

	<h2>Performance and Contract Management Committee</h2> <h3>4 July 2017</h3>
<b>Title</b>	<b>Quarter 4/End of Year Performance Monitoring Report 2016/17</b>
<b>Report of</b>	Commercial Director
<b>Wards</b>	All
<b>Status</b>	Public
<b>Urgent</b>	No
<b>Key</b>	No
<b>Enclosures</b>	<p>Appendix A (i) List of indicators in Appendices A (ii) and B</p> <p>Appendix A (ii) Corporate Plan Performance</p> <p>Appendix B Service Performance</p> <p>Appendix C Revenue Outturn</p> <p>Appendix D (i) Capital Outturn</p> <p>Appendix D (ii) Capital Funding Adjustments</p> <p>Appendix E Transformation Programme</p> <p>Appendix F Prudential Indicators</p> <p>Appendix G Investments Outstanding</p> <p>Appendix H (i) CSG Contract Benefit Realisation Tracking</p> <p>Appendix H (ii) Capita Payments</p> <p>Appendix I Contract Variations</p>
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## Summary

The report provides an overview of the council's performance and finance for **Quarter 4/End of Year 2016/17**, including progress against the strategic priorities in the Corporate Plan.

### Corporate Plan performance

An overview of performance in relation to the Corporate Plan has been provided. This highlights the successes and challenges and any annual targets that have not been met (RAG rated as Red). Further information can be found in Appendix A (ii).

### Budget outturns

The General Fund **revenue outturn** is £283.298m, which is an adverse variance of £8.330m (3.0 per cent) compared with the revised budget of £274.968m (largely driven by an overspend in Adults and Communities). The outturn expenditure on the council's **capital programme** is £137.311m, £99.485m of which relates to the General Fund programme and £37.826m to the HRA capital programme. This is a variance of £38.492m against the 2016/17 revised budget of £175.803m. Further information can be found in Appendices C and D.

### Customer experience and human resources

Customer satisfaction has continued to rise. Satisfaction with customer services (excluding web) is now 91%, above the target (88%) and web satisfaction is 55%, above the target (51%). Staff sickness absence has reduced to 7.83 days (from 7.88 days last quarter), but remains higher than the 6 days target.

### Service performance

An overview of service performance has been provided in Appendix B. This focuses on the successes and challenges in each service and annual targets that have not been met (RAG rated as Red, Red Amber or Green Amber). It also includes a summary of progress on the council's **transformation programmes**. Further information, including escalated service risks, can be found in the service performance reports on the website at <https://barnet.gov.uk/citizen-home/council-and-democracy/policy-and-performance/corporate-plan-and-performance.html>

### 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 March 2017. 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 March 2017, deposits outstanding were £80.2 million, achieving an average annual rate of return of 0.53 per cent against a benchmark average (London Interbank Bid Rate - LIBID) of 0.33 per cent.

### Contract management

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

<b>Recommendations</b>
<b>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 relevant committees on the policy and commissioning implications.</b>
<b>2. The Committee is asked to note the 2016/17 revenue outturn position, as detailed in paragraph 1.6.</b>
<b>3. The Committee is asked to note the additions and deletions (which include virements) and accelerations and slippages in the capital programme, as detailed in paragraph 1.9.</b>
<b>4. The Committee is asked to note the savings delivered in 2016/17, as detailed in paragraph 1.11.</b>
<b>5. The Committee is asked to note the agency costs for 2016/17, as detailed in paragraph 1.15.</b>
<b>6. The Committee is asked to note the treasury position outlined in paragraph 1.29.</b>

## **1. WHY THIS REPORT IS NEEDED**

1.1 The report provides an overview of the council's performance and finance for **Quarter 4/End of Year 2016/17**, including progress against 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 shows:

- How the council has performed against the strategic priorities in the Corporate Plan, including a summary of successes and challenges, as set out in paragraphs 1.4 – 1.5 below (see Appendix A (ii) for full information)
- The revenue and capital outturns for 2016/17, as set out in paragraphs 1.6 – 1.10 below (see Appendices C and D for full information)
- Information on customer experience and human resources, as set out in paragraphs 1.12 – 1.13 below
- How services have performed, as set out in paragraph 1.16 below (see Appendix B for full information, including success and challenges and commentary for indicators that have not met target)
- The status of key programmes, as set out in paragraph 1.17 below (see Appendix B for full information).

1.3 In addition to this report, 15 service performance reports are published each quarter on the website. These can be found at: <https://barnet.gov.uk/citizen-home/council-and-democracy/policy-and-performance/corporate-plan-and-performance.html>

## CORPORATE PLAN PERFORMANCE

- 1.4 This section focuses on the **End of Year (EOY) position** for **performance** and **finance**, highlighting successes and challenges and annual targets that have not been met (RAG rated as Red); along with the revenue and capital outturns. Further information can be found in Appendices A (ii), C and D.

An overview of performance for the basket of indicators in the Corporate Plan is shown in table 1 below. Of the 81 indicators in the Corporate Plan, 77 have been reported at the EOY 2016/17. 65 have been given a RAG rating and 60 have been given a Direction of Travel (DOT) status.

**Table 1: Corporate Plan indicators (EOY 2016/17)**

Strategic priority	Green	Green Amber	Red Amber	Red	Improved/ Same	Worsened
Growth and regeneration	75% (9)	8% (1)	0% (0)	17% (2)	62% (8)	38% (5)
Managing demand	56% (14)	12% (3)	4% (1)	28% (7)	52% (11)	48% (10)
Transforming services	54% (7)	8% (1)	0% (0)	38% (5)	67% (6)	33% (3)
Resilient communities	78% (7)	11% (1)	11% (1)	0% (0)	78% (7)	22% (2)
Customer service and transparency	67% (4)	0% (0)	17% (1)	17% (1)	50% (4)	50% (4)
<b>Total</b>	<b>63% (41)</b>	<b>9% (6)</b>	<b>5% (3)</b>	<b>23% (15)</b>	<b>60% (36)</b>	<b>40% (24)</b>

At the EOY 2016/17, 63% (41) of indicators in the Corporate Plan are “on or above target”, with 36 indicators (60%) improving from the same time last year. The indicators that have not met target (RAG rated as Red) are shown in the **strategic priorities** section below.

### Overview of strategic priorities

- 1.5 Progress on the council’s “key areas of focus” is set out in full in Appendix A (ii), with the most significant successes and challenges for the year highlighted below for each of the strategic priorities.

### Responsible growth and regeneration

#### Successes

- The **Growth and Regeneration Programme Annual Report** has been published. This shows good progress on estate regeneration with 483 homes, including 131 affordable homes, being delivered as part of four schemes (Dollis Valley, Grahame Park, Millbrook Park and Stonegrove and Spur Road); and continuation of the Brent Cross Cricklewood and The Development Pipeline schemes.

#### Estate regeneration<sup>1</sup>

- **Colindale** represents an opportunity to deliver sustainable housing growth and a new compact neighbourhood centre. Design work is underway for a new community hub, including a new children’s centre; proposals for improvements to Colindale Avenue and a new health facility have been

<sup>1</sup> Housing completion figures refer to 2016/17 (1 April 2016 to 31 March 2017).

developed; and planning applications have been submitted for improvements to Montrose and Silkstream parks.

- **Dollis Valley** will create a new integrated community of mixed tenure housing, community and children's day care facilities. 62 homes, including 21 affordable homes, have been completed in 2016/17 and Hope Corner Community Centre opened in September 2016.
- **Grahame Park** will create a mixed tenure neighbourhood comprising of 1,600 new private homes, over 1,000 new affordable homes and 463 retained homes. The area will also include health, library, community and retail facilities. 60 homes, including 37 affordable homes, have been completed in 2016/17. Barnet and Southgate College has been relocated and a new Centre for Independent Living and a public library have been opened. Construction of the new council offices has also commenced. There have been delays in the commencement of the work due to a variety of issues, including viability, grant funding, design and staff restructures within Genesis. Most issues have been resolved and the plots submitted to development management.
- **Granville Road** will create a mixed tenure community with new homes for sale and shared ownership, as well as improve the estate environment and public realm. Planning permission for the scheme has been granted in August 2016 and the project is progressing.
- **Millbrook Park** will transform a 40 hectares disused brownfield site into a new suburb. So far, 182 homes, including 47 affordable homes, have been completed in 2016/17.
- **Stonegrove and Spur Road** will create a new integrated community of mixed tenure housing, as well as improved transport links, school and community facilities. So far, 179 homes, including 26 affordable homes, have been completed in 2016/17 and OneStonegrove, joint community centre and church, has opened.

### **Brent Cross Cricklewood**

- This scheme will regenerate 151 hectares to create a sustainable new town centre, including substantial residential and commercial development. A Joint Venture between the council and Argent Related has been formed in July 2016; Catalyst Housing Group and London and Quadrant have been selected as the respective Registered Providers for the replacement Whitefield Estate units and a Reserved Matters planning application for the updated Tempelhof Bridge has been submitted.

### **The Development Pipeline**

- **Infill Development on Housing Land.** 40 new homes have been developed across six infill sites, formerly underused garages and redundant play areas. These have been let as affordable units through the council's letting policy. 10% of the homes are wheelchair accessible. A further 320 affordable homes will be delivered from 2017/18 by Opendoor Homes, a registered provider subsidiary of The Barnet Group.
- **Moreton Close Extra Care** is a 53-bed extra care scheme on the site of a former sheltered housing scheme. Former residents have been rehoused in suitable accommodation following individual assessments. The build contract has been awarded and work has commenced on site.

## Entrepreneurial Barnet

- Entrepreneurial Barnet is the council's approach to making the borough the best place to be a small business in London, and ensuring that the borough is a great place to live, work and invest. The approach varies across five key themes: getting the basics right; a great place to live, work and invest; skilled employees and entrepreneurs; access to markets; and business growth. In summary, 56 apprentices have been employed by development partners; 50 apprenticeship opportunities have been created through Section 106 agreements; more than 300 local businesses have engaged in various events; 130sqm of affordable workspace has been secured through s106 agreements; and Town Centre Strategies for Burnt Oak, Finchley Church End, Golders Green and Edgware, which look at the physical realm and how to improve accessibility and support community activity, jobs and businesses, have been created or started.

CPI: Growth and regeneration <sup>2</sup>	Green	Green Amber	Red Amber	Red	Improved/Same	Worsened
	75% (9)	8% (1)	0% (0)	17% (2)	62% (8)	38% (5)

Two indicators have been RAG rated as Red:

- **Number of new homes completed** – is 1,798 against a target of 3,152. This is a provisional annual result based on the quarterly outturns, which were 278 (Q1), 192 (Q2), 509 (Q3) and 819 (Q4). The final result will be confirmed in autumn 2017. The 2015 Barnet Housing Trajectory provides a fifteen year projection of housing delivery in Barnet and is updated annually. The 2016/17 target may have over-estimated the amount of development activity that could be completed in this period. More up-to-date intelligence now shows the 2016/17 Housing Trajectory to be a much lower figure. This combined with delays to some housing development scheme has resulted in a significant difference in delivery against target.
- **Temporary accommodation current arrears as percentage of debit** – is 5.36% against a target of 4.95%. Temporary accommodation accounts continue to be affected by Welfare Reforms and the continued decline in Housing Benefit receipts, which means more income needs to be collected directly from tenants rather than received automatically from Housing Benefit. An improvement plan with clear timeframes outlining a range of improvement areas is in place and being closely monitored through the contract and performance management arrangements by the council.

## Managing demand

### Successes

- The Barnet Integrated Locality Team (BILT), a key scheme within the Better Care Fund, has been well established across the borough. The team provides **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

<sup>2</sup> 15 indicators have been reported at EOY 2016/17 under Growth and Regeneration. 12 have been given a RAG rating and 13 have been given a Direction of Travel (DOT) status.

12 months. Along with the Rapid Response service and other key services, including the ageing well programme and the Dementia Hubs, patients and service users are able to access preventative and support services within a community setting.

- A programme of work has been launched to make Barnet a **dementia friendly** borough, including commissioning the Alzheimer's Society to provide dementia support services within the community - dementia advisors, dementia cafes, dementia day opportunities service and carer support. In addition, the Alzheimer's Society has developed a Dementia Hub in Hendon, providing a visible presence for the integrated dementia support services. They will work closely with the re-modelled Memory Assessment Service provided by the Barnet Enfield and Haringey Mental Health Trust. A number of organisations have signed up to form the Barnet Dementia Action Alliance, which was launched during Dementia Awareness Week in May 2017.
- The council has continued to **invest in the care market** delivering on its Care Act responsibilities to develop and sustain a high quality, diverse market place for social care services. The Integrated Quality in Care Homes Team have delivered a programme of good practice sharing and improvement support including a wide range of forums for all care homes including dedicated events on end of life, mental capacity, pressure care, safeguarding and dementia. Targeted work to improve services with failing providers has resulted in 13 providers achieving an improved CQC rating upon re-inspection.
- A **reorganisation of services for people with mental health issues** has been implemented with a greater focus on enablement and preventative services and a holistic, person-centred approach to meeting people's needs.
- 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.
- Measures put in place to **manage homelessness demand** have delivered strong results. 646 private sector lettings have been made through let2barnet (well above the 500 target); and 972 homelessness preventions have been achieved (against an annual target of 900). Numbers in emergency accommodation have fallen to 149, their lowest since April 2011.
- There has been **high level of public support for enforcement** to address behaviour that results in the degradation of the environment. Over 3,000 fixed penalty notices have been issued since the Keep Barnet Clean trial started in July 2016.

### *Challenges*

- Managing the **continuing financial pressure on Adult Social Care** has been a challenge, with the final outturn showing an overspend of £5.353m.
- Delayed transfers of care – an indicator of the pressure across the health and social care system – have performed below target throughout the year. At the end of year, delays due to both health and social care were at 9.9 per 100,000 against the target of 7.35. Social care delays were at 5.1

against a target of 2.5 per 100,000. These indicators include delayed discharges from acute hospitals, community hospitals and mental health in-patient services. The council has taken part, with NHS partners, in a review to explore the root causes of issues in A&E performance, including the impact of delayed discharges. This found that Barnet does not have issues with delays caused by social care assessments or by the availability of equipment. However, issues were raised in relation to the availability of homecare and nursing care; although residential care capacity was perceived to be less of an issue. Other local authorities across North Central London have experienced similar issues with social care provider capacity and a joint programme of work is being developed with NHS partners to stimulate the provider market. The increase in delayed transfers of care attributable to social care should be seen in the context of significant growth in referrals to social care from NHS services. For example, referrals to adult social care from secondary NHS care increased by 49% (from 2,565 to 3,814) between 2010 and 2015 and the referral level remains high.

- The operating environment for **foster care has been challenging** with the council competing with both independent fostering agencies and neighbouring authorities for prospective applicants across a small geographic area. The sector has experienced a fall in numbers of new prospective carers coming forward. The council's fostering brand will continue to be promoted through the new marketing strategy, including fostering campaigns; and back office arrangements have been strengthened to convert enquiries into newly approved carers.
- A **significant shift in the Housing Needs and Resources budget** has been identified, with the final outturn for the year showing an overspend of £1.806, a significant increase from the previous forecast due partly to an expenditure that should have been charged in the previous year.
- **Demand for housing has remained high throughout the year**, with 4.2% more placements into temporary accommodation compared to 2015/16. Further mitigations have commenced in the latter part of the year such as the Housing Acquisitions Programme in and out of London and the Temporary Accommodation Reduction and Family Exclusion Mediation projects, which have contributed to a reduction in temporary accommodation numbers (2,757 from 2,941 last year).
- The condition of roads and pavements has remained a top concern for residents. A proactive approach has been taken to agree **investment in highways through the Network Recovery Plan**.
- Challenges experienced with obtaining timely and complete performance data from the third party contractor have persisted. Whilst reactive repairs for all category type defects continued 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).

CPI: Managing Demand <sup>3</sup>	Green	Green Amber	Red Amber	Red	Improved/Same	Worsened
	56% (14)	12% (3)	4% (1)	28% (7)	52% (11)	48% (10)

<sup>3</sup> 27 indicators have been reported at EOY 2016/17 under Managing Demand. 25 have been given a RAG rating and 21 have been given a Direction of Travel (DOT) status

Seven indicators have been RAG rated as Red:

- **Rate of hospital admissions related to alcohol** – 424.8 against a target of 400. The Adult Substance Misuse Service's (SMS's) new Hospital Liaison pathway will help reduce admissions and length of stay. There will also be targeted plans for frequent hospital attenders and interventions for vulnerable adults. Actions have been put in place to improve early identification and ensure effective engagement with harmful and hazardous drinkers. The new Young People's Substance Misuse Service will also contribute to reducing hospital attendance and admissions. The service will deliver advice, information, training and safe drinking messages across the Barnet Schools Network and the SMS Education Portal.
- **Percentage of household waste sent for reuse, recycling and composting** – 36.73% against a target of 41.96%. Performance has slightly improved from the same time last year (36.55%). This is mainly due to a decrease in kerbside collected residual waste.
- **Percentage of unacceptable levels of litter** - 5.83% against a target of 3%; and **percentage of unacceptable levels of detritus** – 10.73% against a target of 9%. The targets have been affected by litter and detritus found prior to cleansing that was scheduled to take place after the leaf fall in December. An additional deep cleanse will improve the standard of cleanliness across the borough with particular focus around parked cars and difficult access areas. Performance is expected to improve in 2017/18 when the new street cleansing model is implemented, which will focus cleansing operations on areas of greatest need and footfall, whilst delivering more effective cleansing through improved methodologies and investment in new equipment.
- **Highways defects made safe within agreed timescale** – this composite indicator has been reported as a fail for the third quarter due to an ongoing issue with the contractor. The issue should now be resolved, with data for Quarter 4 being reviewed and validated. Reporting should resume in Quarter 1 2017/18.
- **The percentage of residents who are satisfied with parking services** – 24% against a target of 33%. The service will continue to work with partners to improve responses to enquires, explore feedback from other channels and provide a more proactive service.
- **Compliance with Environmental Health Service Standards (Priority 1 incidents and service requests)** – 96% against a target of 100%. This indicator relates to Priority 1 notifications such as food alerts, infectious disease control, legionella outbreaks and accidents at work involving major injury or fatalities. A late case had been recorded in January leading to the indicator missing target. Prompt action has been taken by both the Re Customer Services Hub and Food Safety Teams to prevent risk to public health and improvements have been introduced to avoid a reoccurrence of the initial delay.

## Transforming services

### *Successes*

- The council has been committed **to helping people into work**. The Burnt Oak Opportunity Support Team (BOOST) has engaged with 824 people

and supported 298 people into work this year. In April 2017 a second BOOST team was launched in Childs Hill, which will support people in the south of the borough to make the most of the opportunities from the regeneration of Brent Cross.

- **Mental health employment support** through the Individual Placement and Support Service (IPS) and Motivational and Psychological Support Service (MAPS) has continued to grow. By December 2016, IPS had engaged with 59 residents and secured 30 jobs (a little short of the 36 target); and MAPS had engaged with 161 people and helped 51 into jobs. Referrals from Home Start and Primary Care Link Workers have increased over this period; and MAPS sessions will be offered in the CareSpace hubs from 2017/18.
- A smooth transfer of services was made to Cambridge Education in April 2016. All **service reviews have been completed within in the first 100 working days of the contract** and structural changes, efficiency measures and plans for growth have been put in place.
- **Barnet schools are performing within the top 10% in the country.** Educational performance is measured by the new Attainment 8 and Progress 8 indicators. These look at pupils' average grade across eight subjects, including English and Maths. Barnet schools have scored highly for Attainment 8 at 56.10 (compared with a national average of 48.2 and London average of 51.7) placing 5<sup>th</sup> in the country; and Progress 8 at 0.33 (compared with a national average of 0 and London average of 0.16) placing 4<sup>th</sup> in the country.
- A **strengths-based approach to adults' social care** has been implemented, which aims to improve quality of practice, promote resilience for service users and reduce the reliance on funded packages of care. A strengths-based practice training programme has been rolled out across operational teams and the programme was shortlisted for the Creative and Innovative Social Work Practice award at the Social Worker of the Year awards. **CareSpace** – the second wave of assessment hubs – has been rolled out across the borough, enabling operational teams to make stronger links with local communities and service users to have better access to community resources, with two hubs (the Independent Living Centre and Anne Owens) co-located with local voluntary and community sector (VCS) organisations. Over 20% of Adult Social Care referrals are now being met through hub appointments rather than home visits (up from 8% last year). A third hub will launch in the summer 2017.
- A range of **innovative new care and support services** have been introduced during the year helping to reduce the number of referrals into social care (from 2,633 in 2015/16 to 1,073 in 2016/17<sup>4</sup>). These include a new telecare service; revised accommodation and support offer (such as Neighbourhood Networks); supported living for people with complex disabilities and health needs and the Crash Pad emergency respite service for people with learning disabilities; access to employment support services and a new Personal Assistants (PAs) service (via Your Choice Barnet); Carers Dementia and Support; Ageing Well, Homeshare, Neighbourhood Day for Older People and the Shared Lives service (in

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<sup>4</sup> These figures are correct at the time of reporting. However, due to the live nature of the system will be subject to change as people continue to move through the social care system.

partnership with the London Borough of Harrow). These will lead to improved quality of life for residents and lower cost to the council.

- A legacy of poor practice in Barnet is being tackled through the **Family Services Practice Improvement Plan (PIP)**. The work is trying to create the environment for social work to flourish in Barnet enabling the needs of children to be addressed more effectively. Improvements are emerging from a very low base. Practice Development Workers have been appointed to support the pace of progress in practice improvements activity, enabling close scrutiny of the quality of practice and resulting in a clear plan to address areas of concern. Overall, the Quality Assurance framework has been strengthened with increased audit activity now taking place across the service such as regular and thematic audits, and reviews of practice. The Signs of Safety training has been rolled out to staff and managers providing a tool to support social work risk assessment, decision-making and planning; the training has also been delivered to senior managers and partners. Systemic training has been commissioned for leaders to support the overall resilience model and a series of internal workshops will take place to support further improvements required towards purposeful practice.
- A key practice improvement objective has been to retain, attract and grow the **permanent social care workforce** and reduce reliance on agency workers. The stability of the Children's social care workforce has improved with turnover reducing from 17% (in September 2016) to 13% (in April 2017). There has been a successful **drive to reduce caseloads** to ensure children receive the help they need and are not subject to unnecessary statutory interventions. In January 2016, individual social worker caseloads were at 37.5 in the Duty and Assessment Team and 18.7 in the Intervention and Planning Team. By April 2017 caseloads had reduced to an average of 12.7 in the Duty and Assessment Team and 14.6 in the Intervention and Planning Team.
- A Mental Health and Wellbeing Governance Board has been established to drive forward the re-modelling and **re-commissioning of the Children and Adolescent Mental Health Service (CAMHS)**. An outline service specification has been prepared and will be followed by a 'soft market' engagement event. A decision on the contract award will be made by 1 October 2017 with the current contract ending on 1 January 2018
- **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 are being drawn up.

### *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 annual pay rises and increases in employers' National Insurance and pension contributions. As a result, a growing number of schools are facing financial challenges.

CPI: Transforming service <sup>5</sup>	Green	Green Amber	Red Amber	Red	Improved/Same	Worsened
	54% (7)	8% (1)	0% (0)	38% (5)	67% (6)	33% (3)

Five indicators have been RAG rated as Red:

- Percentage of free entitlement early years places taken up by parents/carers that are eligible for a place** – 60% against a target of 63%. The children’s centres have hosted a range of activities across the localities and invited families of eligible two year olds to attend. However, some parents have chosen not to access early education until their child is three, others want a specific setting and prefer to be on a waiting list, and some communities do not access their entitlement. An action plan has been implemented to positively promote the two year old offer, along with plans for the increase to 30 hours for three and four year olds from September 2017.
- Excess weight in 10-11 year olds (overweight or obese)** - 34.4% against a target of 32%. Public Health has continued to work closely with partners to improve the health of Barnet residents, including on initiatives to decrease levels of excess weight in 10-11 year olds such as the Alive and Kicking weight management programme for 4-12 year olds and a School Time Obesity Prevention programme delivered in Years 3, 4 and 5. Recently, a new top priority school list based on National Child Measurement Programme results has been developed to target work in particular schools and help reduce obesity levels. In addition, Barnet has been involved with the Great Weight Debate, a London conversation on childhood obesity, and has encouraged residents to have their say on this issue.
- Smoking prevalence** - 14.6% against a target of 13%. This indicator is based on the Annual Population Survey conducted every year by the Office for National Statistics. Across the UK 320,000 adults complete the survey and the results are scaled up to make projections for each local area. Public Health has been addressing a number of issues around quality and data systems; quality of community based support; and increasing use of community based services, including appointing a smoking cessation co-ordinator; organising training for new smoking advisors, existing providers and volunteers; securing specialist support from Lewisham Stop Smoking Service to review performance in practices/pharmacies; and strengthening clinical governance in the specification for community based providers such as payments by results that would bring them more in line with other boroughs and increase incentives for achieving a successful quit.
- Average Attainment 8 score of looked after children** - 19.5 against a target of 22.8; and **Average Progress 8 score of looked after children** - -1.66 against a target of -1.14. This compared with scores of 56.10 and 0.33 overall. The size of the looked after children cohort should be noted at just 30 pupils for the attainment and 15 pupils for the progress measure. The Virtual School Challenge Committee provides support and challenge to monitor and improve the outcomes of looked after children. It has

<sup>5</sup> 17 indicators have been reported at EOY 2016/17 under Transforming Services. 13 have been given a RAG rating and nine have been given a Direction of Travel (DOT) status.

prioritised specific areas of intervention to ensure rapid and sustainable improvements over time. These have included raising attendance to ensure all pupils were in school at least 96% of the time, and driving up standards in English and Maths so that pupils can access the next phase of their life in education or employment. The DfE's latest release shows attendance increased from 93.6% in 2015 to 96% in 2016 (in line with the national average for all pupils) and the proportion of pupils who achieved an A\*-C grade in English and Maths rose from 14% in 2015 to 21.9% in 2016. It is also important to note that Barnet schools have much stronger outcomes for looked after children, with attainment 8 rising to 29.6 and progress 8 rising to -0.6 (both above the national average for looked after children and above target). Out-of-borough schools do less well. In January 2017, 1.8% of 16-17 year olds were not in education, employment or training (NEET), in line with the London average and better than the national average (2%).

## **More resilient communities**

### *Successes*

- The council has been committed to **tackling issues around domestic violence, mental health and substance misuse** and has focused support on a cohort of families through the Multi-Agency Safeguarding Hub (MASH). In addition, a new team 'REACH' has been established within Family Services to work with young people at high risk of gang related activity.
- The vision for Family Services has been to put children and families at the heart of everything they do and to **build family resilience through the resilience-based practice**. A new Children and Young People's Plan has been published and the service recently became a UNICEF Children's Rights' Partner. The Children in Care Council (now named #BOP) has been reconstituted with new members and a sub-group monitors the implementation of the Children in Care Council Improvement Plan. Young people are being involved in decision-making and had an opportunity to participate in a young people's survey, which will inform future service delivery such as CAMHS re-commissioning and the 0-19 review.
- The Communities Together Network has published an annual report and the Community Participation and Engagement Network will undertake an evaluation of the Community Participation Strategy, which will be used to inform a refresh for 2017/18. The **Barnet Community Directory has been launched**, along with the Barnet Together communications campaign to increase and facilitate community participation in the borough.
- **Valuations have been carried out on over 60 community assets identified in the Community Asset Strategy**. The properties have been sub-divided into seven phases and the Community Business Case Coach has been working with community groups to calculate their rental subsidies using the Community Benefit Assessment Tool (CBAT). Work on the new-build Tarling Road Community Centre is scheduled to start in late summer 2017.

CPI: Resilient Communities <sup>6</sup>	Green	Green Amber	Red Amber	Red	Improved/Same	Worsened
	78% (7)	11% (1)	11% (1)	0% (0)	78% (7)	22% (2)

No indicators have been RAG rated as Red.

## Improving customer services and transparency

### Successes

- There has continued to be a high level of **satisfaction** with Barnet as a place to live (85%), which remains above the national average (83%); whilst satisfaction with the way the council runs things (71%) is on par with the national average (71%).
- The council has been moving to **digital-by-default** by encouraging customers online or to use self-service. Customer satisfaction with web and face-to-face services has been consistently improving over the year, with Barnet achieving Top 10 ranking in GovMetric's satisfaction league tables. Improving the web offering has been central to delivering the council's long-term strategy, so it has been particularly encouraging to see the focus on this area paying off, with web satisfaction rising from 46% in Quarter 1 2016/17 to 55% in Quarter 4 2016/17.
- The council has been **recognised as a Local Government Transparency Champion by the Cabinet Office** for setting high standards in the field of transparency and Open Data.

CPI: Customer service and transparency <sup>7</sup>	Green	Green Amber	Red Amber	Red	Improved/Same	Worsened
	67% (4)	0% (0)	17% (1)	17% (1)	50% (4)	50% (4)

One indicator has been RAG rated as Red:

- **Performance of services** – 71% against a target of 80%. In comparison to other single tier and county councils, Barnet has achieved above benchmarks for 20 out of 28 metrics across themes including Education, Children's Services, Adults' Services, Housing, Planning and Environment (Regulatory Service).

## Final revenue outturn

- 1.6 The General Fund revenue outturn (after reserve movements) is £283.298m, which is an adverse variance of £8.330m (3.0 per cent) compared with the revised budget of £274.968m. See table 2 below, which provides a summary of the General Fund revenue outturn for 2016/17 compared with the revised budget. A breakdown of the revenue outturn for each Delivery Unit is shown in Appendix C.

<sup>6</sup> 10 indicators have been reported at EOY 2016/17 under Resilient Communities. Nine have been given a RAG rating and nine have been given a Direction of Travel (DOT) status.

<sup>7</sup> Eight indicators are reported at EOY 2016/17 under Customer services and transparency. Six have been given a RAG rating and eight have been given a Direction of Travel (DOT) status

**Table 2: Summary Revenue Outturn 2016/17**

Service	Original Budget £000	Revised Budget £000	Outturn £000	Variance from Revised Budget Adv/(fav) £000	Variance from Revised Budget Adv/(fav) %
Adults and Communities	85,400	86,808	92,161	5,353	6.2
Assurance	3,793	3,847	3,846	(1)	-
Births, Deaths & Marriages (Registrar Service)	(160)	(162)	63	225	(138.8)
Central Expenses	51,381	41,800	41,298	(502)	(1.2)
Commissioning Group	19,288	20,200	20,200	-	-
Customer and Support Group (CSG)	22,120	22,086	22,586	500	2.3
Education and Skills	6,940	7,084	7,257	173	2.4
Family Services	46,647	54,863	55,289	426	0.8
HB Public Law	2,011	2,011	2,125	114	5.7
Housing Needs and Resources (Barnet Homes)	4,976	5,559	7,365	1,806	32.5
Parking and Infrastructure	(1,933)	(1,838)	(1,838)	-	-
Public Health	18,544	18,055	18,055	-	-
Regional Enterprise (Re)	1,134	1,130	1,364	234	20.7
Street Scene	13,896	13,525	13,527	2	-
<b>Total</b>	<b>274,036</b>	<b>274,968</b>	<b>283,298</b>	<b>8,330</b>	<b>3.0</b>

1.7 The top contributors to the variance from budget are **Adults and Communities and Housing Needs and Resources**.

The overspend of £5.353m within **Adults and Communities** represents 6.2 per cent of the total Delivery Budget (£86.808m).

- The care budgets within Adults and Communities 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 Disability budget resulting from Ordinary Residents clients transitioning into Barnet. In 2016/17, demand continued 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 also continued 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.
- To offset these demand pressures, the service achieved savings in third party contracts in the prevention and wellbeing area and has made significant staff savings across the delivery unit.

The overspend of £1.806m within **Housing Needs and Resources** represents 32.5% of the total budget (£5.559m). The overspend has been driven by a sustained demand for temporary accommodation and high rental prices exceeding government payments received by the council.

## Final capital outturn

- 1.8 The outturn expenditure on the council's capital programme is £137.311m, £99.485m of which relates to the General Fund programme and £37.826m to the HRA capital programme. This is a variance of £38.492m against the latest approved budget of £175.803m. Table 3 below summarises the actual expenditure, budget and variance by service.

**Table 3: Capital Programme Outturn 2016/17**

Service	2016/17 Budget £000	Additions/ (Deletions) £000	(Slippage)/ Accelerated Spend £000	2016/17 Outturn £000	Variance from Approved Budget £000	Variance from Approved Budget %
Adults and Communities	1,380	661	(73)	1,968	588	(5.3)
Commissioning Group	16,820	-	2,032	18,852	2,032	12.1
Education and Skills (including schemes managed by Schools)	40,013	1,205	(13,188)	28,030	(11,983)	(33.0)
Family Services	5,523	-	(3,874)	1,649	(3,874)	(70.1)
Housing Needs & Resources (Barnet Homes)	8,870	-	(4,798)	4,072	(4,798)	(54.1)
Parking and Infrastructure	1,196	-	(75)	1,121	(75)	(6.3)
Regional Enterprise (Re)	60,875	55	(18,222)	42,708	(18,167)	(29.9)
Street Scene	1,908	-	(823)	1,085	(823)	(43.1)
General Fund Programme	136,585	1,921	(39,021)	99,485	(37,100)	(28.6)
HRA (Barnet Homes)	39,218	-	(1,392)	37,826	(1,392)	(3.5)
<b>Total Capital Programme</b>	<b>175,803</b>	<b>1,921</b>	<b>(40,413)</b>	<b>137,311</b>	<b>(38,492)</b>	<b>(23.0)</b>

- 1.9 The capital monitoring summary by service area, including additions to and deletions from the programme, accelerated spend and slippage, is set out in Appendix Di. 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 programme<sup>8</sup>.
- 1.10 The capital outturn is £38.492m (23.0%) lower than the latest approved budget, primarily due to slippage. The principal variances from budget and the reasons for these are as follows:
- The **Adults and Communities** capital programme shows a variance from budget of £0.588m. This is due to increased expenditure on the investing in IT project; this project also requires a further £820k in 2017/18 that is yet to be approved.
  - The **Commissioning Group** outturn includes accelerated spend from the 2017/18 allocation on the Depot relocation project where expenditure has been incurred more quickly than previously thought.
  - The **Education and Skills** forecast includes slippage of £13.188m, mainly as a result of school building and expansion funding being re-profiled into future years.

<sup>8</sup>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 **Housing Needs and Resources** programme has decreased by £4.798m. This is primarily due to delays in the commencement of the new Registered Provider, Open Door.
- The **Re** delivery unit capital programme has decreased by £18.167m. This is due largely to expenditure on the office build and Thameslink Station slipping into 2017/18.
- The **HRA** forecast shows a decrease of £1.392m, which is due to direct acquisitions that did not complete before the end of the financial year.

## Savings

- 1.11 In 2016/17 the council budgeted to deliver £19.554m of savings. Table 4 below summarises the value of savings that have been achieved against the savings programme. In total, £19.067m of savings has been delivered, which represents 97.5% of the target.

**Table 4: Savings 2016/17**

Service Area	2016/17 MTFS savings £000	Savings achieved £000	Percentage of savings achieved £000
Adults and Communities	3,383	3,383	100.0
Assurance	356	356	100.0
Central Expenses	6,995	6,716	96.0
Commissioning Group	2,406	2,406	100.0
Education and Skills	85	85	100.0
Family Services	1,986	1,833	92.3
Housing Needs and Resources	200	200	100.0
Regional Enterprise	2,253	2,253	100.0
Street Scene	960	905	94.3
Special Parking Account	930	930	100.0
	<b>19,554</b>	<b>19,067</b>	<b>97.5</b>

## Customer experience and human resources

### Customer experience

- 1.12 Efforts put into improving customer services over the year have paid dividends with 13 of the 16 indicators on the customer experience dashboard (table 5) ending the year on or above target. Whilst performance has fallen slightly on five indicators, four of these still met target. Quarter 4 2016/17 performance compares favourably to Quarter 1 2016/17, when seven targets had not been met; demonstrating clear progress throughout the year.

**Table 5: Customer experience dashboard (Q4 2016/17)**

Indicators	Q4 2016/17 Target	Q3 2016/17	Q4 2016/17	DoT
% Customers that rate customer service as 'Good' (GovMetric)	88%	89%	91%	▲
% Customers that rate the website as 'Good' (GovMetric)	51%	52%	55%	▲
% CSG Self-service contacts	42%	43%	42%	▼
% CSG Right first time contacts	72%	74%	79%	▲
% CSG Webforms responded to within SLA (5 days)	95%	97%	100%	▲
% CSG Emails responded to within SLA (5 days)	95%	96%	100%	▲
% of cases delivered within SLA <sup>9</sup>	92%	85%	87%	▲
% of cases delivered within SLA for customers needing additional support	92%	98%	91%	▼
Case Closure Survey (sum of 'Very good' and 'Good' ratings)	65%	63%	66%	▲
% Complaints responded to within SLA	90%	93%	91%	▼
% Members Enquiries responded to within SLA (5 days)	98%	99%	99%	➡
% Members Enquiries cases closed in 5 days	-	79%	79%	➡
% FOIs resolved within SLA	90%	98%	97%	▼
% Contact centre calls answered in total, including IVR <sup>10</sup>	95%	96%	96%	➡
% Council desk phones answered in total	95%	79%	77%	▼
Non-appointment average wait (min) <sup>11</sup>	5 min	3m 34 s	2m 39s	▲
Appointment avg wait (min)	5 min	2m 13 s	n/a <sup>12</sup>	n/a

- **Satisfaction with customer service** (across all channels excluding the web) increased to 91% and remains above target (88%).
- **Satisfaction with the website has improved significantly** to 55% from 46% in Quarter 1 2016/17. Continued improvement in Quarter 4 2016/17 has allowed the council to consolidate its place in Govmetric's Top 10 for UK councils whose websites are rated as 'Good'. This has been achieved by greater cross-council collaboration in responding to the feedback from customers.
- **Two CSG indicators, supporting the customer access strategy** to increase self-service and reduce failure demand, 'Self Service Contacts' and 'Right first time contacts' have continued to perform on or above target.
- Webform volumes have been under reported in Quarter 4 2016/17 because of a two week gap in data due to a technical problem. Despite this, **webform volumes have been 35% higher than in Quarter 4 2015/16** (14,802 versus 10,937).

<sup>9</sup> Data primarily covers Parking, Assisted Travel, Highways and Planning and Revenues and Benefits

<sup>10</sup> Re, CSG and Barnet Homes. Barnet Homes target is 92%.

<sup>11</sup> 16,441 non-appointments, 0 pre-booked appointments, 4,652 non-appointments with Barnet Homes / Housing Options. Measurement by Qmatic: total wait time of customers taking a ticket / total number of customers taking a ticket.

<sup>12</sup> There were no pre-booked appointments in Q4 2016/17.

- **CSG Customer Services has responded to 100% of emails and webforms** within SLA timeframes.
- **Cases delivered within SLA timeframes has improved** to 87% (from 85% in Quarter 3 2016/17). This is still below target (92%), but improvements implemented in Revenues and Benefits in Quarter 4 2016/17 are paying dividends.
- The **Case Closure Survey** exceeded target for the first time this year with 66% of respondents rating their experience as 'Good' or 'Very Good'. This is a significant improvement on Quarter 1 2016/17, where only 49% of respondents rated their service this highly.
- **Complaint volumes have continued to fall** and despite a 2% fall in performance from Quarter 3 2016/17, 'Complaints responded to within SLA' (91%) remains above target (90%).
- The volume of **Members Enquiries** increased marginally quarter-on-quarter to 1,418 and 99% of these were responded to within SLA, above target (98%).
- **98% of calls into the CSG Contact Centre have been answered**, an increase from last quarter of 1%, and above the target of 95%. The number of phone calls answered by the contact centre within SLA timeframes increased from 82% to 85% (above the target of 80%).
- Waiting times for non-appointments (2 min 13 sec) have improved and are well below the five minute target.

*Areas for improvement:*

- **The percentage of CAS cases closed on time** has fallen to 91% (just below target of 92%). Street Scene performance at 84% will be addressed, with improvement measures being put in place.
- Barnet Homes answered 87% of calls versus a target of 92%. **An improved automated call answer system is being implemented in Quarter 1 2017/18** and this will deliver a better customer experience and allow demand to be managed more efficiently.
- The percentage of **calls into council desk phones** that are answered by staff (77%) remains below target (95%). Improvement plans are being implemented in Quarter 1 2016/17.

## Human resources

- 1.13 Table 6 shows agency staff costs incurred during 2016/17 compared with the previous year. This identifies that agency expenditure has increased by £2.620m in the past year, with agency staff mainly being used to cover vacant posts.

**Table 6: Expenditure on Agency Staff 2016/17**

Service Area	2015/16 £000	2016/17 £000
Adults and Communities	4,145	3,862
Assurance	153	73
Education and Skills	1,403	2
Family Services	6,324	9,441
Commissioning Group	3,539	4,657
CSG	14	-

Service Area	2015/16 £000	2016/17 £000
HRA	16	36
Parking and Infrastructure	64	346
Re	-	91
Street Scene	2,916	2,686
	<b>18,574</b>	<b>21,194</b>

- 1.14 During Quarter 4 2016/17 there has been an average of 1,585 staff (1,344 Full Time Equivalent (FTE)) employed across the council; along with an average of 441 agency staff. Table 8 shows high numbers of agency staff in Street Scene (172) and Family Services (156), but it should be noted that figures are not FTE. Street Scene, for example, has a lot of agency staff that work part-time within Passenger Services. These agency staff operate bus services as part of the Special Educational Needs (SEN) and Adults transport function.

A range of measures have been put in place to manage agency staff, including moving people onto permanent and fixed-term contracts. Latest figures (for April 2017) show positive results, with agency staff reducing by 74 to 367 (including a reduction of 37 in Family Services). This has been reflected by an increase in Headcount and FTE (see tables 8a and 8b).

**Table 7: Agency (Q4 2016/17 and April 2017)**

	No. of agency staff*	
	Q4 2016/17	April 2017
Adults and Communities	78	70 (-8)
Commissioning Group	35	20 (-15)
Family Services	156	119 (-37)
Street Scene	172	158 (-14)
<b>Overall</b>	<b>441</b>	<b>367 (-74)</b>

\*Figures not FTE

Source: HR Establishment Pack (average over 3 months)

**Table 8a: Headcount (Q4 2016/17 and April 2017)**

	Headcount*	
	Q4 2016/17**	April 2017
Adults and Communities	281	288
Commissioning Group	186	215
Family Services	642	693
Street Scene	476	491
<b>Overall</b>	<b>1,585</b>	<b>1,687</b>

\*Excludes vacancies.

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

**Table 8b: Full Time Equivalent (Q4 2016/17 and April 2017)**

	FTE	
	Q4 2016/17**	April 2017

	FTE	
	Q4 2016/17**	April 2017
Adults and Communities	249	254
Commissioning Group	175	200
Family Services	497	511
Street Scene	423	433
<b>Overall</b>	<b>1,344</b>	<b>1,398</b>

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

- 1.15 Work has been undertaken to reduce sickness absence across the council. Sickness absence has reduced to 7.83 days in Quarter 4 2016/17 (from 7.88 days in Quarter 3 2016/17), but remains higher than the 6 days target. Sickness absence is particularly high in Adults and Communities at 9.71 days and Street Scene at 9.59 days. Plans are in place to bring down the level of sickness absence, with a focus on Adults and Communities and Street Scene in particular.

**Table 9: Sickness absence (Q4 2016/17)**

	Average days lost per FTE (rolling 12 months)
Adults and Communities	9.71
Commissioning Group (incl. CE)	3.94
Family Services	6.92
Street Scene	9.59
<b>Overall</b>	<b>7.83</b>

Source: HR Dashboard (average over rolling 12 months)

## SERVICE PERFORMANCE

- 1.16 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. 367 indicators are reported at EOY 2016/17. 301 have been given a RAG rating and 260 have been given a Direction of Travel (DOT) status.

**Table 10: Service indicators (EOY 2016/17)**

Service	Green	Green Amber	Red Amber	Red	Improved/Same	Worsened
Adults and Communities	65% (15)	13% (3)	4% (1)	17% (4)	53% (9)	47% (8)
Barnet Homes*	81% (13)	13% (2)	0% (0)	6% (1)	88% (15)	12% (2)
Commissioning Group	77% (23)	13% (4)	7% (2)	3% (1)	52% (16)	48% (15)
Customer and Support Group (CSG)*	96% (25)	4% (1)	0% (0)	0% (0)	85% (17)	15% (3)
Education and Skills*	67% (10)	20% (3)	0% (0)	13% (2)	100% (6)	0% (0)
Family Services	64% (14)	18% (4)	0% (0)	18% (4)	50% (6)	50% (6)
HB Public Law*	93% (13)	0% (0)	0% (0)	7% (1)	25% (3)	75% (9)
Parking and Infrastructure	71% (5)	14% (1)	0% (0)	14% (1)	43% (3)	57% (4)

Service	Green	Green Amber	Red Amber	Red	Improved/Same	Worsened
Public Health*	64% (16)	4% (1)	0% (0)	32% (8)	50% (12)	50% (12)
Regional Enterprise (Re)*	84% (68)	4% (3)	2% (2)	10% (8)	67% (47)	33% (23)
Registrar Service*	33% (3)	44% (4)	0% (0)	22% (2)	33% (3)	67% (6)
Street Scene	46% (6)	8% (1)	15% (2)	31% (4)	40% (4)	60% (6)
Your Choice Barnet (YCB)*	85% (17)	10% (2)	0% (0)	5% (1)	72% (18)	28% (7)
<b>Total</b>	<b>76% (228)</b>	<b>10% (29)</b>	<b>2% (7)</b>	<b>12% (37)</b>	<b>61% (159)</b>	<b>39% (101)</b>

\* Externally provided services

At the EOY, 76% (228) of service indicators are “on or above target”, with 159 indicators (61%) improving from the same time last year. The indicators that have not met target (RAG rated as Red, Red Amber or Green Amber) are shown in Appendix B.

### Transformation programme

1.17 The council’s Transformation Programme consists of 78 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. More information can be found in Appendix B.

- **The Way We Work Programme** - Policy and Resources Committee has approved the Business Case for full implementation of Unified Communications, an Electronic Document Management (EDM) pilot and the Choose Your Own Device approach on 23 February 2017. From 1 April 2017, **Unified Reward** has been implemented for schools and council staff.
- **Adults and Health Portfolio** - a number of decisions have been made by the Adults and Safeguarding Committee, including approval of the Adults Alternative Delivery Vehicle update paper on 6 March 2017 and changes to the prevention and early support services as part of the Early Support Prevention project on the 23 January 2017, which has secured savings of £621,574.
- Activities within the **Libraries project** have continued to be delivered. A number of libraries have re-opened after works have completed, some further libraries have temporarily closed for works and the Self-Service Opening (SSO) system has gone live in Chipping Barnet and Colindale libraries in April 2017.
- For the **Street Scene ADM project**, the Revised Outline Business Case has been discussed at Environment Committee on 15 March 2017. The transfer of Lot 4 (Parks Governance) from the Delivery Unit to the Commissioning Group has been approved and a revised report including an in-house option has been requested for Environment Committee on 11 May 2017.
- Within the **Growth and Development portfolio**, progress has been made on a number of projects, including the completion of 40 homes as part of Tranche 0 HRA Infill and the council has purchased 39 properties to utilise for temporary accommodation.
- As part of the **Education Capital Programme**, approval has been given for Blessed Dominic to proceed with planning submission of Enabling

Works and all works have been completed at Monkfrith School, with de-snagging and decant progressing.

## Other Finance

### Impact of revenue outturn on balances

- 1.18 The impact on the Housing Revenue Account balance is shown in table 11 below.

**Table 11: Housing Revenue Account Outturn**

	Original Budget £000	Revised Budget £000	Final Outturn £000	Variance from Budget Adv/(Fav) £000
Housing Revenue Account surplus before transfer to balances	(1,246)	(1,246)	(3,669)	(2,423)
Budgeted use of balances	1,246	1,246	3,669	2,423
Housing Revenue Account surplus after transfer from balances	-	-	-	-

- 1.19 The impact on the Dedicated Schools Grant balance is shown in table 12 below.

**Table 12: Dedicated Schools Grant**

	Original Budget £000	Revised Budget £000	Final Outturn £000	Variance from Budget Adv/(Fav) £000
Dedicated Schools Grant	-	-	(548)	(548)

- 1.20 The impact on the General Fund Balance is shown in table 13 below.

**Table 13: General Fund Balance**

	£000
<b>General Fund Balance brought forward 1 April 2016</b>	<b>(12,544)</b>
Budgeted use of balance	-
Outturn variance	8,330
Transfer from earmarked reserves	(5,400)
<b>General Fund Balance 31 March 2017</b>	<b>(9,614)</b>

- 1.21 The recommended limit for the council's General Fund balance is £15m and therefore the revenue outturn results in the balance being £5.386m below this recommended limit. This reduction in the General Fund balance will need to be managed through the council's Medium Term Financial Strategy to ensure the balance is replenished as the reduced balance would not be sustainable given the risks the council faces over the short to long term.

### Housing Revenue Account

- 1.22 The Housing Revenue Account (HRA) had a budgeted contribution to balances of £1.246m in 2016/17. The outturn for the year is a surplus of £2.423m, thus there is a balance of £12.489m as at 31 March 2017.

**Table 14: Housing Revenue Account Balance**

	£000
<b>Housing Revenue Account Balance brought forward 1 April 2016</b>	<b>(8,820)</b>
Budgeted contribution to balances	(1,246)
In-year surplus	(2,423)
<b>Housing Revenue Account Balance 31 March 2017</b>	<b>(12,489)</b>

### Dedicated Schools Grant

- 1.23 There is an underspend on the balanced in year Dedicated Schools Grant (DSG) of £0.548m before the budgeted use of balances. The DSG balance as at 31 March 2017 is £4.225m. Additional information relating to the DSG outturn and variance is contained in Appendix C.

**Table 15: Dedicated Schools Grant Balance**

	£000
<b>DSG Balance brought forward 1 April 2016</b>	<b>(5,019)</b>
Budgeted use of balance	1,342
Outturn variance	(548)
<b>DSG Balance 31 March 2017</b>	<b>(4,225)</b>

### Provisions

- 1.24 Provisions are made where an event has taken place that gives the council a legal or constructive obligation that requires settlement by a transfer of economic benefits or service potential and a reliable estimate can be made of the amount of the obligation. For example, the council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation. As at 31 March 2017 the council held provisions of £14.670m. The level of provisions as at 31 March 2016 was £12.897m.

**Table 16: Provisions**

Service Area	Provision b/fwd 1 April 2016 £000	2016/17 in-year expenditure £000	New provisions raised/ (written back)	Provision c/fwd 31 March 2017 £000
Insurance	8,850	-	-	8,850
Service related provisions	487	(249)	2,243	2,481
Business Rates appeals	3,082	-	(25)	3,057
Other	478	(216)	20	282
	<b>12,897</b>	<b>(465)</b>	<b>2,238</b>	<b>14,670</b>

## Reserves

- 1.25 The council has set aside specific amounts as reserves for future policy purposes or to cover contingencies. As at 31 March 2017 the council held reserves of £98.000m compared with £112.000m at 31 March 2016, a reduction of £14.000m.

**Table 17: Reserves**

Service Area	Reserves b/fwd 1 April 2016 £000	Drawdown £000	Contributions/ new reserves raised/ transfers £000	Reserves c/fwd 31 March 2017 £000
Central - Capital Financing	3191	(1616)	-	1,575
Central - Community Infrastructure Levy	16,068	(9,732)	9,842	16,178
Central - Infrastructure	19,622	(9,964)	10,735	20,393
Central - MTFS	-	-	15,425	15,425
Central - Risk	9,099	(5,979)	(3,120)	-
Central - Service Development	10,582	(10,154)	5,880	6,308
Central - Transformation	12,653	(6,280)	381	6,754
Service - Central expenses	9,719	(600)	(1,851)	7,268
Service - Education & Skills	430	(413)	(3)	14
Service - Commissioning	8,234	(1,401)	(920)	5,913
Service - Other	3,101	(1,175)	706	2,632
<b>Sub-total General Fund Earmarked Reserves</b>	<b>92,699</b>	<b>(47,314)</b>	<b>37,075</b>	<b>82,460</b>
Service - DSG	5,269	(1,808)	763	4,224
Service - Housing Benefits	5,875	-	(4,845)	1,030
Service - NLSR	642	(47)	9	604
Service - PFI	4,265	-	21	4,286
Service - Public Health	1,336	(812)	1,834	2,358
Special Parking Account (SPA)	1,914	(1,986)	1,909	1,837
<b>Sub-total Ring-fenced Reserves</b>	<b>19,301</b>	<b>(4,653)</b>	<b>(309)</b>	<b>14,339</b>
<b>Total Earmarked Reserves</b>	<b>112,000</b>	<b>(51,967)</b>	<b>36,766</b>	<b>96,799</b>

## Funding of Capital Programme

- 1.26 Table 4 below shows how the 2016/17 capital programme has been funded.

**Table 18: Funding of 2016/17 Capital Programme**

Service Area	Grants £000	S106/ Other Contributions £000	Capital Receipts £000	Revenue/ MRA £000	Borrowing £000	Capital Reserves £000	Total £000
Adults and Communities	4	-	514	73	(3)	-	588
Commissioning Group	(900)	-	3,940	0	(1,188)	180	2,032
Education and Skills (including schemes managed by Schools)	(5,444)	(1,796)	(718)	(2)	(4,023)	-	(11,983)
Family Services	(454)	-	(1,334)	-	(2,007)	(79)	(3,874)

Service Area	Grants £000	S106/ Other Contrib- utions £000	Capital Receipts £000	Revenue/ MRA £000	Borrow- ing £000	Capital Reserves £000	Total £000
Housing Needs Resources	-	-	434	(126)	(5,106)	-	(4,798)
Parking and Infrastructure	-	-	(85)	124	0	(114)	(75)
Regional Enterprise (Re)	(7,563)	(334)	(399)	(253)	(6,750)	(2,868)	(18,167)
Street Scene	(506)	(71)	(30)	(250)	(236)	270	(823)
<b>General Fund Programme</b>	<b>(14,863)</b>	<b>(2,201)</b>	<b>2,322</b>	<b>(434)</b>	<b>(19,313)</b>	<b>(2,611)</b>	<b>(37,100)</b>
HRA	(880)	(914)	(124)	7,172	(6,646)	-	(1,392)
<b>Total Capital Programme</b>	<b>(15,743)</b>	<b>(3,115)</b>	<b>2,198</b>	<b>6,738</b>	<b>(25,959)</b>	<b>(2,611)</b>	<b>(38,492)</b>

### Write-offs and debt information

1.27 As part of the quarterly monitoring process the council reports on all scheduled write-offs in excess of £5,000.

### Sundry debt write-offs

1.28 The value of a write-off is determined at a debt value as per the council's financial regulations. Debts under £5,000 are approved by the Chief Finance Officer.

Action taken to recover debt is as per the council's Income and Debt Management Policy. If an invoice is raised and remains unpaid, a 'dunning' process is initiated, as follows:

- Level 1 - a reminder is sent after 21 days
- Level 2 - a final notice is sent after 35 days, i.e. a further 14 days

The Income Team will review all Level 2 cases remaining outstanding greater than 49 days (allowing a further 14 days to pay after the Final Notice) to decide whether the debt recovery process should proceed.

Depending on the type of debt, customer and circumstances, the use of debt collectors or issuing proceedings in the County Court is considered. Each case is treated individually and the circumstances of each debt are assessed prior to a decision being made, in conjunction with the delivery unit, on the recovery of the debt.

Table 19 below analyses the scheduled sundry debt write-offs that have taken place during 2016/17 where the individual debt level is in excess of £5,000; the aggregate of these write-offs is £0.049m. Individual debts under £5,000 totalling £0.959m have also been written off in 2016/17.

**Table 19: Sundry debt write offs over £5,000**

Sundry Debts - Write offs over £5k			
Account Reference	Amount	Invoice Date	Comments
1	£5,185.12	30/04/2009	Recovery action exhausted
2	£5,270.96	22/11/2012	Recovery action exhausted

Sundry Debts - Write offs over £5k			
Account Reference	Amount	Invoice Date	Comments
3	£23,735.55	15/11/2013	Recovery action exhausted
5	£8,700.00	15/01/2014	Insufficient funds in estate
7	£6,440.16	14/12/2015	Insufficient funds in estate
<b>Total</b>	<b>£49,331.79</b>		

### Treasury Outturn

- 1.29 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 March 2017. 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 March 2017, 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.

### 1.30 Investment Performance

Investment deposits are managed internally. As at 31 March 2017, deposits outstanding were £80.2 million, achieving an average annual rate of return of 0.53 per cent against a benchmark average (London Interbank Bid Rate - LIBID) of 0.33 per cent. The list of deposits outstanding as at 31 March 2017 is attached as Appendix G and summarised in table below.

**Table 20: Summary of Investments as at 31 March 2017**

	£000
Local Authorities	5,000
Money Market Funds	23,700
UK Banks & Building Societies	51,500
Non UK Banks & UK Building Societies	0
<b>TOTAL</b>	<b>80,200</b>

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.

1.31 **Debt Management**

The total value of long term loans as at 31 March 2017 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 March 2017 was 3.89 per cent.

## **2 REASONS FOR RECOMMENDATIONS**

- 2.1 These recommendations are to provide this Committee with the necessary information to oversee the performance of the corporate plan and service and contract performance. This paper enables 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: <https://barnet.gov.uk/citizen-home/council-and-democracy/policy-and-performance/corporate-plan-and-performance.html>

- 5.1.2 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.

- 5.1.3 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.

- 5.1.4 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
<b>Capital Virements</b>
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: <ol style="list-style-type: none"> <li>i) Budget transfers between projects and by year;</li> <li>ii) Funding transfers between projects and by year; and</li> <li>iii) A summary based on a template approved by the Section 151 Officer</li> </ol>
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 A separate paper on the council's risk management is on the agenda for this Committee meeting. The paper sets out the mitigating actions in place to manage strategic and service risks that have a risk score of 15 or above.
- 5.4.2 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.
- 5.4.3 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](http://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:

<b>Phase</b>	<b>Date</b>	<b>Summary</b>
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 <sup>13</sup> of council services. An online survey (17 December 2014 – 11 February 2015)

<sup>13</sup> 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>