

	<h2>Performance and Contract Management Committee</h2> <h3>27 February 2016</h3>
Title	Quarter 3 Performance Monitoring 2016/17
Report of	Chief Operating Officer
Wards	All
Status	Public
Urgent	No
Key	No
Enclosures	<p>Appendix A (i) List of indicators in Appendices A and B</p> <p>Appendix A (ii) Corporate Plan Performance</p> <p>Appendix B Service Performance</p> <p>Appendix C Revenue Monitoring</p> <p>Appendix D (i) Capital Monitoring</p> <p>Appendix D (ii) Capital Funding</p> <p>Appendix E Transformation Programme</p> <p>Appendix F Prudential Indicators</p> <p>Appendix G Investments Outstanding</p> <p>Appendix H (i) CSG Benefit Realisation</p> <p>Appendix H (ii) CSG Contract Benefit Realisation Tracking</p> <p>Appendix H (iii) Capita Payments</p> <p>Appendix I Contract Variations</p> <p>Appendix J Corporate Risk Register</p>
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Summary

The **Quarter 3 (Q3) 2016/17** report provides an overview of the council's **performance, risks and finance** - and progress in delivering the strategic priorities in the Corporate Plan.

Corporate Plan performance

An overview of **performance, risk and finance** information for the **Corporate Plan** - highlighting successes and challenges in relation to the **strategic priorities**; any Corporate Plan indicators that are significantly "below target" (RAG rated as Red); and strategic risks and escalated risks from services. Further information can be found in Appendix A (ii), Appendix B and Appendix J.

Budget outturns

The forecast General Fund **revenue outturn** (after reserve movements) is £282.684m, which is an adverse variance of £7.706m (2.8 per cent) compared with the revised budget of £274.978m. The projected outturn expenditure on the council's **capital programme** is £175.800m, £136.582m of which relates to the General Fund programme and £39.218m to the HRA capital programme. This is a variance of £84.760m against the 2016/17 revised budget of £260.560m. Further information can be found in Appendix C and Appendix D.

Residents perception

Residents' satisfaction with Barnet remains high. The autumn 2016 survey shows that 85% of residents are satisfied with Barnet as a place to live (above the national average of 83%); and 71% of residents are satisfied with the way the council runs things (on par with the national average).

Customer experience

Satisfaction with customer services has remained well above target (80%) at 89%. Web satisfaction has increased by 6% points to 52%, above target (48%). This has been achieved by better cross-council collaboration with particular emphasis being placed upon improving the quality of the website content and webforms. Barnet entered the GovMetric top ten of UK councils for customers rating the website as 'Good' for the first time this quarter.

Human resources

Sickness absence has reduced to 7.88 days (from 8.23 days), but remains higher than the 6 days target. Agency expenditure has increased by £1.025m from the same period last year. The most significant areas of agency spend are in Adults and Communities, Family Services and the Commissioning Group.

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 31 December 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 31 December 2016, deposits outstanding were £106.992m achieving an average annual rate of return of 0.46 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 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 corporate risk register, including the escalated service risks, as detailed in Appendix J.**
- 3. The Committee is asked to note the Quarter 3 2016/17 revenue budget and forecast position, as detailed in paragraph 1.7.**
- 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 1.8.**
- 5. The Committee is asked to note the savings delivered in Q3 2016/17, as detailed in paragraph 1.9.**
- 6. The Committee is asked to note the agency costs for Quarter 3 2016/17, as detailed in paragraph 1.13.**
- 7. The Committee is asked to note the treasury position outlined in paragraph 1.21.**

1. WHY THIS REPORT IS NEEDED

1.1 The **Quarter 3 (Q3) 2016/17** report provides an overview of the council's **performance, risk and finance** - and progress in delivering the strategic priorities in the 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:

- How the council is performing against the strategic priorities in the Corporate Plan, including a summary of successes and challenges (see Appendix Aii)
- An overview of strategic risks and escalated risks from services (see Appendix J)
- The overall budget position, including revenue and capital expenditure (see Appendix C and Appendix D)
- Information on residents' perception, customer experience and human resources
- How services are performing, including commentary for indicators that are "below target" (see Appendix B)
- The status of key programmes (see Appendix B).

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

CORPORATE PLAN PERFORMANCE

1.4 This section aligns **performance**, **risk** and **finance** information for the Corporate Plan – highlighting successes and challenges in relation to the **strategic priorities** and any Corporate Plan indicators that are significantly "below target" (RAG rated as Red); strategic risks and escalated risks from services; and revenue and capital budget variances. Further information can be found in **Appendix A (ii)**, **Appendix B** and **Appendix J**.

An overview of performance for the basket of indicators in the Corporate Plan is shown in table 1 below. Of the 80 indicators in the Corporate Plan, 61 have been reported in Q3 2016/17. 44 have been given a RAG rating and 46 have been given a Direction of Travel (DOT) status.

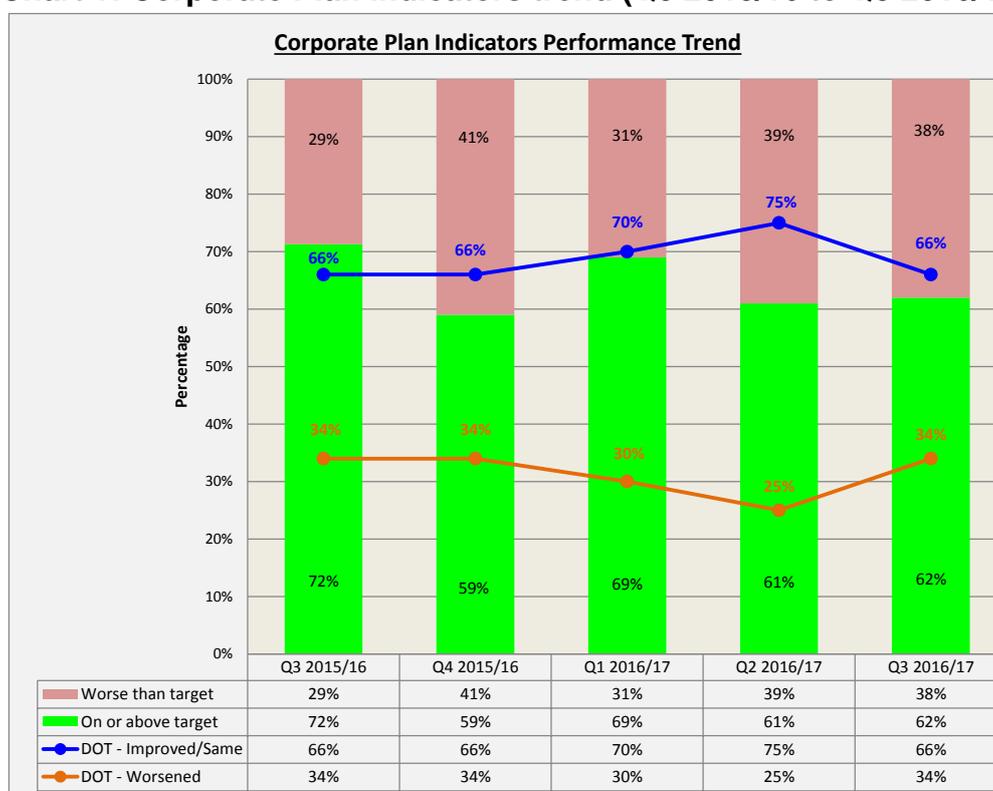
Table 1: Corporate Plan indicators (Q3 2016/17)

Strategic priority	Green	Green Amber	Red Amber	Red	Improved/Same	Worsened
Growth and regeneration	71% (5)	14% (1)	0% (0)	14% (1)	60% (6)	40% (4)
Managing demand	55% (11)	20% (4)	10% (2)	15% (3)	65% (11)	35% (6)
Transforming services	57% (4)	29% (2)	0% (0)	14% (1)	57% (4)	43% (3)
Resilient communities	83% (5)	17% (1)	0% (0)	0% (0)	83% (5)	17% (1)
Customer service and transparency	60% (3)	20% (1)	20% (1)	0% (0)	71% (5)	29% (2)
Total	62% (28)	20% (9)	7% (3)	11% (5)	66% (31)	34% (16)

The percentage of Corporate Plan indicators "on or above target" (62%) has slightly increased from Q2 2016/17 (61%), whilst the percentage of Corporate Plan indicators with an "improved or same" DOT (66%) has decreased from Q2 2016/17 (75%) - see chart 1 below. The Corporate Plan indicators that

are significantly “below target” (RAG rated as Red) are shown in the **strategic priorities** section below.

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



Strategic priorities

1.5 Progress on the council’s “key areas of focus” is shown in **Appendix A (ii)**, with the key successes and challenges in Q3 2016/17 for each of the strategic priorities highlighted below.

Responsible growth and regeneration

Successes

- Significant progress has been made on the growth and regeneration programme this quarter, with the **completion of 60 homes at Grahame Park and 210 homes at Millbrook Park**, including 51 affordable homes for social rent and shared ownership.

CPI: Growth and regeneration ¹	Green	Green Amber	Red Amber	Red	Improved/Same	Worsened
	71% (5)	14% (1)	0% (0)	14% (1)	60% (6)	40% (4)

One indicator has been RAG rated as Red:

¹ 11 indicators have been reported in Q3 2016/17 under Growth and Regeneration. Seven have been given a RAG rating and 10 have been given a Direction of Travel (DOT) status.

- **Temporary accommodation current arrears as percentage of debit** – is 6.47% against a target of 5.20%, with performance worsening from Q2 2016/17 (5.70%). Cash arrears are approximately £159k off target against a total annual collectable debit of £23.2m. Housing benefit (HB) as a percentage of the rent collected continues to be a concern, with a continuous decline in HB receipts since the start of the financial year. An income maximisation plan has been put in place, which focused on early intervention for low level arrears cases to limit escalations.

Managing demand

Successes

- **Measures put in place to manage homelessness demand continue to deliver strong results.** Let2barnet enabled a record 454 private sector lettings by the end of Q3 2016/17 and is well on the way to achieving the annual target of 500. The number of homelessness preventions has also remained stable, with services delivering 720 preventions against an annual target of 900 for 2016/17. Numbers in emergency accommodation have fallen to 185, their lowest since April 2011.
- **Barnet Homes achieved the top ranking in London for the cost of delivering housing management services** in the annual benchmarking analysis carried out by the housing consultancy Housemark.
- A new **extra care scheme** at Moreton Close has been approved, enabling demolition of the previous sheltered housing to commence. This dementia friendly scheme is expected to be completed in the spring of 2018.
- A successful series of **'Silver Sunday' events** have been held, as part of a national event that celebrates the contribution older people make to communities while combating loneliness and social isolation. 662 people attended the events and 92 signed up for regular activities (such as sport and leisure activities or digital inclusion classes).
- **Residents' satisfaction with refuse collection and recycling remain high and well above the London averages.** The provision of recycling facilities for residents in flats has continued, with the roll-out of 1100-litre bins.
- The **Keep Barnet Clean trial has been operating successfully**, with almost 1,300 fixed penalty notices being issued for littering. Several people have been convicted for non-payment of their fixed penalty notice and ordered to pay £280 each. The fixed penalty notice for fly tipping has also been increased to its maximum level of £400.
- The **Barnet Integrated Locality Team (BILT)** works across the borough to provide community based support to service users and patients who are at risk of an unplanned accident and emergency attendance or unplanned admission into an acute setting within the next 12 months. The team are part of a wider integrated care system that includes the use of targeted identification via risk stratification to identify those who can be supported, a rapid response team and 7-day social work at hospitals plus preventative services.
- A programme of work has been launched to make Barnet a **dementia friendly** borough. Following a successful event in May 2016, 18 organisations have signed up to join the Barnet Dementia Action Alliance;

this will enable Barnet to progress toward becoming a 'Dementia Friendly Community'. The Alliance is due to be constituted on 23 February 2017, with a launch in Dementia Awareness Week in May. Work has focused on diagnosis and support for carers of people with dementia. As part of this, service users and carers have been invited to participate in an Engagement Working Group that will review the information and advice needs for residents with dementia and their carers. A well-attended first meeting took place on 30 January 2017.

- A programme of work has been developed to improve **employment outcomes for working age adults with learning disabilities**. A new contract with Your Choice Barnet will increase support to people with learning disabilities, including autism, to move towards more independent living and participate in the workplace, whilst creating savings for the council. To date, £58,008 savings have been identified. Two people with learning disabilities have been employed as YCB service user champions; four adults are due to be employed to provide support with cleaning or food preparation at the YCB Day Services; one adult has been supported to step-down from supported living and a further five adults are being supported to step-down.

Challenges

- **Managing the continuing financial pressure on Adult Social Care** – at the end of the quarter Adults and Communities is forecasting an overspend of £6.025m.
- **Demand for temporary accommodation remains at peak levels** with 2,861 households in such accommodation at the end of December 2016. To help relieve pressures, Barnet Homes has developed further proposals to help manage demand, including new mitigation proposals to support temporary accommodation reduction and homelessness preventions. With potentially adverse changes to the temporary accommodation subsidy system due to be implemented in 2017/18, progress made in reducing demand will have compound benefits next financial year.
- **Highways management** - Year 1 **Network Recovery Plan (NRP)** remedial issues have been identified with discussions to resolve the matter being held directly between the council and its third party contractor.
- Challenges experienced with obtaining timely and complete performance data from the third party contractor have persisted. Whilst reactive repairs for all category type defects continue to be instructed and repaired on the borough's roads, there has been **limited data to track performance on turnaround times** (see Red RAG rated indicator below).
- A joint internal service review of **planning enforcement** by the council and Re was completed in October 2016, with an improvement plan finalised in November 2016. A recent audit by the council of the Planning and Building service has confirmed one of the identified challenges - finding that some investigations into breaches of planning consent had not been completed in a timely manner. Management action to improve systems, processes and communications activities related to planning enforcement has been underway since October 2016. Members have been provided with a briefing on planning enforcement in December 2016

and received the new case summary report from January 2017. Progress is on track with delivering all aspects of the agreed improvement programme, due for completion by 31 March 2017.

CPI: Managing Demand ²	Green	Green Amber	Red Amber	Red	Improved/Same	Worsened
	55% (11)	20% (4)	10% (2)	15% (3)	65% (11)	35% (6)

Three indicators have been RAG rated as Red:

- The **percentage of adults with mental health needs in paid employment** - 6.1% against a quarterly target of 6.8%. Although below target, this is better than last quarter (5.8%) and the same time last year (5.4%); and above the London benchmark of 5.0%. The indicator relates to service users on the Care Programme Approach (CPA), whose needs are relatively intensive, and shows the impact of a programme of mental health reviews that were undertaken to support implementation of the mental health transformation programme. In addition to the new YCB contract's focus on employment and other actions, the two mental health services, MAPS and IPS, are now increasingly working with service users with funded care packages as well as those on CPA only.
- **Highways defects made safe within agreed timescale** – this composite indicator has been reported as a fail for the second quarter due to an ongoing issue with the contractor. Direct discussions aimed to resolve this and other contractual issues are taking place. Meanwhile, Re continues to raise highways repair orders to the contractor and provides the council with a weekly update on instructed works.
- The **percentage of residents who are satisfied with parking services** – 24% against a target of 33%. Officers are investigating the relationship between customer complaints and service quality, pressure on the availability of road space / congestion and resident satisfaction.

Transforming services

Successes

- Following the smooth transfer of services to Cambridge Education in April 2016, **service reviews have been completed for all services areas in the first 100 working days of the contract** with the council and structural changes, efficiency measures and plans for growth are now being put in place.
- Work has continued to embed the **new operating model** for adult social care. Six cohorts of staff have graduated through the learning programme; and a 'Coaching Skills for Managers' session has been facilitated. The strength-based approach has been included in the induction programme for new staff. In addition, the majority of staff have been briefed on the new Sustainability and Transformation Plan (STP) for the North Central London sub-regional area, which has been submitted to NHS

² 25 indicators have been reported in Q3 2016/17 under Managing Demand. 20 have been given a RAG rating and 17 have been given a Direction of Travel (DOT) status

England. The **Adults Hubs (Care Space)** at the Independent Living Centre in Colindale and the Anne Owen Centre in East Finchley have been up and running since end September 2016. Over time, people will be able to keep their independence longer and there will be an increase in community-based support. Already the data is showing a decrease in the proportion of assessments resulting in council-funded services.

- Practice Development Workers have been appointed to support the pace of progress in **practice improvements in children’s social care**. The Quality Assurance framework has been strengthened to improve the quality of audit, and increased audit activity has taken place across the service. Training sessions on Signs of Safety have commenced, with an advanced session being held with Practice Leaders in the next quarter.
- A **Mental Health and Wellbeing Governance Board** has been established to drive forward the re-modelling and re-commissioning of CAMHS. This work has commenced, with a refreshed needs assessment, service mapping and plans to consult on the emerging model, including an event for young people in February 2017.
- **Health Visiting services are being re-modelled**, as part of the 0-19 Family Services review, to establish a more integrated and resilience-based approach to supporting families health and wellbeing. Extensive service mapping and consultation has taken place and options will be drawn up in the spring.
- The new **Barnet Young People’s Drug and Alcohol Service** (Barnet YPDAS) has been launched with support from Barnet’s young people and a broad range of stakeholders. To help Barnet schools access advice and support online, an educational portal has been developed.
- Two more schools have achieved the **Gold award for Healthy Schools London**. Barnet now has nine Gold awards in total placing it in a **joint first place** across the 33 London boroughs.

Challenges

- It is estimated that **Barnet schools on average will lose 1% of current funding by 2019/20** as a result of the introduction of the National Funding Formula. This comes on top of growing pressures on school budgets arising from increases in employers’ National Insurance and pension contributions. As a result a growing number of schools are facing financial challenges.

CPI: Transforming service ³	Green	Green Amber	Red Amber	Red	Improved/Same	Worsened
	57% (4)	29% (2)	0% (0)	14% (1)	57% (4)	43% (3)

One indicator has been RAG rated as Red:

- **Smoking prevalence** - 14.4% against a target of 13%. This is a very slight improvement on last quarter (14.6%). The challenge has been to identify options in the context of changes in the Sustainability and Transformation Plan (STP) landscape and reducing budgets, as well as

³ 13 indicators have been reported in Q3 2016/17 under Transforming Services. Seven have been given a RAG rating and seven have been given a Direction of Travel (DOT) status.

the forthcoming Pan-London Smoking Channel Shift project that Barnet will be participating in. In the interim, a specialist smoking cessation trainer has been appointed to deliver up-to-date training and CO monitor calibration in 2017.

More resilient communities

Successes

- The **Barnet Community Directory** has been signed off and a soft launch was initiated in December 2016.
- The **Communities Together Network** Steering Group has considered the annual report and agreed a way forward for 2017.
- A communications campaign aimed at increasing **community participation** in the borough has launched in the Barnet First magazine. This has been underpinned by focus groups with residents.
- As part of the Community Asset Strategy, a new **Community Business Case Coach** has been appointed to help maximise the professional support available to Voluntary and Community Sector groups. A user group for the proposed Tarling Road community centre has been established to inform the development of a management organisation for the centre, and to keep all stakeholders informed of project progress. Works are scheduled to start in spring 2017.

CPI: Resilient Communities ⁴	Green	Green Amber	Red Amber	Red	Improved/Same	Worsened
	83% (5)	17% (1)	0% (0)	0% (0)	83% (5)	17% (1)

No indicators have been RAG rated as Red.

Improving customer services and transparency

Successes

- The **cross-party review of the Customer and Support Group contract** has demonstrated that, three-years in, it has delivered significant benefits to the borough and improved resident satisfaction, along with offering the council new savings opportunities.
- The Customer and Support Group has achieved all KPIs; their best quarter since Customer Services was transferred.
- Barnet Customer Services **face-to-face customer satisfaction** has consistently been in the Top 3 for the national GovMetric channel satisfaction league table. This is across the 70 councils that use GovMetric.
- **Web satisfaction has risen to 52%** (up 6% points from Q2 2016/17); and now features in the Top 10 councils nationwide for the GovMetric channel satisfaction index (ranked 3rd in October and 8th in November). Work has continued on refreshing the website content of the 60 most complained

⁴ Six indicators have been reported in Q3 2016/17 under Resilient Communities. Six have been given a RAG rating and six have been given a Direction of Travel (DOT) status.

about pages from GovMetric, which has contributed to the rise in satisfaction. Furthermore, the team has been collaborating with councils across London in adopting clearer and simpler ways of creating web content. The layout and user experience changes to MyAccount have been implemented.

- Barnet has built a national reputation for setting high standards in the field of transparency and Open Data, and is **recognised as a Local Government Transparency Champion by the Cabinet Office**. The Open Barnet portal has reduced process and demand in responding to Freedom of Information (FOI) requests; 13% of all requests have been answered using published data in 2016/17 so far, and publication of data has led to a 50% reduction in requests regarding Business Rates, from a peak at the beginning of 2015 to the end of Q3 2016/17.

CPI: Customer service and transparency ⁵	Green	Green Amber	Red Amber	Red	Improved/Same	Worsened
	60% (3)	20% (1)	20% (1)	0% (0)	71% (5)	29% (2)

Corporate risks register (strategic risks and escalated risks)

- 1.6 The corporate risk register (Appendix J) incorporates strategic risks and escalated risks (scoring above 15) from services. The residual scores, reflecting the controls and mitigations in place, for strategic risks are provided below.

Strategic Risks (SR)	Low	Moderate	Medium High	High
	0 (0%)	0 (0%)	12 (75%)	4 (25%)

11 risks have been escalated from the service risk registers this quarter. A summary of service risk residual scores can be found in **Appendix B**.

The strategic and service risk registers are live documents with new risks emerging and risk scores changing at any time. The risks set out in the corporate risk register provide a snapshot in time (as at end Q3 2016/17).

Budget position – revenue, capital and savings

- 1.7 The forecast General Fund **revenue outturn** (after reserve movements) is £282.684m, which is an adverse variance of £7.706m (2.8 per cent) compared with the revised budget of £274.978m. See table 2 below.

Table 2: Revenue outturn (Q3 2016/17)

Service	Original Budget £000	Revised Budget £000	Q3 Projected Outturn £000	Variance from Revised Budget Adv/(fav) £000	Variance from Revised Budget Adv/(fav) %

⁵ Seven indicators are reported in Q3 2016/17 under Improving customer services. Five have been given a RAG rating and seven have been given a Direction of Travel (DOT) status

Service	Original Budget £000	Revised Budget £000	Q3 Projected Outturn £000	Variance from Revised Budget Adv/(fav) £000	Variance from Revised Budget Adv/(fav) %
Adults and Communities	85,566	88,968	95,022	6,054	6.8
Assurance	3,793	3,854	3,854	-	0.0
Births, Deaths & Marriages (Registrar Service)	(160)	(160)	18	178	111.3
Central Expenses	51,381	43,654	43,157	(497)	(1.1)
Commissioning Group	19,288	20,186	20,186	-	0.0
Customer and Support Group (CSG)	22,120	22,090	22,590	500	2.3
Education and Skills	6,940	7,082	7,157	75	1.1
Family Services	46,481	51,044	52,032	988	1.9
HB Public Law	2,011	2,011	2,068	57	2.8
Housing Needs and Resources (Barnet Homes)	4,976	5,560	5,738	178	3.2
Parking and Infrastructure	(1,933)	(1,947)	(2,003)	(56)	(2.9)
Public Health	18,544	18,055	18,055	-	0.0
Regional Enterprise (Re)	1,134	1,134	1,424	290	25.6
Street Scene	13,896	13,447	13,386	(61)	(0.5)
Total	274,037	274,978	282,684	7,706	2.8

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 £6.054m within **Adults and Communities** represents 6.8 per cent of the total Delivery Budget (£88.968m).

The care budgets within Adults have seen significant overspends since 2014/15 as a result of rising demand for services and increasing complexity in relation to those supported. The main pressure for learning disabilities also continues to be in relation to clients' complex needs increasing and individuals transitioning from children's services into adult services. There are further pressures on the learning and disabilities budget resulting from Ordinary Resident clients transitioning into Barnet.

The care budgets for older adult and dementia placements have seen significant overspends since 2014/15 as a result of rising demand for services and increasing complexity in relation to those supported. In 2016/17, demand continues to grow for older adults placements with a particular growth in clients with dementia requiring complex packages of care.

The Deprivation of Liberty Safeguards (DOLS) service continues to have significant pressures in 2016/17, as a result of 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 £988m within **Family Services** represents 1.9 per cent of the total Delivery Unit budget (£51.044m). This is primarily due to an increase on 0-25 in relation to the increase in the cost of current placements, costs transferred from Children Looked After or Special Educational Needs and young people moving out of home into supported living as they become more independent. There is also 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 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 (£22.090m). The projected overspend is due to additional security costs and reduced income.

1.8 The projected outturn expenditure on the council's **capital programme** is £175.800m, £136.582m of which relates to the General Fund programme and £39.218m to the HRA capital programme. This is a variance of £84.760m against the 2016/17 revised budget of £260.560m. Table 3 below summarises the actual expenditure, budget and variance by service area.

Table 3: Capital outturn (Q3 2016/17)

Service	2016/17 Budget £000	Additions/ (Deletions) £000	(Slippage)/ Accelerated Spend £000	Projected Outturn £000	Variance from Approved Budget Adv/(Fav) £000	Slippage %
Adults and Communities	1,039	341	-	1,380	341	0.0
Commissioning Group	33,237	(341)	(16,076)	16,820	(16,417)	(48.4)
Education and Skills	71,389	-	(31,376)	40,013	(31,376)	(44.0)
Family Services	9,662	-	(4,139)	5,523	(4,139)	(42.8)
Housing Needs & Resources (Barnet Homes)	13,983	(5,056)	(57)	8,870	(5,113)	(0.4)
Parking and Infrastructure	1,457	-	(261)	1,196	(261)	(17.9)
Regional Enterprise (Re)	87,467	(1,152)	(25,442)	60,873	(26,594)	(29.1)
Street Scene	2,536	-	(629)	1,907	(629)	(24.8)
General Fund	220,770	(6,208)	(77,980)	136,582	(84,188)	(35.3)
HRA (Barnet Homes)	39,790	313	(885)	39,218	(572)	(2.2)
Total Capital Programme	260,560	(5,895)	(78,865)	175,800	(84,760)	(30.3)

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 programme⁶.

The principal variances from budget and reasons for these are as follows:

⁶ 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 **Adults and Communities** capital programme shows a variance from budget of £0.341m. This is due to a transfer from the IT Strategy budget in Commissioning.
- The **Commissioning Group** forecast includes the IT Strategy budget transfer to Adults (£0.341m), slippage in relation to the Depot relocation (£8.000m), community centre build (£2.000m) where the procurement phase has taken longer than expected and the Sports and Physical Activity project where a longer design phase than planned has delayed the start of the build from the original January date. (£5.717m).
- The **Education and Skills** forecast includes slippage of £31.376m, mainly as a result of school build and expansion funding being re-profiled into future years.
- The **Family Services** capital programme is forecasting slippage of £4.139m. This is largely due to slippage on the implementation of the Library Strategy where work has started but is anticipated to continue into 2017/18. Residential and Fostering expansions will not take place in this financial year.
- The **Housing Needs and Resources** programme has decreased by £5.056m. This is in relation to the development pipeline which, in the proposed current budget being submitted to Policy and Resources in February, will form part of a consolidated budget for support to Open Door.
- The **Re** delivery unit capital programme has decreased by £26.594m. This is due to deletions of £1.152m where various small projects are no longer going ahead and slippage of £25.442m. The slippage is largely due to Brent Cross land acquisitions now not taking place in 2016/17 (£14.351m) and delays to the schedule for the investment in roads and pavements and carriageways resulting in the re-profiling of the budget (£8.932m).
- The **HRA** forecast shows an addition of £0.313m for the New Affordable Homes project where section 278 costs are higher than expected and slippage of £0.885m. The slippage relates to Moreton Close where delays in the appointment of a contractor have extended this project further into 2017/18.

1.9 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 4. As at 31 December, £17.877m of total savings has been delivered, which represents 91.4% of the target, with 2.2% identified as unachievable.

Table 4: Savings (Q3 2016/17)

Service	2016/17 MTFS Savings Target £000	Savings Achieved £000	Savings Expected to be Achieved £000	Savings Unachievable £000	Savings achieved %
Adults and Communities	3,383	3,383	-	-	100.0
Assurance	351	304	-	47	86.6
Central Expenses	6,995	6,665	130	200	95.3
Commissioning Group	2,411	2,211	200	-	91.7
Education and Skills*	85	85	-	-	100.0
Family Services	1,986	1,036	826	124	52.2
Parking and Infrastructure	1,130	1,030	100	-	91.2

Service	2016/17 MTFS Savings Target £000	Savings Achieved £000	Savings Expected to be Achieved £000	Savings Unachievable £000	Savings achieved %
Re	2,253	2,253	-	-	100.0
Street Scene	960	910	-	50	94.8
Total	19,554	17,877	1,256	421	91.4

*The contract with Cambridge Education will deliver guaranteed savings of £1,885m over the seven year period from 1 April 2016. £900,000 of this saving falls in 2016/17, £815,000 of which was for savings deferred from 2015/16 due the procurement process for the new delivery model for Education and Skills. The Cambridge Education contract actualises those savings and makes a further MTFS saving for the council of £85,000 in 2016/17.

Residents' perception, customer experience and human resources

Residents' perception

- 1.10 The results of the autumn 2016 residents' perception survey⁷ show that:
- 85% of residents are satisfied with Barnet as a place to live – 2% points higher than the national average (83%); and down 3% points from autumn 2015 (88%)
 - 71% of residents are satisfied with the way the council runs things – 3% points higher than the national average (68%); 1% point higher than the London average (70%); and down 3% points from autumn 2015 (74%)
 - 51% of residents agree that the council provides value for money – 2% points higher than the national average (49%); and down 1% point from autumn 2015 (52%)
 - The top three concerns for residents continue to be the lack of affordable housing (34%) – down 2% points from autumn 2015 (36%); the condition of roads and pavements (30%) – up 1% point from autumn 2015 (29%); and crime (30%) – down 2% points from autumn 2015 (32%)
 - The highest rated universal services are refuse collection (76%) – 7% points higher than the London average (69%) and down 4% points from autumn 2015 (80%); doorstep recycling (74%) - 8% points higher than the London average (66%) and down 1% point from autumn 2015 (75%); and street lighting (69%) - 2% points lower than the London average (71%) and down 2% points from autumn 2015 (71%).
 - The lowest rated universal services are: repair of roads (33%) – 8% points lower than London (41%) and down 2% points from autumn 2015 (35%); parking services (24%) - 9% points lower than London (33%) and down 6% points from autumn 2015 (30%); and quality of pavements (34%) – 7% points lower than London (41%) and down 1% point from autumn 2015 (35%).

⁷ A representative sample of 500 residents (adults, 18+) from across the London Borough of Barnet. Confidence intervals for a sample of 500 = +/-4.4% (i.e. if we surveyed the whole population we can be confident that the results would be the same +/-4.4%). London data taken from Survey of Londoners 2014/15 (November 2014) - a representative random sample of approximately 1,000 adults in London. National data taken from LGA public poll on resident satisfaction (October 2016) – a representative random sample of approximately 1,000 British adults polled by telephone once a quarter.

Customer experience

- 1.11 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.

There has been as steady improvement in customer experience during the year, with the majority of targets being achieved in Q3 2016/17 (see table 5). Overall satisfaction with customer services has remained well above the annual target (80%) at 89%; and web satisfaction has increased by 6% points in the last quarter to 52%, above target (48%). Barnet has consistently been in the Top 3 nationally for face-to-face customer satisfaction and entered the Top 10 for customers rating the website as 'Good' for the first time this quarter.

Table 5: Customer experience indicators (Q3 2016/17)

Indicators	Q3 2016/17 Target	Q2 2016/17	Q3 2016/17	DoT
% Complaints responded to within SLA	90%	91%	93%	↑
% Members Enquiries responded to within SLA (5 days) ⁸	98%	100%	99%	↓
% Members Enquiries cases closed in 5 days	-	84%	79%	↓
% of cases delivered within SLA ^{2,9}	92%	84%	85%	↑
% of cases delivered within SLA for customers needing additional support ²	92%	92%	98%	↑
Case Closure Survey (sum of 'Very good' and 'Good' ratings)	65%	61%	63%	↑
% FOIs resolved within SLA	90%	95%	98%	↑
% Contact centre calls answered in total, including IVR	95%	95%	97%	↑
% Council desk phones answered in total	95%	80%	79%	↓
% CSG Emails responded to within SLA (5 days) ²	95%	97%	96%	↓
% CSG Webforms responded to within SLA (5 days) ²	95%	97%	97%	→
Non-appointment average wait (min)	5.00	5.77	3.56	↑
Appointment avg wait (min)	5.00	0.60	2.21	↓
% Customers that rate customer service as 'Good' (GovMetric) ²	87%	90%	89%	↓
% Customers that rate the website as 'Good' (GovMetric) ²	48%	46%	52%	↑
% Self-service contacts	40%	43%	44%	↑
% Right first time contacts	70%	73%	74%	↑

⁸ Changes to targets have been agreed with CSG and intend to become more challenging as the year progresses.

⁹ Data primarily covers Parking, Assisted Travel, Highways and Planning, and Revenues and Benefits.

Successes (improvements):

- **Complaints responded to within SLA have increased by 2% points to 93%.** New recording procedures have been put in place to ensure that 'complaints' and 'service requests' are reported accurately. There has been a **50% reduction in complaints referred to the Ombudsman** in Q3 2016/17.
- The **number of members enquiries has marginally increased** in Q3 2016/17 to 1,383 and 99% were responded within SLA, achieving above target of 98%.
- **Cases closed within SLA timeframes has increased by 1% point to 85%** (from 85% in Q2 2016/17). The inclusion of Revenues and Benefits data (accounting for 67% of all cases) had a significant impact on the overall rating. Whilst Revenues and Benefits improved slightly from Q2 2016/17, performance is still below target. When Revenues and Benefits data is removed, 90% of cases are delivered within SLA. The number of customers who needed additional support cases delivered within SLA, increased significantly to 98% (versus 92% in Q2).
- The CSG contact centre answered 97% of all calls received and **handled 82% of calls within 60 seconds**, an increase of 11% points (from 71% in Q2 2016/17) and achieved above target. This has been attributed to all new advisors being fully operational from October and November.
- CSG has **responded to 96% of all emails and 97% of webforms within SLA timeframes**, remaining well above the 90% target.
- The average waiting time for appointments (2.21 minutes) and non-appointments (3.56 minutes) has remained **significantly under the 5 minutes target**.
- **Satisfaction with customer services has remained above target at 89%.**
- Web satisfaction has increased by 6% points to **52%, achieving above target (48%)**. This has been achieved by greater cross-council collaboration with particular emphasis being placed upon improving the quality of the website content and webforms. Barnet entered the GovMetric top ten of UK councils for customers rating the website as 'Good' for the first time this quarter.
- Both new measures, **self-serve contacts** (44%) and **right first time contacts** (74%), introduced in Q2 2016/17 to support the customer access strategy, have achieved above target and show an improvement from Q2 2016/17.

Challenges (areas for improvement):

- **Members enquiries closed within five days has fallen 5% points to 79%** (from 84% in Q2 2016/17).
- **79% of council desk phone calls have been answered.** This remains below the 95% target. A number of issues have been identified and are being addressed as part of a performance improvement programme. Changes as a result of the programme findings will be implemented incrementally from Q4 2016/17 and improvement is expected.
- The **number of CSG webforms submitted fell by a third** from 2,016 in Q2 2016/17 to 1,460 in Q3 2016/17; whilst non-CSG webforms fell from

16,354 in Q2 2016/17 to 15,546 in Q3 2016/17. Service levels remain high with **97% of CSG webforms responded to within SLA.**

Human Resources

- 1.12 Sickness absence has reduced to 7.88 days in Q3 2016/17 (from 8.23 days in Q2 2016/17), but remains higher than the 6 days target. Sickness absence is particularly high in Adults and Communities at 9.55 days and Street Scene at 8.72 days.

Table 6: Sickness absence (Q3 2016/17)

	Average days lost per FTE (rolling 12 months)
Adults and Communities	9.55
Commissioning Group (incl. CE)	3.79
Family Services	7.63
Street Scene	8.72
Overall	7.88

Source: HR Dashboard (average over rolling 12 months)

Table 7: Staffing (Q3 2016/17)

	Headcount*
Adults and Communities	272
Commissioning Group	177
Family Services	566
Street Scene	476
Overall	1,491

**Excludes vacancies*

Source: HR Establishment Pack (average over 3 months)

- 1.13 There have been 458 agency staff working across the council on average each month during Q3 2016/17, with the highest numbers in Street Scene (176) and Family Services (156).

Table 8: Agency (Q3 2016/17)

	No. of agency staff
Adults and Communities	80
Commissioning Group	45
Family Services	156
Street Scene	176
Overall	458

Source: HR Establishment Pack (average over 3 months)

Agency expenditure has increased by £1.025m from the same period last year. The use of agency is consistent with the council's strategic approach to ensure business critical functions continue to operate and perform while going through significant change. This strategic approach reflects the council's

desire to reduce redundancies from the workforce. However, the council intends to reduce the current levels by developing and implementing tailored plans for each delivery unit to reduce the overall usage of and expenditure on agency staff. The most significant areas of agency spend are in Adults and Communities, Family Services and the Commissioning Group. See table 9 below.

Table 9: Expenditure on agency staff (Q3 2016/17)

Service	Q3 2016/17 £000	Q3 2015/16 £000
Adults and Communities	2,941	3,364
Assurance	31	147
Family Services	5,749	4,251
Children's Service DSG	8	347
Commissioning Group	3,512	2,606
HRA	36	16
Parking & Infrastructure	113	39
Street Scene	1,801	2,396
Total	14,191	13,166

SERVICE PERFORMANCE

- 1.14 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. 315 indicators are reported in Q3 2016/17. 244 have been given a RAG rating and 223 indicators have been given a Direction of Travel (DOT) status.

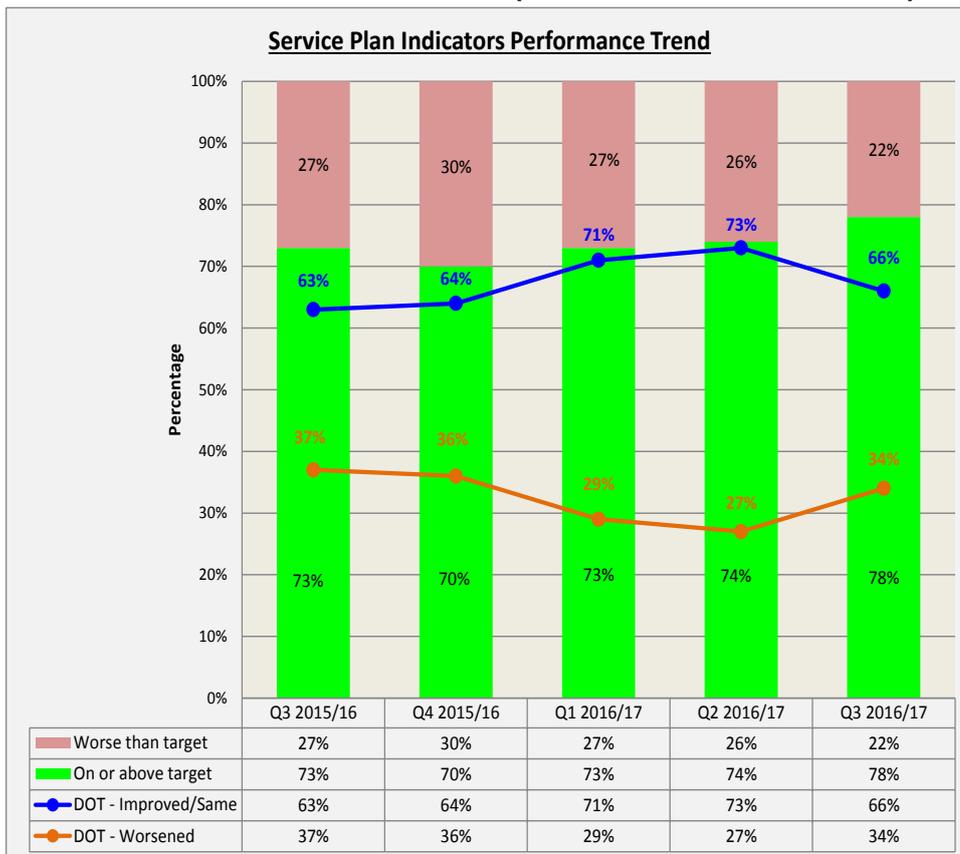
Table 10: Service indicators (Q3 2016/17)

Service	Green	Green Amber	Red Amber	Red	Improved/ Same	Worsened
Adults and Communities	50% (9)	22% (4)	6% (1)	22% (4)	75% (9)	25% (3)
Barnet Homes	81% (13)	13% (2)	0% (0)	6% (1)	69% (11)	31% (5)
Commissioning Group	71% (17)	25% (6)	4% (1)	0% (0)	54% (13)	46% (11)
Customer and Support Group (CSG)	100% (21)	0% (0)	0% (0)	0% (0)	89% (16)	11% (2)
Education and Skills	75% (9)	17% (2)	0% (0)	8% (1)	77% (10)	23% (3)
Family Services	71% (15)	19% (4)	5% (1)	5% (1)	82% (9)	18% (2)
HB Public Law	92% (11)	0% (0)	0% (0)	8% (1)	50% (6)	50% (6)
Mortuaries	0% (0)	0% (0)	0% (0)	0% (0)	0% (0)	0% (0)
Parking and Infrastructure	71% (5)	14% (1)	0% (0)	14% (1)	29% (2)	71% (5)
Public Health	86% (18)	0% (0)	0% (0)	14% (3)	61% (11)	39% (7)
Regional Enterprise (Re)	87% (45)	0% (0)	4% (2)	10% (5)	65% (31)	35% (17)
Registrar Service	67% (6)	11% (1)	0% (0)	22% (2)	33% (3)	67% (6)
Street Scene	55% (6)	36% (4)	9% (1)	0% (0)	70% (7)	30% (3)

Service	Green	Green Amber	Red Amber	Red	Improved/Same	Worsened
Your Choice Barnet (YCB)	80% (16)	10% (2)	0% (0)	10% (2)	76% (19)	24% (6)
Total	78% (191)	11% (26)	2% (6)	9% (21)	66% (147)	34% (76)

The percentage of service indicators “on or above target” (78%) has increased from Q2 2016/17 (74%), whilst the percentage of service indicators with an “improved or same” DOT (66%) has decreased from Q2 2016/17 (73%) - see chart 2 below.

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



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 programme

1.15 The council’s Transformation Programme consists of 88 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, cost and quality.

- For **The Way We Work Programme**, a ground breaking ceremony took place at the new council office location on 5 December 2016, the ground

and first floor internal office layouts have been drafted and approved. A review has taken place into what can be done to assist staff in travelling to and from the Colindale offices and travelling for business purposes, informed by focus groups, a staff survey and best practice research.

- **Unified Reward** has been implemented for council staff to ensure a better overall package across the organisation and the first Unified Reward pay run to c.1,460 council staff was made with a zero error rate.
- The Investing in IT project within the **Adults and Health Portfolio** has moved from red to amber and considerable progress was made during December 2016. A clear plan to deliver training is being developed and system testing is nearing its start.
- The **Libraries Strategy** is in implementation phase with a number of key activities delivered; preferred Partnership Organisations have been selected and announced; Kisharon in partnership with Mencap is set to operate Childs Hill Library; Inclusion Barnet is to operate East Barnet and South Friern Libraries; and Mill Hill Library will be operated by NW7 Hub.
- A number of key milestones have been met in the **Environment Portfolio** this quarter particularly in relation to Depot Moves; Passenger Transport Services and Barnet Community Transport Service have been successfully relocated to North London Business Park, and part of the Highways (winter gritting and DLO) Service has been successfully relocated to Harrow.
- A number of completions have been delivered as part of the **Growth and Development Portfolio**; in Regeneration, 210 homes have been completed at Millbrook Park and the handover of St Peter's Church and vicarage has taken place on Stonegrove, concluding the very final parcel of land transfer on this scheme. Re have exceeded their annual target for apprentices employed on regeneration activities, with 45 apprentices that started on site in December 2016.
- Progress continues to be made across a number of projects and overall the **Education Capital Programme** is on target to achieve pupil places when required. Works are underway to expand Monkfrith primary and St Mary's and St Johns all-through school.

More information can be found in Appendix B.

Other Finance

General Fund Balance

- 1.16 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 Balance brought forward 31 March 2016	(12,543)
Budgeted use of balance	-
Forecast outturn variation	7,706
Projected General Fund Balance 31 March 2017	(4,837)¹⁰

The recommended limit for the council's General Fund balance is £15m and therefore the final revenue outturn results in the balance being £10.163m below this recommended limit. However, funding of approximately £5m will be transferred to the General Fund balance from reserves, including the risk reserve which was primarily held to mitigate the impact of not recovering the principal invested in Icelandic banks, as that money has been recovered. The council's Medium Term Financial Strategy must ensure that the General Fund balance is replenished as necessary throughout the year as a reduced balance would not be sustainable given the risks the council faces over the short to long term.

Housing Revenue Account

- 1.17 The Housing Revenue Account (HRA) has a budgeted contribution to reserves of £1.246m. The projected outturn is a surplus of £1.131m, largely due to increased rental and service charge income from the building of 40 new units, and a slower than expected removal of units through the regeneration programme.

Table 12: Housing Revenue Account outturn (Q3 2016/17)

	Original Budget £000	Revised Budget £000	Q3 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)	(2,377)	(1,131)	90.8
Budgeted contribution to reserves	1,246	1,246	1,246	-	-
Housing Revenue Account projected surplus after transfer to reserves	-	-	(1,131)	(1,131)	N/A

The HRA projected balance as at 31 March 2017 is £11.196m, as shown in table 13 below

¹⁰ This is prior to the expected transfer from the risk and other reserves, which will take the balance to £10m.

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	(1,131)
Projected Housing Revenue Account Balance 31 March 2017	(11,196)

Dedicated Schools Grant

- 1.18 The Dedicated Schools Grant (DSG) has a budgeted use of £1.589m of balances in 2016/17. The projected outturn is a zero variance from budget.

The DSG projected balance as at 31 March 2017 is £3.430m.

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

Table 14: Dedicated Schools Grant balance

	£000
DSG Balance brought forward 1 April 2016	(5,019)
Budgeted use of balance	1,589
Projected in year surplus	-
Projected DSG Balance 31 March 2017	(3,430)

Provisions

- 1.19 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 is required to make provision for appeals that may be received from business ratepayers against their business rates charges. As at 1 April 2016 the council held provisions of £14.255m and forecasts to have a balance of £14.577m as at 31 March 2017.

Table 15: Provisions

	Provisions b/fwd 1 April 2016 £000	New Provisions Raised £000	Drawdown £000	Provisions Balance 31 December 2016 £000	Projected: In Year Draw Down £000	Projected: Year End Balance 31 March 2017 £000
Adults	699	434	(23)	1,110	-	1,110
Corporate (insurance provision)	8,850	-	-	8,850	-	8,850
Regional Enterprise (Re)	95	-	(45)	50	-	50
Commercial	117	-	-	117	-	117
Children's	54	-	-	54	(44)	10
Central (Business Rates Appeals)	4,440	-	-	4,440	-	4,440
Total	14,255	434	(68)	14,621	(44)	14,577

Reserves

- 1.20 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 £78.726m as at 31 March 2017.

Table 16: Reserves

Description	Reserves b/fwd 01 April 2016	Drawdown	In-year Increases	Reserves C/fwd 31 December 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	-	(435)	2,756
Central - Community Infrastructure Levy	16,068	-	3,011	19,079	-	(5,650)	13,429
Central - Infrastructure	19,622	-	-	19,622	-	(9,490)	10,132
Central - Risk	9,099	-	-	9,099	-	(600)	8,499
Central - Service Development	10,582	(378)	-	10,203	1,820	(7,518)	4,505
Central - Transformation	12,653	-	-	12,653	-	(5,945)	6,708
Service - Other Central expenses	9,719	(600)	-	9,119	-	(3,500)	5,619
Service - Other Education & Skills	430	-	-	430	-	-	430
Service - Other Commissioning	8,234	(335)	-	7,899	-	-	7,899
Service - Other	3,101	(127)	-	2,974	400	(2,360)	1,014
Sub Total General Fund Earmarked Reserves	92,699	(1,440)	3,011	94,270	2,220	(35,498)	60,992
Service - DSG	5,269	-	-	5,269	-	-	5,269
Service - Housing Benefits	5,875	-	-	5,875	-	-	5,875
Service - NLSR	642	(47)	-	595	-	-	595
Service - PFI	4,265	-	-	4,265	-	-	4,265
Service - Public Health	1,336	-	-	1,336	-	(100)	1,236
Special Parking Account (SPA)	1,914	-	-	1,914	-	(1,420)	494
Sub-total Ring-fenced Reserves	19,301	(47)	-	19,254	-	(1,520)	17,734
Total Earmarked Reserves	112,000	(1,487)	3,011	113,524	2,220	(37,018)	78,726

Funding of Capital Programme

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

	Grants	S106 / Other Contributions	Capital Receipts	Revenue/ MRA	Borrowing	Capital Reserves	Total
	£000	£000	£000	£000	£000	£000	£000
Adults and Communities	-	-	341	-	-	-	341
Commissioning Group	-	-	(8,516)	(91)	(6,004)	(1,806)	(16,417)
Education and Skills	(9,105)	(3,768)	(2,165)	-	(16,338)	-	(31,376)
Family Services	-	-	81	-	(4,220)	-	(4,139)
Housing Needs Resources	-	-	(57)	-	(5,056)	-	(5,113)
Parking and Infrastructure	-	-	-	(11)	(100)	(150)	(261)
Regional Enterprise	(641)	(1,791)	60	(6)	(9,660)	(14,557)	(26,594)
Street Scene	-	-	-	(437)	(192)	-	(629)
General Fund Programme	(9,746)	(5,559)	(10,256)	(545)	(41,570)	(16,513)	(84,188)
HRA	-	-	(702)	130	-	-	(572)
Total Capital Programme	(9,746)	(5,559)	(10,958)	(415)	(41,570)	(16,513)	(84,760)

Treasury outturn

- 1.21 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 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 31 December 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

- 1.22 Investment deposits are managed internally. As at 31 December 2016, deposits outstanding were £107.0 million, achieving an average annual rate of return of 0.46 per cent against a benchmark average (London Interbank Bid Rate - LIBID) of 0.41 per cent. The list of deposits outstanding as at 31 December 2016 is attached as Appendix G and summarised in table 18 below.

Table 18: Investments as at 31 December 2016

Summary of Investments as at 31 December 2016	£'000
Local Authorities	5,000
Money Market Funds	22,800
UK Banks and Building Societies	79,192
Non UK Banks and UK Building Societies	-
TOTAL	106,992

The benchmark, the average 7-day LIBID rate, is provided by the authority's treasury advisors Capita Asset Services. 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

- 1.23 The total value of long term loans as at 31 December 2016 was £304.08m. There has been no external borrowing in the financial year to date. The average rate for total borrowing for the quarter ending 31 December 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;; Commissioning Group; Customer and Support Group; Education and Skills 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
Phase 4: Strategic Plan to 2020 Consultation	December 2014 – March 2015	A series of 6 workshops with a cross 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)

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.

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>