

Commissioning Group – 2013/14

1.1 DELIVERY UNIT DASHBOARD

Revenue budget actual variance £000 ^[1]	Capital actual variance £000	Corporate Plan Performance	Management Agreement
133	4,608	n/a	n/a

As at 31 July 2013

1.2 TOP ACHIEVEMENTS AND ACTIONS

Top 3 Achievements	Key Escalations	Actions required
Successful set up of a Commissioning model, setting up internal enabling boards to inform strategy and improve delivery. The Commissioning Group has capacity to manage key contracts and relationships and support development of policies..	At the close of quarter 1 13/14, the Judicial Review appeal had potential to create further delays in the delivery of savings benefits from New Support Customer Service Organisation (NSCSO) and Development Regulatory Services (DRS) contracts.	A report to Cabinet (July) set out the proposed budget planning process for 2014/15, including options for a Plan B if the Council is unable to enter into the NSCSO and DRS contracts for the foreseeable future. This was resolved on 5 August 2013 with both contracts being signed and service commencement dates agreed.
Launch of Priorities and Spending Review to establish the likely budget envelope up to 2020, identify potential capital needs, and consider future options for efficiency and transformation. Key accountabilities have been assigned to senior officers to enable implementation.	The Commercial structure is in place and uses skilled interim resource, pending outcome of the Judicial Review.	Temporary structure has been implemented and recruitment of new director is now complete.
Performance on Information Management (FOIs and complaints) across the council has improved in quarter 1 13/14. In particular, 88% of complaints were responded to on time this quarter.	Excessive slippage in the capital programme.	Capital Programme is overseen through management agreements, Assets and Capital Board and Programme Boards which will provide appropriate oversight and control. An action plan has been developed to improve entry into the programme.

1.3 SUMMARY OF THE DELIVERY UNIT'S PERFORMANCE

During quarter 1 13/14, the Commissioning council was fully implemented, bringing together specialist teams to the Commissioning Group. Performance against timely response to complaints and FOI's was successful in Q1. Key activities will be implemented during quarter 2 to improve sickness absence and the reporting of performance reviews.

2. DELIVERING THE CORPORATE PLAN

2.1 How the Delivery Unit is performing against its Corporate Plan indicators

CPI NO	Indicator description	Period Covered	Previous outturn	Target	Numerator and Denominator	Outturn	Target Variance	DoT Variance	Benchmarking
5001	Increase residents' satisfaction with their local area as a place to live								Annual Indicators reporting in Q3 and 4.
5002	Increase business satisfaction with Barnet as a place to do business								
5003	Support business survival in the borough with 1.5 per cent increase in new businesses created and decrease of net loss by 50 units								

*The relevant previous outturn used will either be the previous quarter, or the same quarter of the previous year. The same quarter of the previous year will be used for annual indicators, cumulative indicators (where the numbers add up during the year and are reported as 'year to date') and if the indicator is affected by seasonal fluctuations.

2.2 Interventions & Escalations

CPI NO and title	Comments and Proposed Intervention
	<i>None</i>

3. BUSINESS PLANNING

3.1 How is the Delivery Unit achieving against its Business Plan

At the end of 2012/13, the council had 50% of services rated as **high performance, low spend** quadrant. Of all the 32 authorities, Barnet ranks in the top 6 (joint 3rd) with only 2 other authorities having the higher percentage of services (i.e. 66.67% and 63.6% respectively) in the high performance, low spend category.

The **Priorities and Spending Review** has been initiated, with Cabinet agreeing an approach to budget setting for 2014/15 and wider approach to consider options for future efficiencies and areas of transformation. A set of budget options and a draft updated Medium Term Financial Strategy will be developed for Cabinet consideration in November.

The Council has three programme portfolios: One Barnet (transformation); Capital programme, including school builds and refurbishment; and Regeneration. Within the One Barnet programme (10 projects), one project is flagged as red with risks related to delivery of the project to the agreed schedule – this is NSCSO, and reflected the Q1 position related to the Judicial Review appeal hearing. Across the capital programme (19 projects), all are on track to deliver on time, aside from the red-rated Depot relocation project owing to delays in completing the options appraisal to secure a site for 2015 onwards, and two school projects where some risk of delay remains. Finally, the Regeneration programme (8 projects) there are no red-rated projects.

Capital (financial) programme management remains an area for improvement. An improvement plan has been developed and tested with senior managers and will be presented to Budget and Performance Overview and Scrutiny Committee in September 2013.

FOI performance across the Commissioning Group was successful with 100% of FOIs (87 requests received) being responded to on time. No **complaints** were received by Commissioning Group in quarter 1.

The council has now agreed and put in place measures to track progress against its **Strategic Equalities Objective**. These will be reported as part of the Finance and Performance Report from Quarter 2 2013/14. The Commissioning and Equalities Policy Officer has been recruited and will work on further developing central advice and guidance on equalities.

An interim arrangement has been entered into with Capita to progress distinct projects up to contract commencement. The Capita **insight** team are established on site, and data analysis for the **Customer Access Strategy** is well underway in conjunction with Delivery Units. A project to establish a Privacy/ Fair Processing Notice for appropriate use of customer data has been initiated.

The **Information Management Strategy** is scheduled to go to Customer and Information Management Board for approval on 15 August. Workshops have been held with all Delivery Units to identify Information Management issues they are experiencing to ensure these will be rectified through the strategy, and senior management across the organisation have been consulted. Discussions have also been held with Capita, other Councils and The National Archives to ascertain best practice.

4. RESOURCES AND VALUE FOR MONEY

4.1 Revenue

Description	Variations				Comments	% Variation of revised budget
	Original Budget	Budget V1	Q1 forecast	Variation		
	£000	£000	£000	£000		
Commissioning Group	1,954	1,060	1,175	115	Overspend due to historic budget issues around salaries (£103k), interim covering post (£32k) offset by underspends on Supplies & services and conferences (£30k)	10.8%
Commercial	536	765	1,104	339	Current structure includes interim staff as a result of uncertainty in respect of the outcome of the judicial review	44.3%
Deputy Chief Operating Officer	3,995	4,482	4,147	(335)	Underspend on finance of £377k in respect of client side budgets held back for contract management	-7.5%
Commissioning Strategy	317	322	336	14	No significant variances	4.3%
Total	6,802	6,629	6,762	133		2.0%

4.2 Capital

	2013/14 Latest Approved Budget	Additions/ (Deletions) - Quarter 1	(Slippage) / Accelerated Spend - Quarter 1	2013/14 Budget (including Quarter 1)	Forecast to year end	Variance from Approved Budget	% slippage of 2013/14 Approved Budget
	£000	£000	£000	£000	£000	£000	%
Commissioning Group	-	14,748	(10,140)	4,608	4,608	4,608	-
Commissioning Group	-	14,748	(10,140)	4,608	4,608	4,608	-

(NB this assumes LBB will invest in new contact centre in 2013/14)

5. OVERVIEW OF DELIVERY UNIT

5.1 Managing the business

The Commissioning Group was developed as a new division to the Council at the start of 2013/14. The unit has been challenged with a high absence rate; this has been largely affected by three long-term cases. Monthly reviews will be set up to identify persistent absence cases.

The Commissioning Group is below the council average for completion of performance reviews with a very low completion rate of reviews recorded on the system. This will be addressed by a structural review of the SAP system during quarter 2.

There was an average of 2.8 days of sickness absence per employee in quarter 1 2013/14 against the council average of 1.47 days. Management teams will continue to review absence on a monthly basis and will work closely with the HR business partner to manage absence.

5.2 Change projects

Project	Outturn	Direction of Travel	Commentary
Priorities and Spending Review	N/A	N/A	Development of high-level scope, objectives and actions developed in Q1. Project initiated at start of Q2 and PID to be in place for end of August 2013.
One Barnet wave 2 projects: NSCSO and DRS	Status of projects reported to One Barnet Programmes Board.		
Information Management	N/A	N/A	Project commencement once Information Management strategy has been launched across the council.

5.3. Risk Overview

The following is the 5 X 5 matrix 'heat map' highlighting the number of risks at a Directorate Level and where they are currently rated:
Insert table here:

IMPACT	SCORE	PROBABILITY				
		1	2	3	4	5
		Rare	Unlikely	Possible	Likely	Almost Certain
5	Catastrophic	1	0	1	1	0
4	Major	1	1	4	0	0
3	Moderate	0	0	2	0	0
2	Minor	1	0	0	0	0
1	Negligible	0	0	0	0	0

Risk Commentary for Delivery Unit:

The setup of Commissioning Group risk register will be undertaken during quarter 2 13/14. The management team will collaborate to identify what the key risks are across each service area.

The current risk register highlights reputational and financial risks as a result of the pending Judicial Review – now resolved. Risks around the delivery of the new Corporate Plan have also been identified.

Please note risk assessments were correct as at 31 July 2013. Risks are subject to re-grading following the judgment of the legal challenge in Barnet Council's favour. DRS and NSCSO contracts have been signed as at 5 August 2013.

The following risk register lists those risks rated as 12 and above:

Risk	Current Assessment Impact Probability Rating			Control Actions	Risk Status	Board Assurance (timing)	Target Assessment Impact Probability Rating		
Legal challenge of key projects within the One Barnet programme means that the Council is unable to enter into the DRS and NSCSO contracts in the foreseeable future, resulting in severe financial and service pressures. Cause: Severe resource constraint represents the most significant risk to the Council achieving its strategic	Catastrophic 5	Possible 3	High 15	The potential for application for Judicial Review was recognised with this complex procurement process. The Council has engaged external legal advice throughout the NSCSO and DRS projects to ensure compliance with all aspects of its legal obligations. The Council was informed of the outcome of a Judicial Review challenge (April 2013), with the Judge assessing the	Treat	Quarterly	Catastrophic 5	Rare 1	Med Low 5

Risk	Current Assessment Impact Probability Rating			Control Actions	Risk Status	Board Assurance (timing)	Target Assessment Impact Probability Rating		
<p>objectives. The Council's transformation programme goes a long way to mitigating this risk. The outsourcing of the Council's back office functions, through the New Support and Customer Services Organisation (NSCSO) procurement contract, expects to save the Council £125m over the next 10 years. In addition, the Developmental and Regulatory Services (DRS) procurement guarantees a financial benefit of £39m over 10 years. Combined, these savings represent a significant proportion of the total savings that the Council is required to make over the next decade and allows the organisation to protect front line services to residents. However, the on-going Judicial Review appeal against these procurements creates a risk against the delivery of these benefits.</p> <p>Consequence: The implications of the Council not being able to enter into the NSCSO and DRS contracts are significant. For example, the Council is</p>				<p>application to be out of time and finding in favour of the Council. Additional legal resource was used to support the Council through the Judicial Review challenge. This decision is now the subject of an appeal and the Council continues to engage legal expertise.</p> <p>A report prepare for Cabinet (18 July) identifies the potential financial impact arising from delay in entering into NSCSO and DRS contracts, setting out the approach to identify £15m one-off savings by April 2014 to cover the cost of transformation activities; and an additional £10m of on-going savings.</p>					

Risk	Current Assessment			Control Actions	Risk Status	Board Assurance (timing)	Target Assessment		
	Impact	Probability	Rating				Impact	Probability	Rating
presently losing out on anticipated savings of over £0.5m per month for each month that it is unable to enter into the NSCSO contract. In addition, the Council will be required to identify alternative savings proposals across the organisation (including front-line services), funding for transformation activities that are anticipated to be delivered through the NSCSO and DRS contracts.									
<p>Insufficient capacity, resource and focus to deliver the Council's Corporate Plan and intended service outcomes.</p> <p>Cause: The Council has adopted a new Corporate Plan (2013 – 2016), underpinned by a set of Management Agreements which set desired outcomes and performance targets for Delivery Units. As the Council embeds a new structure and operating model, there remains a risk that Delivery Units provide insufficient resources or focus to deliver set objectives, analyse areas of weakness and deliver required actions. Consequence: There is a risk that this</p>	Major 4	Possible 3	Med High 12	To mitigate this risk, the Council has developed a new performance framework in 2013/14. This sets out roles and responsibilities of different services and functions in the reporting cycle, a clear approach to how performance challenges are escalated, and a peer review meeting each quarter. Key performance officers have been supported through training and support activities to participate in the performance cycle.	Treat	Quarterly	Moderate 3	Unlikely 2	Med Low 6

Risk	Current Assessment Impact Probability Rating			Control Actions	Risk Status	Board Assurance (timing)	Target Assessment Impact Probability Rating		
underperformance is not recognised and appropriately addressed, resulting in non or partial delivery of the Corporate Plan.									
<p>BUSINESS CONTINUITY. Barnet does not have a strategic approach to Business Continuity - while Delivery Units have BC plans (to varying degrees), there is no corporate approach to Business Continuity. We therefore lack an up to date impact assessment, plan or understanding of our mitigations in the event of a BC event which would require us to evacuate Barnet buildings.</p> <p>Cause/Consequence: We have no corporate understanding of the importance of business recovery and have no evacuation plan in the event of a BC event which requires us to leave Barnet buildings</p>	Major 4	Possible 3	Med High 12	BC at a strategic level has now been allocated to the Information Management function. A gap analysis has now been produced in the form of a PID for improvement - to be taken forward. To be discussed in tandem with Capita in their plans for Disaster Recovery.	Treat	Quarterly	Moderate 3	Possible 3	Med High 9
<p>The process for delivery of the Council's approach to meeting the medium to longer term budget gap does not meet its objectives</p> <p>Cause: Fragmented approach to delivery of Priorities and Spending review</p> <p>Consequence: Financial</p>	Catastrophic 5	Likely 4	High 20	A project framework has been established with a detailed timetable, actions assigned to relevant officers, and relevant reporting through delivery unit directors, commissioners and SCB	Treat	Quarterly	Catastrophic 5	Possible 3	High 15

Risk	Current Assessment			Control Actions	Risk Status	Board Assurance (timing)	Target Assessment		
	Impact	Probability	Rating				Impact	Probability	Rating
planning is ineffective and medium to longer term objectives are not met									
<p>The benefits of the commissioning model, specifically improvement of outcomes for local people, are not achieved.</p> <p>Cause:</p> <p>Commissioning processes are developing and still require embedding. The commissioning framework is central to the analyse, plan, do and review process as it establishes the principles upon which all commissions will be carried out and how success will be measured.</p> <p>Consequence:</p> <p>Outcomes are not met</p>	Major 4	Possible 3	Med High 12	Develop a framework to support the commissioning process. The framework will bring together the policy, processes and tools used to commission services to establish a common approach and method for prioritising work as well as measuring customer and societal outcomes.	Treat	Quarterly	Major 4	Unlikely 2	Med High 8
<p>Developing and maintaining an intelligent client capability or the ability of the Council to pro-actively manage outsourced relationship based on a thorough understanding of the overall end-to-end process.</p> <p>Cause/Consequence: Failure to create a balance of intelligence will, over time, create feelings of distrust that in turn can lead to an even greater dependency on a contractual approach from the</p>	Major 4	Possible 3	High 12	<p>Preventative:</p> <p>Chief Operating team set up to retain key areas on client side. A multi-disciplinary team with specific knowledge in areas being outsourced i.e. Commercial, Strategy, Programmes and Resources, Finance, Information Management, Performance. Enabled to maintain an appropriate level of client intelligence to ensure that an adequate service management approach can compliment the management of the</p>	Treat	Quarterly	Major 4	Unlikely 2	Med High 8

Risk	Current Assessment Impact Probability Rating			Control Actions	Risk Status	Board Assurance (timing)	Target Assessment Impact Probability Rating		
<p>client, causing a steady downward spiral in the relationship. Additionally, without intelligent capability LBB may lose sight of what good looks like leading to poor or no decision making.</p>				<p>contract. A knowledge capture approach is being implemented should the transfer occur through retained intelligent resource.</p> <p>Detective:</p> <p>At Commissioning Board, monitor the effectiveness, shape and form of the intelligent client capability as the requirement alters throughout the life-cycle of the outsource.</p>					