

	<h2>Financial Performance and Contracts Committee</h2> <h3>2 July 2018</h3>
Title	<h2>End of Year 2017/18 Contracts Performance Report</h2>
Report of	Commercial Director and Director of Finance
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Summary

The report provides an **annual overview** of performance for key strategic contracts - The Barnet Group (TBG), Cambridge Education, Customer and Support Group (CSG) and Regional Enterprise (Re) at the **End of Year (EOY) 2017/18**. This includes budget outturns for revenue and capital, updates on service areas, key performance indicators (KPIs) that failed to meet target, high level joint risks, contract variations and special projects (for CSG and Re).

Officers Recommendations

1. The Committee is asked to scrutinise the annual performance of the council's key strategic contracts and note any recommendations to Policy & Resources or Theme Committees on issues arising from the scrutiny of external providers and financial performance.

1 WHY THIS REPORT IS NEEDED

- 1.1 This report provides an **annual overview** of performance for **key strategic contracts** - The Barnet Group (TBG), Cambridge Education, Customer and Support Group (CSG) and Regional Enterprise (Re) at the **End of Year (EOY) 2017/18**. It focuses on relevant information to demonstrate compliance and value for money. The report is in addition to information provided in the EOY 2017/18 Performance Monitoring Report to Policy and Resources Committee, which can be found online at <http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=692&MId=9458&Ver=4>; and in the EOY 2017/18 Commissioning Plan Performance Reports to each of the Theme Committees, which can also be found online at <http://barnet.moderngov.co.uk/mgListCommittees.aspx?bcr=1>.

THE BARNET GROUP

- 1.2 The Barnet Group (TBG) is a Local Authority Trading Company (LATC) created in 2012 and has three subsidiary organisations:
- Barnet Homes is an Arms' Length Management Organisation, which manages the council's housing stock and is responsible for the maintenance of residential stock; housing management; and homelessness assessments and procurement of property. It has a subsidiary organisation, TBG Open Door, which is a registered provider with the Homes and Communities Agency
 - Your Choice Barnet (YCB) is another LATC, which delivers specialist care and support services to adults with a range of physical and learning disabilities
 - TBG Flex is a company for the recruitment and employment of staff.

A progress update on Barnet Homes, TBG Open Door and YCB has been provided below¹.

Service	Update on service area
Barnet Homes	<p>In relation to Fire Safety, the delivery of the programme approved by Housing Committee in October 2017 is underway, with good progress being made. The total value of works to be delivered is £17.5m and will be completed by September 2019. A replacement cladding system for the three tower blocks at Granville Road has been selected and design works for this undertaken.</p> <p>In relation to Tackling Homelessness, the Ministry of Housing, Communities and Local Government (MHCLG) visited in January 2018 to evaluate readiness for the Homelessness Reduction Act and concluded that Barnet Homes was well-prepared for implementation from 3rd April 2018.</p> <p>Mitigations focusing on early intervention, prevention, family mediation and reduction in the use of temporary accommodation (TA) continued to deliver positive results.</p>

¹ There is no update on TBG Flex. As an internal employment company, it does not have any performance or activity measures.

Service	Update on service area
	Preparatory work for implementation of Universal Credit from May 2018 has progressed, ensuring the continued effectiveness of services in response to the changes.
TBG Open Door	Whilst the overall programme continued to develop well, physical starts on site were delayed. Planning consent for the larger schemes in the programme took longer than expected and land transfers made slow progress, mainly due to issues with title deeds that required time to resolve. Five new starts on site has brought the total homes commenced to 54. Additionally, planning consent has been granted for 83 more homes at The Croft and Prospect Ring. Three quarters of the programme now has planning consent; and all of the schemes should be on site in 2018/19.
Your Choice Barnet	Your Choice Barnet made £200,616 efficiency savings in 2017/18, whilst providing improved outcomes for people supported in employment and community based activities. The Personal Assistants Choices service, providing support to people who are in receipt of Direct Payments; and the Enablement Service, providing support to people for up to six weeks to help them safely regain independent living skills, continued to grow.

1.3 Corporate Plan and Commissioning Plan indicators and any high level joint risks with TBG have been reported to Housing Committee. Four Commissioning Plan indicators have not met the EOY target:

- BH/S1 Numbers in Emergency Temporary Accommodation
- BH/S4 Current arrears as a percentage of debit
- BH/C5 Temporary Accommodation (TA) current arrears as percentage of debit
- BH/C11 Percentage of scheduled fire risk assessments completed in period.

	Green	Green Amber	Red Amber	Red	Improved/Same	Worsened	Monitor only	No. indicators
The Barnet Group ²	71% (12)	6% (1)	0% (0)	23% (4)	50% (8)	50% (8)	3	20

1.4 TBG also reports on a number of operational contract indicators (KPIs). One contract indicator has not met the EOY target.

- **BH/KPI 10 Total number of new build starts on site (RAG rated as RED)** – 97 against EOY target of 211. Starts on site remain significantly behind the original programme, primarily due to delays in achieving planning consents on the larger sites. During the quarter, there were five new starts on site bringing the total homes commenced to 54. Additionally, planning consent was granted for 83 more homes

² Includes indicators in the Corporate Plan and Housing Commissioning Plan reported in Part B.

at The Croft and Prospect Ring. The majority of the programme now has planning consent; and all of the schemes should be on site in 2018/19.

Contract Indicators (not met target)

Ref		Indicator	Polarity	Period Covered	2017/18 EOY Target	2017/18 EOY Result	2016/17 EOY Result	DOT Long Term (From EOY 2016/17)	Benchmarking
KPI	BH/KPI 10	Total number of new build starts on site	Bigger is Better	Apr 2017 - Mar 2018	211	97 (R)	New for 2017/18	New for 2017/18	No benchmark data

CAMBRIDGE EDUCATION

1.5 In April 2016, Barnet entered into a new seven year strategic partnership with Cambridge Education to provide the council's education services. The partnership was established in consultation with Barnet schools to maintain Barnet's excellent education offer; the council's relationship with Barnet schools; and achieve the budget savings target for the service up to 2020. A progress update on each service area has been provided below.

Service	Update on service area
School improvement	Results for the national examinations and assessments that took place across the early years, primary and secondary phases in the summer 2017 were published last quarter. Barnet's secondary schools continued to perform well and there were improvements across early years and primary schools. Barnet performed in the top quartile of local authorities for most indicators and in the top 10 per cent on several indicators. Areas noted for improvement include Key Stage 2 English Writing and the achievement of disadvantaged pupils (eligible for free school meals and looked after children) and pupils with an Education, Health and Care Plan.
Admissions and school places	All children who applied on time for a school place in September 2018 received an offer of a Reception or Year 7 place.
Special Educational Needs (SEN) and Disabilities	100 per cent of SEN statements were transferred to Education, Health and Care Plans (EHCPs) by the DfE's deadline of 31 March 2018. 100 per cent of new assessments were completed within the target timescale of 20 weeks (excluding exceptions, which relate to assessments that span the summer holiday period when schools are closed). Quality audits of new EHCPs have been carried out; and plans for new additional resourced provision in mainstream schools are on track.

1.6 Corporate Plan and Commissioning Plan indicators and any high level joint risks with Cambridge Education have been reported to the Children, Education and Safeguarding Committee. Most EOY targets relating to school and pupil performance have been met, with the exception of one Corporate Plan and five Commissioning Plan indicators:

- CES/S24 Percentage of primary pupils achieving the 'expected standard' in English Reading, English Writing and Mathematics (combined) at the end of Key Stage 2
- CES/S9 Primary pupils' average progress in English Writing
- CES/S11-1 Percentage of disadvantaged pupils achieving the 'expected standard' in English Reading, English Writing and Mathematics (combined) at the end of Key Stage 2
- CES/S15 Average Attainment 8 score of looked-after children
- CES/S26 Percentage of pupils with an Education, Health and Care Plan or statement of special educational needs achieving the 'expected standard' in English Reading, English Writing and Mathematics at Key Stage 2

- CES/S27-2 Average Progress 8 score for pupils with pupils with an Education, Health and Care Plan or statement of special educational needs.

	Green	Green Amber	Red Amber	Red	Improved/Same	Worsened	Monitor only	No. indicators
Cambridge Education ³	83% (35)	7% (3)	0% (0)	10% (4)	92% (41)	7% (3)	4	46

1.7 The contract with Cambridge Education also includes 11 operational and 12 strategic contract indicators (KPIs). All EOY targets were met in the first year of the contract (2016/17), with one operational contract indicator not meeting the EOY target in the second year of the contract (2017/18).

- **CES/S44ii Responses to Members' enquiries within 5 working days (RAG rating GREEN AMBER) - 99.1% against EOY target of 100%.** This was the result of one missed enquiry on Special Educational Needs (SEN) where an administrative issue resulted in a delay. Cambridge Education checked their processes to avoid any recurrence.

³ Includes indicators in the Corporate Plan and CES Commissioning Plan reported in Part B.

Contract Indicators (not met target)

Ref		Indicator	Polarity	Period Covered	2017/18 EOY Target	2017/18 EOY Result	2016/17 EOY Result	DOT Long Term (From EOY 2016/17)	Benchmarking
KPI	CES/S44ii	Responses to Members' enquiries within 5 working days	Bigger is Better	Apr 2017 - Mar 2018	100%	99.1% (GA)	95%	▲ Improving	No benchmark data

CUSTOMER AND SUPPORT GROUP (CSG)

- 1.8 The CSG is delivered by Capita and includes the following services: Corporate Programmes, Customer Services, Estates, Finance, Human Resources, Information Systems, Procurement, Revenues and Benefits, and Safety, Health and Wellbeing. A progress update on each service area has been provided below.

Service	Update on service area
Summary	A large proportion of services continued to perform to a satisfactory level. However, there were persistent issues in a number of areas and services did not show sufficient improvement. This particularly related to issues around customer satisfaction, the performance of Pensions and Finance services.
Corporate Programmes	CSG delivers the council's large-scale transformation and capital programmes and projects. Work delivered this year included: continued design stages for primary, secondary and special educational needs school places; supported the management of the Strategic Construction Partnership; started on site for delivery of New Barnet and Copthall Leisure Centres; initiated the project to bring Registrars back in-house; undertook activity to improve customer experience through the Customer Transformation Programme; supported the transition from a joint public health service with Harrow to a stand-alone service for Barnet; supported the delivery of cloud-based office applications; delivered a new resident portal for access to council services online; initiated the Digital Inclusion Project; supported the OJEU procurement process to appoint a new Leisure Provider; and concluded the pre-start on site activities for the Tarling Road Community Centre.
Customer Services	<p>See EOY 2017/18 Performance Monitoring Report for Customer Services satisfaction measures.</p> <p>Performance has remained mostly good, with some challenges. Satisfaction with the website fell below target last quarter due to issues with the launch of My Account and inaccurate bin collection dates, which prompted higher negative ratings. It was also identified that earlier GovMetric satisfaction scores has been inflated.</p> <p>Customer satisfaction for other channels remained high, with face-to-face satisfaction consistently achieving 'top 3' in the channel satisfaction index league table.</p> <p>Members' enquiries have consistently achieved target; and Re now has dedicated Member Liaison Officers to support improvements in this area.</p> <p>Channel shift to customer contact via the website continued. Webforms increased by 37 per cent to 17,943 (from 13,113 last year); website visits increased by 12 per cent; and telephony, face-to-face and email volumes all fell. The Social Care Direct overflow to Coventry and the Elections Contact Centre were successfully mobilised.</p>

Service	Update on service area
Estates	<p>Estate Services implemented an Improvement Plan focusing on key areas of concern raised in audit recommendations and case management. A more robust contract management process has been put in place, which has noted some improvement; underpinned by a large transformation programme to ensure the right roles and skills exist to deliver Barnet's current needs.</p> <p>Property Services met the annual asset valuation target within the required timescale. They passed audits on processes regarding rent reviews and fixed asset register. The Oakleigh Road Depot is now fully operational and the annual work plans for Building Services and Property Services was approved.</p> <p>Continued work is still needed to improve case management, communication roles/responsibilities and budget management. It remains a priority for the period going forward.</p> <p>CSG achieved all Estates contract indicators, apart from on user and commissioner satisfaction. The contract indicators are being reviewed for Q1 2018/19 to ensure they are measuring the right things. Electrical contractor performance has fallen, which is expected to be resolved now that the new contractor framework is in place.</p>
Finance	<p>The statutory deadline of 30 September 2017 to approve the Statement of Accounts and Pension Fund accounts was met by Finance. However, the audited Whole of Government Accounts was submitted late on 9 October 2017 due to issues with the Government's portal.</p> <p>A meeting was held with the Pensions Regulator to discuss the non-completion of the 2016 Scheme Return. A rectification plan was put in place to address the Pensions Administration deficiencies, which led to the notice; and a report was presented to the Pension Fund Committee and Local Pension Board. An Improvement Plan to address issues arising from the 2016/17 accounts closure and external audit was reported to Audit Committee in November 2017. The plan was reported to the Section 151 Officer and a progress report provided to the Audit Committee in January 2018. The 'Month 9' accounts, comprising the main statements and key notes, were prepared for the council and Pension Fund and the Comprehensive Income and Expenditure Statement was re-designed. Finance have been working closely with the external auditors on the early completion of audit work to assist in meeting the shorter accounts and audit deadlines. No material issues have arisen from this external audit work.</p> <p>A targeted project to address the outstanding Integra issues commenced in January 2018. This also included a fundamental overview of how the system was implemented, with recommendations for improvement which will commence from May 2018. This will include a review of the hierarchy in line with the review of the scheme of financial delegation being undertaken by the council. Self-service password reset was implemented in February 2018 and notifications issued to all users.</p>

Service	Update on service area
	<p>A review of internal financial controls was undertaken and improvement implemented. Finance contract indicators (KPIs 29 and 30), which measure the quality of budget and savings monitoring were achieved last quarter.</p> <p>User and commissioner satisfaction (measured by the annual survey) were below target, but both improved on last year.</p>
Human Resources (HR)	<p>The Unified Reward project covering schools was implemented in April 2017, covering 5,000 staff. Over 1,000 appeals were received, with only two groups of staff grades changing.</p> <p>The review of Head of Service pay and grading was completed; and Performance Review Pay Awards were paid for the first time.</p> <p>The Agency Transfer project concluded in December 2017, with over 100 staff transitioning onto permanent contracts.</p> <p>The statutory Gender Pay Reporting was agreed by the General Functions Committee in January 2018.</p> <p>HR continued to support the roll-out of TW3 ahead of the move to Colindale, including updating HR policies.</p> <p>The Employee Benefits solution went through its annual renewal cycle with an increased number of employees accessing benefits such as Child Care, Car Leasing, GymFlex and Cycle to Work. However, take-up remains below expectation and work is continuing to promote this scheme.</p> <p>TUPE transfers were completed, including 25 staff moving across from the joint Public Health service with Harrow; 15 staff moving across from Barnet, Enfield and Haringey Mental Health Trust; and 24 staff moving across from TBG (TBG Flex) to Family Services. HR also supported the Street Scene restructure.</p> <p>Implementation of the new recruitment solution (Vacancy Filler) commenced.</p> <p>Pensions administration remains a concern due to current issues with data quality, communications, overall customer satisfaction and continued scrutiny by the regulator. However, progress has started with renewed focus on evidence from the Pensions Service and a more proactive approach to addressing areas of concern raised by the council, the Local Pensions Board and Pensions Committee. All high priority audit recommendations were completed and reported to Audit Committee in April 2018.</p>
Information Systems	<p>Public Services Network (PSN) and Payment Card Industry (PCI) accreditation was achieved up until 2019, ensuring IT systems are maintained to industry standards.</p> <p>Service Now (self-service) was introduced in July 2017. A third of all contacts are now logged directly on the system allowing the service desk</p>

Service	Update on service area
	<p>to concentrate on answering calls in less than 30 seconds.</p> <p>Office 2016 and Skype for Business were installed for approximately 1,400 staff and Skype telephony training rolled-out. A standard build for two new standard laptops using Windows 10 was completed.</p> <p>A series of General Data Protection Regulation (GDPR) workshops and meetings were held with different service areas to ensure compliance and minimise risks. A disaster recovery exercise using SRM (simulation tool) was undertaken. A structured and robust patching regime has continued to protect the IT estate from a global increase in malwares and cyber-attacks.</p>
Procurement	<p>The Annual Procurement Forward Plan 2018 was approved by Policy and Resources Committee in December 2017. To support service areas, Procurement rolled-out enhanced training on maintaining contract registers and developed a forward training programme. Tailored management information packs were provided to services.</p> <p>A gainshare working group was set up to review the application and reporting of procurement gainshare.</p> <p>Streamlined Contract Procedure Rules (CPR's) were approved by the Constitution, Ethics and Probity Committee in March 2018, with operational officer guidance moved to a Procurement Toolkit. Adults and Children's services are currently trialling an online contract management tool, and a review and refresh of contract management guidance is planned during 2018.</p> <p>Key procurement activities have included: soft market testing across a range of areas such as Parking and Family Services to support the future delivery of services; development of the West London Alliance (WLA) Children's and Families Dynamic Purchasing System; supporting development of a Making Services Accessible guide for people with disabilities; tendering for Term Maintenance; and awarding the Day Opportunities contract for adults with mental health and disabilities.</p>
Revenue and Benefits	<p>The Council Tax (in-year) collection rate was 96.02% and the NNDR (in-year) collection rate was 96.89%. 64 per cent of customers paid by Direct Debit (slightly below the 65 per cent target). Annual Billing was conducted without incident.</p> <p>The backlog of business rate property inspections was cleared and action plans have been agreed to address issues raised in the recent Housing Benefit Subsidy Audit.</p> <p>There remains a volume charge for Business Rates and Net Benefit caseload. This is a known pressure that relates to the increased number of small business premises in the borough and the expectation that Universal Credit would have been implemented by now. The Brent Cross development work will add to this pressure by increasing the number of businesses in the area, creating a volume charge for Council Tax properties in the future. This will, however, generate significant additional</p>

Service	Update on service area
	income for the borough.
Safety, Health and Wellbeing (SHaW)	<p>Support, guidance and advice were delivered to staff and monitoring activities were carried out such as audits, inspections and investigations.</p> <p>Awareness campaigns and briefings session were also held to improve the workplace safety culture.</p> <p>New initiatives towards risk profiling and contractor monitoring (contractor management processes and contractor incident notifications) progressed and support was provided to TW3 programme. The move to Oakleigh Depot went well with most issues being dealt with at the time.</p> <p>Staff turnover has affected the quality and timeliness of reports from some services in relation to risk profiling, audits and inspections.</p> <p>SHaW has worked closely with schools towards Premises Compliance, including raising awareness of Legionella and how to manage it. And partner audits have been carried out to ensure partners' health and safety is suitable and sufficient.</p>

Budget outturn

Revenue							
Service	Original Budget £000	Revised Budget £000	Outturn £000	Variance from Revised Budget Adv/(fav) £000	Reserve Move-ments £000	Variance after Reserve Move-ments Adv/(fav) £000	Variance after Reserve Move-ments Adv/(fav) %
CSG and Council Managed Budgets	21,161	21,833	27,285	5,452	(2,635)	2,817	12.9

- 1.9 The overspend for **CSG and Council Managed Budgets** before drawdowns from reserves was £5.452m which represents 25.0% of the total Delivery Unit budget (£21.833m). After reserve drawdowns, this variance was £2.817m which represents 12.9% of the total Delivery Unit budget.

The Estates Managed Budgets have had significant challenges to manage during the year which has resulted in an overall overspend of £2.550m. Additional costs of £0.379m have been incurred as a result of additional security requirements and management of operational, void and/or vulnerable sites. The relocation of Street Scene and Greenspaces services that were historically accommodated at the Mill Hill Depot has also created an adverse budget variance of £0.757m which now needs to be included within the MTFs. The outturn includes an overspend of £0.680m due to the unbudgeted costs of leasing Building 4 at NLBP following an inability to relocate the services contained within when the original lease expired. The Estates service's responsibilities include the management of building compliance of the entire council maintained asset portfolio and the cost of

managing and maintaining void buildings. The budget level has remained unchanged whilst the portfolio of buildings managed by the service has increased from 5 to approximately 95. Operationally, this provides much more assurance that statutory building compliance is being managed appropriately, however has resulted in an overspend of £0.390m. Other miscellaneous variances total an underspend of £0.053m.

There was an overspend in 2017/18 on the CSG management fee of £0.037m, mainly due to approved change requests. Procurement and Collection Fund gainshare payments totalled £2.428m. Procurement savings generate benefit across the council, however the gainshare payments are paid for centrally. This was offset by a rebate from Comensura and administration charges to other services, totalling £2.178m. The net overspend was £0.250m.

Income levels were below the budget due to a shortfall in schools traded income of £0.704m and in print / photocopying recharges of £0.432m. The corporate programmes budget is based on historical levels of recharge and does not reflect the current service delivery arrangement leading to an overspend of £0.467m. These income targets have been identified as structurally unachievable and will be reviewed as part of the MTFs programme during 2018/19.

Performance indicators

1.10 Corporate Plan indicators for CSG have been reported under Central Services in the EOY 2017/18 Performance Monitoring Report. One indicator has not met the EOY target:

- Percentage of residents who report that it is easy to access council services.

	Green	Green Amber	Red Amber	Red	Improved/Same	Worsened	Monitor only	No. indicators
CSG ⁴	54% (21)	8% (3)	0% (0)	38% (15)	69% (27)	31% (12)	1	40

1.11 The contract with CSG also includes a number of operational contract indicators (KPIs). 18 contract indicators have not met the EOY target⁵.

- **CSO KPI 10c Percentage of customers who rate the website as good (RAG rated RED)** – 48.8% against EOY target of 54%. The issues affecting recent performance included technical issues impacting online Council Tax and Benefits forms; problems signing into My Account; missed bins and inaccurate bin collection dates; library users unable to renew books online and problems with accessing the online catalogue.
- **SKPI 36 Compliance with Authority policy (RAG rated GREEN AMBER)** - This indicator failed in Q3 2017/18 (89% against quarterly target of 90%) due to repeated non-compliance with the Freedom of Information Policy. FOIs should be responded

⁴ Includes indicators in the Corporate Plan reported in Part A under Central Services.

⁵ Note this does not represent a contractual fail, as contractual targets are set for the month or quarter not the year.

to within 20 working days and this has not happened on several occasions or been resolved when escalated operationally and commercially.

- **HR17a CSG/C14 Payroll accuracy - payroll error rates (RAG rated RED)** – 0.3% against EOY target of 0.1%. A number of administration errors led to inaccurate payments during the year. This was identified and rectified at the time. Subsequently, additional quality checking has taken place.
- **KPI HR016 Disclosure and Barring Service (DBS) verification audits (RAG rated GREEN AMBER)** - 99.7% against EOY target of 100%. The indicator failed in Q2 2017/18. The HR team had intermittent IT issues that prevented access to DBS applications; and issues with LAN settings – all now resolved.
- **KPI FIN 29 Budget forecasting - % variance to budget (RAG rated RED)** – Fail. This indicator failed in Q2 2017/18 because sufficient and robust financial forecasts and associated assumptions were not provided by the date required. Performance for the rest of the year passed the KPI definitions.
- **KPI FIN 32 External audit complete (RAG rated RED)** – Fail. This performance relates to 2016/17 financial year. The indicator failed due to a delay in issuing the Audit Completion Report from the external auditors. A Service Improvement Plan was developed to address the issues identified in the 2016/17 audit process.
- **Super KPI 35a Resident satisfaction - staff are friendly and polite (RAG rated GREEN AMBER)** – 75% against EOY target of 80%; and **Super KPI 35c Resident satisfaction – staff respond quickly when asked for help (RAG rated RED)** - 45% against EOY target of 55%. These were spring 2017 survey indicators reported in Q1 2017/18. There was a decline in residents' satisfaction with staff from spring 2016 (83% and 52%). This was believed to be due to an increase in residents selecting the “don't know” option rather than a negative response to the questions. Those who felt they were kept informed about what the council was doing or thought it was easy to access council services were more likely to be positive about staff.
- **User satisfaction and commissioner satisfaction indicators (RAG rated RED).** The results of the surveys on internal customer satisfaction with the services provided by Capita – for service users and for commissioners (i.e. those who use the strategic aspects of services) were reported in Q2 2017/18. The contractual target was for satisfaction to be in the upper quartile for councils using a CIPFA benchmark. Satisfaction had broadly increased on the previous year, except for estates and procurement. All areas were below the upper quartile targets and Capita was asked to set out its plans to improve satisfaction to meet these in the coming years. The council remains concerned about progress in improving user satisfaction. The next annual survey to measure satisfaction will take place at the end of June 2018.

Contract Indicators (not met target)									
Ref		Indicator	Polarity	Period Covered	2017/18 EOY Target	2017/18 EOY Result	2016/17 EOY Result	DOT Long Term (From EOY 2016/17)	Benchmarking
KPI	CSO 10c	Percentage of customers who rate the website as good ⁶	Bigger is Better	Apr 2017 - Mar 2018	54%	48.8% (R)	50.1%	▼ Worsening	No benchmark available
KPI	Super KPI 36	Compliance with Authority policy	Bigger is Better	Apr 2017 - Mar 2018	Pass	Failed during year (GA)	Pass	▼ Worsening	No benchmark available
KPI	HR 17a	Payroll accuracy – payroll error rates	Smaller is Better	Apr 2017 - Mar 2018	0.1%	0.3% (R)	0.1%	▼ Worsening	No benchmark data available
KPI	HR 16	Disclosure and Barring Service (DBS) verification audits	Bigger is Better	Apr 2017 - Mar 2018	100%	99.7% (GA)	100%	▼ Worsening	No benchmark available
KPI	FIN 29	Budget forecasting - % variance to budget	Smaller is Better	Apr 2017 - Mar 2018	Pass	Fail (R)	0%	↔ Same	No benchmark available
KPI	FIN 32	External audit complete	N/A	Apr 2017 - Mar 2018	Pass	Fail (R)	Pass	▼ Worsening	No benchmark available

⁶ The CSG contract indicator does not include TBG webpages. Therefore, the result will differ slightly from that reported corporately (CG/S25).

Contract Indicators (not met target)									
Ref		Indicator	Polarity	Period Covered	2017/18 EOY Target	2017/18 EOY Result	2016/17 EOY Result	DOT Long Term (From EOY 2016/17)	Benchmarking
KPI	Super KPI 35a (RPS – Annual)	Resident satisfaction - staff are friendly and polite ⁷	Bigger is Better	Spring 2017	80%	75% (GA)	83% (Spring 2016)	▼ Worsening	No benchmark available
KPI	Super KPI 35c (RPS – Annual)	Resident satisfaction – staff respond quickly when asked for help ⁷⁴	Bigger is Better	Spring 2017	55%	45% (R)	52% (Spring 2016)	▼ Worsening	No benchmark available
KPI	IS 14 (Annual)	User satisfaction - IT	Bigger is Better	Annual – reported in Q2 2017/18	3.79	3.27 (R)	2.38	▲ Improving	No benchmark available
KPI	HR 19 (Annual)	User satisfaction - HR	Bigger is Better	Annual – reported in Q2 2017/18	4	2.82 (R)	2.69	▲ Improving	No benchmark available
KPI	PR 23 (Annual)	User satisfaction - Procurement	Bigger is Better	Annual – reported in Q2 2017/18	3.28	2.47 (R)	2.85	▼ Worsening	No benchmark available
KPI	ES 27 (Annual)	User satisfaction - Estates	Bigger is Better	Annual – reported in Q2 2017/18	4.12	3.14 (R)	3	▲ Improving	No benchmark available

⁷ There is a +/-4.4%pts tolerance on the results due to the confidence interval for the sample size (i.e. if we surveyed the whole population we can be confident that the results would be the same +/- 4.4%). This is reflected in the RAG rating and DOT for the indicators in the CSG contract.

Contract Indicators (not met target)									
Ref		Indicator	Polarity	Period Covered	2017/18 EOY Target	2017/18 EOY Result	2016/17 EOY Result	DOT Long Term (From EOY 2016/17)	Benchmarking
KPI	FIN 34 (Annual)	User satisfaction - Finance	Bigger is Better	Annual – reported in Q2 2017/18	3.41 (Upper quartile score)	2.49 (R)	2.42	▲ Improving	No benchmark available
KPI	Super KPI 39c (Annual)	Commissioner satisfaction - IT	Bigger is Better	Annual – reported in Q2 2017/18	3.45 (Upper quartile score)	2.75 (R)	1.74	▲ Improving	No benchmark available
KPI	Super KPI 39e (Annual)	Commissioner satisfaction – HR	Bigger is Better	Annual – reported in Q2 2017/18	3.8	2.36 (R)	2.20	▲ Improving	No benchmark available
KPI	Super KPI 39d (Annual)	Commissioner satisfaction - Procurement	Bigger is Better	Annual – reported in Q2 2017/18	3.32	2.98 (R)	2.95	▲ Improving	No benchmark available
KPI	Super KPI 39b (Annual)	Commissioner satisfaction - Estates	Bigger is Better	Annual – reported in Q2 2017/18	3.85 (Upper quartile score)	1.69 (R)	2.03	▼ Worsening	No benchmark available
KPI	Super KPI 39f (Annual)	Commissioner satisfaction – Finance	Bigger is Better	Annual – reported in Q2 2017/18	3.68	2.62 (R)	2.57	▲ Improving	No benchmark available

Risk management

1.12 The CSG joint risk register includes 48 risks overall, which are being managed in line with the council's risk management framework. Three are high level risks with a residual risk score of 15 or above. These are being managed as 'treat'.

- **CSG56 – Pension scheme member data inaccurate (risk score 16).** The pension service is responsible for effective administration of the Barnet Pension Scheme. Incomplete and/or inaccurate data could lead to incorrect benefits and calculation results. A Service Improvement Plan has been put in place with specific actions relating to data quality: common data cleanse for current and legacy member data; conditional data analysis and data cleanse of current and legacy data; implementation of an ongoing record keeping plan. The Service Improvement Plan is being monitored on a monthly basis and scrutinised by the Pension Board on a quarterly basis. Data quality is now at 80 per cent (with a target of 95%).
- **CSG57 – Pension administration getting accurate data (risk score 16).** If employers and admitted bodies fail to notify the pension scheme of changes in their workforce in a timely way member data could be inaccurate ultimately resulting in a breach of law. A Service Improvement Plan has been put in place with specific actions including a communication strategy to ensure employers and admitted bodies are fully aware of their responsibilities for informing the scheme of workforce changes, the timescales for notification and the penalties that can be applied by the scheme for failure to comply. The Service Improvement Plan is being reviewed by the Strategic Lead and monitoring will continue on a monthly basis. To ensure progress the Client Lead has escalated remaining actions to the provider.
- **CSG55 – Poor delivery of pension service by administration team (risk score 15 – increased from 8).** As a result of poor delivery of the administration of the pension service, scheme members are given incorrect advice, experience delay in receiving benefits and have a poor quality customer experience. An Improvement Plan has been put in place and progress is being monitored using an integrated Gantt chart that shows all activities on a monthly basis, including project work.

Contract variations

1.13 15 contract variations were approved for CSG in 2017/18, with a value of £1.6m (see table 12). Two of these were approved in the last quarter (see table 13).

Table 12: Number and value of contract variations approved (2017/18)

	Q1 2017/18	Q2 2017/18	Q3 2017/18	Q4 2017/18	Total
Value of contract variations	£549,384	£36,046	£1,004,038	£8,270	£1,597,737
Number of contract variations	6	4	3	2	15
Number of contract variations with no financial impact	4	3	2	1	10

	Q1 2017/18	Q2 2017/18	Q3 2017/18	Q4 2017/18	Total
Number of contract variations with financial impact	2	1	1	1	5

Table 13: Contract variations (Q4 2017/18)

Ref	Title	Description	Change Raised by	Status at 31 Mar 2018	Financial Impact (over the life of the contract)	Service Impacted
No financial impact						
CR104	Change KPI 29 and 30	Change of Finance KPIs	Service Provider	Approved	£0.00	HR
With financial impact						
CR091	HR - Implementation of an LGPS NI Database	Ongoing cost of Local Government Pension Scheme (LGPS) National Insurance (NI) Database	Service Provider	Approved	£8,270.00	Finance

Special projects initiation requests (SPIRS)

1.14 45 SPIRS were approved for CSG in 2017/18, with a value of £7.3m (see table 14). 10 of these were approved in the last quarter (see table 15).

Table 14: Number and value of SPIRS approved (2017/18)

	Q1 2017/18	Q2 2017/18	Q3 2017/18	Q4 2017/18	Total
Value of SPIRS	£2,694,159	£469,448	£2,451,111	£1,642,781	£7,257,499
Number of SPIRS	7	8	20 ⁸	10	45

⁸ Figure differs to that reported in Q3 2017/18 (9) as a result of data quality checks and better management of information.

Table 15: SPIRS approved (Q4 2017/18)

Ref	Title	Description	Project Type	Status at 31 Mar 2018	Financial Impact (over the life of the project)	Service Impacted
246	Child and Adolescent Mental Health Service (CAMHS)	Need for procurement strategy that delivers new community-based CAMHS by May 2018	Other	Approved	£27,200	Children CCG
262	Customer Transformation Programme (CTP) - Phase 2b	Delivery of improved and additional digital online transactions	Other	Approved	£1,145,831	Customer Transformation
267	National Institute for Medical Research (NIMR) Landscape	Feasibility study to determine whether the proposed site in Mill Hill is suitable as a permanent home for St Kiernan's Gaelic Athletics Association (GAA) Club	Capital (Non-Schools)	Approved	£7,500	Corporate Programmes
268	Face-to-Face Service	Face-to-Face Services team need to move from their current location in Barnet House	Capital (Non-Schools)	Approved	£2,530	Estates
269	Family Services East Hub	Explore the options of incorporating either one or both of the Family Services and Adults Services within East Barnet Library	Capital (Non-Schools)	Approved	£2,870	Family Services

Ref	Title	Description	Project Type	Status at 31 Mar 2018	Financial Impact (over the life of the project)	Service Impacted
270	Colindale Programme Lead and Occupation Phase	Preparation of the new Colindale office for occupation; migrate each service; and vacate NLBP and Barnet House	Other	Approved	£354,500	Corporate Programmes
271	IT Recruitment Solution Implementation (Phase 1)	'Vacancy Filler' will provide an end to end standard recruitment solution enabling the council to hire effectively across all business units	Other	Approved	£30,353	HR
274	Shops Under Properties	Investigation of actions identified within fire risks assessments	Capital (Non-Schools)	Approved	£9,947	Estates
276	Parking	Delivery of a new Parking Enforcement Service	Other	Approved	£59,500	Parking
278	Capitol Park Fitout (TW3 Localities)	Initial designs for the new post facility at Unit 25, Capitol Park, Colindale	Capital (Non-Schools)	Approved	£2,550	Estates

REGIONAL ENTERPRISE (RE)

1.15 Re is the joint venture with Capita to deliver a full range of property, development and regulatory services. A progress update on each service area has been provided below, along with an update on the Re review.

Service	Update on service area
Summary	Many services continued to perform to a satisfactory level. However, there were persistent issues in some areas and services did not show sufficient improvement. This particularly relates to issues around highways reporting and service issues, and financial controls.
Planning	<p>The Development Management team ended the year as the sixth busiest planning team in England; processing nearly 5,000 applications over the past year. Investments in staffing and internal promotions strengthened the team, and they were shortlisted for 'Team of the Year' in the 2018 Local Government Chronicle Awards. Work to 'approve conditions' across many schemes continued. Increases to planning fees from January 2018 enabled improvements to consultations to be trialled, with further improvements to be delivered in 2018/19.</p> <p>Planning Enforcement saw a significant increase in activity over the year, with the service issuing the joint highest number of Enforcement Notices in England. The number of prosecution cases also increased, as historic cases were streamlined and moved forward, which resulted in a number of high profile cases, some with significant costs and surcharges. 2018/19 will see a sustained bulge in the number of prosecution and direct action cases, as notices processed in 2017/18 expire and are processed through the next stages of enforcement. Alongside Re's investment in additional staffing, the council began funding a proactive compliance officer from the Planning Fee increase.</p>
Regeneration	<p>An overview of each scheme is below:</p> <ul style="list-style-type: none"> • Brent Cross Cricklewood and Colindale (see EOY 2017/18 Performance Monitoring Report). • Dollis Valley - progress was made on the acquisition of the 45 remaining leasehold properties; and 20 tenants moved into their new homes (Phase 2A). For Phase 2B, resident choices have been completed and tenants should be moving in soon. The Planning Application for 115 new units (Phase 3) was submitted. • West Hendon - the Phase 4 Reserved Matters Application (RMA) was approved at Planning Committee in April 2017. Three CPO2 properties were acquired during September 2017. In total 14 of 34 leasehold interests in CPO2 were acquired. 230 resident surveys were completed, as part of the research conducted by trained residents in support of developing a Neighbourhood Development Strategy being funded by the Metropolitan Housing Trust.

Service	Update on service area
	<ul style="list-style-type: none"> • Granville Road - a full CPO process is due to be undertaken because a single leaseholder declined a voluntary sale. Consequently, this could result in a delay to the project. Terraquest (the land referencing service) issued a survey to all residents to confirm details on land ownership. Feedback from Granville Estate's Residents' Association (GERA) suggested that some residents were not happy with the exercise and requested further information about the development. In response, display boards were put up in the local library and on the estate with up-to-date plans and promotion of the new Granville LLP website. • Mill Hill - this development will deliver 2,240 new homes, retail and employment opportunities within the borough. Developers sold and occupied 511 private and affordable dwellings. An offer in respect of the final plots is being progressed. • Stonegrove Spur Road - 81 units were delivered. Whilst developments on site are near completion, Highways works have not progressed to the standard expected by Highways England, with outstanding actions expected of Barratts. Discussions are taking place with Barratts to resolve the matter. • Upper and Lower Fosters – a RIBA stage 1 design report was presented and accepted by the Upper and Lower Fosters Project Board and pre-procurement activity for the detailed design stages of the project commenced. <p>Further information is available in the Annual Regeneration Report, which was approved by ARG Committee in March 2018. The report is available online at:</p> <p>http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=9083&Ver=4</p>
Environmental Health/Trading Standards	<p>Environmental Health - the Food Standards Agency (FSA) accepted the action plan submitted in response to the audit in May 2017. The final audit report was amended to better reflect some of the positives of the audit findings, along with the inspection deficit narrative to better explain the lower risk nature of the issues. Successful interventions included:</p> <ul style="list-style-type: none"> • Contraventions found at a meat manufacturer following a routine food standards inspection in August 2017 were reported to the FSA. The products were recalled and Improvement Notices under the Food Information Regulations Act 2014 were served on the premises. • Closure of insanitary food premises at a care home in relation to the transmission of infectious diseases, including Legionnaire's Disease. • Funding secured from the GLA to progress a freight consolidation project to reduce pollution and congestion; and a new Scientific Consultant was appointed to help progress this work. • A new air quality plan setting out a corporate approach and linking

Service	Update on service area
	<p>various strategies and operations.</p> <ul style="list-style-type: none"> Monitoring of air pollutants at key locations led to reduced emissions from developments (through planning consultation) and processes (including dust enforcement and freight consolidation). <p>Licencing - Private Sector Housing won an appeal at the First Tier Tribunal (Property Chamber) against conditions attached to a licence for a House in Multiple Occupation (HMO). The number of accredited landlords in Barnet increased to 671 (from 627 last year). A new policy that introduced a new Financial Penalty Regime linked with the Housing and Planning Act came into effect from January 2018. The number of licenced HMOs increased to 355 (from 244 last year; and the number of licensed premises increased to 710 (from 371 last year). Major conditions compliance in the higher risk categories was at 63% (102 out of 164). A survey of over 1,480 long-term empty properties was completed and will inform the revised empty property work programme.</p> <p>Trading Standards - Barnet received £375k, as part of a £1.5m grant awarded to a consortium of four North London authorities, to install gas fired central heating in properties of any tenure.</p> <p>The Trading Standards team participated in three simultaneous raids on shops in Golders Green, North Finchley and a residential premise outside the borough resulting in the seizure of suspected fake high-end merchandise. 130 evidence bags of goods were collected, which included handbags sporting Chanel, Prada and Louis Vuitton labels.</p> <p>The Licensing and Noise Nuisance teams worked closely with the Police and Jewish community to oversee the Purim festivities, ensuring the event went ahead safely. A noise awareness day was held in High Barnet to advise residents on how to minimise their impact on others and how to log a complaint. A number of tobacco test purchases were undertaken with the Police and premises found selling to persons under the age of 18 were called in for a Police and Criminal Evidence Act 1984 (PACE) interview and appropriate legal action was taken. The first Community Protection Notices (CPNs) were served in relation to anti-social behaviour towards neighbours; and a second successful prosecution has been brought by the Community Protection team to the Crown Court for unlicensed street trading with more in the pipeline.</p> <p>Test purchases were carried out with the Police and four instances of sales to underage persons occurred resulting in enforcement action.</p>
Cemetery and Crematorium	<p>Hendon Cemetery and Crematorium were awarded the Institute of Cemetery and Crematorium Management (ICCM) Gold Standard for their burial and cremation service for the third year running.</p> <p>Steps were put in place to address the shortage of future burial space, including a policy on the re-use of graves, freeing up additional capacity within the grounds of Hendon Crematorium; and securing an</p>

Service	Update on service area
	<p>agreement by Members to purchase a new cemetery. Negotiations with Westminster on the new site have been successful and terms of the exchange of contracts are being agreed. Members also supported the council policy of providing cemetery provision.</p> <p>Capital investment was approved to develop Hendon Crematorium, including refurbishment of the Gate House into main offices, café, reception and a bereaved quiet room by summer 2018; and the North and South Chapels have been decorated. The Mess Hut will also be rebuilt.</p> <p>Phase 1 of the new courtyard mausoleums has been built and are being actively marketed. Three individual mausoleum slots and a family mausoleum have been sold.</p> <p>£624,621.60 income has been generated in comparison with £354,039.90 in 2014.</p>
<p>Highways Network Management</p>	<p>Substantial volumes of work were completed for Year 3 (2017/18) of the Network Recovery Programme (NRP), including footway and carriageway re-surfacing at a cost of c.£7m. Year 4 (2018/19) was approved by Environment Committee for £7.2m; and the works schedule is in development.</p> <p>The Proactive Patching programme covered 10,261 square metres (149 roads), repairing 872 potholes and surface defects a cost of c.£350k before they worsened and presented a greater risk to Highway users.</p> <p>Significant progress was made on the LIP and Area Committee programmes, with 79 schemes completed and several schemes being progressed either in design or with the contractor for construction.</p> <p>The Highway Adoption Policy was approved by Environment Committee in July 2017, providing additional powers to enforce illegal crossings.</p> <p>The highway network in Barnet has been subject to ongoing wear and tear exacerbated by freezing conditions and heavy use. The winter programme issued 65 gritting instructions due to extreme weather conditions; over 20,000 gulleys were cleaned to minimise flooding; and 8,654 highway safety inspections were completed.</p> <p>Category 1 and 2 responsive repairs were transferred to Conway Aecom from the DLO in July 2017. IT and resource issues impacted on performance throughout the year, in particular relating to reporting; of which some issues remain unresolved. The council is finalising an action plan with the contractor to ensure all known issues are captured and resolutions are agreed going forward.</p>

Budget outturn

Revenue							
Service	Original Budget £000	Revised Budget £000	Outturn £000	Variance from Revised Budget Adv/(fav) £000	Reserve Move-ments £000	Variance after Reserve Move-ments Adv/(fav) £000	Variance after Reserve Move-ments Adv/(fav) %
Re	(824)	321	7,021	6,700	(2,746)	3,954	1,231.8

1.16 The overspend of £3.954m for **Re** represents 1,231.8% of the total delivery Unit budget (£0.321m). This figure is after reserve drawdowns of £2.746m. The overspend primarily relates to two one-off items that were resolved late in the financial year. The first key variance related to £4.5m included within the calculation of guaranteed income in the General Fund which, following legal advice, is instead accounted for within the HRA. The second one-off item is contractual amount of £2.647m liable to Re upon the award of Planning Permission for Tranche 1 Phase 1 of the development pipeline or the 30th April 2018, whichever is the sooner. As the liability relates to periods prior to 2017/18, although this has been recognised in 2017/18 it has been funded from earmarked reserves. An agreement with Re to defer an element of both the management fee and guaranteed income provided an in year £1m favourable variance reducing the overspend.

Capital						
Service	2017/18 Revised Budget £000	Additions/ (Deletions) £000	(Slippage)/ Accelerated Spend £000	2017/18 Outturn £000	Variance from Approved Budget £000	Variance from Approved Budget %
Re	74,634	(582)	(35,973)	38,079	(36,555)	(49.0)

1.17 The **Re** capital programme has decreased by £36.555m. £33.320m of this relates to Brent Cross land acquisitions as the CPO process and subsequent legal challenge has resulted in acquisitions being delayed to 2018/19, and £2.114m relates to investments in roads and pavements where works have been delayed until 2018/19.

Performance indicators

1.18 Corporate Plan and Commissioning Plan indicators for Re have been reported to the ARG, Housing and Environment Committees. Two indicators in the Environment Commissioning Plan have not met the EOY target:

- KPI 2.1-2.3 (NM) Highways defects made safe within agreed timescales
- TSLKPI02 Appropriate response to statutory deadlines in relation to the Licensing and Gambling Act.

	Green	Green Amber	Red Amber	Red	Improved/Same	Worsened	Monitor only	No. indicators
Re ⁹	82% (66)	9% (7)	0% (0)	9% (7)	59% (47)	41% (33)	6	86

1.19 The contract with Re also includes a number of operational contract indicators (KPIs). Nine contract indicators have not met the EOY target¹⁰.

- KPI002 (ENF) Prosecution and direct action (RAG rated RED)** – 34.4% against EOY target of 60%. A focus on backlog and case load reduction has resulted in this indicator not meeting target. Prosecutions and direct actions rose to 32 from 14 last year. However, the ratio of prosecutions referred within the target period fell due to 1) the number of referrals taken from the backlog; and 2) being unable to recommend for prosecution or direct action either because the defendant had demonstrated a willingness to work towards compliance or had adequate justification for any failure to do so. The prosecution phase of the backlog will continue into 2018/19 affecting achievement of the target (due to the increased number of referrals). The number of cases closed and notices served should fall in 2018/19, as phases 1 and 2 of the backlog are now complete.
- EH07 Unit cost of disabled adaptations (RAG rated RED)** – £7,756 against EOY target of £7,500. Performance was impacted by high value cases, inflation and indexation.
- KPI 1.9 NM Annual programme relating to cyclic bridge maintenance (RAG rated GREEN AMBER)** - 94.7% against EOYI target of 100%. 18 of 19 sites programmed for maintenance were carried out.
- KPI 2.2 NM Highways Category 1 defects rectification timescales completed on time (48 hours) (RAG rated RED)** – 87.5% against EOY target of 100%. This represents 1,986 out of 2,270 up to end February 2018. IT and resources issues experienced by delivery partners impacted on performance. Some of these issues remain unresolved. The council is finalising an action plan with delivery partners to ensure all known issues are captured and resolutions are agreed going forward.
- KPI 2.3 NM Highways Category 2 defects rectification completed on time (RAG rated RED)** – 73% against EOY target of 100%. This represents 1,573 out of 2,163 up to end February 2018. Parked cars obstructing access for repairs, along with IT and resource issues with delivery partners impacted on performance. As with KPI 2.2 above, some of these issues remain unresolved. The council is finalising an action plan with delivery partners to ensure all known issues are captured and resolutions are agreed going forward.
- KPI 2.4 NM Insurance investigations completed on time (14 days) (RAG rated RED)** – 99% against EOY target of 100%. This represents 293 out of 296 investigations. Two cases were late in June 2017 and another one was late in

⁹ Includes indicators in the Corporate Plan and ARG, Housing and Environment Commissioning Plans reported in Part B.

¹⁰ Note this does not represent a contractual fail, as contractual targets are set for the month or quarter not the year.

September 2017. These were all due to administration errors. Internal processes were reviewed to prevent future occurrences.

- **KPI 2.7 NM Processing of vehicle crossover applications - timescale for providing quotes (RAG rated GREEN AMBER)** – 99.7% against EOY target of 100%. 318 out of 319 crossover applications were completed on time. A staffing issue in September 2017 resulted in a single case being delayed by seven days.
- **KPI 3.7 NM Section 74 (S74) Compliance and sanctions correctly imposed for failures (RAG rated GREEN AMBER)** – 99.8% against EOY target of 100%. The snowfall and freezing temperatures in December 2017 and February 2018 meant that inspections couldn't be carried out for safety reasons. Whilst every effort is made to inspect all sites within the target timeframe each month, risk assessments must be made to ensure safety of the workforce and all other road users.
- **SKPI 5 Improve customer satisfaction in development and regulatory services (DRS) (RAG rated RED)** – 68% against EOY target of 82.5%. Feedback based on surveys submitted up until the last week of March 2018 shows a slight decline on last year (69%). The final outturn will be confirmed in May 2018.

Contract Indicators (not met target)

Ref		Indicator	Polarity	Period Covered	2017/18 EOY Target	2017/18 EOY Result	2016/17 EOY Result	DOT Long Term (From EOY 2016/17)	Benchmarking
KPI	KPI002 (ENF)	Prosecution and direct action	Bigger is Better	Apr 2017 - Mar 2018	60%	34.4% (R)	50%	▼ Worsening	No benchmark available
KPI	EH07	Unit cost of disabled adaptations	Smaller is Better	Apr 2017 - Mar 2018	£7,500	£7,756 (R)	£6,762	▼ Worsening	No benchmark available
KPI	KPI 1.9 NM	Annual programme relating to cyclic bridge maintenance	Bigger is Better	Apr 2017 - Mar 2018	100%	94.7% (GA)	100%	▼ Worsening	No benchmark available
KPI	KPI 2.2 NM	Highways Category 1 defects rectification timescales completed on time (48 hours)	Bigger is Better	YTD as at Feb 2018	100%	87.5% (R)	99.8%	▼ Worsening	No benchmark available
KPI	KPI 2.3 NM	Highways Category 2 defects rectification timescales completed on time	Bigger is Better	YTD as at Feb 2018	100%	73% (R)	99.9%	▼ Worsening	No benchmark available
KPI	KPI 2.4 NM	Insurance investigations completed on time (14 days)	Bigger is Better	Apr 2017 - Mar 2018	100%	99.0% (R)	99.4%	▼ Worsening	No benchmark available

Contract Indicators (not met target)									
Ref		Indicator	Polarity	Period Covered	2017/18 EOY Target	2017/18 EOY Result	2016/17 EOY Result	DOT Long Term (From EOY 2016/17)	Benchmarking
KPI	KPI 2.7 NM	Processing of vehicle crossover applications - timescale for providing quotes	Bigger is Better	Apr 2017 - Mar 2018	100%	99.7% (GA)	100%	▼ Worsening	No benchmark available
KPI	KPI 3.7 NM	Section 74 (S74) compliance and sanctions correctly imposed for failures	Bigger is Better	Apr 2017 - Mar 2018	100%	99.8% (GA)	100%	▼ Worsening	No benchmark available
Super KPI	SKPI 5	Customer satisfaction in development and regulatory services	Bigger is Better	Apr 2017 - Mar 2018	82.5%	68% (R)	69%	▼ Worsening	No benchmark available

Risk management

1.20 Any high level joint risks with Re have been reported to the ARG Committee.

Contract variations

1.21 Three contract variations were approved for Re in 2017/18, with a value of -£688k (see table 16). None were approved in the last quarter.

Table 16: Number and value of contract variations approved (2017/18)

	Q1 2017/18	Q2 2017/18	Q3 2017/18	Q4 2017/18	Total
Value of contract variations	£0	-£533,709	-£154,500	N/A	-£688,209
Number of contract variations	1	1	1	0	3
Number of contract variations with no financial impact	1	0	0	0	1
Number of contract variations with financial impact	0	1	1	0	2

Special projects initiation requests

1.22 24 SPIRS were approved for Re in 2017/18, with a value of £4.4m (see table 17). Seven of these were approved in the last quarter (see table 18).

Table 17: Number and value of SPIRS approved (2017/18)

	Q1 2017/18	Q2 2017/18	Q3 2017/18	Q4 2017/18	Total
Value of SPIRS	£538,863	£1,349,801	£451,230	£2,040,835	£4,380,729
Number of SPIRS	3	1	13 ¹¹	7	24

Table 18: SPIRS approved (Q4 2017/18)

Ref	Title	Description	Project Type	Status at 31 Mar 2018	Financial Impact (over the life of the project)	Service Impacted
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¹¹ Figure differs to that reported in Q3 2017/18 (14) as a result of data quality checks and better management of information.

Ref	Title	Description	Project Type	Status at 31 Mar 2018	Financial Impact (over the life of the project)	Service Impacted
HW 037	Watling Car Park	Improvement works on Watling Car Park as part of TW3	Capital	Approved	£20,000	Highways
HW 035	Plot 9a and Short Street Car Park Design	Detailed design for electric vehicle charging points (EVCP) parking for Colindale	Capital	Approved	£10,000	Highways
HW 033	Network Recovery Plan (NRP 3)	Highways Network Recovery Plan Part 3 (Re fees)	Capital	Approved	£714,229	Highways
HW 034	Local Implementation Plan (LIP) 2017/18	Annual Local Implementation Plan (Re fees)	Grant	Approved	£1,164,900	Highways
RG0 13	Freight Consolidation 2017/18	Mayor's Air Quality Fund - Freight Consolidation	Grant	Approved	£50,000	Regulatory
SPR 044	Colindale Parks Project Manager	Project Manager for the Colindale Regeneration Project	Capital	Approved	£65,063	Regeneration
SPR 048	Article 4 Direction	Businesses to Residential uses	Revenue	Approved	£16,643	Planning

2 REASONS FOR RECOMMENDATIONS

2.1 These recommendations are to provide this Committee with the necessary information to oversee the performance of the council's strategic contracts. This paper enables the council to meet the budget agreed by Council on 7 March 2017.

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 The report provides an overview of performance for the year, including budget outturns for revenue and capital, update on service areas, indicators that have not met target and management of high level risks, along with any variations in CSG and Re contracts.

5.1.2 The EOY 2017/18 results for all Corporate Plan and Commissioning Plan indicators are published on the Open Barnet portal at <https://open.barnet.gov.uk/dataset>

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 and Commissioning Plans. In addition, adherence to the Prudential Framework ensures capital expenditure plans remain affordable in the longer term and that capital resources are maximised.

5.1.4 Relevant council strategies and policies include the following:

- Corporate Plan 2015-2020
- Corporate Plan - 2016/17 Addendum and 2017/18 Addendum
- Commissioning Plans
- Medium Term Financial Strategy
- Treasury Management Strategy
- Debt Management Strategy
- Insurance Strategy
- Risk Management Framework
- 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 and Value for Money, Procurement, Staffing, IT, Property, Sustainability)

5.2.1 The budget outturns for CSG and Re are included in the report. More detailed information on financial performance will be provided to Committee in separate papers.

5.3 Social Value

5.3.1 The Public Services (Social Value) Act 2012 requires people who commission public services to think about how they can also secure wider social, economic and environmental benefits. Before commencing a procurement process, commissioners should think about whether the services they are going to buy, or the way they are going to buy them, could secure these benefits for their area or stakeholders. The council's contract management framework oversees that contracts deliver the expected services to the expected quality for the agreed cost. Requirements for a contractor to deliver activities in line with Social Value will be monitored through this contract management process.

5.4 Legal and Constitutional References

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

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

5.4.3 The council's Constitution, Article 7 Committees, Forums, Working Groups and Partnerships, sets out the functions of the Financial Performance and Contracts Committee as being Responsible for the oversight and scrutiny of:

- The overall financial performance of the council
- The performance of services other than those which are the responsibility of the: Adults & Safeguarding Committee; Assets, Regeneration & Growth Committee; Children, Education & Safeguarding Committee; Community Leadership & Libraries Committee; Environment Committee; or Housing Committee
- The council's major strategic contracts including (but not limited to):
 - Analysis of performance
 - Contract variations
 - Undertaking deep dives to review specific issues
 - Monitoring the trading position and financial stability of external providers
 - Making recommendations to the Policy & Resources Committee and/or theme committees on issues arising from the scrutiny of external providers
- At the request of the Policy & Resources Committee and/or theme committees consider matters relating to contract or supplier performance and other issues and making recommendations to the referring committee

- To consider any decisions of the West London Economic Prosperity Board which have been called in, in accordance with this Article.

5.4.4 The council's Financial Regulations can be found at:

<http://barnet.moderngov.co.uk/documents/s46515/17FinancialRegulations.doc.pdf>

5.4.5 Section 2.4.3 states that amendments to the revenue budget can only be made with approval as per the scheme of virements table below:

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

5.5 Risk Management

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

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

5.6 Equalities and Diversity

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

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

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

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

- Try to understand the diversity of our customers to improve our services.

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

This is also what we expect of our partners.

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

5.6.5 Progress against the performance measures we use is published on our website at: www.barnet.gov.uk/info/200041/equality_and_diversity/224/equality_and_diversity

5.7 Corporate Parenting

5.7.1 In line with Children and Social Work Act 2017, the council has a duty to consider Corporate Parenting Principles in decision-making across the council. There are no implications for Corporate Parenting in relation to this report.

5.8 Consultation and Engagement

5.8.1 During the process of formulating budget and Corporate Plan proposals for 2015-2020 onwards, four 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	Date	Summary
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 ¹² of council services. An online survey (17 December 2014 – 11 February 2015)

5.9 Insight

5.9.1 The report identifies key budget, performance and risk information in relation to the strategic contracts.

6 BACKGROUND PAPERS

6.1 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>

6.2 Council, 14 April 2015 (Decision item 13.3) – approved Corporate Plan 2015-2020.

<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=162&MId=7820&Ver=4>

6.3 Council, 4 April 2016 (Decision item 13.1) – approved 2016/17 addendum to Corporate Plan.

<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=162&MId=8344&Ver=4>

6.4 Council, 7 March 2017 – approved 2017/18 addendum to Corporate Plan.

<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=162&MId=8819&Ver=4>

¹² 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.