

	<p>Performance and Contract Management Committee</p> <p>15 November 2016</p>
<p>Title</p>	<p>Quarter 2 Performance Monitoring 2016/17</p>
<p>Report of</p>	<p>Chief Operating Officer</p>
<p>Wards</p>	<p>All</p>
<p>Status</p>	<p>Public</p>
<p>Urgent</p>	<p>No</p>
<p>Key</p>	<p>No</p>
<p>Enclosures</p>	<p>Appendix A (i) List of indicators in Appendices A and B Appendix A (ii) Corporate Plan Performance Appendix B Service Performance Appendix C Revenue Monitoring Appendix D (i) Capital Monitoring Appendix D (ii) Capital Funding Appendix E Transformation Programme Appendix F Prudential Indicators Appendix G Investments Outstanding Appendix H (i) CSG Benefit Realisation Appendix H (ii) CSG Contract Benefit Realisation Tracking Appendix H (iii) Capita Payments Appendix I Contract Variations Appendix J Corporate Risk Register Appendix K Risk Management Framework</p>
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Summary

The **Quarter 2 (Q2) 2016/17** report provides an overview of the council's **performance, risks and finance** - and progress in delivering the strategic priorities in the refreshed Corporate Plan.

Customer experience

Customer satisfaction ratings across the council's main access channels have achieved 90%, significantly above the 80% target. There continues to be a small increase in positive ratings for the council's website, now 48%, above the 46% target. The face-to-face service has been consistently in the top three of the National GovMetric Channel Satisfaction Index this quarter, comparing 70 councils.

Human resources

Sickness absence has continued to miss the 6 days target at 8.23 days, slightly down from 8.35 days in the last period. Agency expenditure has decreased by £0.040m from the same period last year. The most significant areas of agency spend are in Adults and Communities, Family Services and the Commissioning Group.

Corporate Plan performance

An overview of **Corporate Plan performance, risk and finance** information for the refreshed Corporate Plan - focusing on key successes and challenges; any Corporate Plan indicators that are "below target" and strategic risks. More detailed information can be found in Appendix A (ii) and Appendix J.

Budget outturns

The forecast General Fund **revenue outturn** (after reserve movements) is £281.530m, which is an adverse variance of £6.562m (2.4 per cent) compared with the revised budget of £274.968m. The projected outturn expenditure on the council's **capital programme** is £249.949m, £213.359m of which relates to the General Fund programme and £36.590m to the HRA capital programme. This is a variance of £40.633m against the 2016/17 budget of £290.582m. Table 7 below summarises the actual expenditure, budget and variance by service area.

Service performance

An overview of **service performance, risk and finance** information for each service – focusing on key successes and challenges; any service indicators that are "below target"; and revenue and capital budget variances. The majority of this information is in Appendix B. Information for specific services can be found in the service reports on the website at www.barnet.gov.uk/currentperformance

Transformation programmes

The council has in place five portfolios of large programmes and projects: Central, Adults and Health, Children and Young People, Environment and Growth and Development. In addition, it has an Education Capital Programme in place to ensure successful delivery of new school places and improvements to schools.

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 30 September 2016. 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 30 September 2016, deposits outstanding were £157.700m achieving an average annual rate of return of 0.57 per cent against a benchmark average (London Interbank Bid Rate - LIBID) of 0.41 per cent.

Contract management

A summary of contract changes on the council's key contracts has been provided in Appendix I.

Recommendations

- 1. The Committee is asked to scrutinise the performance and risk of services, especially in relation to delivering 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 agency costs for Quarter 2 2016/17, as detailed in paragraph 1.5.**
- 3. The Committee is asked to note the Quarter 2 2016/17 revenue budget and forecast position, as detailed in paragraph 1.8.**
- 4. The Committee is asked to note the additions and deletions (which include virements) and approve the accelerations and slippages in the capital programme, as detailed in paragraph 1.9.**
- 5. The Committee is asked to note the savings delivered in Q2 2016/17, as detailed in paragraph 1.10.**
- 6. The Committee is asked to note the treasury position outlined in paragraph 1.24.**
- 7. The Committee is asked to approve the refreshed risk management framework, as detailed in Appendix K.**

1. WHY THIS REPORT IS NEEDED

1.1 The **Quarter 2 (Q2) 2016/17** report provides an overview of the council's **performance, risks and finance** - and progress in delivering the strategic priorities in the refreshed Corporate Plan:

- Responsible growth and regeneration
- Managing demand for services
- Transforming services
- Building community resilience
- Improving customer services and transparency

1.2 The report is structured to show:

- Information on customer experience and human resources

- How the council is performing against the strategic priorities in the refreshed Corporate Plan, including a summary of successes and challenges and strategic risks
- The overall budget position, including revenue and capital expenditure
- How services are performing, including commentary for indicators that are “below target” (see Appendix B)
- The status of key programmes.

1.3 In addition to this report, each quarter the council publishes on the website 15 service reports (for Delivery Units and Service Providers) providing detailed information on performance, risks and finance. These can be found at: www.barnet.gov.uk/currentperformance

Customer experience

1.4 To ensure the council maintains its focus on customers, the council monitors a range of customer indicators. In addition, the council has in place a weekly monitoring regime for senior management visibility of overdue complaints, members’ enquiries and other customer data to drive further improvement.

Table 1: Customer experience indicators (Q2 2016/17)

Indicators	Target 2016/17	Q1 2016/17	Q2 2016/17	DoT
% Complaints responded to within SLA	90%	89%	91%	↑
% Members Enquiries responded to within SLA (5 days)	95%	97%	100%	↑
% Members Enquiries cases closed in 5 days	-	79%	84%	↑
% of cases delivered within SLA ¹	90%	68%	84%	↑
% of cases delivered within SLA for customers needing additional support	90%	92%	92%	→
Case Closure Survey (sum of 'Very good' and 'Good' ratings)	65%	49%	60%	↑
% FOIs resolved within SLA	90%	98%	95%	↓
% Contact centre calls answered in total, including IVR	95%	96%	94%	↓
% Council desk phones answered in total	95%	80%	80%	→
% CSG Emails responded to within SLA (5 days)	90%	88%	97%	↑
% CSG Webforms responded to within SLA (5 days)	90%	98%	97%	↓
Non-appointment average wait (min)	5.00	5.88	5.77	↑
Appointment avg wait (min)	5.00	0.40	0.60	↓

¹ Data currently primarily covers Parking, Assisted Travel, Highway and Planning, and Revenues & Benefits. Data excludes Street Scene whilst data collection for this measure is fixed on Lagan.

Indicators	Target 2016/17	Q1 2016/17	Q2 2016/17	DoT
% Customers that rate customer service as 'Good' (GovMetric) ²	86%	89%	90%	↑
% Customers that rate the website as 'Good' (GovMetric)	46%	46%	48%	↑

The customer experience dashboard (Table 1) show that nine of the fifteen indicators have improved and ten of the fourteen targets have been achieved in Q2 2016/17 (more than in Q1 2016/17).

Two new indicators have been introduced to the CSG contract - the percentage of transactions conducted via self-service (43% in Q2 2016/17) and the percentage contact that involved no avoidable follow up contact from customers (73% in Q2 2016/17), which will support the council in measuring the customer access strategy to increase self-service and reduce failure demand.

- Satisfaction for telephone, email and face-to-face **increased by 1% point to 90%**, which is above the 86% target. The face-to-face service has been consistently in the top three of the National GovMetric Channel Satisfaction Index this quarter, comparing 70 councils.
- The volume of complaints has risen in Q2 2016/17, with a 10% overall increase compared to Q1 2016/17 (84% increase compared to Q2 2015/16). Despite this, the number of **complaints responded to within SLA has increased by 2% points to be above the 90% target** and 94% of complaints have not been upheld. The rise in volume has been mainly driven by complaints related to recycling and waste in Street Scene (weekend staffing issues have led to higher demand on weekdays). Street Scene had a 48% increase in complaints but with over 90% of complaints responded to within SLA and 75% of complaints not upheld.
- The **number of members enquiries has reduced** in Q2 2016/17 (lowest since Q3 2015/16). This has been mainly due to a lower number of enquiries due to the road resurfacing programme within Re. The percentage of members enquiries responded to within SLA has increased to (a rounded) 100%.
- Due to extra attention paid to handling emails, CSG has **responded to 97% of all emails within SLA timeframes**, which is well above the 90% target and an increase of 9% points compared to Q1 2016/17. This is the first time the target has been achieved since Q1 2015/16, and despite an 8.7% increase in the volume of emails compared to the last quarter.
- The **number of webforms has increased** in Q2 2016/17 (by 6.8% for non-CSG webforms and 4.4% for CSG webforms) whilst the number of phone calls and face-to-face contacts has reduced. This is a positive and much needed trend for channel shift, as the CIPFA Customer Contact benchmarking report (2015, benchmarked against 28 councils) shows that

² Excludes website ratings

Barnet was second last in the number of webforms received, with only 0.05 webforms per household compared to the average of 0.22

- Web satisfaction has increased by 2% points to **48%, achieving target**. This has been attributed to the regular refresh of content on the council's website. The services with webpages that appeared to have more positive ratings this quarter were Adults Services, Environmental Services and Self Service.
- The average waiting time for appointments is just **36 seconds, significantly under the 5 minute target**.

Challenges (areas for improvement):

- The number of people rating their **experience** following case closure as 'very good' or 'good' has remained below target at 60%; although this is an increase of 11% points compared with last quarter.
- The CSG contact centre has **handled 71% of the calls within 60 seconds**, which is a decrease of 7% points and below the 80% target.
- **Telephony performance** has been impacted throughout the quarter due to staffing issues and a higher than forecasted volume of calls in July and August 2016 in the Coventry Contact Centre. New advisors have been recruited, which will help to improve performance in Q3 2016/17. In addition, a number of operational mitigations have been put in place to minimise telephony demand and shift the contact to email and web channels – such as extra focus on the processing of emails and webforms; and prevent returned digital contacts turning into phone contacts.
- **80% of the council desk phone calls have been answered**; this is the same as last quarter and below the 95% target. A review is being carried out to investigate how data for this performance indicator is being collected and the need to raise awareness of this indicator amongst staff.
- The **average waiting time for non-appointments** in Barnet House has remained higher than the 5 minutes target, whereas Burnt Oak has met the target. It has reduced slightly compared to the last quarter.

Human Resources

- 1.5 Sickness absence shows an improvement in Q2 2016/17 to 8.23 days from 8.35 days in Q1 2016/17, but remains "below target" of 6 days. However, this figure is an approximation, as the HR system had to be closed for a short period (circa 10 days) in September 2016 for Unified Reward changes to be configured.

Table 3: Sickiness absence (Q2 2016/17)

	Average days lost per FTE (rolling 12 months)
Adults and Communities	8.77
Commissioning Group	4.12
Family Services	7.64
Street Scene	9.41
Overall	8.23

* Source: HR Dashboard (average over rolling 12 months)

There have been 413 agency staff working across the council on average each month during Q2 2016/17.

Table 4: Staffing (Q2 2016/17)*

	Establishment headcount	No. of agency staff
Adults and Communities	275	67
Commissioning Group (incl. CE)	172	41
Family Services	631	141
Street Scene	481	164
Overall	1,559	413

* Source: HR Establishment Pack (average over 3 months)

Agency expenditure has increased by £0.356m from the same period last year. Ensuring that usage of agency remains consistent with the council's strategic approach to ensure business critical functions continue to operate and perform while going through significant change will be a key focus for officers over the remainder of the financial year. The most significant areas of agency spend are in Adults and Communities, Family Services and the Commissioning Group and efforts to reduce agency usage where possible will focus on these services. See table 5 below.

Table 5: Expenditure on agency staff (Q2 2016/17)

Service	Q2 2016/17 £000	Q2 2015/16 * £000
Adults and Communities	1,902	2,491
Assurance	3	95
Births, Deaths & Marriages	-	1
Family Services	3,807	2,855
Children's Service DSG	5	219
Commissioning Group	2,404	1,640
Parking & Infrastructure	37	19
Street Scene	1,190	1,672
Total	9,347	8,991

* 2015/16 expenditure relating to the Education and Skills service now delivered by Cambridge Education has been removed in order that the comparative data is consistent with the current year.

CORPORATE PLAN PERFORMANCE

- 1.6 This section aligns **performance**, **risk** and **finance** information for the Corporate Plan – focusing on any Corporate Plan indicators that are “below target”; strategic risks; and revenue and capital budget variances.

An overview of performance for the basket of indicators in the Corporate Plan is shown in table 6 below. Of the 80 indicators in the Corporate Plan, 51 have been reported in Q2 2016/17. 41 have been given a RAG rating and 40 have been given a Direction of Travel (DOT) status.

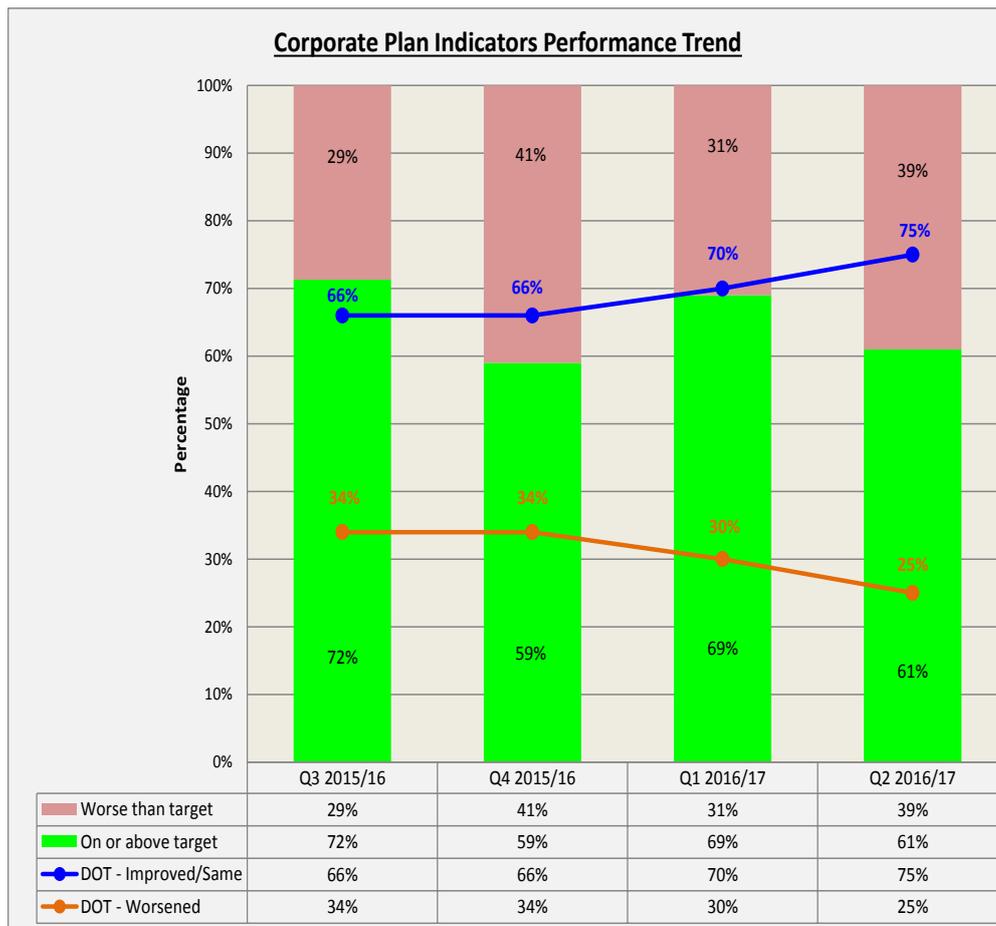
Table 6: Corporate plan indicators (Q2 2016/17)

Strategic priority	Green	Green Amber	Red Amber	Red	Improved/Same	Worsened
Growth and regeneration	86% (6)	0% (0)	0% (0)	14% (1)	63% (5)	38% (3)
Managing demand	63% (12)	11% (2)	16% (3)	11% (2)	69% (11)	31% (5)
Transforming services	29% (2)	57% (4)	0% (0)	14% (1)	100% (6)	0% (0)
Resilient communities	75% (3)	0% (0)	0% (0)	25% (1)	50% (2)	50% (2)
Customer service and transparency	50% (2)	25% (1)	25% (1)	0% (0)	100% (6)	0% (0)
Total	61% (25)	17% (7)	10% (4)	12% (5)	75% (30)	25% (10)

The Corporate Plan indicators that are significantly “below target” (RAG rated as Red) are shown in the **Strategic Priorities** section below.

The percentage of Corporate Plan indicators “on or above target” (61%) has decreased from Q1 2016/17 (69%)³ and the percentage of Corporate Plan indicators with an “improved or same” DOT (75%) has increased from Q1 2016/17 (70%). See chart 1 below.

Chart 1: Corporate Plan indicators trend (Q3 2015/16 to Q2 2016/17)



³ The performance figures for Q1 2016/17 have been revised to reflect corrections to the Spring 2016 Resident Perception Survey RAG and DOT ratings.

- 1.7 A comprehensive review of the council's approach to risk management has been undertaken over the summer 2016. This has resulted in a refreshed framework that more clearly sets out different risk management levels; the risk management process, including criteria for assessing risk; the roles and responsibilities of key stakeholders; and how arrangements apply to commissioned services and projects. The framework can be found in Appendix K.

As part of the review, the council's risk registers have been updated and these are monitored each quarter. The strategic risks, combined with high level risks escalated from services, are contained in a new corporate risk register found in Appendix J. A summary of the residual scores for the strategic risks, reflecting the controls and mitigations already in place, is provided below. 14 risks have been escalated from the service risk registers this quarter.

Strategic Risks (SR)	Low	Moderate	Medium High	High
	0 (0%)	0 (0%)	11 (73%)	4 (27%)

Risk registers are always a snapshot in time, in that new risks can emerge, and the probability and impact of risks change continuously. Furthermore, the risk information provided here represents a small sample of all the risks that are identified and managed across the council.

Further information on Corporate Plan performance can be found in **Appendix A (ii)**, including progress on the council's "key areas of focus"; and commentary on indicators that are "below target" (RAG rated as Green Amber, Red Amber or Red).

- 1.8 The forecast General Fund **revenue outturn** (after reserve movements) is £281.530m, which is an adverse variance of £6.562m (2.4 per cent) compared with the revised budget of £274.968m. See table 7 below.

Table 7: Revenue outturn (Q2 2016/17)

Service	Original Budget £000	Revised Budget £000	Q2 Projected Outturn £000	Variance from Revised Budget Adv/(fav) £000	Variance from Revised Budget Adv/(fav) %
Adults and Communities	85,566	88,907	93,674	4,767	5.4
Assurance	3,793	3,862	3,862	0	0.0
Births, Deaths & Marriages (Registrar Service)	(160)	(160)	25	185	115.6
Central Expenses	51,381	43,932	43,705	(227)	(0.5)
Commissioning Group	19,288	20,216	20,216	0	0.0
Customer and Support Group (CSG)	22,120	22,091	22,591	500	2.3
Cambridge Education (Education and Skills)	6,940	7,082	7,157	75	1.1
Family Services	46,481	50,550	51,057	507	1.0
HB Public Law	2,011	2,011	2,070	59	2.9
Housing Needs and Resources	4,976	5,560	5,854	294	5.3

Service	Original Budget £000	Revised Budget £000	Q2 Projected Outturn £000	Variance from Revised Budget Adv/(fav) £000	Variance from Revised Budget Adv/(fav) %
(Barnet Homes)					
Parking and Infrastructure	(1,933)	(1,896)	(1,988)	(92)	(4.9)
Public Health	18,544	18,055	18,055	0	0.0
Regional Enterprise (Re)	1,134	1,134	1,231	97	8.6
Street Scene	13,896	13,624	14,021	397	2.9
Total	274,037	274,968	281,530	6,562	2.4

The top contributors to the variance from budget are **Adults and Communities, Family Services and the Customer and Support Group**.

- The current projected overspend of £4.767m within Adults and Communities represents 5.4 per cent of the total Delivery Budget (£88.907m). The current overspend position is likely to increase over the year if the council continues to see the impact of demand pressures and increased complexity of need. The Delivery Unit is continuing to take positive measures to mitigate the impact of this wherever possible.

Additional funding has gone in to the Adults budget for 2016/17 with the majority of this replacing one off funding received in 2015/16, for example removal of grants and contingency no longer available in 2016/17. The care budgets have seen significant overspends since 2014/15. The position for 2016/17 reflects the full year budget impact for a number of individuals placed part way through 2015/16 and continuing through into 2016/17. Alongside this, new pressure is coming from new placements in year and increases to existing packages reflecting increases in need.

Budget pressures continue to come through particularly in relation to dementia, learning disabilities and mental health and continued pressures from health referrals. The Deprivation of Liberty Safeguards (DOLs) service continues to have a significant pressure in 2016/17 (£0.5m), as a result of the Supreme Court judgements in 2014/15 and a loss of grant funding since 2015/16. Some of the current pressures are offset by underspends within the non-placement budget areas and these budgets continue to be closely monitored and managed.

- The projected overspend of £0.507m within **Family Services** represents 1.0 per cent of the total Delivery Unit budget (£50.550m). This is primarily due to an increase in the number of agency staff covering vacant posts and pressure on the unaccompanied asylum seeking children budget. The delivery unit has been working with Capita to reduce the level of agency staff. The overspends are partially offset by managing contractual increases.
- The projected overspend of £0.500m within the **Customer and Support Group** represents 2.3 per cent of the total Delivery Unit budget (£22.091m). The projected overspend is due to additional security costs and reduced income.

1.9 The projected outturn expenditure on the council's capital programme is £249.949m, £213.359m of which relates to the General Fund programme and £36.590m to the HRA capital programme. This is a variance of £40.633m against the 2016/17 budget of £290.582m. Table 8 below summarises the actual expenditure, budget and variance by service area.

Table 8: Capital outturn (Q2 2016/17)

Service	2016/17 Budget £000	Additions/ (Deletions) £000	(Slippage)/ Accelerate d Spend £000	Projected Outturn £000	Variance from Approved Budget Adv/(Fav) £000	Slippage %
Adults and Communities	6,793	(7,170)*	1,416	1,039	(5,754)	20.8
Commissioning Group	30,837	7,240*	(6,790)	31,287	450	(22.0)
Cambridge Education (Education and Skills)	73,666	-	(3,189)	70,477	(3,189)	(4.3)
Family Services	14,856	-	(5,444)	9,412	(5,444)	(36.6)
Housing Needs & Resources (Barnet Homes)	5,259	5,056	-	10,315	5,056	0.0
Parking and Infrastructure	1,707	-	(250)	1,457	(250)	(14.6)
Regional Enterprise (Re)	107,853	(5,618)	(15,400)	86,835	(21,018)	(14.3)
Street Scene	3,167	(120)	(510)	2,537	(630)	(16.1)
General Fund	244,138	(612)	(30,167)	213,359	(30,779)	(12.4)
HRA (Barnet Homes)	46,444	-	(9,854)	36,590	(9,854)	(21.2)
Total Capital Programme	290,582	(612)	(40,021)	249,949	(40,633)	(13.8)

* The movement of £7.170m relates to the Sports and Physical Activity project for the construction of two leisure centres which has been transferred from Adults and Communities to the Commissioning Group.

The 'variance from approved budget' column is a net figure based on movements to and from budget allocated to future financial years, and additions and deletions to the capital programme⁴.

- The principal variances from budget and reasons for these are as follows: The **Adults and Communities** capital programme shows a variance from budget of £5.754m. This is due to the transfer of the Sport and Physical Activities project (SPA) to the Commissioning Group (£7.170m). Prior to this transfer, expenditure planned on the SPA project in future years was brought forward in anticipation of an earlier start date for construction than originally planned (£1.416m).
- **The Commissioning Group** forecast includes the addition of the SPA project (£7.170m) and slippage in relation to the Information Technology and Communications (ITC) Strategy which has now been re-profiled and extended to 2019/20 (£6.790m).

⁴ As an example, a budget may be set for a school build but construction may not start until halfway 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 in which it will be spent. Slippage does not indicate an underspend, simply a movement of budget into future financial years.

- The **Education and Skills** forecast includes slippage of £3.189m, mainly as a result of the St Mary's and St John's expansion now not expected to complete until 2017/18.
- The **Family Services** capital programme is forecasting slippage of £5.444m. This is largely due to slippage on the 2 Year Old Offer as places are not needed in 2016/17 but will be required in future years (£1.215m) and the Meadow Close Children's Home and the Youth Zone Programme which are both still in the design phase and so construction is now not planned to start until 2017/18 (£1.8m and £2.4m respectively).
- The **Housing Needs and Resources** programme has increased by £5.056m. This is due to the Development Pipeline Tranche 1 budget being transferred from Re.
- The **Re** delivery unit capital programme has decreased by £21.018m. This is largely due the transfer to Housing Needs and Resources of the Development Pipeline project (£5.056m) and slippage across a number of other projects. The main areas of slippage are the General Fund regeneration projects for Colindale, Graham Park and Town Centres, the start of which are delayed (£13.273m), the refurbishment of Hendon Cemetery and Crematorium which is still in the planning phase (£1.063m) and new affordable homes now planned for 2017/18 (£1.416m).
- The **HRA** forecast shows slippage of £9.954m due to the decanting and value engineering exercise taking longer than expected. The build phase is now expected to commence in 2017/18.

1.10 In 2016/17 the council budgeted to deliver £19.554m of **savings**. The value of savings forecast to be achieved against the savings programme is shown in table 9. As at 30 September, £13.984m of total savings has been delivered, which represents 71.5 per cent of the target, with 3.4% identified as unachievable. This is a substantial improvement from the same stage in 2015/16, when 59.2% of savings had been achieved, and 14.9% identified as unachievable.

Table 9: Savings (Q2 2016/17)

Service	2016/17 MTFS Savings £000	Savings Achieved £000	Savings Expected to be Achieved £000	Savings Unachievable £000	Savings achieved %
Adults and Communities	3,383	2,590	541	252	76.6
Assurance	351	164	140	47	46.7
Central Expenses	6,995	6,640	155	200	94.9
Commissioning Group	2,411	2,180	231	-	90.4
Cambridge Education (Education and Skills)	85	85	-	-	100.0
Family Services	1,986	890	972	124	44.8
Parking and Infrastructure	1,130	650	480	-	57.5
Street Scene	960	785	125	50	81.8
Additional council tax and business rates	2,253	2,253	-	-	100.0
Total	19,554	16,237	2,644	673	83.0

Strategic priorities

- 1.11 This section sets out **performance** information for each of the strategic priorities in the refreshed Corporate Plan – highlighting successes and challenges in relation to the “key areas of focus”; and any Corporate Plan indicators that are significantly “below target” (RAG rated as Red). Further information can be found in **Appendix A (ii)**.

Responsible growth and regeneration

- 1.12 Progress on the “key areas of focus” outlined in the refreshed Corporate Plan is shown in **Appendix A (ii)**. Key successes and challenges in Q2 2016/17 are summarised below:

Successes

- Continuing progress has been made on the **growth and regeneration programme**, including identification of two additional one-bedroom flats in the Moreton Close scheme and design of the community hub in Grahame Park. An exercise to masterplan Heybourne Park is being jointly commissioned to provide a quality public space; and Dollis Valley (Phase 2) has been handed over to the developer, with demolition starting on site. Also in Dollis Valley, the official opening of Hope Corner Community Centre took place in September 2016 with over 300 guests attending.
- Significant milestones for the multi-billion pound **Brent Cross Cricklewood** scheme have been reached this quarter with the signing of Delivery Partnership agreements for the Brent Cross North and Brent Cross South developments; and the formation of a new The Joint Venture Limited partnership for the Brent Cross South development between the council and Argent Related (Development Partner). The scheme will create a new town centre, incorporating 7,500 homes, 27,000 jobs, three re-built schools, redevelopment of Brent Cross shopping centre, new parks and community facilities, an additional Thameslink train station, as well as major road and public transport improvements.

CPI: Growth and regeneration ⁵	Green	Green Amber	Red Amber	Red	Improved/Same	Worsened
	86% (6)	0% (0)	0% (0)	14% (1)	63% (5)	38% (3)

One indicator has been RAG rated as Red:

- Temporary accommodation current arrears as percentage of debit** – is 5.70% against a target of 5.20%. Cash arrears are about £112k off target. Some improvement had been made towards the end of the quarter. Housing Benefit as a percentage of the rent debit is of particular concern as there has been a decline in HB receipts. New working practices have been implemented to ensure a quick turnaround of assessments.

⁵ 13 indicators have been reported in Q2 2016/17 under Growth and Regeneration. Eight have been given a RAG rating and eight have been given a Direction of Travel (DOT) status.

Managing demand

- 1.13 Progress on the “key areas of focus” outlined in the refreshed Corporate Plan is shown in **Appendix A (ii)**. Key successes and challenges in Q2 2016/17 are summarised below:

Successes

- Despite high demand on **homelessness** services, the number of homelessness preventions has remained on target (450) and households in temporary accommodation has fallen (now 2,887). Let2barnet have enabled a record 318 private sector lettings and are on track to achieve the annual target of 500.
- Barnet Homes has secured the top ranking in London for the average re-let time for routine lettings based on the latest Housemark benchmarking data for Q1 (14.4 days against the London benchmark of 23 days). Improved performance in Q2 (12.4 days) means Barnet Homes expects to remain the best in London. Current performance is significantly better than last year (21.8 days).
- Expansion of **recycling** schemes in flats has continued with the provision of direct size bins to fit different circumstances. In addition, work has commenced on a trial of voluntary time banded collection in Mill Hill; discussions have been held with traders to see how this can be facilitated to meet their needs.
- The Keep Barnet Clean trial has started in July 2016 with communications and an education campaign, and **enforcement** started at the end of July 2016. The trial has received a high level of public support for the council to tackle behaviour that results in the degradation of the street scene. The first Fixed Penalty Notices for Flipping (which were enacted in May 2016) have been issued in Barnet as part of the trial.

Challenges

- The high demand for homelessness services and in particular the 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. To help relieve pressure on **homelessness services**, Barnet Homes has developed further proposals to help manage demand, including a targeted resource to move households out of temporary accommodation. This should start to deliver results towards the end of Q3 2016/17.
- Rectification of outstanding issues regarding thin surfacing on the **Network Recovery Plan** (NRP) programme are still to be satisfactorily resolved. Inspections and closer monitoring of works has been undertaken and Re has issued an updated Snagging List to the contractor on 2015/16 Micro and Surface Dressing schemes, which identifies 12 sites with defects requiring rectification and 38 sites under observation.

CPI: Managing Demand ⁶	Green	Green Amber	Red Amber	Red	Improved/Same	Worsened
	63% (12)	11% (2)	16% (3)	11% (2)	69% (11)	31% (5)

Two indicators have been RAG rated as Red:

- The **rate of hospital admissions related to alcohol** (per 100,000), 424.9 against a target of 400. The new Hospital Liaison pathway within the Adult Substance Misuse Service will help reduce admissions and length of stay. There will also be targeted plans for frequent hospital attenders and interventions for vulnerable adults. The new Young People’s Substance Misuse Service (commenced 1 September 2016) will also contribute to reducing hospital attendance and admissions. Local protocols and processes are currently being developed around hospital admissions.
- **Highways defects made safe within agreed timescale** – this composite indicator has been reported as a fail for the quarter due to NM KPI 2.3 (7 day reactive repairs). No data has been available from the contractor this quarter. Whilst repairs are being done, there have been backlogs at the start of the quarter and limited data to track performance on turnaround times. The contractor has reported problems with its technology and communication systems used for capturing defect completion data live on site, and have also raised concerns with having adequate resources in place to meet demand.

Transforming services

- 1.14 Progress on the “key areas of focus” outlined in the refreshed Corporate Plan is shown in **Appendix A (ii)**. Key successes and challenges in Q2 2016/17 are summarised below:

Successes

- Implementation of a **new operating model for adult social care** has been authorised by Adults and Safeguarding Committee, along with further development of two delivery vehicle options (reformed in-house service and shared service with the NHS). There will be a report back to the Committee in early 2017. The Adults Hubs (Care Space) have gone live on 26 September 2016 at two locations (ILC at Dollis Valley and Anne Owen Centre at East Finchley).
- Strong governance has been put in place to monitor progress against **practice improvements in children’s social care** including daily touchdown meetings and fortnightly updates on each workstream of the plan. Signs of Safety has been identified as one of the tools to support social work practice.
- The percentage of “good or outstanding” **primary and secondary schools** in Barnet has risen to 94% and 92% respectively – with both above the London averages of 93% and 89% and national averages of 90% and 79% respectively.

⁶ 22 indicators have been reported in Q2 2016/17 under Managing Demand. 19 have been given a RAG rating and 16 have been given a Direction of Travel (DOT) status

- All 10 Children’s Centres in Barnet have been awarded ‘Healthy Children’s Centre’ status to recognise work on **improving the health of children and families** in Barnet.
- The London Borough of Barnet has been awarded **Cleaner Air Borough (CAB)** status for effectively monitoring and reducing air pollution.
- The registrars service has seen a notable increase in **private citizenship ceremonies and marriages** this quarter. 47 private citizenship ceremonies and 221 marriages have been held (compared with 23 and 166 respectively in Q1) helping to boost income.

Challenges

- **Recruitment and retention of teachers** and school leadership remains a challenge for schools within Barnet.

CPI: Transforming service ⁷	Green	Green Amber	Red Amber	Red	Improved/Same	Worsened
	29% (2)	57% (4)	0% (0)	14% (1)	100% (6)	0% (0)

One indicator has been RAG rated as Red:

- **Smoking prevalence** - 14.6% against a target of 13%. A Health Check and Smoking Cessation Co-ordinator started in September 2016 and has been working with GPs and pharmacies on the contract to deliver smoking cessation, including organising a training session for new Smoking Advisers in September 2016. A select number of pharmacies will be running Stoptober activities.

More resilient communities

- 1.15 Progress on the “key areas of focus” outlined in the refreshed Corporate Plan is shown in **Appendix A (ii)**. Key successes and challenges in Q2 2016/17 are summarised below:

Successes

- Development of the **Voluntary and Community Sector (VCS) database** has continued with the public beta launch scheduled for 28 October 2016.
- A **Communities Together Network** annual report has been agreed by the Community Leadership Committee in September 2016 and a meeting of the Steering Group will take place in December 2016 to agree the focus of the Network for 2017. A soft launch of the Community Participation Strategy will take place in December 2016.
- Valuations for the 67 **community assets** identified as requiring immediate action in the Community Assets Strategy have been carried out. The properties have been sub-divided equally into seven phases, which the Community Benefits Assets Tool (CBAT) will use to assess and calculate rental subsidies over the next year.

⁷ Nine indicators have been reported in Q2 2016/17 under Transforming rating and six have been given a Direction of Travel (DOT) status.

Services. Seven have been given a RAG

CPI: Resilient Communities ⁸	Green	Green Amber	Red Amber	Red	Improved/Same	Worsened
	75% (3)	0% (0)	0% (0)	25% (1)	50% (2)	50% (2)

One indicator has been RAG rated as Red:

- **Decrease in the level of crime across the Mayor's Office for Policing And Crime set of crimes**, 18% reduction against a target of 20% reduction. This is a slight improvement on Q1 2016/17. The reduction is below target mainly due to 'violence against the person', which has shown an increase of over 40% in the last two years compared to the 2011/12 baseline figure. This increase is in line with a London wide trend that is likely to be linked to changes in reporting and recording practices.

Improving customer services and transparency

- 1.16 Progress on the "key areas of focus" outlined in the refreshed Corporate Plan is shown in **Appendix A (ii)**. Key successes and challenges in Q2 2016/17 are summarised below:

Successes

- Barnet Customer Services **face-to-face customer satisfaction** achieved first place in the national GovMetric channel satisfaction league table in July 2016, having held the second place for two consecutive months. This is across the 70 councils that use GovMetric.
- Further improvements have been made to the **Open Barnet portal**, including a new look front page featuring enhanced visualisation (e.g. dashboards and live datasets) and in-system data cleansing and improvement, which will improve the quality of data that is published.

Challenges

- Despite an improvement in some Delivery Units, 20% of the council desk **phone calls remain unanswered**. A review will be carried out to investigate this further.

CPI: Customer service and transparency ⁹	Green	Green Amber	Red Amber	Red	Improved/Same	Worsened
	50% (2)	25% (1)	25% (1)	0% (0)	100% (6)	0% (0)

SERVICE PERFORMANCE

- 1.17 An overview of service performance is shown in table 10 below. This refers to the basket of indicators set out in the council's key business plans (Corporate Plan, Commissioning Plans and Management Agreements) and contracts that help the council monitor operational performance. 281 indicators are reported

⁸ Four indicators have been reported in Q2 2016/17 under Resilience Communities. Four have been given a RAG rating and four have been given a Direction of Travel (DOT) status.

⁹ Six indicators are reported in Q2 2016/17. Six have been given a RAG rating and six have been given a Direction of Travel (DOT) status

in Q2 2016/17. 223 have been given a RAG rating and 193 indicators have been given a Direction of Travel (DOT) status.

Table 10: Service indicators (Q2 2016/17)

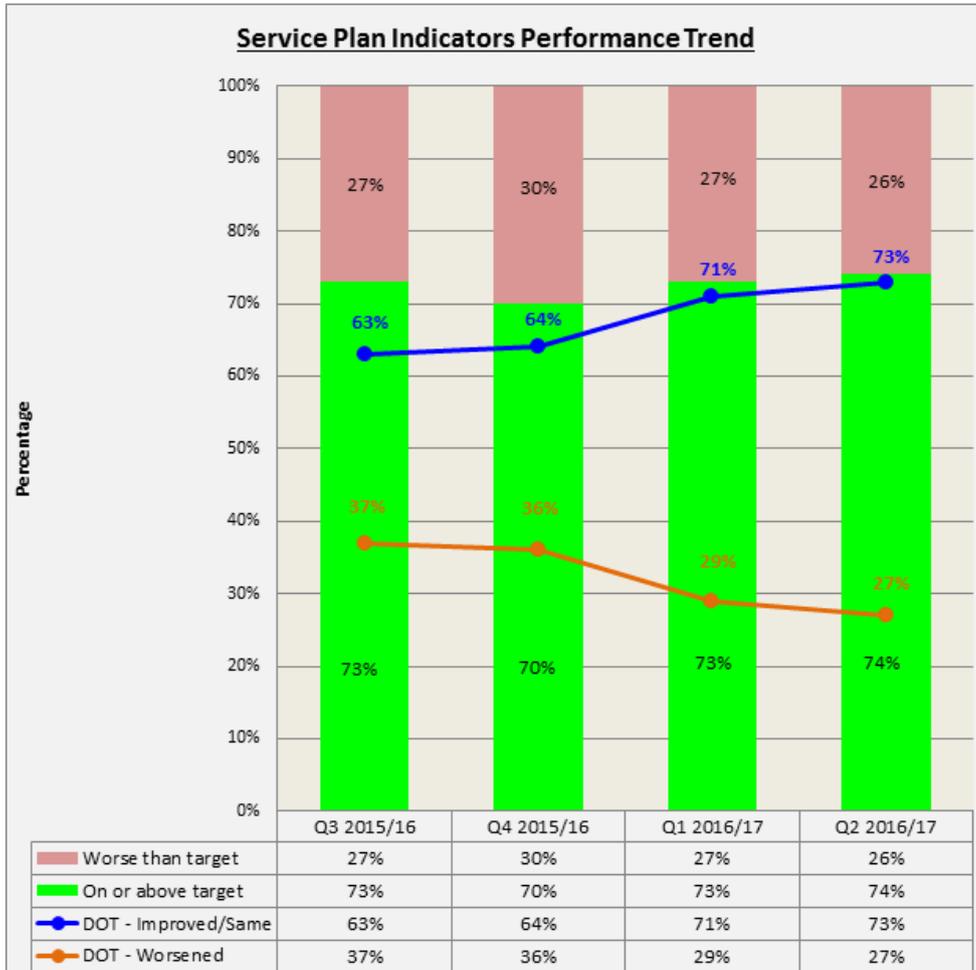
Service	Green	Green Amber	Red Amber	Red	Improved/Same	Worsened
Adults and Communities	63% (15)	17% (4)	8% (2)	13% (3)	58% (11)	42% (8)
Barnet Homes	88% (14)	0% (0)	6% (1)	6% (1)	75% (12)	25% (4)
Cambridge Education	68% (13)	26% (5)	5% (1)	0% (0)	89% (17)	11% (2)
Commissioning Group	50% (7)	21% (3)	14% (2)	14% (2)	89% (8)	11% (1)
Customer and Support Group (CSG)	94% (17)	6% (1)	0% (0)	0% (0)	72% (13)	28% (5)
Family Services	75% (15)	15% (3)	0% (0)	10% (2)	80% (8)	20% (2)
HB Public Law	92% (11)	8% (1)	0% (0)	0% (0)	58% (7)	42% (5)
Mortuaries	0% (0)	0% (0)	0% (0)	0% (0)	0% (0)	0% (0)
Parking and Infrastructure	80% (4)	20% (1)	0% (0)	0% (0)	80% (4)	20% (1)
Public Health	48% (11)	17% (4)	4% (1)	30% (7)	57% (12)	43% (9)
Regional Enterprise (Re)	89% (48)	7% (4)	0% (0)	4% (2)	77% (43)	23% (13)
Registrar Service	44% (4)	33% (3)	0% (0)	22% (2)	0% (0)	0% (0)
Street Scene	67% (6)	0% (0)	22% (2)	11% (1)	88% (7)	13% (1)
Total	74% (165)	13% (29)	4% (9)	9% (20)	74% (142)	26% (51)

Service	Green	Amber	Red	Improved/Same	Worsened
YCB	75% (15)	20% (4)	5% (1)	N/A	N/A

The percentage of Service indicators “on or above target” (74%) has increased from Q1 2016/17 (73%)¹⁰ and the percentage of Service indicators with an “improved or same” DOT (74%) has increased from Q1 2016/17 (71%). See chart 2 below.

Chart 2: Service indicators trend (Q3 2015/16 to Q2 2016/17)

¹⁰ The performance figures for Q1 2016/17 have been revised to reflect corrections to the Spring 2016 Resident Perception Survey RAG and DOT ratings.



Appendix B aligns the **performance, risk and finance** information for each service – focusing on the key successes and challenges; any service indicators that are “below target”; and revenue and capital budget variances. Further information can be found in the service reports on the website at www.barnet.gov.uk/currentperformance

Transformation programmes

- 1.18 The council has in place five portfolios of large programmes and projects: Central, Adults and Health, Children and Young People, Environment and Growth and Development. In addition, it has an Education Capital Programme in place to ensure successful delivery of new school places and improvements to schools.

Central

The Community Asset Strategy / Community Centres project has moved from a Red to Amber RAG rating as a way forward has been agreed for the Daws Lane Community Centre and the change of approach will focus on the land transfer. The Unified Reward project continues to progress to plan; contracts of employment have been provided to circa 1,460 council staff and go-live was reached on the 1 October 2016. The Business Case for Customer Transformation has been approved by Policy & Resources Committee on 5 October 2016. The Healthy Workforce Charter excellence award has been

achieved on 5 October 2016. Enabling works for the new Colindale offices has commenced, and scoping work is taking place for The Way We Work programme, including a programme plan, resource model and overall budget.

Adults and health

P For the Your Choice Barnet project consultation has been undertaken and ended on the 23 September 2016. For the Sports and Physical Activity (SPA) project the diving petition has been considered by Policy & Resources Committee on 1 September 2016 and the project has instructed to continue to progress with the planning process but to return to committee later in the year with a paper reviewing the implications of including diving provision. The planning applications for both schemes (Barnet Copthall and New Barnet) are planned for December Planning Committee. The Investing in IT project continues to be RAG rated as Red; the new adult social care system go-live date has been delayed and work is continuing until the re-planning of all work streams is complete.

Children and young people

For the Libraries project, a 60 day staff consultation ran from 7 July to 5 September 2016. For the Partnership Library 11 Expressions of Interest have been received and of these six met the required standards and have been invited to formally submit detailed business cases. For the Barnet Youth Zone, OnSide and the Young People's Development have held a brand launch event for 'Unitas' (Barnet Youth Zone) at Saracens Rugby Club. For the Theory of Practice / Social Work Practice Improvement project, work continues in reducing caseloads, specifically Intervention and Planning and Duty Assessment Team and significant work has taken place in cleansing the Annex A data to ensure casefiles are up-to-date and accurate. The relocation of Meadow Close is RAG rated as Red due to challenges with the budget and scope of benefits.

Environment

The majority of projects in the portfolio are RAG rated as Green. The Outline Business Case for the Street Scene alternative delivery model has been reviewed at Environment Committee and has been referred to Full Council on 1 November 2016. Consultation on the use of time-banded collections for the Commercial Recycling and Waste project has taken place in Mill Hill throughout September 2016 and consultation on the new Corporate Enforcement Policy commenced on the 18 September 2016. Construction is continuing on the Oakleigh Road Depot site. The issuing of Moving Traffic Contraventions (MTCs) has continued, with progress on phase 2. The cameras at Tilling Road went live on 28 September 2016.

Growth and Development

In the Regeneration Programme, within Grahame Park 14 social rented and 5 shared ownership homes have been handed over on Plot 5 and within the Colindale project the new Barnet College Campus and Library/Independent Living Centre has opened. The Granville Road project has moved from a Red to Amber RAG rating, as the outcome of the public inquiry was that

Sherrygreen's appeal was upheld and Planning Permission has been awarded. On the Development Pipeline programme, within Tranche 3 HRA Infill, the Planning Committee has approved planning permissions for eight small sites in the borough and 1 site in Haringey on 8 September 2016; Opendoor Homes request for gap funding of £900,000 to proceed with design development has been approved by Policy & Resources Committee on 5 October 2016. All of the 40 homes from Tranche 0 HRA Infill have been handed over. The General Fund Mixed Tenure Housing (Tranche 1) project continues to be RAG rated as Red; reviews of the 'market tested' Stage 2 Tender price have been taking place to explore opportunities for Value engineering in an attempt to reduce the overall project build cost by circa £8.3m. The Entrepreneurial Barnet programme is progressing and the Burnt Oak Place-Based Strategy is now completed and ready for final consultation for two weeks prior to publication.

Education Capital Programme

Progress continues to be made across a number of projects and new projects have been initiated, such as St Mary's and St Johns Phase 3. Overall the programme is on target to achieve pupil places when required. Following a major procurement exercise the successful supplier of a single contract for design and build work, including schools and leisure centres has been notified. At Monkfrith school Section 1 (Phase 1) KS1 and Reception Classrooms and the front entrance reception have been completed and handed over in September 2016. The London Academy work has been completed and the final snagging of the whole building completed on 23 September 2016.

Other Finance

General Fund Balance

- 1.19 Directors are accountable for any budget variations within their services and ensuring that expenditure and income are managed within agreed budgets. To make sure that this is achieved, it is essential that Directors develop action plans to address forecast variances and review these throughout the financial year. If the current forecast overspends cannot be addressed in year, or alternative savings or funding sources identified to offset these, 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 11 below.

Table 11: General Fund Balance

	£000
General Fund Balances brought forward 31 March 2016	(12,543)
Budgeted use of balance	-
Forecast outturn variation	6,562
Projected General Fund balance 31 March 2017	(5,981)

The recommended limit for the council's General Fund balance is £15m and therefore the final revenue outturn results in the balance being £9.019m below this recommended limit. This reduction in the General Fund balance will need to be managed through the council's Medium Term Financial Strategy to ensure the balance is replenished throughout the year as the reduced balance would not be sustainable given the risks the council faces over the short to long term.

Housing Revenue Account

- 1.20 The Housing Revenue Account (HRA) has a budgeted contribution to reserves of £1.246m. The projected outturn is a surplus of £0.970m, largely due to developer income expected to exceed costs on regeneration schemes resulting in a net surplus position.

Table 12: Housing Revenue Account outturn (Q2 2016/17)

	Original Budget £000	Revised Budget £000	Q2 Projected Outturn £000	Variance from Revised Budget Adv/(fav) £000	Variance from Revised Budget Adv/(fav) %
Housing Revenue Account surplus before transfer from balances	(1,246)	(1,246)	(2,216)	(970)	77.8
Budgeted contribution to reserves	1,246	1,246	1,246	-	-
Housing Revenue Account projected surplus after transfer to reserves	-	-	(970)	(970)	N/A

The HRA projected balance as at 31 March 2017 is £11.035m, as shown in table 12 below.

Table 13: Housing Revenue Account balance

	£000
Housing Revenue Account Balance brought forward 1 April 2016	(8,819)
Budgeted contribution to reserves	(1,246)
Projected in year surplus	(970)
Projected Housing Revenue Account Balance 31 March 2017	(11,035)

Dedicated Schools Grant

- 1.21 The Dedicated Schools Grant (DSG) has a budgeted use of £1.342m of balances in 2016/17. The projected outturn is a zero variance from budget. The DSG projected balance as at 31 March 2017 is £3.677m.

Table 14: Dedicated Schools Grant outturn (Q2 2016/17)

	Original Budget £000	Revised Budget £000	Q2 Projected Outturn £000	Variance from Revised Budget Adv/(fav) £000	Variance from Revised Budget Adv/(fav) %
Dedicated Schools Grant	-	-	-	-	N/A

The impact on the Dedicated Schools Grant balance is shown in table 14 below.

Table 15: Dedicated Schools Grant balance

	£000
DSG Balance brought forward 1 April 2016	(5,019)
Budgeted use of balance	1,342
Projected in year surplus	-
Projected DSG Balance 31 March 2017	(3,677)

Provisions

- 1.22 Provisions are made where an event has taken place that gives the council a legal or constructive obligation that requires settlement by a transfer of economic benefits or service potential and a reliable estimate can be made of the amount of the obligation. For example, the council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation. As at 1 April 2016 the council held provisions of £14.255m and projects to have a balance of £9.771m as at 31 March 2017.

Table 16: Provisions

	Provisions b/fwd 1 April 2016 £000	Drawdown £000	Provisions Balance 30 September 2016 £000	Projected: In Year Draw Down £000	Projected: Year End Balance 31 March 2017 £000
Adults	699	-	699	-	699
Corporate (insurance provision)	8,850	-	8,850	-	8,850
Regional Enterprise (Re)	95	-	95	-	95
Commercial	117	-	117	-	117
Children's	54	-	54	(44)	10
Central (Business Rates Appeals)	4,440	(4,440)	-	-	-
Total	14,255	(4,440)	9,815	(44)	9,771

Reserves

- 1.23 The council has set aside specific amounts as reserves for future policy purposes or to cover contingencies. As at 1 April 2016 the council held reserves of £112.000m and projects to have a balance of £109.769m as at 31 March 2017.

Table 17: Reserves

Description	Reserves b/fwd 01 April 2016	Drawdown	In-year Increases	Reserves C/fwd 30 September 2016	Projected increases in Reserves to be approved	Projected In-year Drawdown	Projected Year End Balance 31 March 2017
	£000	£000	£000	£000	£000	£000	£000
Central - Capital Financing	3,191	-	-	3,191	-	-	3,191
Central - Community Infrastructure Levy	16,068	-	3,011	19,079	-	-	19,079
Central - Infrastructure	19,622	-	-	19,622	-	-	19,622
Central - Risk	9,099	-	-	9,099	-	-	9,099
Central - Service Development	10,582	(129)	-	10,452	-	-	10,452
Central - Transformation	12,653	-	-	12,653	-	-	12,653
Service - Other Central expenses	9,719	-	-	9,719	-	-	9,719
Service - Other Children's Education & Skills	430	-	-	430	-	(313)	117
Service - Other Commissioning	8,208	(329)	0	7,879	178	(94)	7,964
Service - Other	3,127	(26)	-	3,101	14	(839)	2,276
Sub Total General Fund Earmarked Reserves	92,699	(485)	3,011	95,226	192	(1,246)	94,172
Service - DSG	5,269	-	-	5,269	-	(1,592)	3,677
Service - Housing Benefits	5,875	-	-	5,875	-	(2,112)	3,763
Service - NLSR	642	-	-	642	-	-	642
Service - PFI	4,265	-	-	4,265	-	-	4,265
Service - Public Health	1,336	-	-	1,336	-	-	1,336
Special Parking Account (SPA)	1,914	-	-	1,914	-	-	1,914
Sub-total Ring-fenced Reserves	19,301	-	-	19,301	-	(3,704)	15,597
Total Earmarked Reserves	112,000	(485)	3,011	114,527	192	(4,950)	109,769

Funding of Capital Programme

Table 18: Funding Movements in the 2016/17 Capital Programme

Service Area	Grants	S106/ Other Contributions	Capital Receipts	Revenue/ MRA	Borrowing	Capital Reserves	Total
	£000	£000	£000	£000	£000	£000	£000
Adults and Communities	(750)	-	(375)	-	(2,486)	(2,143)	(5,754)
Commissioning Group	750	-	(2,467)	-	24	2,143	450
Education and Skills	(5,874)	-	-	-	2,685	-	(3,189)
Family Services	-	-	-	-	(3,044)	(2,400)	(5,444)
Housing Needs Resources	-	-	-	-	5,056	-	5,056
Parking and Infrastructure	-	-	-	-	-	(250)	(250)
Regional Enterprise (Re)	(3,035)	(3,955)	35	-	(4,756)	(9,307)	(21,018)
Street Scene	-	(260)	-	-	(250)	(120)	(630)
General Fund Programme	(8,909)	(4,215)	(2,807)	-	(2,771)	(12,077)	(30,779)
HRA	-	-	(271)	-	(9,583)	-	(9,854)
Total Capital Programme	(8,909)	(4,215)	(3,078)	-	(12,354)	(12,077)	(40,633)

Treasury outturn

- 1.24 In compliance with the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice this report provides Members with a summary report of the treasury management activity during the period to 30 September 2016. 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 F.

The Local Government Act 2003 requires the council to set an Affordable Borrowing Limit (the Authorised limit), irrespective of its indebted status. This

is a limit which should not be breached. During the period to 30 September 2016, 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 for 2016/17 was approved by Council on 1 March 2016. The Treasury Management Strategy requires regular compliance reporting to this Committee to include an analysis of deposits made during the review period. This also reflects good practice and will serve to reassure this Committee that all current deposits for investment are in line with agreed principles as contained within the corporate Treasury Management Strategy.

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

Investment performance

- 1.25 Investment deposits are managed internally. As at 30 September 2016, deposits outstanding were £157.700m achieving an average annual rate of return of 0.57 per cent against a benchmark average (London Interbank Bid Rate - LIBID) of 0.41 per cent. The list of deposits outstanding as at 30 September 2016 is attached as Appendix G and summarised in table 19 below.

Table 19: Investments as at 30 September 2016

Summary of Investments as at 30 September 2016	£'000
Local Authorities	5,000
Money Market Funds	43,200
UK Banks & Building Societies	57,500
Non UK Banks & UK Building Societies	52,000
Total	157,700

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.

Debt management

- 1.26 The total value of long term loans as at 30 September 2016 was £304.080m. There has been no external borrowing in the financial year to date. The average rate for total borrowing for the quarter ending 30 September 2016 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 1 March 2016.

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 Delivery Units, Service Providers and partners.

- 5.1.2 The past four 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
- Corporate Plan - 2016/17 Addendum
- 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 Legal and Constitutional References

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

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

5.3.3 The council’s Constitution, in 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 including Adults and Communities; Assurance; Barnet Homes; Cambridge Education; Commissioning Group; Customer and Support Group; Family Services; HB Public Law; Mortuaries, NSL (Parking Contractor); Public Health; Re; Registrars, Street Scene; and YCB.
- 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.

5.3.4 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.

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

5.3.6 The council's Constitution, Part 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.

5.4 Risk Management

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

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

5.5 Equalities and Diversity

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

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

5.5.2 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.

5.5.3 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.

5.5.4 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.

5.5.5 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

5.6 Consultation and Engagement

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

Phase 4: Strategic Plan to 2020 Consultation	2014 – March 2015	section of residents recruited from the Citizens Panel and Youth Board, plus two workshops with users ¹¹ of council services. An online survey (17 December 2014 – 11 February 2015)
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6 BACKGROUND PAPERS

- 6.1 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>
- 6.2 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>
- 6.4 Council, 4 April 2015 (Decision item 13.1) – approved 2016/17 addendum to Corporate Plan
<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=162&MId=8344&Ver=4>

¹¹ 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.