Councils (**LAPS**) report (refers to quarterly data for Quarter 2 2015/16) provides comparative data for 31 indicators and shows that the Council is above benchmark for **77%** of these (24 out of 31).

Table 3: LAPS

Priority Area	Benchmark Position	
	Above Average	Below Average
Risk and Vulnerability	8	2
Improving life Chances	10	2
Quality of the Environment	2	2
Interest to the Public	4	1
Total	24 (77%)	7 (23%)

- 1.19 The seven indicators where we are below benchmark are:
- Robbery, dwelling burglary, and theft of/from a motor vehicle crime rate per 1,000 population
 - Percentage of adult with a learning disability who live in their own home or with their family
 - Percentage of children in need (CIN) achieving at least level 4 at KS2 in reading, writing and math
 - Carers (caring for someone aged 18+) receiving carer specific services, per 100,000 population aged 18+
 - Percentage of land assessed as having unacceptable levels of detritus
 - Percentage of land assessed as having unacceptable levels of fly-posting
 - Percentage of non-domestic rates collected
- 1.20 The most recent LGA (**LG Inform**) report (<http://lginform.local.gov.uk>) (refers to annual data from 2012/13 to 2014/15) provides comparative data for 17 indicators and shows that the Council is above benchmark for **71%** of these (12 out of 17). More information is available in Appendix C.

Table 4: LG Inform

Delivery Unit	Benchmark Position			
	1 st quartile (Top)	2 nd quartile (Middle)	3 rd quartile (Middle)	4 th quartile (Bottom)
Adults Services	1	1	0	2
Children's Services	2	4	0	0
Education Services	1	2	0	0
Housing Services	1	0	3	0
Total	5 (29%)	7 (41%)	3 (18%)	2 (12%)

- 1.21 The five indicators where we are below benchmark are:
- Adults: Social care-related quality of life; overall satisfaction of people who use services with their care and support
 - Housing: Vacant dwellings - all, as a percentage of all dwellings in the area; total revenue expenditure on Housing services(GFRA only) per head of population
 - CSG: Time taken to process housing benefit/council tax benefit new claims and change events (historic data - 2012/13)

Programmes

- 1.22 The Council has in place five portfolios of large programmes and projects: Adults and Health, Central, Children's and Young People, Environment and Regeneration and Growth. In total, 104 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

Progress has been made across a number of projects in the Adults Transformation Programme, with a number of recommendations gaining Committee approval and no projects RAG rated as Red. Adults and Safeguarding Committee approved the strategic outline case and next steps for the adults' social care alternative delivery model on 12 November 2015. At the same committee, it was agreed that the meals subsidy would cease by 31 March 2016, after a review has taken place with existing users to identify alternative provision. Furthermore, on 16 December 2015 Policy and Resources Committee unanimously approved the Sports and Physical Activity paper recommending Victoria Recreation Ground and Copthall as the two sites for new leisure centres. In other areas of the Adults Transformation Programme, negotiations have commenced to deliver third party contract budget savings of £2.6m by 2019/20, with £400k to be delivered in 2016/17. Finally, a formal staff consultation has commenced within the Adults Delivery Unit on a proposed new structure.

Central Portfolio

There is a varied picture of progress across the Central portfolio with two projects RAG rated as Red. Firstly, the Colindale office accommodation project to develop a new corporate headquarters is Red owing to potential time delays. Additional resources have been brought in to strengthen programme oversight and delivery and engagement with the contractor and key stakeholders. Secretary of State approval for the headquarters has been received. Secondly, although the work to review existing and lapsed leases on community assets is underway, negotiations can only take place in mid-April, once the Council's new social benefits toolkit is finalised. Substantial progress has been made though on Customer Access, with the approval of a Customer Access Strategy by Policy and Resources Committee on 16 December 2015, and the subsequent set up of a Customer Transformation Programme to deliver the strategy. Also, Assets, Regeneration and Growth (ARG) Committee in November 2015 approved an outline business case and a strategic outline case for new community centres on Tarling Road and Daws Lane respectively. In terms of Unified Reward - the review of pay, grading and contractual arrangements - a position has been agreed with the Trade Union

bodies, which allows consultation to commence with staff. Furthermore, a new Employer Supported Volunteering (ESV) policy and guidelines have been developed as part of the delivery of the Community Participation Strategy, and have been approved by the Workforce Board.

Children's and Young People Portfolio

Good progress has been made across a number of projects in the portfolio with the majority of projects now RAG rated as Green. A number of Committee decisions have been taken in the last three months: firstly Full Council on 8 December 2015 agreed the Children, Education, Libraries and Safeguarding (CELS) Committee's recommendations to appoint Cambridge Education as a strategic partner to provide Education and Skills services, with the new arrangements due to commence on 1 April 2016; on 6 January 2016, CELS Committee approved the proposal to consult stakeholders on three options to provide the required additional SEN places; lastly on 30 November 2015 ARG Committee approved the core principles for the lease for the new state-of-the-art OnSide Youth Zone to be built on Montrose Playing Fields in Burnt Oak. Public consultation has taken place on the proposed changes to the library service.

Environment Portfolio

Projects within the Environment portfolio are largely progressing as expected, with the majority of projects RAG rated as Green. Issues holding up the Lagan Mobile project, which will allow service requests to be routed directly to an operative via a handheld device rather than the current paper-based system, have been resolved and also the new Passenger Transport IT system is now live. Furthermore, the Environment Committee agreed on 11 January to consult the public on draft Municipal Waste and Recycling and Parks and Open Spaces strategies. Work continues on assessing options for an alternative delivery model for all Streetscene services. The Depot project is the sole project to RAG rated as Red because of the delay expected while the Council responds to an application to initiate a Judicial Review against the planning decision.

Growth and Development Portfolio

Improvements have been made in many areas of the Growth and Development Portfolio, with a fewer number of projects RAG rated as Red. Firstly, progress has been made within Tranche 1 of the Development Pipeline programme to develop mixed tenure housing with pre-construction agreements signed with Wates with planning permission now being sought in February, which is inside the overall target timescales. Also, a new plan has been agreed for the redevelopment of Pocket sites. In the Regeneration programme, the draft Grahame Park Supplementary Planning Document (SPD) was approved by Policy and Resources Committee on 16 December 2015, and this document is now out for public consultation. The Granville Road project remains RAG rated as Red. The Planning Appeal Hearing will take place on 28 June 2016. Lastly, within Entrepreneurial Barnet, the new 'Business Support in Barnet' web pages have launched containing support, advice and networking information to help businesses grow in Barnet.

Schools Capital Programmes

Progress is being made across a number of projects and the overall programme is on target to achieve pupil places when required. Works have started on site for the two forms of entry London Academy new build and the expansion of the Oak Lodge Secondary Special School. The proposed scheme to expand Monkfrith primary school was also approved at the Educational Capital Board and work will commence shortly. There are some ongoing concerns with regards to the delivery of Blessed Dominic within the current funding envelopes. A number of projects RAG rated as Green are progressing through the defects period, with Compton School RAG rated as Amber due to concerns with the height of the spoil mound, and East Barnet due to a delay in production of an action plan to resolve the school's top 10 issues.

Human Resources

- 1.23 Sickness absence levels have remained relatively static for some time (at 8 days) and a robust action plan is in place to help support managers, including detailed monthly reports, analysis of trends and problem areas and HR business partner support for tackling sickness absence with regular monitoring at Workforce board. A Reasonable Adjustments policy and guidance has been introduced to support early return to work and the launch of a healthy workplace page on the intranet which provides a range of information for staff on how to remain healthy. All Delivery Units have targets for agency reduction with significant recent reductions in Streetscene and Adults. Work is underway to link agency use to the establishment so that there is accurate visibility of additional resource, reasons for usage and strict process for sign off and monthly monitoring.

Revenue Monitoring

- 1.24 Table 5 below provides the forecast outturn position for the financial year 2015/16. This analysis compares the forecast outturn for the financial year to the revised budget position.

The forecasted general fund expenditure outturn (after reserve movements) is £280.804m, which is an adverse variance of £2.838m (1.02%) against the budget of £277.966m. This is also an improvement of £0.880m from the previous quarter.

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.

A breakdown of revenue monitoring by each Delivery Unit is set out in Appendix D and summarised in the Table 5 below.

Table 5: 2015/16 Outturn Revenue Analysis – Summary

Description	Variations			
	Original Budget	Revised Budget	Q3 Forecast	Variance
	£000s	£000s	£000s	£000s
Adults and Communities	81,816	86,378	88,753	2,375
Assurance	4,110	4,199	4,189	(10)
Births Deaths & Marriages	(161)	(160)	56	216
Central Expenses	72,619	51,277	48,972	(2,305)
Children's Education & Skills	6,152	7,263	7,263	-
Children's Family Services	47,717	48,476	49,438	962
Commissioning	9,806	20,249	20,249	-
Customer Support Group	20,822	22,120	22,620	500
HB LAW	1,752	2,011	2,072	60
Housing Needs Resources	3,954	4,976	5,348	372
Parking & Infrastructure	(1,201)	(803)	(701)	102
Public Health	14,335	15,835	15,835	-
Regional Enterprise	730	1,134	1,637	503
Streetscene	14,014	15,010	15,072	62
General Fund Service Total	276,466	277,966	280,804	2,838

The Public Health budget has increased by £1.500m since quarter 2 and was approved by Policy and Resources Committee in December 2015.

Impact on Balances

- 1.25 As set out in paragraph 1.7 services are in the process of formulating in year recovery plans to minimise the reported adverse variance of £2.838m. 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 6 below:

Table 6: General Fund Balances

	£'000
General Fund Balances brought forward 1 April 2015	(14,871)
Budgeted use of balance	-
Outturn Variation	2,838
Forecast General Fund balances 31 March 2016	(12,033)

The recommended limit for the Council's General Fund balance is £15m and therefore the Council would be £2.967m 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

- 1.26 The Housing Revenue Account (HRA) reserve is forecast to decrease by £6.634m to £8.308m, which will be factored into the Council's 30 year business planning process. The original budgeted deficit was £6.232, with an in year projected increase in contribution from the reserve of £0.402m largely due to rechargeable Adults and Community costs and additional Landlord Incentive Payment costs largely offset by increased income from developers in regards to regeneration.

Table 7: Housing Revenue Account Balances

	£'000
Housing Revenue Account Balances brought forward 1 April 2015	(14,942)
Budgeted use of balance	6,232
In-year (surplus)/deficit	402
Forecast Housing Revenue Account Balances 31 March 2016	(8,308)

Dedicated Schools Grant

- 1.27 The Dedicated Schools Grant (DSG) reserve is forecast to increase by £1.702m to £6.558m which will be used to manage future years risk and pressures. Additional information in regards to this variance is contained in Appendix D.

Table 8: Dedicated Schools Grant Balances

	£'000
DSG Balances brought forward 1 April 2015	(4,856)
Budgeted Use of Balance	-
Outturn Variation	(1,702)
Forecast DSG Balances 31 March 2016	(6,558)

1.28 Commentary for significant Budget Variances

Adults and Communities

The overspend for Adults and Communities of £2.375m represents 2.7% of the delivery unit budget (£86.378m). This is a decrease in overspend reported in the Quarter 2 position by £0.111m. The key drivers for this variance are as follows:

- There is an anticipated overspend of £2.228m within integrated care for older people and physical disabilities largely due to:
 - Pressures within EMI nursing and residential where packages of support are increasing reflecting Barnet's increasing older population. In the first 9 months of the year, packages of support have increased by 45 across OA and EMI.
 - Pressure from 2 clients who were self-funders whose funds have depleted and are now the responsibility of the Council, the Council has a legal duty to support clients unmet eligible needs.

- These additional cost pressures have been mitigated by a projected savings of £299k within staffing costs for older people through restructuring of staff.
- There is a projected overspend of £0.289m within integrated care for learning disabilities and mental health primarily due to:
 - An increase in demand since the beginning of the financial year with a further 21 clients being supported with learning disabilities. This area has also seen an increase in service users with learning disabilities, mainly in relation to transitions clients where over the last 4 years there has been pressure on the service due to clients transitioning over from Children's to Adults. This is made up of 2 elements – (1) New clients coming through and (2) an increase in cost for existing clients where there is no change in client needs. The projections include £315k for new clients coming through based on current trends of transitioning from Children's to Adult's.
 - Further, additional pressures exist from 32 new ordinary residence clients resulting in projected costs totalling £934k for new clients in 15/16. Ordinary Residence is individuals who become residence of Barnet from another local authority, who after a period of time, become Clients of Barnet.
 - Mental health has also seen an increase in demand with packages increasing by 12 since month 1. The majority of these packages (6) relate to Supported Living and Other Accommodation, 3 relate to nursing care and single packages exist in Nursing Care, Home Care and Direct Payments.
 - These additional cost pressures have been mitigated by a projected underspends of £313k in Mental Health and £29k in learning disabilities staffing budgets.

These costs pressures are slightly being mitigated from underspends within Prevention and wellbeing (£0.371m) primarily through rechargeable costs to the HRA.

Adults and Communities will continue to apply rigour to their budgets and attempt to secure additional savings opportunities to bring current overspend levels down.

Children's Family Services

The overspend for Children's Family Services of £0.962m represents 1.98% of the delivery unit budget (£48.476m). This is a decrease in the overspend reported in quarter 2 by £0.294m. The key drivers for this variance are as follows:

- Within social care there is an anticipated overspend of £2.741m. This is largely due to a number of contributing factors leading to the use of agency staff and its associated costs as well as the use of translation services and the DAT 4 team. Other pressures in the service that have contributed to the projected overspend include new clients within the Onwards and Upwards area resulting in a projected pressure of £278k and the current list of clients and commitments for Asylum Seekers resulting in an anticipated pressure of £501k. The Asylum Seekers list of Clients includes both 16-17 year olds and over 18, the current clients for 16-17 year olds totals 36.

- Placement costs are also contributing towards the projected overspend, totalling £290k. This is largely due to pressures associated with external placements (£304k), residential orders (£106k), special guardianship orders (£193k), in-house fostering (£178k) offset by savings identified within the DSG amounting to £299k.
- These costs pressures have been mitigated by anticipated underspends within Early Intervention and Prevention totalling £656k. These underspends are projected to materialise largely due to savings identified from the community Barnet contract, the use of substitution of funding and an existing vacancy all in the Business and Continuity area. Other significant underspends within Early Intervention and Prevention relate to Family and Youth Support where there is an anticipated underspend of £182k, largely due to the unsuccessful tender of the 'move-on' housing contract.
- Further underspends of £594k are also anticipated in the senior management team largely due to anticipated monies held against placements.

There have been some savings identified to support the in-year recovery plan. Social care overspend is continuing to increase every month. A long term plan is necessary in order to manage this beyond this financial year.

Housing Needs Resources

The overspend for Housing Needs Resources of £0.372m represents 7.48% of the delivery unit budget (£4.976m). This is a reduction in the reported Quarter 2 position by £0.647m.

The variance is primarily due to increased pressure on temporary accommodation. Demand for temporary accommodation has increased whilst the availability of lower cost units on regeneration estates and units held under the Housing Association Leased Scheme have reduced leading, along with other economic factors to an increased demand for more expensive short term accommodation.

A recovery plan from Barnet Homes to address the pressures has been developed, this involves increasing the number of direct lets and procuring new sources of temporary accommodation. The results of these initiatives will not be seen in the current year but will aid towards achieving a more sustainable budget position by 2019/20.

Re

The overspend for Re of £0.503m represents 44.36% of the delivery unit budget (£1.134m). This is an increase in overspend reported from the Quarter 2 position by £0.130m.

The overspend is largely due to an increase in activity relating to the highways LIP program which has resulted in an increase in expenditure and TUPE costs.

There is no recovery plan yet in place. Discussions continue between Commissioning Group and Re.

Customer Support Group

The Customer Support Group is forecasting an overspend of £0.500m, as reported in Quarter 2, which represents a 2.26% variance against the budget of £22.120m.

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.

Registrars Service

The Registrars service is forecasting an overspend of £0.216m, which represents 135% of the delivery unit budget of £(0.803)m. This is an increase in overspend reported in Quarter 2 by £0.022m.

The overspend is due to an exceptional reduction in demand for bookings of Citizenship Ceremonies and Marriages taking place before a change in legislation was administered. This in turn has resulted in the demand for such ceremonies to decrease. The Council is working with the London Borough of Brent as the service provider to review options to overcome this financial constraint.

Parking and Infrastructure

Parking and Infrastructure is forecasting an overspend of £0.102m, which represents a 2.26% variance against the budget of £22.120m. This is a reduction in overspend from the Quarter 2 position reported by £0.063m.

The overspend is largely due to additional resources being put in place for winter gritting.

Savings

1.29 In 2015/16 the Council was originally due to achieve £17.269m of savings. At the end of Quarter 3, £11.120m (64.39%) had been achieved and it is currently forecast that a further £3.575m will be achieved by the end of the financial year. The total achievable savings of £14.695m therefore represents 85.1% of this year's target and the remaining 14.9% (£2.574m) will not be achieved.

Table 9 below summarises the forecasting for the 2015/16 saving programme:

Table 9: Savings

Directorate	2015/16 Savings	Savings Achieved	Savings Achievable	Savings Unachievable	% 2015/16 Savings Unachievable
Adults and Communities	(8,424)	(4,730)	(6,882)	(1,542)	18.30%
Assurance	(175)	(75)	(75)	(100)	57.14%
Central Expenses	(249)	(249)	(249)	-	-
Childrens Education and Skills	(1,195)	(1,195)	(500)	(695)	58.16%
Childrens Family Serices	(2,199)	(2,199)	(2,199)	-	-
Commissioning Group	(276)	(276)	(276)	-	-
Customer Support Group	(2,100)	(700)	(2,100)	-	-
HB Public Law	(200)	(67)	(200)	-	-
Housing Needs and Resources	(300)	(300)	(300)	-	-
Parking & infrastructure	(170)	(80)	(80)	(90)	52.94%
Regional Enterprise	(300)	-	(300)	-	-
Street Scene	(1,681)	(1,249)	(1,534)	(147)	8.74%
Grand Total	(17,269)	(11,120)	(14,695)	(2,574)	14.91%

It is currently forecast that £2.574m of savings will not be achieved in this financial year. The savings that are currently identified as not being achievable this year have been reflected in the forecast outturn position in Table 9 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. A breakdown of the savings unachievable is provided below:

Table 10: Savings Achievable

Directorate	Amount	Description
Adults and Communities	26	Supporting people in appropriate housing
Adults and Communities	(201)	Sharing funding arrangements with MHT
Adults and Communities	7	Reduction in staff costs
Adults and Communities	(13)	HRA investment in new build
Adults and Communities	(1,500)	Working with CSG
Adults and Communities	139	Reduced placement costs
Assurance	(50)	Reduced canvassing costs
Assurance	(50)	Reduction in printing & courier costs
Childrens Education and Skills	(695)	Alternative service delivery
Parking & infrastructure	(80)	Transforming services eg. Sign shop
Parking & infrastructure	(10)	Winter Gritting efficiencies
Street Scene	(110)	revision of charging process to the HRA
Street Scene	(22)	Waste and Recycling route optimisation
Street Scene	(15)	Income from improved parks utilisation
Total Savings Unachievable	(2,574)	

Reserves

- 1.30 The Council has set aside specific amounts as reserves for future policy purposes or to cover contingencies. As at the 31st December 2015 the Council held reserves of £115.107m which is a £1.048m reduction since the start of the financial year. The reserve balances are managed by the Policy and Resources Committee.

Table 11: Reserves

Description	Reserve b/fwd 01 April 2015	In year related Movement	Reserve c/fwd 31 Dec 2015	Planned	Projected balance at 31st March 2016
	£'000	£'000	£'000	£'000	£'000
Central - Capital	1,457	-	1,457	(166)	1,291
Central - Financing	2,592	-	2,592	-	2,592
Central - Community Infrastructure Levy	5,316	423	5,739	(242)	5,497
Central - Infrastructure	29,455	-	29,455	(29,037)	418
Central - Risk	12,035	-	12,035	(2,125)	9,910
Central - Service Development	7,944	(21)	7,923	(1,822)	6,101
Central - Transformation	15,079	-	15,079	(13,529)	1,550
Service - Other	22,372	(1,446)	20,927	(1,959)	18,968
Sub Total General Fund Earmarked Reserves	96,251	(1,044)	95,207	(48,880)	46,327
Service - DSG	5,106	-	5,106	-	5,106
Service - Housing Benefits	6,600	(4)	6,596	-	6,596
Service - NLSR	794	-	794	-	794
Service - PFI	3,715	-	3,715	-	3,715
Services - Lighting	113	-	113	(113)	-
Service - Section 256 - NHS Social Care Funding	431	-	431	(431)	-
Service - Public Health	1,209	-	1,209	(510)	699
Special Parking Account (SPA)	1,936	-	1,936	-	1,936
Total Ring Fenced	19,905	(4)	19,901	(1,054)	18,846
Total All Earmarked Reserves	116,155	(1,048)	115,107	(49,934)	65,173

2015/16 Outturn Capital Monitoring

- 1.31 The forecasted outturn expenditure as at 31st December 2015 on the Council's capital programme is £195.437m, £154.466m of this relates to the general fund programme and £40.971m for the HRA capital programme. This is a variance of £4.922m against the latest approved budget of £200.459m. Table 12 below summarises the expenditure by each service, against the latest budget taking into consideration approvals made by the Performance and Resources Committee.

Table 12: 2014/15 Capital Programme Outturn Position

Directorate	2015/16 Latest Approved Budget	Additions/ (Deletions)	(Slippage) / Accelerated Spend	Proposed 2015/16 Budget	Forecast to year-end	Variance from Revised Budget
		£000	£000	£000	£000	£000
Adults and Communities	3,258	-	(208)	3,050	3,050	(208)
Children's Education and Skills	46,741	-	(3,629)	43,112	43,112	(3,629)
Children's Family Services	5,871	-	(1,434)	4,437	4,437	(1,434)
Commissioning Group	32,176	-	(1,025)	31,151	31,151	(1,025)
Housing Needs and Resources	783	-	(540)	243	243	(540)
Parking and Infrastructure	1,787	84	(337)	1,534	1,534	(253)
Regional Enterprise	68,581	(771)	769	68,579	68,579	(1)
Street Scene	2,460	-	-	2,460	2,460	-
General Fund Programme	161,656	(687)	(6,404)	154,566	154,566	(7,090)
HRA	38,803	-	2,168	40,971	40,971	2,168
Total Capital Programme	200,459	(687)	(4,236)	195,537	195,537	(4,922)

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

Table 13 below analyses the funding changes in 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 13: 2014/15 Capital Funding Outturn Changes

Directorate	Grants	S106 / Other	Capital Receipts	Reserves	Revenue	Borrowing	Total
	£000	£000	£000	£000	£000	£000	£000
Adults and Communities	-	-	-	-	(208)	-	(208)
Children's Education and Skills	(2,947)	-	(140)	-	-	(542)	(3,629)
Children's Family Services	-	-	(1,434)	-	-	-	(1,434)
Commissioning Group	(155)	-	-	(870)	-	-	(1,025)
Housing Needs and Resources	(540)	-	-	-	-	-	(540)
Parking and Infrastructure	-	-	84	(325)	(12)	-	(253)
Re delivery unit	(1,782)	3,440	(233)	3,389	(133)	(4,681)	(1)
Street Scene	-	-	-	-	-	-	-
General Fund Programme	(5,424)	3,440	(1,723)	2,194	(353)	(5,223)	(7,090)
HRA	-	-	572	-	1,596	-	2,168
Total Capital Programme	(5,424)	3,440	(1,151)	2,194	1,243	(5,223)	(4,922)

There is a 2.46% decrease in the forecasted capital programme compared with the approved budget. This movement of £4.922m is largely due to slippage and acceleration.

The predominant variances for 2015/16 are as follows:

- The Children's Family services programme is forecasting a slippage of £1.434m. This is largely due to slippage of the 'Implementation of Library Strategy' (£1.434m) projects (including information system transformation works and Golders Green Library refurbishment works) will not proceed until 2016/17.
- The Children's Education programme is anticipated to slip by £3.629m, this is largely due to projected slippage of £1.806m on works to the London Academy, now anticipated to take place in 2016/17 as a result of delays caused by asbestos contamination. There is also anticipated slippage of £1.026m on Oak Lodge Special School as the programme is being revised. Further, it is anticipated that the East Barnet and Project Faraday costs will slip by £0.463m and the Cophall school costs will slip by £0.176m as the due need for legal agreements are being drawn up for the payment of retention monies, now not anticipated to occur until after March 2016.
- HRA has forecast accelerated spend of £2.168m primarily on major works including mechanical, engineering and gas works and voids and lettings. The HRA major works capital programme was re-aligned to reflect the Council's 30-year business plan presented to Housing Committee in October 2015. Barnet Homes have advised that as the year has progressed, demands have been higher than anticipated, hence the need to accelerate spend.

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 underspends. 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 underspend, just a movement of budget into future financial years.

Transformation Programme

- 1.32 A summary of spend and projected expenditure is provided as (Appendix H). Policy and Resources Committee allocated use of the Transformation Reserve to fund activities required to deliver the Medium Term Financial Strategy and the Council's Corporate Plan. The funding of key projects is reviewed by relevant Committees at decision points. The current projection is for a £1.996m underspending across the Programme. The key projects that are leading to the underspend include legal projects (£1.200m) and contingency projects (£0.500), where underspend is planned to be used on alternative future projects.

Treasury Outturn

- 1.33 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 31st December 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 I.

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 31st December 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 treasury strategy for 2015/16 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.

Investment Performance

- 1.34 Investment deposits are managed internally. As at 31 December 2015, deposits outstanding were £212.700 million (excluding Icelandic deposits), achieving an average annual rate of return of 0.68 per cent (adjusted for Icelandic deposits) against a benchmark average (London Interbank Bid Rate - LIBID) of 0.48per cent. The list of deposits outstanding as at 31 December 2015 is attached as Appendix J and summarised in table below.

Table 14: Investments as at 31 December 2015

	£'000
Local Authorities	40,000
Money Market Funds	26,200
UK Banks & Building Societies	98,500
Non UK Banks & UK Building Societies	48,000
TOTAL	212,700

The benchmark, the average 7-day LIBID rate, is provided by the authority's treasury advisors Capita Asset Services who were appointed as treasury advisers in August 2015. 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 £2.9m in a third party bank account established the winding up board of the former bank Glitnir Icelandic Krónur. 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. The Council has not sold the escrowed funds in the third quarter.

Debt Management

- 1.35 The total value of long term loans as at 31 December 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 31st December 2015 was 3.89%.

Risk Management

- 1.36 The report highlights current risks and the respective impact on the Council. There are eight corporate level risks that have a risk level of high or medium. Controls have been put in place to mitigate the risk and control the impact. The full risk assessment can be found in Appendix M.

Table 15: Risk Summary

Risk Level	Risk	Control Actions
High	There is a risk that homelessness and the subsequent cost of providing emergency short term accommodation will continue to rise.	LBB has agreed to fund a range of mitigations which Barnet Homes will deliver to reduce the Temporary Accommodation / Homeless demand focusing on maximising prevention, managing demand, and Increasing affordable supply.
Medium	Given the overall economic position, it is clear that cuts to government funding will continue until the end of the decade.	The Council's financial planning cycle mitigates the risks associated with reductions in funding and increases in demand for services. Planning ahead enables the Council to mitigate the impact of increases in demand and ensure that the Councils overall financial position on reserves and contingency is sufficient.
Medium	There is a risk that the organisation's people (competence, skills, knowledge) and culture are not aligned with its medium and long term strategic direction and will not be able to deliver the improvements in service delivery and on-going change and innovation required to achieve its long term goals.	Through the risk management framework and robust and continuous risk analysis and monitoring of delivery unit risk profiles and action plans it will be possible to identify and ensure the right interventions and to identify 'early warning systems' where failure in this respect is impacting negatively on service delivery and strategic change
Medium	If there is not a clearly defined approach to commissioning in place that ensures consistent application of Commissioning Cycle activities then objectives becomes difficult to monitor or achieve.	The Council's Commissioning Plans and priorities to 2020 are in place and agreed via Committees in 2014/15.
Medium	If there were a significant children's safeguarding incident then the commissioning council approach may be destabilised and undermined.	Governance arrangements are in place to provide assurance. Mock Ofsted inspection and safeguarding peer review are undertaken to assess risk.
Medium	Failure to engage properly with Residents.	Ensuring equalities is embedded within the Commissioning Group.

Risk Level	Risk	Control Actions
Medium	Barnet's position as a prosperous suburb is under threat from wider threats to London as a world city and infrastructure improvements connecting more and new places to London.	Regular monitoring of resident and business satisfaction surveys West London Alliance: Implementation of the West London Alliance jobs, skills and growth programme.
Medium	There is a risk that the pressure on Adults budgets caused by increasing demographics and complexity will not be contained within existing budgets.	Ensuring effective information and advice is offered and promoting more independent living.

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 for the delivery of services by the Council, such as the performance of contracts, 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 2015-2020
- 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 Not applicable in the context of this report.

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](#) the functions of the Performance and Contract Management Committee include (amongst other responsibilities):

- 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) Note the Annual Report of the Barnet Group Ltd.

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)
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5.8 Insight

5.8.1 Not applicable in the context of this report.

6 BACKGROUND PAPERS

- 6.1 Performance and Contract Management Committee, 12 May 2015⁴ (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>
- 6.2 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>
- 6.3 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>

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.