

# Deputy Chief Executive's Service – Quarter 4 2011/12

## 1. OVERVIEW

### 1.1 Summary rating for this service

Revenue budget actual variance £000 <sup>[1]</sup>	Capital actual variance £000	Corporate Plan Performance rating	HR rating	Key project rating
(31)	-	-2.5	-1	5.5

### 1.2 Top achievements, issues and actions

Top 3 Achievements	Top three issues	Actions required
Completion of Internal Audit annual plan for 2011-12 by the end of the financial year, delivering on objective of high quality assurance on a timely basis.	Managing staff vacancies across finance in order to keep delivering against objectives and maintaining customer satisfaction.	Active recruitment.
Completed the 90 day consultation about the people implications 2012/13 Budget. 92 at risk, 16 confirmed redundant with budget savings achieved	Ensuring that the HR activities from the One Barnet and Business As Usual workstreams are appropriately co-ordinated and cross briefed both within HR and across the Business	Briefing structures within HR are working well but work needs to be undertaken to have a more effective briefing mechanism into Senior Teams – a simple briefing tool in development
Medium Term Financial Strategy set and approved at Cabinet in Feb and Council in March	Managing increasing demands.	Managing workloads with increased work demands and assessing the resource requirement.



## 1.3 Summary of the Service

The Deputy Chief Executive Service has continued to deliver in times of increased activity and demands from services. The Service has supported the business case for the shared service for legal services and the transfer of the Housing Needs and Resources. The service has also borrowed at historically low interest rates to exit the HRA subsidy system.

The Service monitors Council-wide sickness statistics and the value for money indicator, currently sickness has improved slightly in the quarter but is still over the Council stretch target of 6 days at 7.7 days. Human Resources Business Partners continue to support the services on reducing sickness further.

## 2. DELIVERING EFFECTIVE SERVICES

### 2.1 Corporate Plan indicators (CPIs)

CPI NO	Indicator description	Period Covered	Numerator and Denominator	Previous relevant outturn	Target	Outturn	Target Variance	DoT Variance	Benchmarking
2001	% of services that are in the high performance/low spend quadrant of the Capital Ambition analysis	Oct 11-Dec 11	6/11	63.6%	80.0%	72.3%	9.6%	▲ 13.7%	Ranked 1 <sup>st</sup> in London overall
2002	CIPFA Corporate Services Value for Money Indicator	April 10 – March 11	2.21/4	N/A	75%	55.25%	26.33	N/A	No benchmarking available
2003	Reduce the average number of absence days per employee per year to 6	Apr 11-Mar 12	20939.8/2735.3	7.70	6	7.66	27.6%	▲ 0.6%	10.1 days (CIPFA, All Members & other Unitary Authorities 2011)

\*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.

CPI No 2001: Performance has gone down slightly since the last quarter. Five services remained the same as reported for quarter 2; two services moved firmly into the low performance, low spend part of the quadrant. These were Secondary education and Social Care - Children's. In addition, Planning & Economic Development which was previously shown as high performance, low spend, is now showing as

low performance, low spend. Waste and Cleansing and Community Safety are now in the high performance, low spend part of the quadrant. These were previously shown as low performance. Detailed work has been carried out on Benefits and Social Care Adults - both of which are shown as high performance, high spend. It has been established that the reason for this is the way in which Barnet chosen to present it's spend in the Revenue Actual forms which are updated annually. If the spend was shown in a similar way to other authorities, all things being equal, both would move into the low spend area of the quadrant. Barnet's position is still very favourable when compared to boroughs who have reported the same number of services such as Brent, Tower Hamlets and Islington (9%), Haringey and Lewisham (18%), Havering (27%) and Hillingdon (36%). Barnet (along with Richmond) reported the second highest results in this quarter.

CPI No 2002: This is a new indicator that has previously not been reported. The Council participated in the CIPFA benchmarking for corporate services, being finance, human resources, information services, procurement, estates and legal services. The indicator is based on a score for economy and efficiency, impact on the organisation, satisfaction and modern practices. Across these services the objective was to be rated 3 out of the possible 4 on average across all services. For the 2010-11 financial year the Council was rated as 2.21 out of 4 across these services, the areas of weakness were identified to be satisfaction from internal users, and impact on the organisation. It is however important to note that there were pockets of good practice noted with many of the services surveyed. It is the intention for the Council to continue to monitor these areas for improvement.

CPI No 2003: Managers have continued to focus on managing sickness absence across services which has resulted in a positive direction of travel for the quarter. Compared to the benchmarked group the level of sickness is below the national average, however does not meet the Council's stretch target of 6 days.

## **2.2. Corporate Plan Improvement Initiatives (CPIIs)**

There are no CPIIs for the Deputy Chief Executive's Service in 2011/12

### 3. RESOURCES AND VALUE FOR MONEY

#### 3.1 Revenue

Description	Variations				Comments	% Variation of revised budget
	Original Budget	Budget V1	Final Outturn 2011/12	Variation		
	£000	£000	£000	£000		
Finance	3,917	3,862	3,858	(4)		-0.1%
Human Resources	2,091	2,122	2,121	(1)		0.0%
Revenues and Benefits	7,287	7,112	7,008	(104)	Savings on Staffing	-1.5%
<b>Total</b>	<b>13,295</b>	<b>13,096</b>	<b>12,987</b>	<b>(109)</b>		<b>-0.8%</b>

#### 3.2 Capital

Capital Programme Description	Current 2011/12 Budget (incl. Slippage and Substitutions)	2011/12 Actual Expenditure (incl. Accruals)	Variance from Current 2011/12 Budget	% Variance from Current 2011/12 Budget
	£000	£000	£000	
Deputy Chief Executive Services	547	37	(510)	-93.2%
<b>Total Deputy Chief Executive Services</b>	<b>547</b>	<b>37</b>	<b>(510)</b>	<b>-93.2%</b>

### 4. MANAGING THE ORGANISATION

#### 4.1 Key projects

There are no red rated projects in this service in quarter 4.

## 4.2. Human Resources

Performance Indicator	Period covered	Target	Amber criteria	Q4 Actual (No.)	Q4 Actual % of total	Q4 (numerator/denominator)	Target Variance	Q4 DoT	Council average	Benchmarking
<b>Attendance</b>										
Average number of absence days per employee (Rolling year)	April 11 - March 12	6	6 - 6.5	6.1	N/A	1740.4/284.1	-1.7%	▼ 3.4%	7.7	10.1 days (CIPFA, All Members & other Unitary Authorities 2011)
Average number of absence days per employee this quarter (target is seasonally adjusted)	Jan 12 - March 12	1.51	1.5 - 1.7	1.7	N/A	304/176.9	-12.6%	▼ 6.2%	1.9	2.25 days (CIPFA, All Members & other Unitary Authorities 2011)
% managers submitting a monthly absence return	Jan 12 - March 12	100%	>90%	46	100.0%	46/46	0.0%	▲ 26.7%	91.9%	N/A : measure applicable to LBB only
<b>Performance Review</b>										
% objectives set for eligible staff only	Jan 12 - March 12	100%	>90%	Next reported in Quarter 1 2012/2013						N/A
% mid year performance reviews undertaken for eligible staff only	Jan 12 - March 12	100%	>90%	Next reported in Quarter 3 2012/2013						N/A
<b>Cost</b>										
Variance of total paybill to budget	Jan 12 - March 12	£2,274,693	+/-5%	£2,442,906	7.4%	2442906/2274693	7.4%	▼ 1.4%	0.3%	N/A : measure applicable to LBB only
Management Indicator	Period covered			Q4 Actual (No.)	Q4 Actual % of total	Q4 (numerator/denominator)	DoT Q4 %	Council average	Benchmarking	
<b>Diversity data</b>										
Percentage of top 5% earners that are female	As at 31 March 2012			9	52.9%	9/17	▼ 8.6%	51.3%	Women in leadership posts 49.9% (CIPFA, All Members & other Unitary Authorities 2011)	

<b>Number of BME employees as % of total employees</b>	As at 31 March 2012	64	35.2%	64/182	▼ 0.7%	32.7%	Black and Minority Ethnic local population 33.1% (State of the Borough June 2011)
<b>Number of declared disabled staff as % of total employees</b>	As at 31 March 2012	3	1.6%	3/190	▼ 7.1%	2.7%	2.33% (CIPFA, All Members & other Unitary Authorities 2011)

#### Employee Relations

<b>High Risk - Employee Relations cases as % of total cases</b>	As at 31 March 2012	0	0.0%	0/10	— 0.0%	6.9%	N/A : measure applicable to LBB only
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	ESTABLISHMENT				OCCUPANCY				Variance	OTHER	
	Permanent	Fixed Term	Vacant	TOTAL	Permanent	Fixed Term	Agency / Interim	TOTAL		Consultants	Casual
Deputy Chief Executive Service	131.45	36.91	30.47	198.83	135.45	43.02	38	216.47	17.64	3	8

#### HR Performance

The service continues to perform excellently well in comparison to the overall performance of the Council with 100% nil returns for absences. The Service area has experienced some changes in this quarter, as a result of the Revenues and Benefits areas of responsibility transferring to the Chief Executive's Department. In summary the direction of travel remains positive for the Service area.

### 4.3. 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:

SCORE		IMPACT				
		1	2	3	4	5
PROBABILITY	5 Almost Certain	0	0	0	0	0
	4 Likely	0	0	1	4	0
	3 Possible	0	0	5	2	0
	2 Unlikely	0	0	7	1	0
	1 Rare	0	0	0	0	0

**Risk Commentary for Deputy Chief Executive's Service:**  
 The risk profile of the Service has changed from quarter 3, there are the same number of risks rated at 12 or above (7) however the following changed.

- Civica risk was transferred to the CES risk register
- One risk escalated from the HR risk register in relation to the Council awaiting judgement from HMRC regarding tax status
- Those risks that are being treated have not moved significantly from the previous period mostly due to the new processes in relation to report clearance having time to embed, and also demands continuing at escalated levels from services.
- There are a number of risks rated below 12 that have been included within the Directorate risk register that relate to the Internal Control Checklist (ICC) now incorporated into the risk management system.
- All risks are monitored monthly by the Senior Management team and are communicated to the Lead Member.

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

Risk	Current Assessment			Control Actions	Risk Status	Target Date (Priority)	Target Assessment		
	Impact	Probability	Rating				Impact	Probability	Rating
<b>RS0012 – Financial</b> Increasing demands from service directorates	Major 4	Likely 4	High 16	Review at team meetings Resources are deployed to address the work demands where possible Resources are deployed to address the work demands where possible <i>Under Review (50% complete)</i>	Treat	On-going	Negligible 1	Unlikely 2	Low 2



Risk	Current Assessment			Control Actions	Risk Status	Target Date (Priority)	Target Assessment		
	Impact	Probability	Rating				Impact	Probability	Rating
<p><b>RS0015 - Financial</b> Report Clearance time not being adhered to. Finance being requested to clear complex reports on the same day as receiving them, there is a risk that something is missed that impacts on the Financial implications both in the current financial year and for future years.</p>	Major 4	Likely 4	High 16	<p>Forward plan on Committee papers produced by Corporate Governance. <i>Complete</i></p> <p>Governance surgeries have been put in place during January to educate report writers on required information for management of risks. <i>In Progress (60% complete)</i></p>	Treat	On-going	Moderate 3	Rare 1	Low 3
<p><b>RS0017 - Financial</b> Risk of further tax demands from HMRC if services continue to treat workers as self employed when the HMRC checker would indicate that they should be treated as workers/employees, specifically within Children's Services. HMRC can claim up to 6 years unpaid tax plus interest.</p> <p>Additional risk exists that they could claim continuity of employment and/or benefits.</p> <p>Inappropriate temporary worker engagement also risk breaching procurement policy/legislation and failing to secure value for money.</p>	Major 4	Likely 4	High 16	<p>Advice to Directorate SMT/SLT</p> <ol style="list-style-type: none"> <li>Services to be advised fines, unpaid tax and interest will be charged to service budget.</li> <li>HR Business Partners will continue to highlight risk at Senior Management meetings.</li> <li>Services to cease use of high risk workers or regularise them through the appropriate route</li> </ol> <p><i>In Progress</i></p>	Treat	31/05/12	Moderate 3	Unlikely 2	Medium Low 6
<p><b>RS0018 - Financial</b> There is an enhanced risk around treasury in respect of creditworthiness of banks across the globe as a result of the current Eurozone crisis. The potential break up of the Euro and associated defaults could leave banks around the world exposed to bad debts.</p>	Major 4	Likely 4	High 16	<p>We are in regular dialogue with Arlingclose, the Council's investment advisors, around how to deposit money safely. The lending list is already restricted to the UK, Australia and Canada, and lending limited to 14 days unless agreed in advance with the S151/DS151.</p>	Treat	Ongoing	Minor 2	Likely 4	Medium High 8

Risk	Current Assessment			Control Actions	Risk Status	Target Date (Priority)	Target Assessment		
	Impact	Probability	Rating				Impact	Probability	Rating
The Council therefore needs to review its treasury strategy continuously to ensure that the most prudent course of action is taken in respect of Council funding.									
<b>RS0016 - Compliance</b> Insufficient statutory tests and inspections carried out or remedial actions instigated in council owned or run properties	Major 4	Possible 3	Medium High 12	Action Plan in place Action plan formulated and owned by property services <i>In Progress (20% complete)</i>	Treat	30/06/2012 (High)	Major 4	Rare 1	Medium Low 4
<b>RS0008 – Financial</b> Transformation schemes - Risk is a lack of senior management capacity to deal with effectively with the complexities of the One Barnet programme.	Major 4	Possible 3	Medium High 12	Specialist support is being procured to fill gaps in capacity - recruitment process. <i>Complete (100% complete)</i> Review of priorities <i>In progress (ongoing)</i>	Treat	Complete  On-going	Moderate 3	Unlikely 2	Medium Low 6
<b>RS0019 - Financial</b> There is a risk that the state of the UK economy and the Eurozone crisis will lead to additional cuts in government support to Local Government.	Moderate 3	Likely 4	Medium High 12	Review any Government announcements Government will release announcements as and when there are updates. Budget 2012/13 has made some provision the risk around further cuts. <i>Complete</i>	Treat	On-going  Complete	Minor 2	Likely 4	Medium High 8