

<b>MEETING:</b>	Audit Committee
<b>DATE:</b>	Wednesday, 19 September 2018
<b>TIME:</b>	4.00 pm
<b>VENUE:</b>	Reception Room, Barnsley Town Hall

## AGENDA

### Procedural/Administrative Items

1. Declarations of Pecuniary and Non-Pecuniary Interest
2. Minutes (*Pages 5 - 14*)

To receive the minutes of the meeting held on the 20<sup>th</sup> July, 2018.

### Item for Discussion/Decision

3. Risk Management Annual Report 2017/18 and Look Forward 2018/19 (*Pages 15 - 24*)

The Service Director (Financial Services) will submit a report summarising the activity in 2017/18 towards the achievement of the goals and objectives set out in the Council's Risk Management Policy and signposting further work to be undertaken in 2018/19.

### Items for Information

4. Corporate Financial Performance - Quarter 1 ending 30th June 2018 (Cab.5.9.2018/10) (*Pages 25 - 58*)

The Executive Director Core Services will submit, for information, a report which was considered by Cabinet on the 5<sup>th</sup> September, 2018 on the financial performance of the Authority during the first quarter ended June, 2018 and assessing the implications against the Council's Medium Term Financial Strategy.

5. Capital Programme Performance - Quarter 1 ending 30th June 2018 (Cab.5.9.2018/11) (*Pages 59 - 90*)

The Executive Director Core Services and Service Director Finance (Section 151 Officer) will submit, for information, a report which was considered by Cabinet on the 5<sup>th</sup> September, 2018 on the financial performance of the Council's Capital Programme to the quarter ended June, 2018 and assessing the implications against the Council's Medium Term Financial Strategy.

6. Treasury Management Activities and Investment Performance - Quarter 1 ending 30th June 2018 (Cab.5.9.2018/12) (*Pages 91 - 106*)

The Executive Director Core Services and Service Director Finance (Section 151 Officer) will submit, for information, a report which was considered by Cabinet on the 5<sup>th</sup> September, 2018 reviewing the Council's Treasury Management and Leasing activities during the first quarter of 2018/19 in accordance with the CIPFA Treasury Management Code and CIPFA Prudential Code.

7. Health, Safety and Emergency Resilience Annual Report 2018 (Cab.5.9.2018/13)  
(Pages 107 - 134)

The Executive Director Core Services will submit, for information, a report which was submitted to Cabinet on the 5th September, 2018 presenting issues raised within the 2017/18 Health and Safety Report and providing a comprehensive overview of health and safety performance within the Authority.

8. Information Commissioners Office Audit - Final Action Plan and Outcomes  
(Pages 135 - 140)

The Service Director Customer, Information and Digital Service will submit a report providing information on the final data protection audit outcomes and giving details of the progress made against each of the recommendations of the Information Commissioner following the consensual audit undertaken in October 2017.

9. Sickness Absence 2017/18 (Pages 141 - 144)

The Service Director Human Resources and Business Support will submit a report on the position with regard to sickness absence for the financial year 2017/18 and providing a comparison and summary for the whole of the financial year 2017/18 with the previous financial year 2016/17.

10. External Audit - Audit Fee Letter (Pages 145 - 148)

The Council's External Auditor (Grant Thornton) will submit their Audit Fee Letter detailing the planned audit fees (including the way these have been calculated) for the work to be undertaken during 2018/19, outlining the scope of the audit and the billing schedule together with the audit timetable and outlining the arrangements for undertaking additional work for which separate fees will be agreed.

11. External Audit Progress Report and Sector Update - September 2018 (Pages 149 - 168)

The Council's External Auditor (Grant Thornton) will submit a report giving details about their work both nationally and internationally, their work with the Public Sector, their audit approach, the progress made as at 6<sup>th</sup> September, 2018 and outlining the audit deliverables for 2018/19 together with a Sector Update summarising emerging national issues and developments.

12. Audit Committee Work Plan 2018/19 (Pages 169 - 172)

The Committee will receive the indicative Audit Committee Work Plan for 2018/19 and 2019/20.

### **Item for Discussion/Decision**

13. General Data Protection Regulations (GDPR) - Data Protection Officer's Update Report (Pages 173 - 176)

The Data Protection Officer will submit a report providing an update regarding the discharging of his role and the general approach to testing compliance with the requirements of the General Data protection Regulations and the Data Protection Act 2018.

To: Chair and Members of Audit Committee:-

Councillors Richardson (Chair), Barnard, Clements and Lofts; together with Independent members Ms K Armitage, Ms D Brown, Mr S Gill, Mr P Johnson and Mr M Marks

Diana Terris, Chief Executive  
All Executive Directors  
Andrew Frosdick, Executive Director Core Services  
Rob Winter, Head of Internal Audit  
Neil Copley, Service Director Finance  
Ian Rooth, Head of Financial Services  
Adrian Hunt, Risk Management Manager  
Michael Potter, Service Director Business Improvement and Communications  
Louise Booth, Audit Manager

Council Governance Unit – 3 copies

Please contact William Ward on email [governance@barnsley.gov.uk](mailto:governance@barnsley.gov.uk)

Tuesday, 11 September 2018

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<b>MEETING:</b>	Audit Committee
<b>DATE:</b>	Friday, 20 July 2018
<b>TIME:</b>	2.00 pm
<b>VENUE:</b>	Council Chamber, Barnsley Town Hall

## MINUTES

**Present** Councillors Richardson (Chair), Barnard and Lofts together with Independent Members - Ms K Armitage, Ms D Brown, Mr S Gill, Mr P Johnson and Mr M Marks

### 14. DECLARATIONS OF PECUNIARY AND NON-PECUNIARY INTEREST

Councillor Lofts declared a non-pecuniary interest in Minute No 16 'Report to those charged with Governance (ISO 260) 2017/18' and Minute 15 'Revised Audited Statement of Accounts 2017/18' insofar as the discussion related to the South Yorkshire Pensions Authority being a representative on the Local Pensions Board.

### 15. MINUTES

The minutes of the meeting held on the 6<sup>th</sup> June and 2<sup>nd</sup> July, 2018 were taken as read and signed by the Chair as a correct record.

Further to Minute 13 of the meeting held on the 2<sup>nd</sup> July, 2018, the Service Director Finance circulated a schedule giving responses to issues raised by the Committee in relation to the Draft Statement of Accounts 2017/18.

### 16. REPORT TO THOSE CHARGED WITH GOVERNANCE (ISA 260) 2017/18

The Committee considered a report of the External Auditor (KPMG) which had been submitted in accordance with International Standard on Auditing 260, the External Audit Governance Report 2017/18. Mrs C Partridge representing KPMG attended the meeting to present the report.

The report incorporated, amongst other things, the following:

- The Financial Statements, including the significant audit risks, area of audit focus and judgements
- The proposed opinion and audit differences
- The Accounts Production and audit process
- The current position with regard to the completion of the audit of the financial statements
- The Value for Money Conclusion

Appendices to the report provided the following:

- Key issues and recommendations
- The follow up of prior year recommendations – all of which had been implemented
- The audit differences
- Materiality and the reporting of audit differences
- The communications that had been made to this Committee as required

- The Declaration of independence and objectivity
- The audit fees
- The IT Audit Recommendations

In relation to the Financial Statements, the report summarised the key findings in relation to the 2017/18 external audit. Subject to all outstanding queries being resolved to their satisfaction it was anticipated that an unqualified audit opinion on the Authority's financial statements would be issued before the deadline of 31<sup>st</sup> July, 2018 following consideration by the Council on the 26<sup>th</sup> July, 2018.

Based on the initial assessment of risks to the financial statements a number of significant risks (excluding those mandated by International Standards on Auditing) had been highlighted, as detailed below, but no issues had been identified as a result of the work undertaken:

- Valuation of Property, Plant and Equipment – this would not involve any material adjustments and would not impact on the signing off the financial statements
- Pensions Liabilities
- Faster close for the production of the financial statements

A number of adjustments had been identified:

- one with a total value of £17.050m (in relation to payments to the South Yorkshire Pensions Authority) but which resulted in no impact to the reported deficit on the provision of services and no impact to the general fund and the Housing Revenue Account balance
- one unadjusted difference with a value of £5m in relation to pension asset valuation

Based on the work undertaken three recommendations had been made and these were detailed within Appendix 1. These related to SAP IT controls, the Glassworks Governance Controls and the Receipt of related party declaration forms from Councillors. These had been discussed with management and the response to those recommendations was detailed.

As at the date of the drafting of the report the following procedures still had to be completed:

- the final review of pension assumptions used by the actuary
- the final procedures relating to the allocation of pension fund assets
- the completion of WGA work
- updating work in response to a small number of outstanding queries

In relation to the Value for Money arrangements it was reported that it had been concluded that the Authority had made proper arrangements to secure economy, efficiency and effectiveness in its use of resources and it was anticipated, therefore, that an unqualified Value for Money opinion would be issued. One significant Value for Money audit risk had been identified in relation to the Delivery of Budgets as a result of reductions in central government funding and other pressures which

required the Authority to make additional savings beyond those from previous years details of which were outlined within Appendix 2.

Finally, Mrs Partridge asked to place on record her thanks to officers and members for their continuing help and co-operation throughout the audit work.

The presentation engendered a full and frank discussion during which matters of a detailed and general nature were raised and answers were given to Members questions where appropriate.

The following issues were referred to:

- there was some concern expressed at the late publication of this report which gave members little opportunity to give it the full scrutiny it deserved. Mrs Partridge acknowledged this and explained the reasons which were largely due to the change in timescale for the approval of the final accounts. For this reason she had gone through the report in some detail. The Service Director Finance stated that consideration would be given as to how this matter could be addressed in future years
- In relation to the IT controls, a number of areas had been identified for further improvement particularly in relation to SAP. These issues largely related to access requirements and permissions and the IT Service was addressing these issues as a matter of urgency. An assurance was given that no-one outside IT could access the system or change permissions. It was noted that the recommendations in relation to SAP Privileged Profiles had been completed by July 2018
- In relation to specific questioning, Mrs Partridge explained that the £5m unadjusted audit difference in relation to pension asset valuation was due to the actuary having to use estimates to provide their valuation in time for the draft accounts. There were, however, no particular concerns from an External Audit perspective about this
- External Audit had considered the level of prudence within the key judgements of the 217/18 financial statements and accounting estimates and all findings were within an acceptable range
- External Audit had considered the assumptions behind the Medium Term Financial Plan particularly in relation to the Glassworks project the full cost of which was not yet known. Work was progressing on this and Phase 2 was likely to commence in the near future. Whilst there were no specific areas of concern at the moment, given the capital investment involved, uncertainty around returns and the significance for Barnsley it was important that strong governance controls were maintained. It had been recommended, therefore, that this Committee consider whether there were any gaps in assurance in relation to this project. Arising out of the discussion the following points were highlighted
  - It was suggested that a 'summary document' detailing key risks and governance arrangements should be submitted so that Members could see the complete picture of potential issues. The Chair stated that this Committee would be kept informed of all issues arising from this project
  - The Executive Director Core Services briefly commented upon the governance and management arrangements in place and he would be happy to give a report on how this operated together with the

assurance arrangements in place. The Council would be asked to consider the arrangements for Phase 2 of the project in the near future and within that context, a report could be presented to this Committee in September

- The Service Director Finance reported that pension liabilities for NPS and Norse were not considered material enough to be included within the group accounts, however, information on this could be provided

**RESOLVED:-**

- (i) That the External Auditor's Report 2017/18 be received and referred for consideration by the Council to be held on the 26<sup>th</sup> July, 2018;
- (ii) That the Auditor's findings on the effectiveness of the Council's internal controls and the conclusion on the Council's arrangements for securing Value for Money be noted; and
- (iii) That the Committee place on record their thanks and appreciation for the hard work of the External Auditor and the Service Director Finance and his Team in this process.

**RECOMMENDED TO FULL COUNCIL ON THE 26<sup>th</sup> JULY, 2018:-**

- (i) That the External Auditor's Annual Governance Report 2017/18 be approved;
- (ii) That the findings on the effectiveness of the Council's internal controls and the conclusions on the Council's arrangements for securing Value for Money be noted; and
- (iii) That the findings from the audit work in relation to the 2017/18 financial statements be noted and accordingly, the final accounts 2017/18 be approved.

**17. REVISED AUDITED STATEMENT OF ACCOUNTS 2017/18**

Further to Minute 13 of the meeting held on the 2<sup>nd</sup> July, 2018, the Service Director Finance submitted the revised audited Statement of Accounts for 2017/18

**RESOLVED** that submission for approval for the revised audited Statement of Accounts 2017/18 to the Council on the 26<sup>th</sup> July, 2018 be noted.

**18. ANNUAL GOVERNANCE REPORT 2017/18**

Further to minute 4 of the meeting held on the 6<sup>th</sup> June, 2018 the Committee considered a joint report of the Chief Executive and Executive Director Core Services on the final Annual Governance Statement for 2017/18, requesting the Committee to refer it to Council for consideration and adoption as part of the process for approving the 2017/18 Statement of Accounts. A copy of the Statement was appended to the report.

The Risk and Governance Manager reported that the Annual Governance Statement had been amended to reflect comments expressed by Members at the meeting in June.



**RECOMMENDED TO FULL COUNCIL ON THE 26<sup>th</sup> JULY, 2018** that the final Annual Governance Statement 2017/18 be approved and adopted.

**19. INTERNAL AUDIT QUARTERLY REPORT 2018/19 - QUARTER ENDED 30TH JUNE, 2018**

The Head of Internal Audit and Corporate Anti-Fraud submitted a report providing a comprehensive overview of the key activities and findings of Internal Audit based on the Service's work covering the whole of the First quarter ending 30<sup>th</sup> June, 2018 of the 2018/19 audit year.

The report covered:

- The issues arising from completed Internal Audit work in the period
- Matters that had required investigation
- An opinion on the ongoing overall assurance Internal Audit was able to provide based on the work undertaken regarding the adequacy and effectiveness of the Authority's internal control environment
- Progress on the delivery of the Internal Audit Plan for the period up to the end of the fourth quarter of 2017/18
- Details of Internal Audit's performance for the quarter which remained satisfactory

Internal Audit work undertaken during the period had identified no fundamental management action.

The internal control assurance opinion overall remained adequate based on the results of the work undertaken during the quarter. All work detailed within the Audit Plan for 2017/18 had been completed and all areas had received adequate or substantial assurances.

Of the 47 management actions followed up, 28% had been implemented by the original target date, 4% had been completed after the target date, 17% had not yet been completed by had revised dates agreed, 17% had not reached their target date and 34% were waiting a response from management

In relation to the Audit Plan, actual days delivered was 448 days which was in line with the profile of work planned. It was pleasing to note that all work detailed within the Audit Plan for 2017/18 had been completed and all areas had received adequate or substantial assurances.

Quarterly performance of the function was satisfactory with all Performance Indicators meeting or exceeding target levels.

There were 9 significant management actions that were overdue as at 30<sup>th</sup> June, 2018 and the Executive Director Core Services submitted a further report which detailed the progress made against those recommendations since that date together with the reasons for the delay.

In the ensuing discussion, and in response to detailed questioning, the following matters were highlighted:

- In response to specific questioning the Audit Manager referred to and explained the reasons for the reciprocal audit arrangements in place with Doncaster MBC and particularly as this related to the HCA Grant Funding audit. It was noted that this was a cost neutral arrangement
- In relation to the Workforce Development Fund Audit it was noted that the circulated report detailed the progress made to the Significant Management actions that had been overdue. Some issues had related to the delay in feeding back to Audit the action taken in response to recommendations
- Further information would be provided on the implementation of a programme of formal audits of Adult social Care cases, the numbers involved and the reasons for such audits

## **RESOLVED**

- (i) that the issues arising from the completed internal audit work for the period along with the responses received from management be noted;
- (ii) that the assurance opinion on the adequacy and effectiveness of the Authority's Internal Control Framework based on the work of Internal Audit in the period to the end of June 2018 be noted;
- (iii) that the progress against the Internal Audit Plan for 2018/19 for the period to the end of June, 2018 be noted; and
- (iv) that the performance of the Internal Audit Division for the first quarter be noted.

## **20. ANNUAL REPORT ON TREASURY MANAGEMENT AND LEASING ACTIVITIES 2017/18**

The Executive Director Core Services and Service Director Finance submitted a joint report prepared in accordance with the CIPFA Treasury Management Code and CIPFA prudential Code reviewing the Treasury Management and Leasing activities carried out by the Council during 2017/19.

In broad terms the report covered the following:

- The agreed Treasury Management Strategy 2017/18;
- The Economic summary;
- The Council's borrowing and leasing activity including the Gross Debt and Capital Financing Requirement, the movement on Gross Debt and Future Outlook
- The Council's investment activity including the Movement on Investments and Future Outlook; and
- Prudential and Treasury Indicators for 2017/18

Appendices to the report provided:

- Actual Prudential and Treasury Indicators for 2017/18;
- New Long Term Borrowing during 2017/18;
- The Investment Portfolio as at 31<sup>st</sup> March, 2018; and
- The Economic Commentary from Link Asset Services

Arising out of the discussion, and particularly in relation to the Maturity Structure of Fixed Rate Borrowing referred to within Appendix 1, reference was made to the use of LOBO's and upon the potential implications for councils of such arrangements. It was noted that the Council LOBO's were shown within the 'less than 12 months' category.

## **RESOLVED**

- (i) That the Treasury Management and Leasing Activities carried out during 2017/18 be noted; and
- (ii) That the Prudential and Treasury Indicators set out in Appendix 1 of the report be noted.

## **21. BUSINESS IMPROVEMENT AND COMMUNICATIONS PROGRESS REPORT**

The Service Director Business Improvement and Communications submitted a report providing an overview of the functions of the Business and Improvement and Communications Business Unit and related elements of the Annual Governance Statement process in accordance with the Audit Committee work programme.

The report provided a summary of the five broad functions of the Business Unit which was responsible for driving and delivering business improvement and communications in order to ensure that the organisation was customer focussed, modern, efficient and commercially minded Future Council. It then went on to outline, in detail, the work of the Unit in relation to:

- Performance and Development Reviews;
- Performance Management;
- Equality and Inclusion;
- Corporate Programmes, Projects, Feedback and Improvement; and
- Other issues affecting Elected Members particularly in relation delivering the Overview and Scrutiny function

Appendices to the report provided a summary of the Performance and Development Reviews completed as at 31<sup>st</sup> March, 2018 by Directorate and Service together with a copy of the Council's Annual Customer Feedback Report.

The following officers attended the meeting to report on their respective areas of service and to answer Members questions:

- Ms K Welbourne – Organisation and Workforce Improvement Manager
- Mr M Rangecroft – Head of Business Improvement and Inell
- Mr J Horsley – Equality and Inclusion Manager
- Mrs K Liddall – Head of Programmes, Projects, Feedback and Improvement

In the ensuing discussion, the following matters were raised:

- In relation to Performance and Development Reviews
  - It was noted that PDR's were no longer 'programmed' for a particular time in the year but was now left to individual services as to when they would be undertaken to best meet the needs of that service. This could explain why the number of reviews completed by the end of quarter 4 was 51.6%. In addition, some services had been waiting the introduction of the new approach before undertaking reviews. This was, however, higher than the same quarter last year and it was hoped that the changes to the process would enable a greater compliance rate in the future
  - It was felt that the new PDR process was robust and 'fit for purpose' – it was important to note that the role of managers to ensure that PDR's were undertaken
  - The reasons for undertaking PDR's and the benefits for both the employee and for the Council was referred to. It was noted that there was no additional cost to the service in undertaking them
  - In response to specific questioning, reference was made to the range of 'tools' available to Managers to deal with employee performance
- In relation to Equality and Inclusion
  - It was noted that the Equality and Inclusion Team assessed the robustness of Cabinet reports by analysing a sample of reports throughout the year across each directorate and an explanation of how this was undertaken was provided. This was, in part, to ensure that the Council met its legal obligations. If there was a potential risk of challenge that the Council was not complying with the necessary legislation appropriate action would be taken. No complaints had been received since the introduction of the Equality Act 2010
  - Questions were raised in relation to access to buildings (particularly out of hours) and in relation to parking at the Town Hall. The Equality and Inclusion Manager was aware of issues being raised and stated that such matters would be used to inform the quality impact assessment. This would draw in evidence submitted by residents and would to inform any reports submitted to Cabinet
- In relation to Corporate Programmes, Projects, Feedback and Improvement
  - The way in which complaints were received, collated and dealt with was explained. It was noted that not all complaints were received directly with the Service and, therefore, the Service was raising the profile of how it could facilitate and deal with complaints as well as compliments
  - Whilst it was pleasing to note that the number of complaints had reduced year on year questions was asked as to if this could be because of the difficulties people had in getting through to the Council via telephone. It was pointed out that there was no deliberate policy to dissuade people from using the telephone, the council was, nevertheless, trying to make residents use online systems as this was the most cost effective approach.
  - The Executive Director Core Services commented that the number of complaints to the Local Government Ombudsman was also reducing year on year. Details of the number of complaints to the Ombudsman together with the findings would be provided for Members

- It was noted that irrespective of whether or not a customer was satisfied with the outcome of a complaint, at track of the entire 'customer journey' was kept
- It was noted that complaints received via the telephone direct to Councillors might not necessarily be tracked. The Executive Director Core Services commented that he assumed that if the matter was a genuine complaint then that would be passed on to the Team, however, further thought would be given as to how such issues could be facilitated and recorded.
- It would also be interesting to track, in the future, if complaints were genuine complaints or merely a request for a service

## **RESOLVED**

- (i) That the report be received; and
- (ii) That officers be thanked for attending the meeting and for answering Members questions.

## **22. INFORMATION COMMISSIONERS AUDIT - RECORDS MANAGEMENT - UPDATE**

Further to Minute 74 of the meeting held on the 18<sup>th</sup> April, 2018, Mrs S Hydon the Head of IT (Service Management) and Mr S Jagger (ICT Technical Specialist) made a presentation addressing issues arising from the ICO audit report in relation to Records Management.

The presentation gave details of the following:

- The promotion of a paperless office, the issues to be addressed together with the action taken and to be taken and the importance of understanding the difference between Records and Files - The Authority currently held in excess of 23m records/documents (which was growing substantially due to more being delivered electronically) with many officers not fully understanding the difference between a record and a document
- The Aims of the Project was to
  - Provide education and understanding
  - Ensure that the responsibility for a service's records sat with that service
  - Ensure that the proper tools were in place to manage records and documents the right way from now on (and ensuring that records were only kept for an appropriate time and were then deleted)
  - Consider how the authority dealt with its existing data migration
- High Level Tasks included
  - The development of the necessary tools to assist in this process
  - The establishment of Records Champions – these champions would 'sit' within Service areas and, amongst other things, would help officers understand the need for change, assist in the process by dealing with the transition of data, assist in establishing appropriate retention rules and help officers understand the differences between records and documents
  - The development of a new Barnsley Records Catalogue – being aligned to the retention of records

- Preparation of network content which in turn would lead to a reduction of the amount of data currently stored
- The establishment of training courses for Champions and all staff
- The development of transition tools to move from the existing network into a records management system (and subsequent deletion of that network information)
- Ensure appropriate Governance arrangements are in place particularly in preparation for future ICO audits

In the ensuing discussion particular reference was made to the following:

- The way in which the Authority used electronic ‘back up’ of documents – it was noted that ‘back ups’ are overwritten after time, depending on the system being copied
- There was a discussion on the work of the Records Champions and particular reference was made to the amount of time that each Champion would be required to allocate to the project
- The Head of IT (Service Management) referred to the amount of work to be undertaken. The next 18 months was likely to be intensive but the long term benefits would be significant. She was confident that there would be sufficient resources to undertake the necessary work
- The development of the necessary ‘tools’ was in hand and were to be tested initially with the HR Service in the next few days

## **RESOLVED**

- (i) that the presentation be noted and officers be thanked for attending the meeting and answering Members questions; and
- (ii) that the action being taken to address issues raised following the Information Commissioners Audit in relation to Records Management be noted and supported.

## **23. AUDIT COMMITTEE WORK PLAN 2018/19**

The Committee received a report providing the indicative work plan for the Committee for its proposed scheduled meetings for the remainder of the 2018/19 municipal year and for 2019/20.

The Chair referred to the Workshop Meeting to be held on the 31<sup>st</sup> October, 2018. He asked Members to contact him to let him know of any items they wished to discuss.

**RESOLVED** that the core work plan for 2018/19 and 2019/20 meetings of the Audit Committee be approved and reviewed on a regular basis.

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Chair

# Item 3

Report of the Service Director  
(Financial Services)

**AUDIT COMMITTEE – 19<sup>th</sup> September 2018**

**RISK MANAGEMENT ANNUAL REPORT 2017 / 18 AND FORWARD LOOK 2018 / 19**

**Executive Summary:**

Key Issues:

- I. The Risk Management Framework is currently under review and will be considered by the Audit Committee in 2018 (section 3.2);
- II. The Strategic Risk, Insurance and Governance Manager continues to lead on the provision of Risk Management, Insurance and Corporate Governance activities within the Council (section 5);
- III. All risks logged on the Council's Strategic Risk Register have been reviewed and updated twice during 2017 / 18 (section 6.1);
- IV. The Councils Risk Profile has slightly decreased (section 7.2);
- V. The Council is now using SharePoint to 'publish' all operational risk registers (section 9.2); and,
- VI. The 2017 / 18 Annual Governance Review was completed, and the subsequent Annual Governance Statement was signed and approved (section 11.3).

**AUDIT COMMITTEE – 19<sup>th</sup> September 2018**

**RISK MANAGEMENT ANNUAL REPORT 2017 / 18 AND FORWARD LOOK 2018 / 19**

**1. Purpose of the Report**

- 1.1 The purpose of this report is to summarise the activity in 2017 / 18 towards the achievement of the goals and objectives set out in the Council's Risk Management Policy, and to signpost further work to be undertaken in 2018 / 19.
- 1.2 This report seeks to provide suitable assurances that the significant risks to the achievement of corporate objectives have been identified and are being appropriately managed within the comprehensive Risk Management Framework.

**2. Recommendations**

**2.1 It is recommended that the Audit Committee:**

- I. Considers the Risk Management Annual Report, and the assurances provided, as part of its overall consideration of the Council's control framework for the purposes of the Annual Governance Statement;**
- II. Considers whether any aspect of this report requires a more detailed report at a subsequent meetings; and,**
- III. Continues to receive periodic reports during the year to monitor the progress in achieving the actions identified for 2018 / 19.**

**3. Risk Management Framework**

2017 / 18:

- 3.1 The revised Risk Management Framework was presented to the Audit Committee at their meeting dated 19<sup>th</sup> April 2017. The revised Risk Management Framework was subsequently approved by Cabinet at their meeting dated 3<sup>rd</sup> May 2017.

2018 / 19:

- 3.2 A review of the Risk Management Framework is currently being undertaken, and this is programmed for consideration by the Audit Committee later in 2018.

**4. Risk Management Section**

2017 / 18:

- 4.1 The Council has temporarily extended its insurance broker arrangements for 2017 / 18.



#### 2018 / 19:

- 4.2 A full tender exercise will be undertaken in September 2018 to allow for the alignment of the insurance broker contracts for both the Council, and South Yorkshire Fire and Rescue.
- 4.3 As part of the Councils Financial Services restructure the Risk and Governance Manager role will formally absorb the management of the Insurance function from October 2018, becoming the Strategic Risk, Insurance and Governance Manager.

### **5. Risk Management Process**

#### Strategic Risk Register 2017 / 18:

- 5.1 A robust and dynamic Strategic Risk Register (SRR) sets the culture and tone for Risk Management across and throughout the Council. The engagement of SMT in the Risk Management process through the ownership and review of the SRR demonstrates a strong commitment to lead and champion Risk Management 'from the top' and to further reinforce the continuing development of a Risk Management culture.
- 5.2 The SRR was reviewed in March 2017, and was considered by the Audit Committee at their meeting dated 19<sup>th</sup> April 2017, and was subsequently approved by Cabinet at their meeting dated 3<sup>rd</sup> May 2017.
- 5.3 A further review of the SRR took place in October 2017, and this was considered by the Audit Committee at their meeting dated 6<sup>th</sup> December 2017, and was subsequently approved by Cabinet at their meeting dated 10<sup>th</sup> January 2018.

#### Strategic Risk Register 2018 / 19:

- 5.4 As with previous reviews of the SRR, the outcomes of future reviews will be reported to, and considered by the Audit Committee.

#### Operational Risk Registers 2017 / 18:

- 5.5 The Operational Risk Registers (ORRs) relate to the key risks to the provision of Council services. During 2016 / 17 these risk registers were formally reviewed on a half yearly basis, to ensure risk remained relevant and that identified risk mitigation actions were being implemented. The risks contained within the ORRs are aligned to individual Business Unit Business Plans.
- 5.6 Following the completion of each review, there is an expectation that 'red' risks (in terms of the 'current' and 'target' risk assessments) are escalated to Business Unit Management Teams for further consideration.

#### Operational Risk Registers 2018 / 19:

- 5.7 The Risk Management Section (RMS) will continue to ensure that ORRs are reviewed and updated on a half yearly basis.
- 5.8 The compliance against the requirements of the ORR review programme will be reported as part of the Annual Governance Review. The compliance with the ORR process is also included within the Risk Management Performance Indicators, detailed in section 10.6, and Appendix One of this report.

- 5.9 The Financial Services 'Core Offer' is pitched at Service Directors and senior managers, and aims to set out the depth and breadth of support available in terms of general financial management and associated control. The document details how the Financial Services Business Unit has had to adapt in order to operate within a much reduced resource envelope. As a result, the services now on offer are more focussed on enablement, and designed to provide Service Directors and senior managers with the tools, training, support and advice necessary to help them make more informed business decisions and subsequently be more effective in the management of operational risk.

Project Risk Management 2017 / 18:

- 5.10 Direct liaison with a number of significant projects by the RMS included:

- 'Better Barnsley' Programme / 'Glassworks' Programme;
- Property Investment Fund / Speculative Developments;
- Strategic Business Parks (including Junction 36 and 37 developments);
- Wentworth Trust.

Project Risk Management 2018 / 19:

- 5.11 The RMS will continue to support project managers in the robust management of project and programme related risks, on a needs basis. In a similar manner to Operational Risk Registers, it is envisaged that Service Directors and senior managers will be provided with the tools, training, support and advice necessary to help them make more informed business decisions and subsequently be more effective in the management of Project and Programme risk.

Partnership Risk Management 2017 / 18:

- 5.12 Liaison with the following key partners during 2016 / 17 allowed for the sharing of risk information, which was analysed, and fed back to both the partnering organisation, and the lead officer within the Council, responsible for the specific partnership:

- Barnsley Norse;
- Barnsley NPS;
- Barnsley Premier Leisure; and,
- Berneslai Homes.

- 5.13 Although not strictly a 'partnership', the RMS supports both the Barnsley Safeguarding Adults Board (SAB) and the Barnsley Children Safeguarding Board (BCSB) in their risk management arrangements.

Partnership Risk Management 2017 / 18:

- 5.14 It is envisaged that assurances will be sought from key partners during 2018 / 19, and the outcomes of any analysis undertaken by the RMS will be provided to the partnering organisation itself, as well as the lead officer within the Council, responsible for the specific partnership.
- 5.15 The issue of Partnership Governance was a key issue identified in previous Annual Governance Reviews, and a Partnership Governance Framework update is due to be presented to the Audit Committee later in 2018.

## 6. Risk Profile / Statistics

- 6.1 The corporate Risk Management process allocates a Category Score to each risk, based upon a combination of likelihood and the highest scoring impact; Category One (red) being the most severe, and Category Six (green) being the least.

### SRR and ORR Statistics:

- 6.2 A breakdown of SRR and ORR risks, by Category, as at June 2018 is shown below. This includes all Business Unit Risk Registers, along with the Councils Strategic Risk Register:

Risk Category	June 2018		July 2017		June 2016		May 2015	
	No.	%	No.	%	No.	%	No.	%
<b>1</b>	38	10	46	14	51	16	28	9
<b>2</b>	51	14	61	18	59	18	49	16
<b>3</b>	89	24	67	20	62	19	55	18
<b>4</b>	108	30	90	26	82	25	77	25
<b>5</b>	75	21	72	21	68	21	93	31
<b>6</b>	2	1	2	1	2	1	2	1
<b>Total</b>	<b>363</b>	<b>100</b>	318	100	324	100	304	100
<b>Average Risk Category Score</b>	<b>3.37</b>		3.22		3.19		3.53	

- 6.3 The latest statistics demonstrate a decrease in the overall risk profile for the Council for the current period (3.37) compared to the profile as at July 2017 (3.22). This is clearly attributable to the decrease in red risks (32% as at July 2017) compared to 24% as at June 2018.

Of note is the fact that the number of risks has increased during the period, from 318 in July 2017, to 363 in June 2018. This is in part due to risk registers now being published in SharePoint, which has encouraged a significant number of risk register reviews to take place.

The average Risk Category score metric details the average score for all risks of relevance logged for the period in question. The principle behind this metric is to identify and manage any trend in terms of the overall Risk Category score becoming more 'acceptable'. The closer this metric aligns to Category Six (being the most acceptable Risk Category score possible) the more assured the Council can be in ensuring risks are being managed down to acceptable levels.

### Project Statistics:

- 6.4 A breakdown of Project risks, by Category, as at June 2018 is shown below:

Risk Category	June 2018		July 2017		June 2016		May 2015	
	No.	%	No.	%	No.	%	No.	%
<b>1</b>	20	8	5	2	4	2	11	5
<b>2</b>	38	15	23	11	28	12	32	16
<b>3</b>	47	19	46	21	51	22	49	24
<b>4</b>	54	21	63	28	71	30	53	26
<b>5</b>	89	35	85	38	81	33	57	28
<b>6</b>	5	2	0	0	1	1	1	1
<b>Total</b>	<b>253</b>	<b>100</b>	222	100	236	100	203	100

<b>Average Risk Category Score</b>	<b>3.88</b>	3.9	3.84	3.57
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- 6.5 Whilst the overall number of partnership and project risks has seen an increase compared to July 2017, there has been no significant detrimental impact on the Council's risk profile in this area due to the increase in the number of red risks (28 in July 2017 rising to 58 in June 2018) being offset by the number of green risks (85 in July 2017 rising to 94 in June 2018).

## **7. Risk Acceptance, Escalation and Reporting**

### 2017 / 18:

- 7.1 The Council's Risk Acceptance model was revised as part of the overall refresh of the Risk Management Framework in April 2017. This document is intended to provide assurances to owners of risk, that as the Council becomes more willing to consider, and exploit opportunities there is an increased likelihood the Council will, at times, have to accept a higher level of risk.

### 2018 / 19:

- 7.2 As detailed in section 3.2, the Risk Management Framework will be reviewed later in 2018, and presented to the Audit Committee for consideration and approval.

## **8. Risk Recording**

### 2017 / 18:

- 8.1 Since the cessation of the Morgan Kai risk management database, the Council has been using a Microsoft Excel based system for the recording of risks and risk registers.

### 2018 / 19:

- 8.2 The recording of risks continues to be done via Microsoft Excel based system. All Operational Risk Registers have been 'published' within the Councils document management system SharePoint to assist in disseminating and sharing information.

## **9. Guidance, Training and Facilitation**

### 2017 / 18:

- 9.1 A number of service related training sessions have been delivered to colleagues within the Council relating to good practice in terms of Risk Management, insurance and corporate governance.

### 2018 / 19:

- 9.2 As part of the Financial Services 'Core Offer' a Risk Management training and awareness presentations has been developed and trialled with the Financial Services Management Team in June 2018. Following the successful delivery of this presentation, it will be rolled out to all Business Units and significant project groups during 2018.

## **10. Assurance and Performance Management**

### Integration with Other Processes 2017 / 18:

- 10.1 Details of all significant risks that are logged have been passed to the Internal Audit section to maximise opportunities to link Audit Planning with risk issues. This assists in ensuring that the annual Internal Audit plan is risk based, and focuses on the significant threats to effective service delivery.

### Integration with Other Processes 2018 / 19:

- 10.2 To complement the above, it is envisaged the developing Corporate Assurance Framework will also contribute to risk informed auditing.

### Annual Governance Review (AGR) / Annual Governance Statement (AGS) 2016 / 17:

- 10.3 The Audit Committee considered and approved the 2016 / 17 AGS at their meeting dated 22<sup>nd</sup> September 2017. The document was then approved by Full Council at their meeting dated 28<sup>th</sup> September 2017.
- 10.4 The AGS benefitted from a detail improvement action plan, which the RMS has managed for the period. Updates from lead officers have been received on a regular basis, and an update to this Action Plan was presented to the Audit Committee at their meeting dated 17<sup>th</sup> January 2017.

### Annual Governance Review (AGR) / Annual Governance Statement (AGS) 2017 / 18:

- 10.5 The AGR was undertaken in June 2018, and the outcomes of the review have been used to develop the draft AGS for 2017 / 18, which has been considered by the Audit Committee at their meeting dated 6<sup>th</sup> June 2018.
- 10.6 The final statement is due for consideration at their meeting dated 20<sup>th</sup> July 2018, before being considered and approved by the Full Council on 26<sup>th</sup> July 2018.

### Performance Management 2017 / 18:

- 10.7 It is important that the success of the Risk Management Strategy can be measured, and in order to do so, a series of completed performance indicators for 2017 / 18 are attached as Appendix One to this report.
- 10.8 The annual independent review of Risk Management arrangements in 2017 / 18 by Internal Audit was undertaken in December 2017. The audit provided an 'adequate' assurance opinion for the year.

### Performance Management 2018 / 19:

- 10.9 It is likely that performance indicators for 2018 / 19 will be reviewed in light of the Financial Services 'Core Offer' detailed in section 5.9.

## **11. Culture**

- 11.1 The prime objective of the Risk Management Policy is to facilitate the management of risks (and benefits and opportunities arising) in accordance with best practice, through a culture where responsible, informed and controlled risk taking is encouraged.

## **12. Risk Management Considerations**

- 12.1 Clearly the most significant and obvious risk to the Council is failing to embrace Risk Management as a vehicle to help process and deliver objectives in a cost effective and efficient manner. Adopting and constantly improving the Risk Management arrangements for the Council is a clear mitigation against this corporate risk.

## **13. Financial Implications**

- 13.1 Whilst there are no direct financial implications arising from this report, the impact of Risk Management should be recognised as a major contributor to achieving value for money and demonstrating the efficient use of resources.

## **14. Employee Implications**

- 14.1 Whilst there are no direct employee implications arising from this report, the Risk Management process relies entirely on all employees having a good awareness of their responsibilities for Risk Management and for those employees specifically tasked with Risk Management functions, it is essential that they are trained and supported to fulfil that role.

## **15. Appendices**


Appendix One: 2017 / 18 Performance Indicators

## **16. Background Information**

Previous Audit Committee Reports  
Risk Management Framework  
SharePoint – Risk Registers  
Training Records and feedback

**Contact Officer:** Risk and Governance Manager  
**Telephone:** 01226 77 3119  
**Date:** 3<sup>rd</sup> September 2018

## Appendix One: 2017 / 18 Outturn Performance Indicators

Indicator	Quarter One (01/04/2017 – 30/06/2017)	Quarter Two (01/07/2017 – 30/09/2017)	Quarter Three (01/10/2017 – 31/12/2017)	Quarter Four (01/01/2018 – 31/03/2018)
<b>PROCESS:</b>				
% of Business Units completing Operational Risk Register Reviews	4 / 11 (36%)	1 / 8 (12.5%)	1 / 11 (9%)	2 / 8 (25%)
	6 / 11 (55%)	4 / 8 (50%)	5 / 11 (45.5%)	3 / 8 (37.5%)
	1 (9%)	3 / 8 (37.5%)	5 / 11 (45.5%)	3 / 8 (37.5%)
Key: Red – Missed / Amber – Completed Out of Time / Green – Completed In Time				
<b>CHANGES TO RISK PROFILE:</b>				
Deviance from <b>Average Risk Category Score</b>	2015 / 16: Average Risk Score: 3.22  2017 / 18: Average Risk Score: 3.37		<b>Direction of Travel</b>  	

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# Item 4

## BARNSELY METROPOLITAN BOROUGH COUNCIL

This matter is not a Key Decision within the Council's definition and has not been included in the relevant Forward Plan

Report of the Executive  
Director – Core Services

### **CORPORATE FINANCIAL PERFORMANCE – QUARTER ENDING 30th June 2018**

#### **1. Purpose of Report**

1.1 To consider the financial performance of the Authority during the first quarter ended June 2018 and assess the implications against the Council's Medium Term Financial Strategy (MTFS). The key headlines are:

- The position for Council services is a projected operational underspend of £0.245M in 2018/19;
- The overall position for the Council in 2018/19 is a projected operational underspend of £0.745M including Corporate budgets.

#### **2. Recommendations**

2.1 It is recommended that Cabinet:

- Request that Executive Directors/Service Directors (where appropriate) provide detailed plans on how their forecast overspends will be brought back into line with existing budgets on a recurrent basis;
- Approve the write off of £1.402M historic debt as shown within the Corporate Budgets section;
- Approve the budget virements at Appendix 1.

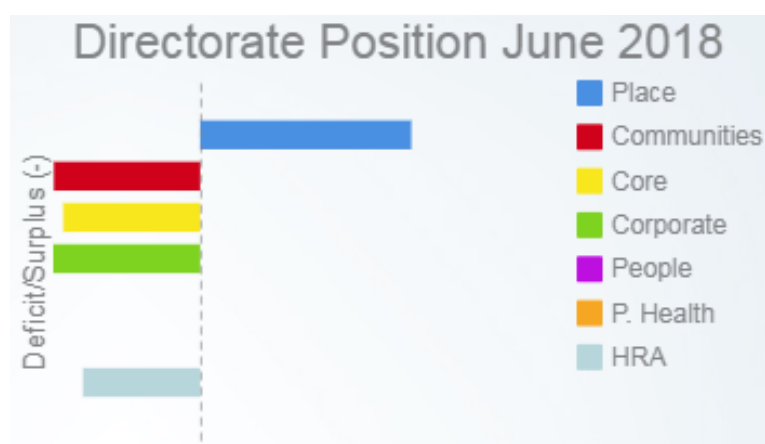
### 3. Overall Position to the Quarter Ending June 2018

There is a projected underspend on Directorate budgets of £0.245M in 2018/19, combined with an underspend of £0.500M in Capital Financing resulting in an overall Council underspend of £0.745M.

The table below provides the monitoring position for the Council as at the end of June 2018 broken down between the 'in year' operational position for 2018/19 and the FYE 2019/20 position. This takes into account one-off funding and non-recurrent savings dropping out, as well as the assumptions that have already been factored into the Council's 2017-2020 Medium Term Strategy. As at Quarter 1, there is no expected impact on the 2019/20 position.

DIRECTORATE	Approved Net Budget 2018/19	Projected Net Outturn 2018/19	Forecast Deficit / (Surplus)	Adjustment for Slippage & Transfer to reserves	Operational Deficit / (Surplus)	FYE (19/20)
	£'000	£'000	£'000	£'000	£'000	£'000
<b>People</b>	72,685	72,685	-	-	-	-
<b>Place</b>	40,842	40,345	(497)	1,216	719	-
<b>Communities</b>	21,845	18,935	(2,910)	2,412	(498)	-
<b>Public Health</b>	3,566	1,831	(1,736)	1,736	-	-
<b>Core Services</b>	16,102	15,618	(484)	18	(466)	-
Service Totals	<b>155,040</b>	<b>149,414</b>	<b>(5,627)</b>	<b>5,382</b>	<b>(245)</b>	-
<b>Corporate / General items</b>	13,948	13,448	(500)	-	<b>(500)</b>	-
Sub Total – Council	<b>168,988</b>	<b>162,862</b>	<b>(6,127)</b>	<b>5,382</b>	<b>(745)</b>	-
<b>HRA</b>	<b>52,067</b>	<b>48,069</b>	<b>(3,998)</b>	<b>3,599</b>	<b>(399)</b>	-

- 3.1 The chart below provides an overview of the overall position which breaks down the Deficit/Surplus (-) position across Council Directorates.



#### 4. **Delivery of 2018/19 Future Council Savings Proposals**

- 4.1 The target for 2018/19 is £4.404M. Excluding the Selective Licensing KLOE which has replacements KLOE's proposed, the Q1 position is forecasting a 100% delivery rate;
- 4.2 The Councils 2018/19 budget is dependent on the delivery of our efficiency savings. These targets are reviewed on a regular basis with Budget Managers.



#### 5. **Corporate Resources**

##### Collection Rates

- 5.1 The Council's major sources of discretionary income are Business Rates and Council Tax. The Council's financial health is therefore almost completely reliant upon the collection of both Council Tax and Business Rates. The table below shows the estimated collection rates for Quarter 1 compared to the stretch targets that have been set:

	2017/18 Actual	2018/19 Stretch Target	Quarter 1	Variance Q1 to Target
<b>Council Tax</b>	96.07%	96.1%	96.23%	+0.13%
<b>Business Rates (local share)</b>	98.36%	97.6%	98.64%	+1.04%

- 5.2 The current Council Tax collection rates are forecast to exceed to current target by 0.13% in 2018/19. Although the current collection rate would allow the Council to meet its budget requirements, there is potential to generate a further £0.1M for every 0.1% improvement in collection.
- 5.3 The current Business Rate collection rate exceeds the stretch target set for 2018/19 by 1.04%, which is due to using a more targeted approach to collecting high value debts. It is important to understand that this debt type is extremely volatile and although we expect to exceed our 2018/19 target, we also have to consider external pressures which may have a negative impact throughout the financial year.

- 5.4 It is hoped that the Council's 2020 plans and investment to accelerate growth in jobs and businesses will result in increased business rate yield over the period of the MTFs, with increased joint working across Council Departments and other agencies/partners.
- 5.5 This is particularly relevant since under the current Business Rate Retention scheme, the Council is able to retain 50% of business rates collected from within the area and the Chancellor has announced that this will rise to 75% by 2020. This increases the significance of collection rates.
- 5.6 The decision on Brexit may have a major impact on the economy. Whilst it is still early to determine what the exact impact of the vote to leave the EU will be, economists are continuing to indicate that it will create a negative impact on economic growth over the medium term especially as the prospect of a 'no deal' outcome looms.

#### Arrears Position

- 5.7 A summary of the current debt position is shown in table below. This shows the opening balance of debt at the beginning of the year of £26.945M and a snapshot as at June 2018 of £30.276M showing an increase of £3.3M. This is expected in the first quarter of a new financial year as new bills/invoices are issued.

Type of Debt	Pre-18/19 Arrears £M	2018/19 Arrears £M	TOTAL Arrears £M	Bad Debt Provision £M	Write Offs For Approval £M
Opening 2018/19 Position (position as at 31.03.2018)	26.945	n/a	26.945	14.752	-
Total as at end of June	23.093	7.183	30.276	18.295	1.402
<b>MOVEMENT April to June</b>	<b>(3.852)</b>	<b>7.183</b>	<b>3.331</b>	<b>3.543</b>	<b>1.402</b>

- 5.8 The table above also shows the opening balance of the bad debt provision at the beginning of the year of £14.8M and a current provision at £18.3M, showing an increase of £3.5M. Although this is a significant increase it is again expected that this will begin to reduce at the end of Quarter 2 when our collections process commences on 2018/19 arrears. The bad debt provision is currently estimated to be £12.2M by year end which would be an improvement on the 2017/18 position.
- 5.9 The Service Director Finance (Section 151 Officer) is now also seeking approval to write off debt amounting to £1.402M which has become uneconomical to pursue. This is summarised in the table below:

Type of Dept	Value of Write off (£M)
Council Tax	0.778
Business Rates	0.184

Trade Debt General Fund	0.218
Trade Debt HRA	0.084
Housing Benefit Overpayment	0.138
<b>Total (Collected by BMBC)</b>	<b>1.402</b>
Former Tenant Rent Arrears- HRA	0.00
<b>Total (Including Tenant Rent Arrears)</b>	<b>1.402</b>

- 5.10 Historic debt is traditionally much more difficult to collect, yet we have seen a reduction in arrears debt of 66% this quarter, with only a small proportion (3.71%) being written off. A reduction of this size indicates that the measures being taken to improve debt recovery are having a positive effect. It remains good financial management to provide for non-recovery of some of these debts; however we expect to see the provision for bad debts reduce as we continue through the financial year to a final position which is expected to be lower than the closing position in 2017/18.

#### **Impact on MTFS/Reserves**

- 6.1 An updated 2018-20 MTFS forecast was presented into Cabinet in February 2018 for approval.
- 6.2 This has been updated in May which rolled the forecast forward to 2021/22. The position before efficiencies is provided below:-

	2019/20	2020/21	2021/22
<b>Revised MTFS at May 2018 pre efficiencies</b>	<b>£6.530M</b>	<b>£13.340M</b>	<b>£18.840M</b>

- 6.3 Work is ongoing to ensure that the existing KLOE's in 2019/20 remain deliverable and to identify new savings to deliver the shortfall in 2020/21.
- 6.4 To the extent that an underspend is currently forecast for 2018/19 which is one-off in nature, there is no impact on the MTFS although this will be closely monitored to ensure that there are no adverse variances in future.
- 6.5 The Council's Reserves position has also been updated and consideration is currently being given to reviewing existing priorities against new ones with a view to providing a revised Reserves Strategy.

#### **Background Papers**

- Service and Financial Planning 2018/19 – Revenue Budget, Capital Programme and Council Tax (Cab.7.2.2018/6)

## **CONTENTS**

### **SECTIONS**

1. People – Executive Director's Summary
2. Place – Executive Director's Summary
3. Communities – Executive Director's Summary
4. Public Health – Director's Summary
5. Core Services – Executive Director's Summary
6. Commentary on Corporate Budgets

### **APPENDICES**

1. Directorate Virement
2. Overall Budget Monitoring Position for the Council
3. Detailed Budget Variances for Directorates
4. Detailed Position for Agreed Savings
5. HRA Position

## **SECTION 1 - Executive Director's Summary for People**

### **Highlights**

The latest 2018-19 approved budget envelope for the People Directorate is **£72.685M** and includes schools related budgets of -£1.600M (carry forward schools balances and DSG deficit). An operational **balanced budget** position is currently forecast for the Directorate, excluding schools balances.

### **Quarter 1 position to the end of the quarter ending June 2018**

DIRECTORATE	Approved Net Budget 2018/19 (after Virement)	Projected Net Outturn 2018/19	Forecast Deficit / (Surplus)	Adjustment for Slippage, Grant balances & Transfer to reserves	Operational Deficit / (Surplus)	FYE (19/20)
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Education, Early start &amp; Prevention</b>	7,830	7,830	-	-	-	-
<b>Adult Social Care &amp; Health</b>	41,475	41,475	-	-	-	-
<b>Children Social Care &amp; Safeguarding</b>	24,980	24,980	-	-	-	-
Sub-Total	<b>74,285</b>	<b>74,285</b>	-	-	-	-
<b>Schools</b>	-1,600	-1,601	-	-	-	-
<b>Total - People</b>	<b>72,685</b>	<b>72,685</b>	-	-	-	-

### **Key Variances**

**Education, Early Start & Prevention** - a balanced budget position is currently forecast for the Education, Early Start & Prevention Business Unit. An explanation of the key variances for the year are detailed below:

#### Early Start & Family Centres (£0.066M)

- The forecast underspend has arisen mainly from staff turnover / vacancies and planned reduced operating spend for the year.

#### Targeted Youth Support £0.058M

- The estimated overspend primarily relates to funding cut pressures faced within the Youth Offending Team (YOT), which has been offset by staff vacancy savings within Youth Services.

**Adult Social Care & Health** - An operational balanced budget position is currently reported for the Adult Social Care & Health Business Unit. This reflects the continued improvement in the financial position of the BU from 2017/18. The following explains the underlying budget position and key issues:

#### Older People (aged 65 plus)

- A net balanced position is reported for the service area against a net budget of £21.8M;
- This follows the realignment of budgets to reflect the number of clients currently in receipt of support and the baseline cost of care packages.

#### Working Age Adults (aged 18 – 64)

- A balanced position is currently forecast for the budget (£17.9M) for the 18 – 64 client age group (learning disabilities and mental health);
- The increase in baseline care provision costs has been offset by increases in forecast income (health contributions) and staff vacancy savings.

**Children's Social Care & Safeguarding** - a balanced budget position is forecast for Q1 for the Children Social Care & Safeguarding Business Unit. This represents an improved position compared to the reported overspend in the previous financial year and reflects concerted efforts to stabilise the looked after children (LAC) population in line with the LAC Sufficiency Strategy target.

#### Children in Care

- No significant pressures are currently forecast against the looked after children placement budgets;
- Barnsley's LAC population at the end of the quarter is 293, which compares favorably to 311 reported at the end of March 2018 (and the LAC target of 300);
- The number of LAC placed in external care homes have reduced and are in line with the current target;
- However, it should be noted that there are still challenges in placing older children (with challenging needs) with foster carers, which means the continued use of external / more expensive residential care provision.

#### Other variances

- Cost pressures within Assessment and Care (LIFT accommodation and travel costs) have been offset by underspends in other service areas e.g. Safeguarding and Quality Assurance.

**Schools DSG** - The latest Dedicated Schools Grant (DSG) budget for 2018/19 totals £106.4M, comprising of delegated to schools / academies of £86.7M and £19.7M retained centrally by the Council.

#### Delegated DSG budgets - Total £86.7M

- Comprises of elements allocated to schools through the local schools funding formula, as well as high needs and early years funding;
- Latest reported schools balances showed a projected net surplus of £0.6M for the current financial year;
- The position includes 3 schools (Hoylandswaine primary, Penistone Grammar school, and Dearne ALC) with approved planned deficit budgets for the year;
- Recovery plan or actions have been agreed with these schools to address deficits over set timeframes.



#### Centrally retained schools DSG budget – Total £19.7M

- A DSG overspend of £7M is currently forecast across all the centrally retained budgets, mainly relating to the high needs funding block;
- This deficit is made up of £5.2M carried forward from 2017/18 plus a recurrent net pressure of £1.8M (increasing numbers and cost of Out of Borough Special Educational Needs placements);
- The planned reduction in Out of Borough Special Educational Needs costs as outlined in the approved SEND Strategy/Financial Plan has yet to be fully realised in the current year.

#### **Approved Savings Position**

The approved 2018/19 savings target for PEOPLE directorate totals £2.187M, analysed across the respective business units as follows:

- £0.985M - BU1 Education, Early Start & Prevention;
- £1.202M - BU2 Adult Social and Health care.

All 2018/19 approved savings proposals are on track and expected to be delivered fully in the current year.

#### **Current Actions and Future Risks**

The main risks in 2019/20 and beyond mainly relate to demand-driven pressures in children and adult social care.

- Education, Early Start, & Prevention  
The business unit would continue to face pressures from reduction in external funding e.g. Youth Justice Board (YJB) grant and trading income from schools (Education Psychology, Schools Governor services).
- Adult Social Care & Health  
Pressures from care providers for fee increases to meet national living wage commitments and cost of care (to address market sustainability) would pose the greatest challenge to the Council in 2019/20.
- Children social care & safeguarding  
The required actions / measures to manage LAC numbers over the medium term are set out in the recently refreshed LAC Sufficiency Strategy. The ongoing work to better track / plan LAC placements would ensure the stability of Barnsley's LAC numbers around the 300 mark.

## **SECTION 2 – Executive Director's Summary for Place**

### **Highlights**

The latest revised 2018/19 approved budget envelope for the Place Directorate is **£40.842M**. Based on current projections, there is an under-spend against the approved budget before earmarking's of (£0.497M). Of this, £1.216M is proposed for ear marking resulting in a net operational overspend of **£0.719M** in the current financial year.

### **Quarter 1 position to the end of the quarter ending June 2018**

DIRECTORATE	Approved Net Budget 2018/19 (after Virement)	Projected Net Outturn 2018/19	Forecast Deficit / (Surplus)	Adjustment for Slippage, Grant balances & Transfer to reserves	Operational Deficit / (Surplus)	FYE (19/20)
	£'000	£'000	£'000	£'000	£'000	£'000
<b>*Regeneration &amp; Property</b>	10,462	9,217	(1,245)	1,216	(29)	-
<b>Culture, Housing &amp; Regulation</b>	1,594	1,594	-	-	-	-
<b>Environment &amp; Transport</b>	28,786	29,534	748	-	748	-
<b>Total – Place</b>	<b>40,842</b>	<b>40,345</b>	<b>(497)</b>	<b>1,216</b>	<b>719</b>	<b>-</b>
<b>Housing Revenue A/C</b>	52,067	48,069	(3,998)	3,599	(399)	-

*\*Includes schools BSF/PFI net budgets of (£1,283) ring-fenced from the Directorate*

### **Key Variances**

There are a number of contributing factors that have resulted in this position. The key variances by Business Unit are set out below:

**Regeneration & Property** – a small underspend is forecast for Quarter 1 with the main variances being:

- Running costs of Resource Centres £0.122M;
- Vacancy management/additional income (£0.122M);
- Staff vacancies within the Planning & Building Control Support team (£0.029M);
- PFI (£0.151M) and BSF (£1.065M), both of which to be earmarked to support the overall affordability of the whole life cost models.

**Culture, Housing & Regulation** – a breakeven position is forecast for Quarter 1 comprising:

- A forecast shortfall in commercial income £0.066M;
- Staff savings across the service (£0.066M).

**Environment & Transport** – An overspend of £0.748M is forecast for Quarter 1 with the main variances being:

Operations, Recycling, Neighbourhoods & Transport £0.059M

- Transport £0.432M – Continued significant rise in demand for Home to School transport together with the increased cost of out of borough placements and a rising demand for the use of escorts;
- Neighbourhood Services (£0.223M) – This saving relates primarily to staff vacancies within the team and the part year effect of the restructure of the service which is due to be implemented from November 2018 (£0.183M);
- Waste Collection (£0.081M) – The underspend relates to delays in filling the new staffing structure, forecast savings on contract hire charges and fuel following the purchase of new refuse collection vehicles in 2017/18.

Highways, Engineering & Transportation Services (£0.732M)

- Construction Services (£0.277M) – delays in appointing to management posts within the service, a continuation of the same productivity levels as in 2017/18;
- Highways / Engineers / Highways Maintenance (£0.455M) – underspend relates to staffing costs (£0.145M) and a non-recurring increase in fee income (£0.265M).

Commercial & Operational Services £1.321M

- Contracts Management / TLS (Waste Disposal) £1.301M – overspend relates to the delay in delivery of mitigating actions (see below) to offset previous undelivered efficiencies from the waste PFI contract (£0.600M) and a continuation of the problems encountered by the service due to the fall in the market price of recyclates (£0.701M).

**Approved Savings Position**

2018/19 Efficiency Savings

A total of £1.215M additional approved savings for 2018/19 have all been delivered.

Mitigation from prior years (£1.844M total target)

£1.034M of efficiencies have been delivered. The target for 2018/19 is £0.810M with the following proposals still to be delivered in future:

Efficiency Saving	£M
Transfer Loading Station *	0.300M
Travel Training**	0.075M
Highways Materials (cold mix) ***	0.075M
Contract Procurement	0.250M
<b>TOTAL</b>	<b>0.700M</b>

\* The TLS is currently forecast to be delivered in December 2018

\*\* Travel Training is delivered by the People/ Communities Directorates

\*\*\* The cold mix pilot is currently being evaluated to determine whether to be continued

### **Housing Revenue Account (-£0.399M)**

- Increase in dwellings rent (£0.242M) due to lower RTB sales and void properties than anticipated and savings against the provision for bad debts (£0.258M) due to lower arrears than forecast. This is offset in part by a lower than anticipated NPS profit share and a forecast increase in Management costs in relation to the transfer of the HRA function.
- At this update, £3.599M of the planned revenue contribution to capital has been rolled-forward in the HRA working balance to fund commitments on the 5 year approved programme, mainly due to re-phasing of capital schemes with RCCO funding sources.

### **Current Actions and Future Risks**

As highlighted above, a number of mitigating actions have been put forward. Some progress has already been made in delivering on this. Further action will continue to be progressed with a view to delivering a balanced budget.

- The Home to School Transport is highlighted as an area for concern and has received additional provision this year. We will closely monitor this area, with updates provided to Cabinet as necessary.
- Household Waste levels of recycled household waste combined with a shortfall in the income from the sale of recyclable materials are both areas that need to be monitored and addressed where possible.
- Markets Income there may be a shortfall in markets income in 2018/19 due to the ongoing construction programme of the new development. Market stall lettings will continue to be actively progressed. A separate report will be presented to Cabinet with an update later in the year.
- Council Buildings programme the rationalisation of Council buildings programme is expected to deliver significant savings following the closure and hand back of buildings. This will contribute towards future efficiencies. However there remains the risk of significant cost pressures, potentially giving rise to an over-spend within Property services should planned efficiencies not happen or delays occur. In addition there are unknown costs relating to the break in at Worsborough Mill and a woodworm infestation at Cannon Hall together with property maintenance generally continuing to be area of concern. Finally a review unoccupied spaces across the asset portfolio will continue, particularly in Lift Buildings and Business Centres, to ensure we are maximising the use of our assets.

## **SECTION 3 - Executive Director's Summary for Communities**

### **Highlights**

The total net budget for the Directorate is **£21.844M**. Total forecast net expenditure is £18.933M, resulting in a forecast underspend before earmarking's of £2.911M. Of this sum £2.413M is proposed for earmarking (*primarily relating to multi-year grant allocations and Commissioning and Ward Alliance budgets*) resulting in an operational underspend for the year of **£0.498M**.

### **Quarter 1 position to the end of the quarter ending June 2018**

DIRECTORATE	Approved Net Budget 2018/19 (after Virement)	Projected Net Outturn 2018/19	Forecast Deficit / (Surplus)	Adjustment for Slippage & Transfer to reserves	Operational Deficit / (Surplus)	FYE (18/19)*
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Customer Services</b>	3,101	2,457	(644)	(46)	(598)	-
<b>Safer, Stronger, Healthier</b>	8,879	6,512	(2,367)	(2,367)	-	-
<b>IT</b>	9,864	9,964	100	-	100	-
<b>Total – Communities</b>	<b>21,844</b>	<b>18,933</b>	<b>(2,911)</b>	<b>(2,413)</b>	<b>(498)</b>	<b>-</b>

### **Key Variances**

**Customer Services** are currently projecting an operational underspend of £0.598M for the year. The key contributors to this position are:

- Day Opportunities (£0.382M) – the recent closure of the Keresforth Centre and vacancy retention across the service are key contributors to the expected underspend.
- ALT & Reablement (£0.139M) – the forecast underspend is as a result of increased income following the recent price increase for Assisted Living Technology services.

**Safer, Stronger & Healthier Communities (SSH)** expect spend to be in line with budget allocations.

**IT Services** are currently projecting an over spend for the year of £0.100M. The reasons for this are as follows:

- Software License and Equipment Costs £0.581M - factors such as the increase in license costs and changes in the contracting arrangements offered by external providers continue to provide significant challenges for the service. In terms of equipment there is currently insufficient funding available to support a growing requirement to upgrade/replace hardware and infrastructure. This is an area that is being further considered as part of the future service redesign to ensure that the implementation of the Digital First strategy can be delivered within its existing programme/budget.

- Vacancy Retention (£0.481M) – this is partially offset by the overspend on software license and equipment costs.

### **Approved Savings Position**

The Directorate has total approved savings of £0.241M to deliver in 2018/19.

The total savings target will be achieved in year however the Selective Licensing KLOE has now been withdrawn and from 2019/20 onwards savings will accrue from three new KLOE's. As an interim measure in 2018/19 all savings attributable to Selective Licensing in 2018/19 will be met from a planned earmarking brought forward from 2017/18.

### **Current Actions and Future Risks**

Several service reviews will be ongoing during 2018/19 across Communities to ensure Business Units continue to provide economic, efficient and effective services and are fully prepared to meet the £1.7m KLOE savings that are due for delivery in 2019/20.

Reviews include:

- Remodeling of Customer Services which notably includes the Library Review;
- Leading the Council's Digital First Strategy;
- Provider Services Reviews including Day Opportunities, Reablement and Assisted Living Technology.

Within Safer Communities the requirement to deal with the additional burdens of the latest Homelessness Reduction Act, Holden House and the provision of support services for young people are all expected to bring some significant challenges.

From an IT perspective, uncertainty remains regarding software license cost increases along with changes in contracting arrangements from external suppliers. Work is ongoing to monitor these arrangements with a view to mitigating these pressures and drive out value for money wherever possible.

Excepting the above, there are considered to be no immediate issues within the Directorate that will impact adversely on Communities ability to operate within its budgetary envelope during 2018/19.

## **SECTION 4 - Director's Summary for Public Health**

### **Highlights**

The total net budget for the Directorate is **£3.566M**. Based on financial performance to date and forecast activity for the remainder of the year, an operational under-spend of **(£1.736M)** has been estimated.

This underspend largely comprises of a planned underspend of £1.553M to be earmarked to support future year Public Health Commitments (as per the PH 4 year plan) along with staff vacancies and contract savings.

### **Quarter 1 position to the end of the quarter ending June 2018**

DIRECTORATE	Approved Net Budget 2018/19 (after Virement)	Projected Net Outturn 2018/19	Forecast Deficit / (Surplus)	Adjustment for Slippage & Transfer to reserves	Operational Deficit / (Surplus)	FYE (18/19)
	£'000	£'000	£'000	£'000	£'000	£'000
<b>BU10 – Healthcare &amp; Partnerships</b>	<b>3,566</b>	<b>1,830</b>	<b>(1,736)</b>	<b>1,736</b>	<b>-</b>	<b>-</b>

### **Key Variances**

The forecast underspend of £1.736M for the current year largely comprises:

- **The Planned Underspend Against 4 Year Plan Commitments (£1.553M)** – this is intrinsic to the fulfilment of the Public Health 4 year plan – the intention being to carry forward the underspend into future years to meet identified commitments.
- **Staff Vacancies (£0.140M)** - the service transferred from SWYFT to BMBC in October 2016 and since the transfer a considerable number of staff have left the service. Vacancies have been largely retained during this period pending the outcome of a full review of the staffing structure of the service. Savings identified from the review will be used to support the delivery of KLOE PH E2 'Review of Contracts and Commissioning' (see below).

### **Approved Savings Position**

The Directorate had total approved savings of £0.255M to deliver in 2018/19. All savings have either been delivered in full or are on target to be delivered by the end of 2018/19.

### **Current Actions and Future Risks**

Over the entire four year plan period (to 2020/21) additional funding will be made available from the Council to help to mitigate the impact of planned reductions in Public Health Grant. It is envisaged that the provision of additional funding from the Council, use of earmarkings and delivery of identified savings will enable the service to continue to maintain a modest surplus position to 2020/21.

## **SECTION 5 - Executive Director's Statement For Core**

### **Highlights**

The latest approved budget for 2018/19 for the Core Directorate is **£16.102M**. Based on current projections the Directorate is forecasting an outturn of £15.618M as at the end of Quarter 1, resulting in an under-spend, before earmarking's of £0.484M. Of this, £0.018M is proposed for earmarking resulting in an overall estimated operational under-spend of **£0.466M** for 2018/19.

### **Quarter 1 Position to the end of the quarter ending June 2018**

DIRECTORATE	Approved Net Budget 2018/19 (after Virement)	Projected Net Outturn 2018/19	Forecast Deficit / (Surplus)	Adjustment for Slippage & Transfer to reserves	Operational Deficit / (Surplus)	FYE (18/19)
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Finance</b>	5,474	5,324	(150)	0	(150)	-
<b>HR</b>	3,969	3,940	(29)	18	(10)	-
<b>Business Imp &amp; Comms</b>	3,398	3,367	(32)	0	(32)	-
<b>Legal Services</b>	885	851	(34)	0	(34)	-
<b>Elections</b>	688	498	(190)	0	(190)	-
<b>Council Governance</b>	1675	1,625	(50)	0	(50)	-
<b>Joint Authorities</b>	13	13	0	0	0	-
<b>Total – Core</b>	<b>16,102</b>	<b>15,618</b>	<b>(484)</b>	<b>18</b>	<b>(466)</b>	<b>-</b>

### **Key Variances**

An underspend of £0.466M is forecast for the current year which largely comprises:

**Finance** – an underspend of £0.150M as a result of:

- Staff turnover and vacant posts pending a restructure due to be implemented in October 2018 to support the Business Unit's plans and delivery of 2020 efficiency targets.

**HR & Business Support** – an underspend of £0.010M comprising:

- Staff turnover and vacant posts;
- £0.018M earmarking requested to continue to fund Trade Union post in 2019/20.

**Performance, Business Improvement & Communications** – an underspend of £0.032M:

- Staff turnover and vacant posts pending a restructure to support the Business Unit's plans and delivery of 2020 efficiency targets.

**Legal Services** – an underspend of £0.034M is forecast which comprises:

- (£0.085M) additional income received court fees as a result of an increase in the number of fines raised;
- (£0.016M) general under-spending of supplies & services;
- £0.028M unforeseen cost pressures associated with a complex legal case;
- £0.039M high levels of a printing due to the delays in implementing the new electronic case management system.



**Elections** – an underspend of £0.190M:

- Overachieved income as a result of the Sheffield City Region Mayoral election which resulted in 50% of the total election costs being reimbursed to the Council.

**Council Governance** – an underspend of £0.050M is forecast which comprises:

- Part year vacant post, improved efficiencies to cost management and the transfer of Members expenditure to the Police and Crime Commissioner grant held within the Joint Authorities service.

### **Approved Savings Position**

The Directorate had total approved savings of £0.505M to deliver in 2018/19. All savings have either been delivered in full or are on target to be delivered by the end of 2018/19.

### **Current Actions and Future Risks**

- Technology -There is a common risk across the Core Directorate where there is reliance on technology to support delivery of future year KLOE's, that IT will not be able to provide the required support or technology to support the solutions proposed. This presents a risk to both the quality of service provision as well as the achievement of anticipated savings. This risk cannot be mitigated by the Directorate alone and will be predicated around the re-design of IT services and the ongoing work in support of the Digital First Strategy.
- Capacity and staff turnover continues to be a problem in particular within the Finance and Legal Business Units. Legal are in the process of implementing a minor restructure to increase capacity within the key demand areas Commercial, Planning and Safeguarding to ensure the service is equipped to support the Council effectively.
- The Finance Business Unit is currently undergoing a major re-design of the functions it delivers, with a new structure planned to go live in October 2018. This will allow delivery of 2020 efficiency targets and ensure the service is equipped to continue to support our Future Council and contribute towards setting a sustainable landscape for the future.
- The Joint Authorities Service are reviewing their income streams to ensure current grant funded schemes are maximised and are also exploring opportunities for new income streams.
- The transfer of Housing Benefits to the DWP will be further delayed; however funding has been earmarked in 2018/19 and may need to be requested again in 2019/20 to continue to support this transition.
- A major re-design of the Core Directorate is planned to be implemented over the next 2 years commencing April 2019 impacting on BU14 HR and BU19 Council Governance. The changes will ensure that we maintain a 'Strong and Lean Core' to support our Future Council.

## **SECTION 6 - Commentary on Corporate Budgets**

### **Highlights**

The latest 2018-19 approved corporate budget is **£13.948M**. Corporate budgets includes for example, Capital Financing, Pension costs, Insurance, Levy's etc. The operational budget position currently forecasts a **£0.500M** underspend specifically relating to Capital Financing costs.

### **Quarter 1 position to the end of the quarter ending June 2018**

Corporate Area	Approved Net Budget 2018/19 (after Virement)	Projected Net Outturn 2016/17	Forecast Deficit / (Surplus)	Adjustment for Slippage, Grant balances & Transfer to reserves	Operational Deficit / (Surplus)	FYE (18/19)
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Capital Financing</b>	16,364	15,864	(500)	-	(500)	-
<b>CDC</b>	766	766	-	-	-	-
<b>Levies</b>	1,731	1,731	-	-	-	-
<b>Corporate Items</b>	(2,529)	(2,529)	-	-	-	-
<b>Provisions</b>	17,720	17,720	-	-	-	-
<b>Provisions – Pension     Deficit</b>	7,068	7,068	-	-	-	-
<b>Contributions from     Balances</b>	(27,171)	(27,171)	-	-	-	-
<b>Total – Corporate</b>	<b>13,948</b>	<b>13,448</b>	<b>(500)</b>	<b>-</b>	<b>(500)</b>	<b>-</b>

### **Key Variances**

- Current operations relating to capital financing, are expected to result in an underspend of £0.500M due to taking advantage of the low interest rate environment. Such savings will reduce as the Council fixes more of its debt in line with its Treasury Management Strategy.
- The 2018/19 budget includes some new elements for the digital first project budgets, earmarkings approved from 2017/18 and some new elements from the re-organisation (formally included in the Core Directorate).
- The 2018/19 corporate provisions budget includes specific earmarkings relating to the town centre project c. £6.6M; the library review of £1.0M, and employment related budget specifically for the graduate programme and LD Employment opportunities £0.430M. It is expected all of the provisions earmarked will be utilised within this year although some slippage into 2019/20 may occur.

## Other Items

### **External Trading - BMBC Services Ltd**

- As from 1st April 2017 HR and Financial services ceased trading through the company and the only remaining service that trades through BMBC Services Ltd is now IT – Code Green. HR and Financial services are still trading with schools and a handful of other external clients which they are able to do through the Council's own trading powers as set out in the Localism Act 2011.
- BMBC Services is forecasting a profit after tax of approximately £0.150M. The approximate after tax profit of £0.150M will be utilised by the Digital First programme.

### **£3 Million Invest to Grow Fund**

- A total of £1.466M is estimated to be spent during 2018/19, with a further £0.039M in 2019/20;
- There is currently £221k (18%) of budget unallocated, this will be subject to new bids to be decided by SMT during Aug 2018;
- To date a total of £0.283M (23%) has been incurred during 18/19 with £0.773M (62%) committed and expected to be spent;
- A significant proportion of the allocation is expected to be utilised in 2018/19 although some slippage into 2019/20 is expected, current uncommitted expenditure is £0.121M (10%).

Invest to grow fund	Total	2016/17	2017/18	2018/19	2019/20
	£M	£M	£M	£M	£M
<b>Fund allocated</b>	3.000	0.305	2.199	0.457	0.039
<b>Carry Forward</b>			(1.009)	0.788	
<b>Unallocated</b>				0.221	
<b>Total Allocation Q1</b>	<b>3.000</b>	<b>0.305</b>	<b>1.190</b>	<b>1.466</b>	<b>0.039</b>

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**CORPORATE BUDGET MONITORING AS AT 30TH JUNE 2018****SECTION A - VIREMENTS FOR APPROVAL (JUNE):**

	(col 1) Transfers From: £	(col 2) Transfers To: £	(col 3) Net Effect £
Customer Feedback Ear Marking from IT	- 20,000		-20,000
Customer Feedback Ear Marking to Performance		20,000	20,000
from Safer Stronger & Healthier Communities - Hidden Harm	- 22,500		-22,500
to Education and Early Start - Hidden Harm		22,500	22,500
Digital First savings transferred from IT	- 57,759		-57,759
Digital First savings transferred to Digital Firsts within Corporate Budgets		57,759	57,759
IBCF Grant tfr from Corporate Budgets	- 1,919,748		-1,919,748
IBCF Grant tfr to Adult Assessment and Care Management		1,919,748	1,919,748
<b>sub-total: Virements for approval</b>	<b>- 2,020,007</b>	<b>2,020,007</b>	<b>-</b>

**SECTION B - VIREMENTS ALREADY APPROVED BY CABINET (JUNE):**

Establishment of 0.5FTE BSO to Support Healthier Communities from HR (1yr only)	- 1,709		-1,709
Establishment of 0.5FTE BSO to Safer Stronger & Healthier Communities (1yr only)		1,709	1,709
Establishment of 0.5FTE BSO from Safer Stronger & Healthier Communities	- 12,959		-12,959
Establishment of 0.5FTE BSO to Support Healthier Communities to HR		12,959	12,959
Establishment of 0.81FTE BSO from Performance	- 15,541		-15,541
Establishment of 0.81FTE BSO to HR		15,541	15,541
Sharepoint Training Officer from IT	- 29,505		-29,505
Sharepoint Training Officer to Performance		29,505	29,505
Technical Analyst from IT	- 25,233		-25,233
Technical Analyst to Performance		25,233	25,233
IT Staffing provision from Finance	- 94,414		-94,414
Staffing Provision to IT		94,414	94,414
2017/18 Earmarkings	- 27,171,486		-27,171,486
2017/18 Earmarkings allocation to directorates		27,171,486	27,171,486
<b>sub-total: Virements already approved by Cabinet</b>	<b>- 27,350,847</b>	<b>27,350,847</b>	<b>-</b>

**SECTION C - VIREMENTS WITHIN DELEGATED POWERS (JUNE):****Sub-total: Virements within powers****GRAND TOTAL - ALL VIREMENTS**

-	-	-
-	-	-
<b>- 29,370,854</b>	<b>29,370,854</b>	<b>-</b>

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**DIRECTORATE / DIVISION OF SERVICE BUDGET VARIANCES**

		(col 1)	(col 2)	col 3	(col 4)	(col 5)	(col 6)		
		Original Net 2018-19 Budget £	Cumulative Approved Variations /Earmarkings April - May £	Approved Variations June £	Revised Net Budget £	Forecast Outturn June £	Variation £	Adjustment for Slippage & Transfer to Reserves June 2018 £	Operational Deficit / (Surplus)
<b>DIRECTORATE</b>									
<b>PEOPLE</b>									
BU1	Education and Early Start Prevention (Inc. Schools)	8,350,976	(2,143,684)	22,500	6,229,792	6,229,792	-	-	-
BU2	Adult Assessment and Care Management	39,307,322	247,615	1,919,748	41,474,685	41,474,685	-	-	-
BU3	Children Assessment and Care Management	24,962,963	17,702	-	24,980,665	24,980,665	-	-	-
	<b>sub-total People</b>	<b>72,621,261</b>	<b>(1,878,367)</b>	<b>1,942,248</b>	<b>72,685,142</b>	<b>72,685,142</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>PLACE</b>									
BU4	Economic Regeneration	8,060,042	2,402,136	-	10,462,178	9,217,154	(1,245,024)	1,216,024	(29,000)
BU5	Culture, Housing and Regulation	1,353,824	240,000	-	1,593,824	1,593,824	-	-	-
BU6	Environment and Transport	27,372,033	1,414,000	-	28,786,033	29,534,033	748,000	-	748,000
	<b>sub-total Place</b>	<b>36,785,899</b>	<b>4,056,136</b>	<b>-</b>	<b>40,842,035</b>	<b>40,345,011</b>	<b>(497,024)</b>	<b>1,216,024</b>	<b>719,000</b>
<b>COMMUNITIES</b>									
BU7	Customer Services	2,963,008	138,095	-	3,101,103	2,457,626	(643,477)	45,846	(597,631)
BU8	Safer Stronger & Healthier Communities	5,079,582	3,833,657	(33,750)	8,879,489	6,512,896	(2,366,593)	2,366,121	(472)
BU12	IT	9,570,566	331,545	(38,083)	9,864,028	9,964,281	100,253	-	100,253
	<b>sub-total Communities</b>	<b>17,613,156</b>	<b>4,303,297</b>	<b>(71,833)</b>	<b>21,844,620</b>	<b>18,934,803</b>	<b>(2,909,817)</b>	<b>2,411,967</b>	<b>(497,850)</b>
<b>PUBLIC HEALTH</b>									
BU10	<b>Public Health</b>	1,698,519	1,867,956	-	3,566,475	1,830,587	(1,735,888)	1,735,888	-
	<b>sub-total Public Health</b>	<b>1,698,519</b>	<b>1,867,956</b>	<b>-</b>	<b>3,566,475</b>	<b>1,830,587</b>	<b>(1,735,888)</b>	<b>1,735,888</b>	<b>-</b>
<b>CORE</b>									
BU13	Finance	4,774,095	794,000	(94,414)	5,473,681	5,323,681	(150,000)	-	(150,000)
BU14	HR	3,557,959	384,030	26,791	3,968,780	3,940,106	(28,674)	18,274	(10,400)
BU15	Performance	2,955,314	384,006	59,197	3,398,517	3,366,745	(31,772)	-	(31,772)
BU17	Legal Services	885,083	-	-	885,083	850,899	(34,184)	-	(34,184)
BU18	Elections	687,650	-	-	687,650	498,151	(189,499)	-	(189,499)
BU19	Council Governance	1,674,855	-	-	1,674,855	1,624,916	(49,939)	-	(49,939)
	Joint Authorities	13,497	-	-	13,497	13,497	-	-	-
	ED Legal Services & Governance	-	-	-	-	-	-	-	-
	<b>sub-total Core</b>	<b>14,548,453</b>	<b>1,562,036</b>	<b>(8,426)</b>	<b>16,102,063</b>	<b>15,617,995</b>	<b>(484,068)</b>	<b>18,274</b>	<b>(465,794)</b>
<b>OVERALL SERVICE TOTALS</b>									
		<b>143,267,288</b>	<b>9,911,058</b>	<b>1,861,989</b>	<b>155,040,335</b>	<b>149,413,538</b>	<b>(5,626,797)</b>	<b>5,382,153</b>	<b>(244,644)</b>
Other Non Service Items									
	Capital Financing Costs	13,907,540	2,456,201	-	16,363,741	15,863,741	(500,000)	-	(500,000)
	Corporate & Democratic Core & Non Distributed Costs	765,650	-	-	765,650	765,650	-	-	-
	Levies	1,120,529	610,078	-	1,730,607	1,730,607	-	-	-
	Corporate Items	(2,600,000)	70,831	-	(2,529,169)	(2,529,169)	-	-	-
	Provisions	5,458,977	14,123,318	(1,861,989)	17,720,306	17,720,306	-	-	-
	Provisions - Pension Deficit	7,068,043	-	-	7,068,043	7,068,043	-	-	-
	New Homes Bonus	-	-	-	-	-	-	-	-
	Contribution From Reserves / Balances	-	(27,171,486)	-	(27,171,486)	(27,171,486)	-	-	-
	<b>sub-total Corporate Budgets</b>	<b>25,720,739</b>	<b>(9,911,058)</b>	<b>(1,861,989)</b>	<b>13,947,692</b>	<b>13,447,692</b>	<b>(500,000)</b>	<b>-</b>	<b>(500,000)</b>
<b>OVERALL AUTHORITY BUDGET</b>									
		<b>168,988,027</b>	<b>-</b>	<b>-</b>	<b>168,988,027</b>	<b>162,861,230</b>	<b>(6,126,797)</b>	<b>5,382,153</b>	<b>(744,644)</b>

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DETAILED SERVICE VARIANCES @ 30th June 2018

	ONGOING BASE BUDGET ISSUES	NON ACHIEVEMENT OF EFFICIENCY ISSUES	TOTAL - ALL BUDGETARY ISSUES	Adjustment for Slippage & Transfer to Reserves	Operational Deficit/(Surplus)
SERVICE / BUDGET HEAD	June	June	June	June	June
PEOPLE - KEY FINANCIAL RISKS FOR 2018/19					
BU1 - Education and Early Start Prevention					
Service Director - additional pay supplement and business support costs	23,613		23,613		23,613
Commissioning - unrealised income in Schools Model and Governor Development SLA income from schools	86,356		86,356		86,356
Commissioning - contract savings	(94,082)		(94,082)		(94,082)
Early Start & Family Services - staff vacancies on Childcare Services & reduced running costs	(66,228)		(66,228)		(66,228)
Targeted Youth Support - vacancy savings (in Youth Service) offset by funding cuts pressure on YOT	57,661		57,661		57,661
Other Minor Variances	(7,320)		(7,320)		(7,320)
BU2					
No significant variances	-		-	-	-
BU3					
Assessment & Care - LIFT accommodation & Staff travel/Mileage costs	125,840		125,840		125,840
Children in Care - LAC external residential care costs	144,964		144,964		144,964
Children in Care - LAC fostering & other placement costs	(217,499)		(217,499)		(217,499)
Children in Care - Other costs (CiC, fostering, adoptions teams)	(19,090)		(19,090)		(19,090)
Safeguarding & QA - training income & staff vacancies	(26,847)		(26,847)		(26,847)
Other minor variances	(7,368)		(7,368)		(7,368)
Total - PEOPLE	-	-	-	-	-
PLACE - KEY FINANCIAL RISKS FOR 2018/19					
BU4					
Planning & Building Control - Staffing Costs	(29,000)		(29,000)		(29,000)
Building Services - Under occupation of Lift Buildings	185,000		185,000		185,000
Building Services - Overachievement of income	(31,787)		(31,787)		(31,787)
Building Services - Over estimation of Dilapidations	(105,400)		(105,400)		(105,400)
Building Services - Repairs & Maintenance	17,182		17,182		17,182
BSF Model	(1,065,024)		(1,065,024)	1,065,024	-
PFI Model	(151,000)		(151,000)	151,000	-
FM/NPS - CCTV & General underspends R&M	(59,199)		(59,199)		(59,199)
School Asset Support - Staffing	(14,368)		(14,368)		(14,368)
Shared Services - Staffing	(13,149)		(13,149)		(13,149)
Strategic Assets - Consultancy Costs	21,721		21,721		21,721
BU5					
Commercial Income - Culture	66,000		66,000		66,000
Culture - Staffing	(66,000)		(66,000)		(66,000)
Housing - Recharge Income to Capital Projects	15,000		15,000		15,000
Housing - Staff Savings	(15,000)		(15,000)		(15,000)
			-		
BU6					
Contracts Management - Waste Disposal Costs	1,191,000		1,191,000		1,191,000
Transfer Loading Station	110,000		110,000		110,000
Bulky Waste/Bin Deliveries	80,000		80,000		80,000
Home to School Transport	432,000		432,000		432,000
Construction Services	(277,000)		(277,000)		(277,000)
Highways Maintenance - Electricity Costs	(38,000)		(38,000)		(38,000)
Highways, Engineering & Transportation - Staff Savings	(145,000)		(145,000)		(145,000)
Highways Fee Income increase	(265,000)		(265,000)		(265,000)
Neighbourhood Services - Staffing	(183,000)		(183,000)		(183,000)
Public Rights of Way Fee Income	(37,000)		(37,000)		(37,000)
Waste Collection (Staffing/Vehicle Costs)	(81,000)		(81,000)		(81,000)
Other Miscellaneous	(39,000)		(39,000)		(39,000)
Total - PLACE	(497,024)	-	(497,024)	1,216,024	719,000
COMMUNITIES - KEY FINANCIAL RISKS FOR 2018/19					
BU7					
Day Services - Keresforth closure	(222,000)		(222,000)		(222,000)
Day Services - Transport	(66,000)		(66,000)		(66,000)
Day Services - Vacancies	(93,000)		(93,000)		(93,000)
Provider Services - Management - vacancies	(71,000)		(71,000)		(71,000)
ALT - Vacancies	(44,000)		(44,000)		(44,000)
ALT - Increased Income	(69,000)		(69,000)		(69,000)
Other <£50k each	(32,630)		(32,630)		(32,630)
Transformation (ED)	(45,846)		(45,846)	45,846	-
BU8					
					-
Think Family - Planned Underspend - Earmark to 2018/19	(456,990)		(456,990)	456,990	-
Local Welfare Assistance Scheme - Planned Underspend - Earmark to 2018/19	(349,000)		(349,000)	349,000	-
Migration Funding	(230,000)		(230,000)	230,000	-
Stronger Communities - Anticipated carry forward balances on Commissioning & Ward Alliance Budgets	(1,330,603)		(1,330,603)	1,330,131	(472)
BU12					
Vacancies	(461,000)		(461,000)		(461,000)
Computer Projects & Licences	633,252		633,252		633,252
Income	(72,000)		(72,000)		(72,000)
Total - COMMUNITIES	(2,909,817)	-	(2,909,817)	2,411,967	(497,850)
PUBLIC HEALTH - KEY FINANCIAL RISKS FOR 2018/19					
BU10					
Planned unallocated resources per 4 year plan - To meet future year costs	(1,553,103)		(1,553,103)	1,553,103	-
Healthcare & partnerships - staffing vacancies	(23,000)		(23,000)	23,000	-
Health Checks - over estimated yr end accrual	(32,000)		(32,000)	32,000	-
0-19 staffing vacancies	(117,285)		(117,285)	117,285	-
Integrated Sexual Health - Plus Me contract ceasing - 9 mths saving	(10,500)		(10,500)	10,500	-
Total - Public Health	(1,735,888)	-	(1,735,888)	1,735,888	-
CORE - KEY FINANCIAL RISKS FOR 2018/19					
BU13					
Vacancies	(150,000)		(150,000)		(150,000)
BU14					
Vacancies	(28,674)		(28,674)	18,274	(10,400)
BU15					
Vacancies	(31,772)		(31,772)		(31,772)
BU17					
Staffing (Market Forces)	1,403		1,403		1,403
General Supplies & Services	(17,488)		(17,488)		(17,488)
Legal Fees	27,585		27,585		27,585
Printing	39,418		39,418		39,418
Overachievement of income (fines)	(85,102)		(85,102)		(85,102)
BU18					
Sheffield City Mayoral Election Funding	(189,499)		(189,499)		(189,499)
BU19					
Vacancies	(43,146)		(43,146)		(43,146)
Various Supplies & Services	(9,872)		(9,872)		(9,872)
Printing	10,894		10,894		10,894
PCC Members Allowance Reimbursement	(7,815)		(7,815)		(7,815)
Total - Core Services	(484,068)	-	(484,068)	18,274	(465,794)
Grand Total	(5,626,797)			5,382,153	(244,644)

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**KEY LINES OF ENQUIRY - VARIANCES AGAINST APPROVED BUDGET**

		£ Target	£ Outturn	£ Variance
<b><u>PEOPLE</u></b>				
<b><u>BU1 - Education &amp; Early Start Prevention</u></b>				
BU1 E3	Review current use of buildings in communities	30,000	30,000	-
BU1 E4	Review current contracts and commissioned services	10,000	10,000	-
BU1 E11	Two Year Entitlement Administration	155,000	155,000	-
BU1 E13	Review current contracts and commissioned services	40,000	40,000	-
BU1 E14	Council's contribution to schools delegated budget	1,000,000	1,000,000	-
BU1 E15	Additional funding for schools statutory duties	(250,000)	(250,000)	-
		<b>985,000</b>	<b>985,000</b>	<b>-</b>
<b><u>BU2 - Adult Assessment &amp; Care Management</u></b>				
BU2 E1	Targeted reviews - direct payments and high cost residential placements	552,000	552,000	-
BU2 E4	Maximising income	400,000	400,000	-
BU2 E5	Social Care Contracts	50,000	50,000	-
BU2 E6	Direct payment surplus draw-back and monitoring	200,000	200,000	-
		<b>1,202,000</b>	<b>1,202,000</b>	<b>-</b>
		<b>2,187,000</b>	<b>2,187,000</b>	<b>-</b>

<b><u>PEOPLE DIRECTORATE SUMMARY</u></b>				
	<b><u>KLOE's on target</u></b>	<b>2,187,000</b>	<b>2,187,000</b>	<b>-</b>
	<b><u>KLOE's delay in Delivery</u></b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b><u>KLOE's not on target</u></b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b><u>TOTAL PEOPLE KLOE's</u></b>	<b>2,187,000</b>	<b>2,187,000</b>	<b>-</b>

		£ Target	£ Outturn	£ Variance
<b><u>PLACE</u></b>				
<b><u>BU4</u></b>				
BU4 - E1	Property Investment Fund Income	20,000	20,000	-
BU4 - E2	(PLN) Planning fee Increases	50,000	50,000	-
BU4 - E3	(ED) Business Centre Income	30,000	30,000	-
BU4 - E8	Review and Realignment of the Employment and Skills Division	50,000	50,000	-
BU4 - E9	Restructure of S106 Team	10,000	10,000	-
		<b>160,000</b>	<b>160,000</b>	<b>-</b>
<b><u>BU5</u></b>				
BU5 - E1	Various Income Generation Proposals	50,000	50,000	-
BU5 - E2	External Contributions	115,000	115,000	-
		<b>165,000</b>	<b>165,000</b>	<b>-</b>
<b><u>BU6</u></b>				
BU6 - E1	Various Income generation proposals	175,000	175,000	-
BU6 - E2	Cross Business Unit Restructure	400,000	400,000	-
BU6 - E3	Service Delivery Re-design	75,000	75,000	-
BU6 - E7	PTE 3-5 Year strategic plan - Reduction in the levy through efficiencies in SYPT	240,000	240,000	-
		<b>890,000</b>	<b>890,000</b>	<b>-</b>
		<b>1,215,000</b>	<b>1,215,000</b>	<b>-</b>

<b><u>PLACE DIRECTORATE SUMMARY</u></b>			
<b><u>KLOE's on target</u></b>	<b>1,215,000</b>	<b>1,215,000</b>	<b>-</b>
<b><u>KLOE's delay in Delivery</u></b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>KLOE's not on target</u></b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>TOTAL PLACE KLOE's</u></b>	<b>1,215,000</b>	<b>1,215,000</b>	<b>-</b>

		£ Target	£ Outturn	£ Variance
<b><u>COMMUNITIES</u></b>				
	<b><u>BU7</u></b>			
BU7 E9	School Electronic Kitchen Management System:	49,167	49,167	-
BU7 E11	Review Org structure of Management Team	6,000	6,000	-
BU7 E14	Efficiency - Day Opps/Emplmnt & Vol and Travel/Disbld Facilities Grnt	21,239	21,239	-
		76,406	76,406	-
	<b><u>BU8</u></b>			
BU8 E1	Selective Licensing	105,000	105,000	-
BU8 E9	Reconfigure of staff teams across safer and healthier	60,000	60,000	-
		165,000	165,000	-
		241,406	241,406	-

<b><u>COMMUNITIES DIRECTORATE SUMMARY</u></b>				
	<b><u>KLOE's on target</u></b>	241,406	241,406	-
	<b><u>KLOE's with Delays</u></b>	-	-	-
	<b><u>KLOE's not on target</u></b>	-	-	-
	<b><u>TOTAL COMMUNITIES KLOE's</u></b>	241,406	241,406	-

		£ Target	£ Outturn	£ Variance
<b><u>PUBLIC HEALTH</u></b>				
	<b><u>BU10</u></b>			
PH E2	Review of Contracts & Commissioning	163,000	163,000	-
PH E3	Media and Comms (£5k remaining in budget)	20,000	20,000	-
PH E4	Dental Epidemiology (£10k remaining in budget)	10,000	10,000	-
PH E5	Dental Health promotion (to be incorporated into 0-19 services)	62,000	62,000	-
		255,000	255,000	-

<b><u>PUBLIC HEALTH DIRECTORATE SUMMARY</u></b>				
	<b><u>KLOE's on target</u></b>	255,000	255,000	-
	<b><u>KLOE's with Delays</u></b>	-	-	-
	<b><u>KLOE's not on target</u></b>	-	-	-
	<b><u>TOTAL PUBLIC HEALTH KLOE's</u></b>	255,000	255,000	-

		£	£	£
		Target	Outturn	Variance
<b>CORE SERVICES</b>				
<b>BU11 - BU18</b>				
BU11 E1	Corporate mail and printing re-design	14,000	14,000	-
BU13 E1	Finance Business Unit - major restructure	374,000	374,000	-
BU14 E1	Human Resources & Business Support Restructure.	73,978	73,978	-
BU18 E5	Restructure of Mayoral & Civic Support Unit	15,000	15,000	-
BU18 E6	Deletion of Outreach Officer post	28,278	28,278	-
BU18 E7	Member Services value TBD	-	-	-
		505,256	505,256	-

<b>CORE SERVICES SUMMARY</b>				
<b>KLOE's on target</b>		505,256	505,256	-
<b>KLOE's with Delays</b>		-	-	-
<b>KLOE's not on target</b>		-	-	-
<b>TOTAL CORE SERVICES KLOE'S</b>		505,256	505,256	-

<b>OVERALL KLOE SUMMARY 2018/19</b>				
<b>KLOE's on target</b>		4,403,662	4,403,662	-
<b>KLOE's with Delays</b>		-	-	-
<b>KLOE's not on target</b>		-	-	-
		4,403,662	4,403,662	-
			100.0%	0.0%

	£ Target	£ Outturn	£ Variance
<b><u>Mitigations from prior years</u></b>			
<b><u>BU6</u></b>			
Income Generation - CSS (Ebay etc)	10,000	10,000	-
Transfer Loading Station	300,000	105,000	(195,000)
Highways Materials change to cold mix	75,000	-	(75,000)
Travel Training - Train 50 children	75,000	-	(75,000)
Waste PFI - Direct Delivery to Manvers	100,000	100,000	-
Contract Procurement	250,000	-	(250,000)
	810,000	215,000	(595,000)
		27%	73%

<b><u>PLACE DIRECTORATE SUMMARY 2015 - 2019 Mitigations</u></b>			
<b><u>KLOE's on target</u></b>	110,000	110,000	-
<b><u>KLOE's delay in Delivery</u></b>	700,000	105,000	595,000
<b><u>KLOE's not on target</u></b>	-	-	-
<b><u>TOTAL PLACE KLOE's</u></b>	810,000	215,000	595,000

<b><u>OVERALL KLOE TOTAL</u></b>			
<b><u>KLOE's on target</u></b>	4,513,662	4,513,662	-
<b><u>KLOE's with Delays</u></b>	700,000	105,000	595,000
<b><u>KLOE's not on target</u></b>	-	-	-
	5,213,662	4,618,662	595,000

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## Housing Revenue Account Position as at 30th June 2018

	Original Budget 2018/19 £	Forecast Outturn £	Variance (Surplus)/ Deficit £	Earmarkings £	Variance (Surplus)/ Deficit £
<b>Income</b>					
Dwellings Rent	68,890,540	69,132,637	242,097	-	242,097
Non Dwellings Rent	360,560	358,168	(2,392)	-	(2,392)
Heating Charges	524,780	524,780	-	-	-
Other Charges for Services & Facilities	464,950	464,950	-	-	-
Contributions towards Expenditure	1,107,220	1,037,032	(70,188)	-	(70,188)
	<b>71,348,050</b>	<b>71,517,567</b>	<b>169,517</b>	-	<b>169,517</b>
<b>Expenditure</b>					
Repairs & Maintenance (including fees)	19,788,960	19,353,960	(435,000)	435,000	-
Supervision and Management	16,445,670	16,474,166	28,496	-	28,496
Rents Rates Taxes & Other Charges	246,250	246,250	-	-	-
Provision for bad and doubtful debts	1,033,360	775,000	(258,360)	-	(258,360)
Depreciation & Impairment of Fixed Assets	14,456,800	14,456,800	-	-	-
Debt Management Costs	96,000	96,000	-	-	-
	<b>52,067,040</b>	<b>51,402,176</b>	<b>(664,864)</b>	<b>435,000</b>	<b>(229,864)</b>
<b>Net Cost of Services</b>	<b>(19,281,010)</b>	<b>(20,115,391)</b>	<b>(834,381)</b>	<b>435,000</b>	<b>(399,381)</b>
Interest Payable and similar charges	10,629,720	10,629,720	-	-	-
Voluntary MRP	-	-	-	-	-
Repayment of Debt	2,109,680	2,109,680	-	-	-
Amortised Premiums and Discounts	77,570	77,570	-	-	-
Investment Income	(89,280)	(89,280)	-	-	-
Transfer from the Major Repairs Reserve	6,870,380	6,870,380	-	-	-
Revenue Contribution to Capital	15,809,200	12,210,117	(3,599,083)	-	(3,599,083)
<b>Total (Surplus)/ Deficit for the year</b>	<b>16,126,260</b>	<b>11,692,796</b>	<b>(4,433,464)</b>	<b>435,000</b>	<b>(3,998,464)</b>
<b>Adjust for slippage on Revenue Contributions to Capital</b>			<b>3,599,083</b>		<b>3,599,083</b>
<b>Net improvement in the financial position</b>			<b>(834,381)</b>		<b>(399,381)</b>

**Key:-**

No Cause for Concern  
 Minor Cause for Concern  
 Major Cause for Concern



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# Item 5

## BARNSELEY METROPOLITAN BOROUGH COUNCIL

This matter is not a Key Decision within the Council's definition and has not been included in the relevant Forward Plan

Report of the Executive Director – Core Services &  
Service Director – Finance (Section 151 Officer)

### **CAPITAL PROGRAMME PERFORMANCE – QUARTER ENDING 30 JUNE 2018**

#### **1. Purpose of the Report**

- 1.1. To consider the financial performance of the Council's Capital Programme to the quarter ended June 2018 and assess the implications against the Council's Medium Term Financial Strategy (MTFS). The key headlines are:-
- The position of the Council's Capital Programme for the 2018/19 financial year is currently projected to be an overall lower than anticipated expenditure of **£7.031M**; and
  - The position of the Council's Capital Programme over the five year period to 2022/23 is currently projected to be an overall lower than anticipated expenditure of **£0.919M**.

#### **2. Recommendations**

2.1. **It is recommended that Cabinet:**

- **Note both the 2018/19 and overall five year Capital Programme positions;**
- **Approve the 2018/19 scheme slippage totalling £6.095M (paragraphs 4.4, 4.5 and Appendix B refer);**
- **Approve the total net decrease in scheme costs in 2018/19 of £0.936M, (paragraph 4.6 and Appendix B refer);**
- **Approve the net increase in scheme costs in future years totalling £0.017M (paragraph 4.7 and Appendix B refer).**

#### **3. Capital Programme & Funding Position**

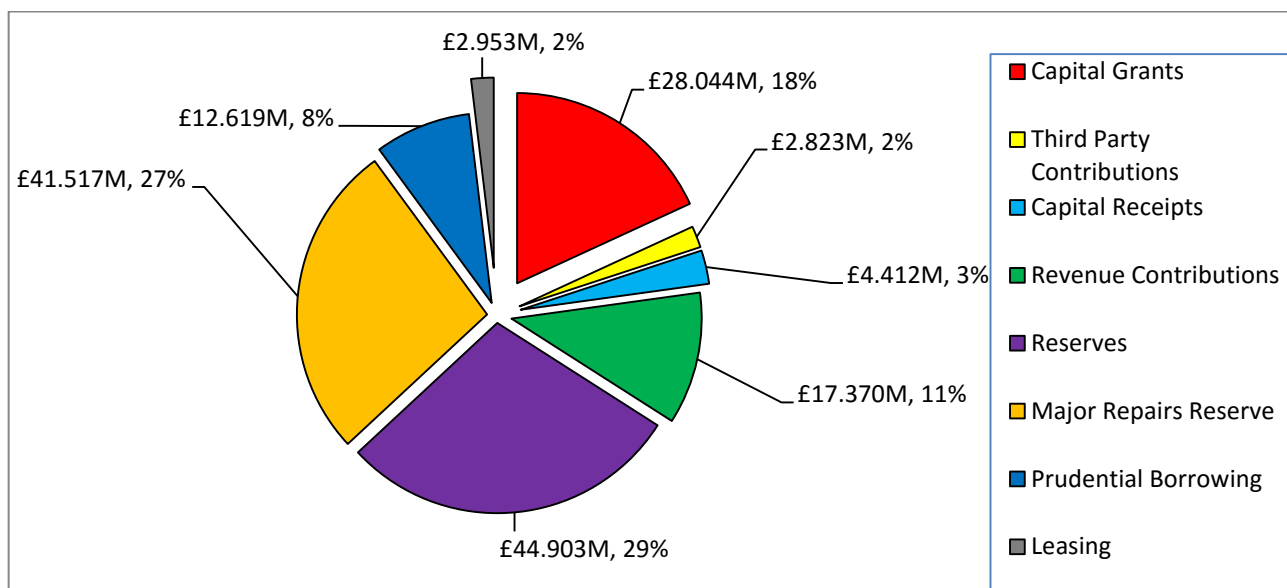
- 3.1. The Council's capital programme is planned over the five year period 2018/19 through 2022/23 inclusive. Appendix A shows detailed plans per scheme under each respective Directorate.

<b><u>Directorate</u></b>	<b>2018/19 Capital Programme £M</b>	<b>Later Years Capital Programme £M</b>	<b>Total Capital Programme £M</b>
People	3.449	-	3.449
Place	37.779	12.533	50.312
Communities	7.382	0.461	7.873
Core Services	32.912	0.038	32.950
Housing Revenue Account	29.363	30.724	60.087
<b>Total</b>	<b>110.885</b>	<b>43.756</b>	<b>154.641</b>

- 3.2. The Council's capital programme is funded from a range of sources. The table below shows the resources allocated to capital plans for the Council's five year capital programme. It should be noted that this funding only relates to direct Council expenditure (or where the Council acts as the Accountable Body). A number of schemes also lever in private and public sector match funding but this is not reflected below unless the Council incurs spend.

<b><u>Funding Source</u></b>	<b>2018/19 Planned Resources £M</b>	<b>Later Years Planned Resources £M</b>	<b>Total Planned Resources £M</b>
Capital Grants	20.123	7.921	28.044
Third Party Contributions (Inc. S106)	2.700	0.123	2.823
Capital Receipts	2.972	1.440	4.412
Revenue Contributions	14.553	2.817	17.370
Reserves	42.473	2.430	44.903
Major Repairs Reserve	15.041	26.476	41.517
Prudential Borrowing	10.070	2.549	12.619
Leasing	2.953	-	2.953
<b>Total</b>	<b>110.885</b>	<b>43.756</b>	<b>154.641</b>

- 3.3. The pie chart below is a graphical representation of the table above.



#### 4. **Capital Programme Monitoring Position – By Directorate**

- 4.1. The table below shows both the 2018/19 capital programme position and the overall, five year programme position as at 30<sup>th</sup> June. Appendix A shows detailed plans / outturn per scheme under each respective Directorate.

<b><u>Directorate</u></b>	<b>2018/19 Capital Programme £M</b>	<b>2018/19 Actuals £M</b>	<b>2018/19 Projected Outturn £M</b>	<b>2018/19 Variance £M</b>	<b>Total Capital Programme £M</b>	<b>Total Projected Outturn £M</b>	<b>Total Variance £M</b>
People	3.449	0.165	3.244	(0.205)	3.449	3.420	(0.029)
Place	37.779	4.063	34.651	(3.128)	50.312	50.253	(0.059)
Communities	7.382	0.451	4.514	(2.868)	7.843	7.843	-
Core Services	32.912	7.202	32.915	0.003	32.950	32.953	0.003
Housing Revenue Account	29.363	1.770	28.529	(0.834)	60.087	59.253	(0.834)
<b>Total</b>	<b>110.885</b>	<b>13.651</b>	<b>103.853</b>	<b>(7.031)</b>	<b>154.641</b>	<b>153.722</b>	<b>(0.919)</b>

- 4.2. The explanations for the 2018/19 variance of **-£7.031M** and the overall net variance of **-£0.919M** is shown in the table below and in more detail at paragraphs 4.3 - 4.6 (2018/19 only) and paragraph 4.7 (overall capital programme).

	2018/19 £M	Later Years £M	Total £M
<b>Reported Variance as at 30<sup>th</sup> June</b>			
<b><i>As a result of:</i></b>			
<b><u>Slippage:</u></b>			
People	(0.158)	0.158	-
Place	(3.069)	3.069	-
Communities	(2.868)	2.868	-
Core Services	-	-	-
Housing Revenue Account	-	-	-
<b>Sub-Total</b>	<b>(6.095)</b>	<b>6.095</b>	<b>-</b>
<b><u>Re-phasing:</u></b>			
People	-	-	-
Place	-	-	-
Communities	-	-	-
Core Services	-	-	-
Housing Revenue Account	-	-	-
<b>Sub-Total</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>Funded Increases/(Decreases) in Scheme Costs: *</u></b>			
People	(0.046)	0.017	<b>(0.029)</b>
Place	(0.059)	-	<b>(0.059)</b>
Core Services	0.002	-	<b>0.002</b>
Housing Revenue Account	(0.834)	-	<b>(0.834)</b>
<b>Sub-Total</b>	<b>(0.936)</b>	<b>0.017</b>	<b>(0.919)</b>
<b>Total</b>	<b>(7.031)</b>	<b>6.112</b>	<b>(0.919)</b>

\* These resources have not yet been aligned to particular schemes and have arisen from current and future funding allocations not yet planned to scheme level and from residual resources from historic schemes. Paragraph 5.2 refers.

### **2018/19 Position**

- 4.3. Overall, the 2018/19 position is currently projected as a lower than planned expenditure totalling **-£7.031M**, predominately as a result of scheme slippage along with estimated variation in costs, primarily decreases within the Housing Revenue Account.

### **2018/19 Slippage**

Of the variation in expenditure against approved plans, -£6.095M relates to scheme slippage, where expenditure plans are expected to be utilised in a future year rather than the current year, due to events out of the control of the respective project managers. There are no financial implications in terms of the overall capital programme. The schemes that have been significantly slipped are detailed below:

Place: M1 Junction 36 Phase 1 Hoyland (-£2.157M)

There is reported slippage totalling £2.157M on the M1 Junction 36 Phase 2 which is related to the delivery of the Sheffield City Region Investment Fund (SCRIF) developer work packages. The physical works onsite are dependent upon the adoption of the Local Plan and subsequent planning approvals. The scheme continues to forecast an overall balanced position across the period.

#### Place: Barnsley Property Investment Fund Phase 2 (-£0.912M)

There is reported slippage totalling £0.912M on the Property Investment Fund Phase 2 scheme. Significant progress is being made on the first PIF 2 scheme at Capitol Park, Dodworth with the two units currently under construction expected to be completed by the end of this financial year. Work is progressing on bringing forward a second scheme which is subject to planning permission and other applications are being assessed in respect of the remaining budget. These schemes are expected to commence on site in the 2019/20 financial year and the revised spend profile reflects that direction of travel.

#### Communities: Disabled Facilities Grant (-£2.509M)

There is reported slippage on the Disabled Facilities Grant work programme totalling £2.509M. This is a result of a logistical issue regarding the approvals process and capacity issues within the service, resulting in an increase in waiting lists and a backlog of planned schemes. New employees have since been recruited and processes have been reconfigured to increase the productivity and throughput on the DFG programme. Cabinet have also recently agreed a new framework contract which will expedite the tendering of works.

#### Communities: Principal Towns (-£0.347M)

There is reported slippage on the Principal Towns Programme totalling £0.347M. A number of the schemes that have been approved are dependent on Highways which, due to capacity issues, is likely to result in delays in delivery of these works. It is being considered to look at external suppliers to deliver these works. In addition, the shop front programme, specifically the pilot scheme, has taken longer than expected to progress and therefore has had time implications on moving the overall programme forward. It is envisaged that towards the end of the year, the wider programme will be implemented. Any risks to the future programme such as time delays will be escalated to heads of services and service directors as well as meeting with the Risk and Governance manager on a regular basis.

#### Various: Others

Also during Quarter 1, a number of individual schemes have reported minor slippage (i.e. less than £0.2M) in 2018/19 amounting to -£0.170M in total. Appendix B identifies these schemes individually.

- **Recommendation 2 of this report is to formally approve the slippage of plans into later years within the capital programme as outlined above.**

#### 4.5. **2018/19 Re-phasing**

No schemes have reported re-phasing for 2018/19 during quarter 1.

#### 4.6. **2018/19 Variation in Costs**

An amount totalling -£0.936M relates to an estimated net decrease in expenditure across a large number of schemes as a result of cost variations / scheme completion. Significant cost variations are detailed below: Appendix B identifies these schemes individually.

#### People: Schools Health & Safety Reactive Works £0.172M

Following significant roof leaks at Worsbrough Common Primary, it has been necessary to introduce two new projects into the capital maintenance programme. The first is to address a significant leak over the nursery toilets, circulation and classroom, that has resulted in 3 toilets being out of use for a term (£40k). The second is to address a major leak above the school meals kitchen that results in regular flooding over the cooking appliances (£25k). In addition

to the roofing works a safeguarding issue has been raised at Mapplewell Primary when releasing children to parents at the end of the school day. In order to address this new external doors are required to five classrooms which will allow full teacher supervision when children are being released to parents/carers (£29k).

In addition to the above projects there are asbestos removal works at Silkstone Primary and Jump Primary (£23k) and allowances to support schools with general asbestos management / removal (£25k). A further £30k is allocated to support maintained schools in addressing urgent health and safety / safeguarding issues that may arise during the school year.

HRA: Barnsley Homes Schemes – Athersley South (-£0.137M), Hemingfield (-£0.114M) & Wombwell (-£0.218M)

There is a reported cost reduction on various elements of the individual Barnsley Homes Schemes totalling £0.469M, predominantly as a result of a combination of customer refusals of work, a small number of persistent no access properties and general on going value engineering initiatives. The resources aligned to these schemes are available for redistribution within the HRA capital programme.

#### Various: Others

Also during Quarter 1, a number of schemes have reported a variation in cost of less than £0.1M individually in 2018/19, totalling -£0.639M. Appendix B identifies these schemes individually.

Where the funding is restricted in terms of what it can be used for, these resources fall back to specific directorate unallocated resources for utilisation in future periods. The resources relating to the reported net decrease of -£0.936M relate entirely to restricted resources, which paragraphs 5.2 refers.

- **Recommendation 3 of this report is to formally approve the variation of plans within the capital programme due to cost variations as outlined above.**

#### Overall Capital Programme Position

- 4.7. In terms of the capital programme in future years, there's an anticipated increase in scheme costs totalling £0.017M within the People's Directorate in addition to the issues outlined within the 2018/19 position in paragraphs 4.4 through paragraph 4.6.

No significant cost variations (over £0.1M) are reported: Appendix B identifies all these schemes individually.

Therefore, the total variation on the programme equates to a net decrease of **-£0.919M**. The specific schemes and variation amounts are highlighted in Appendix B to this report.

- **Recommendation 4 of this report is to formally approve the variation of plans within the capital programme due to cost variations as outlined above.**

#### **5. Unallocated Resources**

- 5.1. There is a balance of available but not yet allocated resources at the end of quarter 1 totalling £21.913M as well as estimated resources expected to be available in future periods of £79.933M. This is over and above the funding identified at Table 3.2, all of which is ring-fenced as to how it can be spent.

Members should note the distinction between resources 'in the bank' in 2018/19 and indicative allocations that haven't yet been aligned to specific schemes. These allocations are due to be

received in future years but are indicatively built into the programme, which are subject to change.

- 5.2. The unallocated resources position is analysed in the table below which shows the funding that is restricted / earmarked to a specific area / activity. There are no unallocated resources that are unrestricted at this time.

<b><u>Restricted / Earmarked Funding</u></b>		<b>2018/19 £M</b>	<b>Later Years (Indicative) £M</b>	<b>Total £M</b>
HRA	HRA	8.968	73.088	<b>82.056</b>
Highways Funding	Place	2.280	4.727	<b>7.007</b>
Section 106 Monies	Place	5.537	-	<b>5.537</b>
Schools Grants	People	1.443	0.521	<b>1.964</b>
Other	Various	2.748	1.614	<b>4.362</b>
<b>Opening Resources Unallocated to Schemes</b>		<b>20.976</b>	<b>79.950</b>	<b>100.926</b>
Resources To Be Used as per this Report (Paragraph 4.7)		-	(0.017)	<b>(0.017)</b>
Resources Made Available as per this Report (Paragraph 4.6)		0.936	-	<b>0.936</b>
<b>Increase / (Decrease) in Available Resources</b>		<b>0.936</b>	<b>(0.017)</b>	<b>0.919</b>
<b>Revised <u>Restricted</u> Resources Unallocated to Schemes</b>		<b>21.913</b>	<b>79.933</b>	<b>101.846</b>

- 5.3. Following the approval of this Cabinet Report, restricted unallocated resources will increase by £0.919M due to scheme variations across the capital programme, as referred to in paragraph 4.7.
- 5.4. Ongoing reviews of existing resources/ unallocated balances will be carried out by the Capital 'Oversight' Board. Any unrestricted resources will be considered as part of the update on the strategic reserves strategy.



## 6. Capital Programme Monitoring Position – By Corporate Priority / Outcome

- 6.1. The table below provides an analysis of the capital plans within the Council's five year capital programme, identifying the capital resources that are aligned to achieving the Council's 3 main Corporate Priorities and the 12 front facing outcomes. Any performance issues arising from the capital schemes assigned to each Corporate Priority are discussed within each relevant outcome section with material items referenced in the Corporate Performance Report. Appendix A shows detailed plans / outturn per scheme aligned to each Corporate Outcome.

<u>Corporate Priorities</u>	<u>Corporate Outcomes</u>	<u>2018/19 Capital Programme £M</u>	<u>2018/19 Actuals £M</u>	<u>2018/19 Projected Outturn £M</u>	<u>2018/19 Variance £M</u>	<u>Total Capital Programme £M</u>	<u>Total Projected Outturn £M</u>	<u>Total Variance £M</u>
<b>THRIVING &amp; VIBRANT ECONOMY</b>	(1) Create More & Better Jobs & Good Business Growth	7.709	0.425	4.648	(3.061)	16.524	16.532	0.008
	(2) Increase Skills To Get More People Working	-	-	-	-	-	-	-
	(3) Develop A Vibrant Town Centre	31.661	7.377	31.661	-	33.483	33.483	-
	(4) Strengthen Our Visitor Economy	4.550	0.319	4.550	-	5.300	5.300	-
	(5) Create More & Better Housing	39.939	2.743	36.596	(3.343)	70.847	70.013	(0.834)
	<b>Sub Total</b>	<b>83.859</b>	<b>10.864</b>	<b>77.455</b>	<b>(6.404)</b>	<b>126.154</b>	<b>125.328</b>	<b>(0.826)</b>
<b>PEOPLE ACHIEVING THEIR POTENTIAL</b>	(6) Every Child Attends a Good School	5.336	0.179	5.239	(0.097)	5.336	5.415	0.079
	(7) Early, Targeted Support For Those That Need It	-	-	-	-	-	-	-
	(8) Children & Adults Are Safe From Harm	0.254	0.036	0.146	(0.108)	0.254	0.146	(0.108)
	(9) People Are Healthier, Happier, Independent & Active	1.708	0.470	1.641	(0.067)	1.708	1.641	(0.067)
	<b>Sub Total</b>	<b>7.298</b>	<b>0.685</b>	<b>7.026</b>	<b>(0.272)</b>	<b>7.298</b>	<b>7.202</b>	<b>(0.096)</b>
<b>STRONG &amp; RESILIENT COMMUNITIES</b>	(10) People Volunteering & Contributing Towards Stronger Communities	-	-	-	-	-	-	-
	(11) Protecting The Borough For Future Generations	19.198	2.101	18.854	(0.345)	20.659	20.662	0.003
	(12) Customers Can Contact Us Easily & Use More Services Online	0.530	-	0.518	(0.012)	0.530	0.530	-
	<b>Sub Total</b>	<b>19.728</b>	<b>2.101</b>	<b>19.372</b>	<b>(0.357)</b>	<b>21.189</b>	<b>21.192</b>	<b>0.003</b>
	<b>Total</b>	<b>110.885</b>	<b>13.650</b>	<b>103.853</b>	<b>(7.031)</b>	<b>154.641</b>	<b>153.641</b>	<b>(0.919)</b>

## **7. Capital Programme ‘Oversight’ Board**

- 7.1. The Capital Programme ‘Oversight’ Board has been set up to have oversight for the performance management of the Council’s capital programme including Sheffield City Region schemes where the Council is the lead Authority.
- 7.2. The Oversight Board is particularly important in addressing the Council’s capital priorities over the planning period to 2022, particularly as future funding reduces/ changes. This is especially the case in relation to capital resources that will be re-directed to City Regions as a result of local Devolution Deals and changing Government policies/ priorities.
- 7.3. Currently, the oversight board are considering a number of detailed business cases relating to the 2019 - 2022 capital programme as part of the budget setting process for capital, which relate to a wide range of capital investment. Subsequent cabinet reports will be presented to formally approve these schemes in due course.
- 7.4. A further update of the Authority’s Reserves Strategy is being pulled together, including an analysis of both existing and future resources. The strategy considers prioritising Housing Revenue Account reserves and the use of Berneslai Homes’ company surplus against a range of emerging capital priorities. Members will be updated in due course.

## **8. Background Papers**

- Service and Financial Planning 2018/19 – Revenue Budget, Capital Programme and Council Tax (Cab.7.2.2018/6)

# Quarter 1 Capital Programme By Outcome



## OUTCOME 1 - CREATE MORE & BETTER JOBS & GOOD BUSINESS GROWTH

<b>Overall Financial Position:</b>	<p>The financial position for Outcome 1, for both current year and overall is shown below.</p> <p><b>This outcome is currently forecasting an overall increase in costs of £0.008M, which is expected to be contained within available resources.</b></p> <p>A full list of schemes at outcome level is provided at Appendix A with the variance analysis shown in Appendix B.</p>						
Directorate(s)	2018/19 Capital Programme £M	2018/19 Actuals £M	Projected Outturn 2018/19 £M	2018/19 Variance £M	Overall Capital Programme £M	Overall Projected Outturn £M	Overall Variance £M
PLACE / CORE	7.709	0.425	4.648	(3.061)	16.524	16.532	0.008

## OUTCOME 1 – SIGNIFICANT SCHEMES / PROGRAMMES

The most significant schemes / programmes for Outcome 1, in terms of value, are shown below, in respect of the financial position together with a commentary on progress during the quarter.

Scheme / Programme:	Barnsley Property Investment Fund Phase 2						
<b>Overview:</b>	The second phase of the property investment fund scheme is aimed at accelerating inward investment and indigenous business economic growth. Specifically to move forward with the procurement activity relating to a relaunch of the fund, technical assessment of applications and identification of preferred schemes.						
<b>Directorate:</b>	PLACE						
<b>Financials:</b>	2018/19 Capital Programme £M	2018/19 Actuals £M	Projected Outturn 2018/19 £M	2018/19 Variance £M	Overall Capital Programme £M	Overall Projected Outturn £M	Overall Variance £M
<b>Key:</b>							
On Track / Underspend	3.310	0.288	2.398	(0.912)	3.310	3.310	-
Minor Variance / Slippage	Actual expenditure up to June 2018 on this scheme totals £0.288M against approved scheme plans of £3.310M. This scheme is currently forecasting an overall balanced position with £0.912M to be slipped into future years.						
Major Overspend							
<b>Operational Activity This Quarter:</b>	<p>This quarter, progress has been made with the first two approved PIF 2 Schemes</p> <ul style="list-style-type: none"> <li><b>Capitol Park</b> is currently under construction and due to complete in October 2018. There has been considerable interest in both units from expanding local companies. Companies that may well have left the borough due to the lack of available premises had additional units not being under development through PIF 2 support.</li> <li><b>Everill Gate Lane</b> is currently progressing through legal with a planning application for the development being prepared to be submitted by September.</li> </ul> <p>Work is progressing on bringing forward a third scheme which is subject to due diligence and Cabinet approval.</p>						

Scheme / Programme:		Strategic Business Parks					
Overview:	The proposed employment sites at M1 J36 Hoyland; M1 J37 Barugh Green and Goldthorpe will be allocated as part of the emerging draft Local Plan 2014-2033, which is currently undergoing the Examination in Public (stage 4 of 4). The overall delivery of the employment sites will be funded by Sheffield City Region Investment Fund (SCRIF) and Barnsley’s Jobs and Business Plan together with private sector investment in to the sites. These projects will contribute significantly to the Council’s aspiration of creating 17,500 new jobs over the next 20 years.						
Directorate:	PLACE						
Financials:	2018/19 Capital Programme £M	2018/19 Actuals £M	Projected Outturn 2018/19 £M	2018/19 Variance £M	Overall Capital Programme £M	Overall Projected Outturn £M	Overall Variance £M
Key:							
On Track / Underspend	0.600	0.093	0.608	0.008	1.028	1.036	0.008
Minor Variance / Slippage	Actual expenditure up to June 2018 on this scheme totals £0.093M against approved scheme plans of £0.600M. This scheme is currently forecasting an overall increased cost of £0.008M to be funded from previously unallocated resources.						
Major Overspend							
Operational Activity This Quarter:	M1 J36 Hoyland – Assisting with the facilitation of master planning North, South and West Hoyland employment sites with various developers over the next few months. M1 J36 Goldthorpe – Cross departmental working with Highways to design mitigations to be delivered to ease current congestion and plan for future development whilst being funded externally via SCRIF. Currently progressing SCRIF funding business case which will fund the scheme. M1 J37 Barugh Green - Cross departmental working with Highways to design mitigations to be delivered to ease current congestion and plan for future development whilst being funded externally via SCRIF.						

Scheme / Programme:	M1 Junction 36 Phase 1 Hoyland						
Overview:	The proposed employment site at M1 J36 Hoyland will be allocated as part of the emerging draft Local Plan 2014-2033, which is currently undergoing the Examination in Public (stage 3 of 4). The overall delivery of the employment sites will be funded by Sheffield City Region Investment Fund and the Jobs and Business Plan together with private investment in the sites. This project will contribute significantly to the Council’s aspiration of creating 17,500 new jobs over the next 20 years.						
Directorate:	PLACE						
Financials:	2018/19 Capital Programme	2018/19 Actuals	Projected Outturn 2018/19	2018/19 Variance	Overall Capital Programme	Overall Projected Outturn	Overall Variance
Key:	£M	£M	£M	£M	£M	£M	£M
On Track / Underspend	2.457	0.006	0.300	(2.157)	9.896	9.896	-
Minor Variance / Slippage	Actual expenditure up to June 2018 on this scheme totals £0.006M against approved scheme plans of £2.457M. This scheme is currently forecasting an overall balanced position with £2.157M to be slipped into future years.						
Major Overspend							
Operational Activity This Quarter:	M1 J36 Hoyland – Assisting with the facilitation of master planning North, South and West Hoyland employment sites with various developers over the next few months.						

## OUTCOME 3 – DEVELOP A VIBRANT TOWN CENTRE

<b>Overall Financial Position:</b>	<p>The financial position for Outcome 3, for both current year and overall is shown below.</p> <p><b>This outcome is currently forecasting an overall balanced position.</b></p> <p>A full list of schemes at outcome level is provided at Appendix A with the variance analysis shown in Appendix B.</p>						
<b>Directorate(s)</b>	<b>2018/19 Capital Programme £M</b>	<b>2018/19 Actuals £M</b>	<b>Projected Outturn 2018/19 £M</b>	<b>2018/19 Variance £M</b>	<b>Overall Capital Programme £M</b>	<b>Overall Projected Outturn £M</b>	<b>Overall Variance £M</b>
PLACE / CORE	31.661	7.377	31.661	-	33.483	33.483	-

## OUTCOME 3 – SIGNIFICANT SCHEMES / PROGRAMMES

The most significant schemes / programmes for Outcome 3, in terms of value, are shown below, in respect of the financial position together with a commentary on progress during the quarter.

Scheme / Programme:	Glassworks Development Phase 1						
Overview:	Phase 1 of the Glassworks scheme is focussed on the redevelopment of the BMBC owned assets and land in Barnsley town centre. The investment to date has seen us complete the demolition of derelict and underused assets, the creation of two temporary markets to house the market traders. Significant progress has been made by the main contractor Henry Boot (appointed in February 2016). In train during the reporting period is the refurbishment of the Metropolitan Centre and construction of the Library@the Lightbox. Design work continues for a new landscaped public open space (the Market Square) and public realm improvements across the town centre due to additional allocation of resources to increase the area of the scheme. High quality car parking has been provided on the former CEAG site. These ambitious plans will boost regeneration, acting as a catalyst for further investment in the town.						
Directorate:	CORE						
Financials:	2018/19 Capital Programme	2018/19 Actuals	Projected Outturn 2018/19	2018/19 Variance	Overall Capital Programme	Overall Projected Outturn	Overall Variance
Key:	£M	£M	£M	£M	£M	£M	£M
On Track / Underspend	27.904	6.898	27.904	-	27.904	27.904	-
Minor Variance / Slippage	Actual expenditure up to June 2018 on this scheme totals £6.898M against approved scheme plans of £27.904M. This scheme is currently forecasting an overall balanced position.						
Major Overspend							
Operational Activity This Quarter:	Overall the Glass Works phase 1 is making good progress, with real physical changes to the town centre visible above the hoardings.  <b>Library@the Lightbox</b> Works this quarter have continued to the walls, slabs and columns on the library and adjacent retail unit. The first floor columns have been cast and work is progressing well. The procurement for the internal fit out of the building is currently underway.  <b>Metropolitan Centre</b> Significant progress has been made to the external finishes of the building with the ongoing installation of the GRC columns, brick slips and curtain walling. Internally screeding and resin flooring is being installed and the market stalls have been erected, all balustrading is in place and						

	<p>temporary voids have been filled. The solar thermal system and reroofing is now almost complete and lifts and staircases are being installed. M&amp;E installations are ongoing; the NPG substations works are complete. In the basement the trader stores and prep areas are under construction. The food hall has been white rocked and the new meat and fish counters have arrived and are awaiting installation. In Market Kitchen the new roof light is complete, balustrading works are complete and the services core and stairs are in place.</p> <p><b>Public Realm</b> Works have commenced on Cheapside with site clearance and the installation of tree pits and new street lighting columns. The granite paving, Kellen paving and granite feature walls have been delivered to site ready for installation. Detailed design work is ongoing for the rest of the public realm which will be delivered in a phased basis following on from the completion of Cheapside.</p> <p><b>It should be noted that Henry Boots' contractual key performance indicator targets for social value have not only been achieved but they have exceeded them in several areas.</b></p> <p><b>Demolition</b> Planning work has commenced with Hague for the demolition of the Markets multi storey car park. Service diversions are being undertaken to allow the demolition to progress. The work will initially be done on a phased basis up to Christmas to remove the ramps, chimney, box store and service road.</p>
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Scheme / Programme:	Glassworks Development Phase 2						
Overview:	The Council has engaged with a private sector development management company to bring forward Phase 2 of the Glassworks scheme. This will include working with the Council to provide: <ul style="list-style-type: none"><li>Fully tendered construction contract with a fixed price;</li><li>Pre-lets of the whole scheme,</li><li>A detailed financial model and cost plan</li><li>Management of the construction contract</li><li>Advice and guidance in respect of future Facilities and Asset Management arrangements of the Glass Works.</li></ul>						
Directorate:	PLACE						
Financials:	2018/19 Capital Programme £M	2018/19 Actuals £M	Projected Outturn 2018/19 £M	2018/19 Variance £M	Overall Capital Programme £M	Overall Projected Outturn £M	Overall Variance £M
Key:							
On Track / Underspend	3.167	0.479	3.167	-	4.988	4.988	-
Minor Variance / Slippage	Actual expenditure up to June 2018 on this scheme totals £0.479M against approved scheme plans of £3.167M. This scheme is currently forecasting an overall balanced position.						
Major Overspend							
Operational Activity This Quarter:	Pre-construction activity has continued in this quarter. Procurement work has also been ongoing to secure a contractor to build phase 2. Alongside this, leasing activity has continued to secure occupiers for the completed scheme. Marketing activity has focused on promoting the Glass Works name at the Tour de Yorkshire and other existing events.						

## OUTCOME 4 – STRENGTHEN OUR VISITOR ECONOMY

<b>Overall Financial Position:</b>	<p>The financial position for Outcome 4, for both current year and overall is shown below.</p> <p style="text-align: center;"><b>This outcome is currently forecasting an overall balanced position.</b></p> <p>A full list of schemes at outcome level is provided at Appendix A with the variance analysis shown in Appendix B.</p>						
<b>Directorate(s)</b>	<b>2018/19 Capital Programme £M</b>	<b>2018/19 Actuals £M</b>	<b>Projected Outturn 2018/19 £M</b>	<b>2018/19 Variance £M</b>	<b>Overall Capital Programme £M</b>	<b>Overall Projected Outturn £M</b>	<b>Overall Variance £M</b>
PLACE	4.550	0.319	4.550	-	5.300	5.300	-

### OUTCOME 4 – SIGNIFICANT SCHEMES / PROGRAMMES

The most significant schemes / programmes for Outcome 4, in terms of value, are shown below, in respect of the financial position together with a commentary on progress during the quarter.

<b>Scheme / Programme:</b>	<b>Cannon Hall – Parks for People</b>						
<b>Overview:</b>	£3.2million Capital improvement scheme mainly funded by Heritage Lottery Fund of £2.9million, to renovate the lakes, external buildings and structures and to improve the landscaping with planting and infrastructure access and utilities – Activities and events scheduled to run throughout the scheme duration to improve visitor number and participation -Anticipated completion September 2020						
<b>Directorate:</b>	PLACE						
<b>Financials:</b>	<b>2018/19 Capital Programme £M</b>	<b>2018/19 Actuals £M</b>	<b>Projected Outturn 2018/19 £M</b>	<b>2018/19 Variance £M</b>	<b>Overall Capital Programme £M</b>	<b>Overall Projected Outturn £M</b>	<b>Overall Variance £M</b>
<b>Key:</b>							
On Track / Underspend	2.702	0.224	2.702	-	3.202	3.202	-
Minor Variance / Slippage	Actual expenditure up to June 2018 on this scheme totals £0.224M against approved scheme plans of £2.702M. This scheme is currently forecasting an overall balanced position.						
Major Overspend							
<b>Operational Activity This Quarter:</b>	Major contract awarded in March to renovate the lakes, the renovation of the lakes is due to be concluded in September 2018, ongoing work to prepare drawings and specifications for tendering the other contracts for late summer. The project is currently running on track.						

<b>Scheme / Programme:</b>	<b>Replacement of Boilers - Metrodome</b>						
<b>Overview:</b>	Deliver the replacement of the heating system at the Metrodome utilising the EU compliant Re:fit Framework, work to be carried out spring 2019.						
<b>Directorate:</b>	PLACE						
<b>Financials:</b>	<b>2018/19 Capital Programme £M</b>	<b>2018/19 Actuals £M</b>	<b>Projected Outturn 2018/19 £M</b>	<b>2018/19 Variance £M</b>	<b>Overall Capital Programme £M</b>	<b>Overall Projected Outturn £M</b>	<b>Overall Variance £M</b>
<b>Key:</b>							
On Track / Underspend	1.200	-	1.200	-	1.200	1.200	-
Minor Variance / Slippage	Actual expenditure up to June 2018 on this scheme totals £0M against approved scheme plans of £1.200M. This scheme is currently forecasting an overall balanced position.						
Major Overspend							
<b>Operational Activity This Quarter:</b>	The ITT was issued 23 July 2018 following a pre tender site visit on 18 <sup>th</sup> July attended by eight potential contractors. The tender return date is 18 <sup>th</sup> September. The forecast date for entering into contract is currently 23 <sup>rd</sup> October. Following the appointment of a contractor there is a two month design period to allow the contractor will develop detail design proposals following which						





## **OUTCOME 5 – CREATE MORE AND BETTER HOUSING**

<b>Overall Financial Position:</b>	<p>The financial position for Outcome 5, for both current year and overall is shown below.</p> <p><b>This outcome is currently forecasting an overall decrease in costs of £0.834M. These resources are restricted as to what it can be used on and therefore falls back into directorate unallocated resources.</b></p> <p>A full list of schemes at outcome level is provided at Appendix A with the variance analysis shown in Appendix B.</p>						
Directorate(s)	2018/19 Capital Programme £M	2018/19 Actuals £M	Projected Outturn 2018/19 £M	2018/19 Variance £M	Overall Capital Programme £M	Overall Projected Outturn £M	Overall Variance £M
HRA / PLACE / COMMUNITES	39.939	2.743	36.596	(3.343)	70.847	70.013	(0.834)

## **OUTCOME 5 – SIGNIFICANT SCHEMES / PROGRAMMES**

The most significant schemes / programmes for Outcome 5, in terms of value, are shown below, in respect of the financial position together with a commentary on progress during the quarter.

Scheme / Programme:	<b>Barnsley Homes Standard / Decent Homes Programme</b>						
<b>Overview:</b>	<p>Barneslai Homes fulfilled its Decent Homes target by achieving full decency of HRA housing stock in December 2010. As the Decency Standard is essentially a time based elemental standard, when a number of elements in a property require replacement, because they are old and because of their condition, the property is said to be 'non-decent'. It then requires improvement. The Barnsley Homes Standard (BHS) Programme improves these properties in planned improvement programmes, based on a whole house approach or elemental basis as appropriate.</p>						
<b>Directorate:</b>	<b>HRA</b>						
<b>Financials:</b>	2018/19 Capital Programme £M	2018/19 Actuals £M	Projected Outturn 2018/19 £M	2018/19 Variance £M	Overall Capital Programme £M	Overall Projected Outturn £M	Overall Variance £M
<b>Key:</b>							
On Track / Underspend	11.621	0.461	10.848	(0.773)	14.107	13.334	(0.773)
Minor Variance / Slippage	<p>Actual expenditure to June 2018 on the programme totals £0.461M, against approved 2018/19 plans of £11.621M. An overall decrease of £0.773M is currently forecast against the schemes and is reported as part of this report. The decrease in scheme costs can be transferred to the restricted HRA unallocated BHS funds, so there are no implications against the Council's resources.</p>						
Major Overspend							
<b>Operational Activity This Quarter:</b>	<p>15 schemes are identified for the 2018/19 BHS programme. At the end of Quarter 1, 3 schemes are complete, 2 are on site with a further 4 due to start imminently. All works on the 2018/19 BHS programme are currently due to complete by March 31<sup>st</sup> 2019.</p>						

Scheme / Programme:	<b>Non Barnsley Homes Standard Programme</b>
<b>Overview:</b>	<p>The Non BHS schemes incorporated within the PRIP contact include:-</p> <ul style="list-style-type: none"> <li><b>The Major Adaptations budget</b> which assists people with specific identified needs within the Borough, allowing them to continue to live as independently as possible in the home of their choice.</li> <li><b>The Replacement Items budget</b> comprising items which are reported by tenants and subsequently on inspection deemed beyond repair. These are placed into a planned</li> </ul>



	<p>rolling programme of work throughout the year. Properties where BHS works are planned are excluded except in very urgent or emergency cases.</p> <ul style="list-style-type: none"> <li>• <b>The Structural Extensive / Void Replacement Programme</b> which allows for structural and replacement items in both tenanted and void properties where the existing property elements are beyond repair or dangerous. The budget allows for extensive works to single properties which do not lend themselves to ongoing or imminent programmed works.</li> </ul>						
<b>Directorate:</b>	<b>HRA</b>						
<b>Financials:</b>	<b>2018/19 Capital Programme £M</b>	<b>2018/19 Actuals £M</b>	<b>Projected Outturn 2018/19 £M</b>	<b>2018/19 Variance £M</b>	<b>Overall Capital Programme £M</b>	<b>Overall Projected Outturn £M</b>	<b>Overall Variance £M</b>
<b>Key:</b>							
On Track / Underspend	8.690	0.008	8.661	(0.029)	34.398	34.369	(0.029)
Minor Variance / Slippage	Projected expenditure for 2018/19 on these demand led schemes totals £8.690M (against approved plans of £8.661M), giving an in-year variance of £0.029M.						
Major Overspend							
<b>Operational Activity This Quarter:</b>	Progress against these budget heads is on programme with regular releases of work to partner contractors. All work is meeting time key performance indicators and costs expenditure is being monitored on a monthly basis.						

<b>Scheme / Programme:</b>	<b>Housing Growth Programme</b>						
<b>Overview:</b>	BMBC is committed to the delivery of both new build housing direct development, new build acquisitions and second hand property acquisitions to increase the availability of affordable housing in the borough and replenish some units sold via RTB. Funding has also been identified to support the Council's strategic housing objectives in the public and private sector over a five year period to stimulate housing growth, make best use of our council land and assets and contribute to our aspirational growth targets.						
<b>Directorate:</b>	<b>HRA</b>						
<b>Financials:</b>	<b>2018/19 Capital Programme £M</b>	<b>2018/19 Actuals £M</b>	<b>Projected Outturn 2018/19 £M</b>	<b>2018/19 Variance £M</b>	<b>Overall Capital Programme £M</b>	<b>Overall Projected Outturn £M</b>	<b>Overall Variance £M</b>
<b>Key:</b>							
On Track / Underspend	9.052	1.224	9.019	(0.033)	11.582	11.549	(0.033)
Minor Variance / Slippage	Actual expenditure incurred to date is £1.224M for 2018/19 against schemes currently approved in the housing growth programme. Forecasted outturn is projected to be £9.019M (against plans of £9.052M), giving an in-year variance of £0.033M.						
Major Overspend							
<b>Operational Activity This Quarter:</b>	The Baden Street and Beever Street projects completed the demolition stage of the re-development process in Q1 and the new build development work is now progressing. Cabinet approved the redevelopment proposals for the Royston Bungalows, which will start on site proper from Sept 2018. These projects will deliver 30 new homes for rent via CBL (22 of which are bungalows). Berneslai Homes also completed on 6 (second hand) property acquisitions and 1 S106 acquisition during Q1. 20 additional Affordable housing units were made available in the borough – 13 via our RSL partners, 1 section 106 and 6 acquisitions.						

## OUTCOME 6 – EVERY CHILD ATTENDS A GOOD SCHOOL

<b>Overall Financial Position:</b>	<p>The financial position for Outcome 6, for both current year and overall is shown below.</p> <p><b>This outcome is currently forecasting an overall increase in costs of £0.079M, which is expected to be contained within available resources.</b></p> <p>A full list of schemes at outcome level is provided at Appendix A with the variance analysis shown in Appendix B.</p>						
<b>Directorate(s)</b>	<b>2018/19 Capital Programme £M</b>	<b>2018/19 Actuals £M</b>	<b>Projected Outturn 2018/19 £M</b>	<b>2018/19 Variance £M</b>	<b>Overall Capital Programme £M</b>	<b>Overall Projected Outturn £M</b>	<b>Overall Variance £M</b>
HRA / PLACE / COMMUNITES	5.336	0.179	5.239	(0.097)	5.336	5.415	0.079

### OUTCOME 6 – SIGNIFICANT SCHEMES / PROGRAMMES

The most significant schemes / programmes for Outcome 6, in terms of value, are shown below, in respect of the financial position together with a commentary on progress during the quarter.

Scheme / Programme:	School Condition						
<b>Overview:</b>	The school condition programme (funded from DfE capital grant) comprises of a number of schools schemes that relates to, and addresses, the major defective building elements that have been identified as requiring urgent attention on Council Maintained schools. The schemes will ensure that pupils are taught in safe, dry, warm and bright environments.						
<b>Directorate:</b>	PEOPLE						
<b>Financials:</b>	<b>2018/19 Capital Programme £M</b>	<b>2018/19 Actuals £M</b>	<b>Projected Outturn 2018/19 £M</b>	<b>2018/19 Variance £M</b>	<b>Overall Capital Programme £M</b>	<b>Overall Projected Outturn £M</b>	<b>Overall Variance £M</b>
<b>Key:</b>							
On Track / Underspend	1.309	0.065	1.415	0.106	1.309	1.449	0.140
Minor Variance / Slippage	Actual expenditure up to June 2018 on these schemes totals £0.065M against approved scheme plans of £1.309M. These schemes are currently forecasting an overall increase in cost of £0.140M to be funded from previously unallocated resources.						
Major Overspend							
<b>Operational Activity This Quarter:</b>	Further investigations and surveys have been carried out to determine the scope of works for the 20 projects due to be completed under the programme. Tender documents have been prepared and most schemes are out to tender. All works are scheduled to be complete over the school summer holiday period.						

Scheme / Programme:	Additional Pupil Places						
<b>Overview:</b>	The Authority has a statutory duty to ensure there are sufficient school places in the borough to provide appropriate education for its pupils. The Pupil Places programme comprised a number of capital schemes aimed at increasing the number of primary school places to meet increased demand. This is mainly achieved by providing additional classroom space in specific schools in areas of greatest need.						
<b>Directorate:</b>	PEOPLE						
<b>Financials:</b>	<b>2018/19 Capital Programme £M</b>	<b>2018/19 Actuals £M</b>	<b>Projected Outturn 2018/19 £M</b>	<b>2018/19 Variance £M</b>	<b>Overall Capital Programme £M</b>	<b>Overall Projected Outturn £M</b>	<b>Overall Variance £M</b>
<b>Key:</b>							
On Track / Underspend	1.887	0.064	1.684	(0.203)	1.887	1.826	(0.061)
Minor Variance / Slippage	Actual expenditure up to June 2018 on these schemes totals £0.064M against approved scheme						

<b>Major Overspend</b>	plans of £1.887M. These schemes are currently forecasting an overall reduction in cost of £0.061M.
<b>Operational Activity This Quarter:</b>	Continued monitoring of any defects on schemes completed last year at Milefield Primary and Thurlstone Primary. Design works are currently being undertaken on the Phase 4 works at Penistone St. Johns Primary. A planning application has been submitted for the proposed new car park serving the Junior Site. The production of information for tender is on-going. The works are scheduled to start on site October 2018 and be complete for July 2019.

Scheme / Programme:		Penistone Grammar Extension						
Overview:	Approval has been given for the publication of a Statutory Notice to enlarge the premises of Penistone Grammar School from a net capacity of 1,400 to 1,650 pupils with effect from September 2018. This increase in capacity relates to Years 7 to 11 only and will allow for an increase in pupils from 270 to 320, in the Year 7 intake from 2018 onwards.							
	The scheme has been split into 2 phases: Phase 1 is internal re-modelling primarily to enable the School to accommodate the 50 additional pupils in September 2018 and as part of the long term plan. Construction works are underway. Phase 2 is an extension with a link corridor to the existing building to accommodate 50 additional pupils each year from September 2019 to September 2022. The detailed design has been submitted to the Authority and dialogue with planning has commenced.							
Directorate:	CORE							
Financials:	2018/19 Capital Programme	2018/19 Actuals	Projected Outturn 2018/19	2018/19 Variance	Overall Capital Programme	Overall Projected Outturn	Overall Variance	
Key:	£M	£M	£M	£M	£M	£M	£M	
On Track / Underspend	1.990	0.050	1.990	-	1.990	1.990	-	
Minor Variance / Slippage	Actual expenditure up to June 2018 on these schemes totals £0.050M against approved scheme plans of £1.990M. These schemes are currently forecasting an overall balanced position.							
Major Overspend								
Operational Activity This Quarter:	Phase 1 As the Deed of Variation to the SPV One Project Agreement is still being negotiated between the various legal parties it proved necessary to get an Early Works Deed Engrossment to the value of £250,000 agreed to allow the contractor to commence on site and minimise any delays in the delivery of the programme. A LGCA certificate and formalities certificate were also requested from the Authority. The phase 1 work commenced on site 26/27 <sup>th</sup> July 2018 and in view of the later start, it proved necessary to review the programme of works. Sectional completion dates have been agreed as outlined below: <div><div>1.</div><div>Completion of amphitheatre, ICT room and modifications to doors/circulation routes 31 August 2018.</div></div> <div><div>2.</div><div>Completion of level 4 classrooms, further ICT room and dining area 7 September 2018.</div></div> <div><div>3.</div><div>Completion of 2 new science laboratories and additional locker banks 28 September 2018.</div></div>							
	Phase 2 The Deed of Variation to the SPV One Project Agreement has yet to be drafted. The RIBA stage 2 Developed Design has been submitted to the Authority and site investigation surveys are underway with a planned submission date of the RIBA stage 3 report to the Authority by 20 September 2018. Planning application to be submitted 25 September 2018 to allow planning determination period of 8 week allowance only which has been identified as a RISK with the Planning Committee date that is scheduled for 20 November 2018. Building Control Application to be submitted 21 September 2018 with approval expected by 19 October 2018. Tender documents to be issued w/c 2 November to 8 November 2018 linking to planning dates, tender closing date 20 December 2018 and appraisal and appointment by 3 January 2019 . Preparation and execution of building contract 4 January to 31 January 2019. Mobilisation to commence 4 January 2019 with construction period 1 February 2019 to 24 October 2019. It should be noted that the completion date is later than originally planned as a result of time loss from concentration on phase 1 works and aligning with Planning Committee dates set. The revised programme and implications from a later completion date is to be discussed with the school on 20 August 2018.							

## OUTCOME 9 – PEOPLE ARE HEALTHIER, HAPPIER, INDEPENDENT & ACTIVE

<b>Overall Financial Position:</b>	<p>The financial position for Outcome 9, for both current year and overall is shown below.</p> <p><b>This outcome is currently forecasting an overall decrease in costs of £0.067M. These resources are restricted as to what it can be used on and therefore falls back into directorate unallocated resources.</b></p> <p>A full list of schemes at outcome level is provided at Appendix A with the variance analysis shown in Appendix B.</p>						
<b>Directorate(s)</b>	<b>2018/19 Capital Programme £M</b>	<b>2018/19 Actuals £M</b>	<b>Projected Outturn 2018/19 £M</b>	<b>2018/19 Variance £M</b>	<b>Overall Capital Programme £M</b>	<b>Overall Projected Outturn £M</b>	<b>Overall Variance £M</b>
PLACE / COMMUNITIES	1.708	0.470	1.641	(0.067)	1.708	1.641	(0.067)

## OUTCOME 9 – SIGNIFICANT SCHEMES / PROGRAMMES

The most significant schemes / programmes for Outcome 9, in terms of value, are shown below, in respect of the financial position together with a commentary on progress during the quarter.

<b>Scheme / Programme:</b>	<b>SECTION 106 PROGRAMME</b>						
<b>Overview:</b>	<p>Section 106 (S106) Agreements are legal agreements between Local Authorities and developers; these are linked to planning permissions when it is considered that a development will have significant impacts on the local area that cannot be moderated by means of conditions attached to a planning decision.</p> <p>The agreements will vary depending on the nature of the development and based on the needs of the district. The most common obligations include:-</p> <ul style="list-style-type: none"> <li>• Public Open Space</li> <li>• Affordable Housing</li> <li>• Education</li> <li>• Highways</li> </ul> <p>Monies received from S106 agreements are then allocated to schemes, which mitigate the impacts made by the development by making improvements to the local areas.</p>						
<b>Directorate:</b>	<b>PLACE</b>						
<b>Financials:</b>	<b>2018/19 Capital Programme £M</b>	<b>2018/19 Actuals £M</b>	<b>Projected Outturn 2018/19 £M</b>	<b>2018/19 Variance £M</b>	<b>Overall Capital Programme £M</b>	<b>Overall Projected Outturn £M</b>	<b>Overall Variance £M</b>
<b>Key:</b>							
On Track / Underspend	1.653	0.469	1.594	(0.059)	1.653	1.594	(0.059)
Minor Variance / Slippage	Actual expenditure up to June 2018 on these schemes totals £0.469M against approved scheme plans of £1.653M. These schemes are currently forecasting an overall reduction in cost of £0.059M.						
Major Overspend							
<b>Operational Activity This Quarter:</b>	<p>Ten schemes, valued at £625k, completed during the 1<sup>st</sup> Qtr 2018/19, including the resurfacing of a stretch of the Trans Pennine Trail, at a cost of £200k.</p> <p>Five schemes, valued at £681k, approved by the Panel in Qtr 1, including £400k towards the HCA Empty Homes programme for 2018/21 and £125k for RSPB Old Moor.</p> <p>All other schemes progressing according to plan.</p>						

## **OUTCOME 11 – PROTECTING THE BOROUGH FOR FUTURE GENERATIONS**

<b>Overall Financial Position:</b>	<p>The financial position for Outcome 11, for both current year and overall is shown below.</p> <p><b>This outcome is currently forecasting an overall increase in costs of £0.003M, which is expected to be contained within available resources.</b></p> <p>A full list of schemes at outcome level is provided at Appendix A with the variance analysis shown in Appendix B.</p>						
<b>Directorate(s)</b>	<b>2018/19 Capital Programme £M</b>	<b>2018/19 Actuals £M</b>	<b>Projected Outturn 2018/19 £M</b>	<b>2018/19 Variance £M</b>	<b>Overall Capital Programme £M</b>	<b>Overall Projected Outturn £M</b>	<b>Overall Variance £M</b>
PLACE / CORE/ COMMUNITES	19.198	2.101	18.854	(0.345)	20.659	20.662	0.003

## **OUTCOME 11 – SIGNIFICANT SCHEMES / PROGRAMMES**

The most significant schemes / programmes for Outcome 11, in terms of value, are shown below, in respect of the financial position together with a commentary on progress during the quarter.

<b>Scheme / Programme:</b>	<b>HIGHWAYS PROGRAMME</b>						
<b>Overview:</b>	Highways Maintenance schemes cover a number of different infrastructure asset types including carriageways (local and principal roads), footways, structures (bridges/retaining walls etc.), town centre projects, drainage, street lighting, traffic signals and signs. These schemes maintain and improve these infrastructure assets. These schemes are funded from the Council's highways maintenance capital allocation and the Local Transport (DfT) Capital Maintenance Block grant, which are annual allocations.						
<b>Directorate:</b>	<b>PLACE</b>						
<b>Financials:</b>	<b>2018/19 Capital Programme £M</b>	<b>2018/19 Actuals £M</b>	<b>Projected Outturn 2018/19 £M</b>	<b>2018/19 Variance £M</b>	<b>Overall Capital Programme £M</b>	<b>Overall Projected Outturn £M</b>	<b>Overall Variance £M</b>
<b>Key:</b>							
On Track / Underspend	12.008	1.773	12.008	-	13.008	13.008	-
Minor Variance / Slippage	Actual expenditure up to June 2018 on these schemes totals £1.773M against approved scheme plans of £12.008M. These schemes are currently forecasting an overall balanced position.						
Major Overspend							
<b>Operational Activity This Quarter:</b>	During Q1 additional resources were deployed to clear the backlog of highway defects received as a result of excessive winter damage. The Local Roads Programmes for carriageway and footway maintenance are on track with no slippage. Drainage and Street Lighting programmes are also on track. An additional £4M capital resource has been made available to enhance the existing core programme over the next two years and work is ongoing to identify the specific areas for investment.						

Scheme / Programme:	VEHICLE REPLACEMENT PROGRAMME						
<b>Overview:</b>	This scheme allows the replacement of 77 vehicles and ground maintenance equipment to be used by Waste, Neighbourhoods and Bereavement Services, Berneslai Homes and Norfolk Property Services for the period 1 <sup>st</sup> April 2018 to 31 <sup>st</sup> March 2019.						
<b>Directorate:</b>	PLACE						
<b>Financials:</b>	<b>2018/19 Capital Programme £M</b>	<b>2018/19 Actuals £M</b>	<b>Projected Outturn 2018/19 £M</b>	<b>2018/19 Variance £M</b>	<b>Overall Capital Programme £M</b>	<b>Overall Projected Outturn £M</b>	<b>Overall Variance £M</b>
<b>Key:</b>							
On Track / Underspend	2.953	-	2.953	-	2.953	2.953	-
Minor Variance / Slippage	Actual expenditure up to June 2018 on these schemes totals £0M against approved scheme plans of £2.953M. These schemes are currently forecasting an overall balanced position.						
Major Overspend							
<b>Operational Activity This Quarter:</b>	An order for 21 vehicles with a total cost of £348,532.38 (Not including racking) has been placed – these vehicles are replacements for the Berneslai Homes vehicles due for replacement. The NPS vehicles are currently on hold due to NPS requesting a quote to be made on different contract terms and conditions. A Tender to procure eleven refuse collection vehicles has been written and will be going out with the intension of delivery starting December 2018. Grounds Maintenance equipment to replace the current neighbourhoods services equipment has been put on hold by the department because of the low usage it has seen this year due to the weather. All other vehicles listed for replacement will be procured within the timeframe.						

Appendix A - Plan vs Forecast Per Corporate Priority

	2018/19 Plan	2018/19 Actuals	2018/19 Outturn	2017/18 Variance	Overall Plan	Overall Outturn	Overall Variance
<b>(1) Create more and better jobs and good business growth</b>							
Wombwell Library Extension	20,246		20,246	0	20,246	20,246	0
Replacement of Citrix Servers	9,077		9,077	0	9,077	9,077	0
Virtual Server Host Replacement	108,596		108,596	0	108,596	108,596	0
Cyber Security	249,000		249,000	0	287,000	287,000	0
<b>Core Services - Assets, IT and Finance Total</b>	<b>386,919</b>	<b>0</b>	<b>386,919</b>	<b>0</b>	<b>424,919</b>	<b>424,919</b>	<b>0</b>
Penistone Market	900		900	0	900	900	0
Goldthorpe Master Plan- Eco Plan	119,612	172	119,612	0	119,612	119,612	0
Digital Barnsley	44,397		44,397	0	44,397	44,397	0
Strategic Business Parks Eco Plan	600,000	92,997	607,901	7,901	1,027,840	1,035,741	7,901
M1 Junction 36 Phase 1 Hoyland	2,456,805	6,323	300,000	-2,156,805	9,896,130	9,896,130	0
J36 HCA Land Rockingham	304,991		304,991	0	304,991	304,991	0
Barnsley Property Investment Fund Phase 2	3,310,333	287,749	2,398,333	-912,000	3,310,333	3,310,333	0
Courthouse Car Park Procurement	184,780	37,273	184,780	0	184,780	184,780	0
Project Management Costs	300,000		300,000	0	600,000	600,000	0
Superfast Broadband Phase 2				0	610,000	610,000	0
<b>Place Total</b>	<b>7,321,818</b>	<b>424,515</b>	<b>4,260,914</b>	<b>-3,060,904</b>	<b>16,098,983</b>	<b>16,106,884</b>	<b>7,901</b>
<b>(1) Create more and better jobs and good business growth Total</b>	<b>7,708,737</b>	<b>424,515</b>	<b>4,647,833</b>	<b>-3,060,904</b>	<b>16,523,902</b>	<b>16,531,803</b>	<b>7,901</b>
<b>(3) Develop a vibrant Town Centre</b>							
Glass Works Development Phase 1	27,904,350	6,897,601	27,904,350	-0	27,904,350	27,904,350	-0
Market Gate Bridge	580,000		580,000	0	580,000	580,000	0
<b>Core Services - Assets, IT and Finance Total</b>	<b>28,484,350</b>	<b>6,897,601</b>	<b>28,484,350</b>	<b>-0</b>	<b>28,484,350</b>	<b>28,484,350</b>	<b>-0</b>
Digital Media Centre	10,000		10,000	0	10,000	10,000	0
Glass Works Development Phase 2	3,166,858	479,121	3,166,858	0	4,988,378	4,988,378	0
<b>Place Total</b>	<b>3,176,858</b>	<b>479,121</b>	<b>3,176,858</b>	<b>0</b>	<b>4,998,378</b>	<b>4,998,378</b>	<b>0</b>
<b>(3) Develop a vibrant Town Centre Total</b>	<b>31,661,208</b>	<b>7,376,721</b>	<b>31,661,208</b>	<b>0</b>	<b>33,482,728</b>	<b>33,482,728</b>	<b>0</b>
<b>(4) Strengthen our visitor economy</b>							
Pulic Art Strategy Cooper Gallery	38,884		38,884	0	38,884	38,884	0
Public Art Strategy Brassed Off	11,000		11,000	0	11,000	11,000	0
Barnsley Main	145,000		145,000	0	145,000	145,000	0
54 Affordable Homes - Athersley	50,000		50,000	0	50,000	50,000	0
RSPB Old Moor	25,000		25,000	0	25,000	25,000	0
Visitor Economy Attraction	100,059	73,230	100,059	0	100,059	100,059	0
Elsecar Master Plan	90,093	21,125	90,093	0	340,093	340,093	0
Cannon Hall Parks for People	2,702,497	223,753	2,702,497	0	3,202,497	3,202,497	0
Pet Crematorium	148,769	1,271	148,769	-0	148,769	148,769	-0
Dorothy Hyman Football Pitch Refurb	38,534		38,534	0	38,534	38,534	0
Replacement Of Boilers At Metrodome	1,200,000		1,200,000	0	1,200,000	1,200,000	0
<b>Place Total</b>	<b>4,549,836</b>	<b>319,379</b>	<b>4,549,836</b>	<b>0</b>	<b>5,299,836</b>	<b>5,299,836</b>	<b>0</b>
<b>(4) Strengthen our visitor economy Total</b>	<b>4,549,836</b>	<b>319,379</b>	<b>4,549,836</b>	<b>0</b>	<b>5,299,836</b>	<b>5,299,836</b>	<b>0</b>
<b>(5) Create more and better housing</b>							
Disabled Facilities Grant	5,508,837	389,821	3,000,000	-2,508,837	5,508,837	5,508,837	-0
<b>Communities Total</b>	<b>5,508,837</b>	<b>389,821</b>	<b>3,000,000</b>	<b>-2,508,837</b>	<b>5,508,837</b>	<b>5,508,837</b>	<b>-0</b>
BHS New Starts	29,783	19,073	29,783	0	29,783	29,783	0
16/17 BHS Cudworth / Shafton		379	-0	-0	0	-0	-0
16/17 BHS Dodworth	48,653	299	1,617	-47,036	48,653	1,617	-47,036
16/17 BHS Gilroyd		447	-0	-0	0	-0	-0
16/17 BHS Kendray / Monk Bretton	10,673	32	2,365	-8,308	10,673	2,365	-8,308
16/17 BHS Staincross	32,997	301	3,487	-29,510	32,997	3,487	-29,510



Appendix A - Plan vs Forecast Per Corporate Priority

	2018/19 Plan	2018/19 Actuals	2018/19 Outturn	2017/18 Variance	Overall Plan	Overall Outturn	Overall Variance
17/18 BHS Athersley South CS	144,173	-431	6,959	-137,214	144,173	6,959	-137,214
17/18 BHS Barugh Green Trad CS	107,159	25,725	76,188	-30,971	107,159	76,188	-30,971
17/18 Hemmingfield Kier	126,840	-37,649	12,978	-113,862	126,840	12,978	-113,862
17/18 BHS Cudworth CS	36,725	-1,504	21,913	-14,812	36,725	21,913	-14,812
17/18 BHS Burton Grange CS	36,799	9,009	13,676	-23,123	36,799	13,676	-23,123
17/18 Barugh Green Cornish CS	78,958	-986	5,700	-73,258	78,958	5,700	-73,258
17/18 BHS Elsecar/Hoyland Kier	352,202	-269,754	352,202	0	352,202	352,202	0
17/18 BHS Carlton CS	304,240	117,756	304,240	0	304,240	304,240	0
17/18 BHS Shafton CS		-2,682	4,000	4,000	0	4,000	4,000
17/18 Platts Common/Jump Kier	101,885	-142,849	21,295	-80,590	101,885	21,295	-80,590
17/18 BHS Wombwell Kier	278,858	-202,552	60,942	-217,916	278,858	60,942	-217,916
17/18 BHS Hoyland Common Kier	93,194	-107,074	93,194	0	93,194	93,194	0
18/19 BHS Ardsley Kier	461,235	943	461,235	0	577,035	577,035	0
18/19 BHS Athersley South CS	1,082,997	397	1,082,997	-0	1,357,057	1,357,057	-0
18/19 BHS Bolton-On-Deerne Kier	748,750	2,330	748,750	0	935,960	935,960	0
18/19 BHS Brierley CS	239,258	14,806	239,258	-0	301,018	301,018	-0
18/19 BHS Burton Grange CS	1,264,163	-63	1,264,163	0	1,584,543	1,584,543	0
18/19 BHS Darfield Kier	761,460	461	761,460	-0	952,530	952,530	-0
18/19 BHS Goldthorpe Kier	538,974	24,577	538,974	-0	676,004	676,004	-0
18/19 BHS Great Houghton Kier	424,448	675	424,448	-0	530,598	530,598	-0
18/19 BHS Grimethorpe CS	1,153,120	-517	1,153,120	-0	1,444,550	1,444,550	-0
18/19 BHS Monk Bretton CS	1,029,442	-361	1,029,442	-0	1,288,062	1,288,062	-0
18/19 BHS Redbrook CS	276,428	10,229	276,428	-0	347,838	347,838	-0
18/19 BHS Smithies CS	254,360	8,227	254,360	0	319,980	319,980	0
18/19 BHS Town CS	1,254,263	-292	1,254,263	0	1,568,853	1,568,853	0
18/19 BHS Wombwell Kier	348,834	70,233	348,834	-0	439,544	439,544	-0
Structural Extensive / Void Repl	1,823,498	116,769	1,823,498	-0	8,845,385	8,845,385	-0
Community Centre Rewires	72,955	1,920	72,955	-0	344,097	344,097	-0
Central Heating	463,877	66,665	463,877	-0	2,435,790	2,435,790	-0
Major AdaptationsBMBC_D-00279	1,843,096	323,317	1,843,096	0	10,289,533	10,289,533	0
BMBC_D-00310		555	0	0	0	0	0
Replacement Items	1,468,629	98,555	1,468,629	0	7,900,256	7,900,256	0
50 Hope Avenue	15,843	35,643	15,843	-0	15,843	15,843	-0
Major Adaptations 79 Beeston Sq	94,675	915	94,675	0	94,675	94,675	0
District Heating G6 Meters		127		0	0	0	0
District Heating Pollyfox		485	485	485	0	485	485
District Heating		15,701	0	0	0	0	0
District Heating Elm & Maltas Court	55,192	1,232	30,000	-25,192	55,192	30,000	-25,192
District Heating Honeywell CC	11,202	169	7,000	-4,202	11,202	7,000	-4,202
District Heating Shipcroft CC		-6,301	-0	-0	0	-0	-0
Single Property Acquisition	2,139,731	367,725	2,139,731	0	3,347,949	3,347,949	0
New Build - General	4,947	2,843	4,947	-0	4,947	4,947	-0
New Build - Saville Road	379		379	0	379	379	0
New Build - Roy Kilner Road	59,107	1,333	59,107	-0	59,107	59,107	-0
New Build - 18 Locksley Gardens	674,527	118,222	674,527	0	1,230,833	1,230,833	0
New Build - Meadow View Hoyland	35		35	0	35	35	0
New Build - 39 Huddersfield Road	7,388	7,388	7,388	0	7,388	7,388	0
New Build - Green Street	11,278	11,196	11,278	-0	11,278	11,278	-0
New Build Acq 14 Dw Carr Lane	405,953	400,960	405,953	0	405,953	405,953	0



Appendix A - Plan vs Forecast Per Corporate Priority

	2018/19 Plan	2018/19 Actuals	2018/19 Outturn	2017/18 Variance	Overall Plan	Overall Outturn	Overall Variance
New Build Bungalows		660	0	0	0	0	0
Carlton Street Acq 22 Props	403,665	92	403,665	-0	403,665	403,665	-0
HRA Reserve Fund		6,602		0	0	0	0
Baden Street	1,043,666	100,965	1,043,666	0	1,043,666	1,043,666	0
Bellbrooke New Build Bungalows	255,794	14,544	255,794	-0	255,794	255,794	-0
Lundwood Acquisitions	618,000		618,000	0	1,236,000	1,236,000	0
Pilley Acquisitions	228,660	22,200	228,660	0	228,660	228,660	0
Acquisition of Jubilee Gardens	3,500	6,986	3,500	0	3,500	3,500	0
Kings Road Acquisition	208,575	83,025	208,575	0	208,575	208,575	0
Beevor Street Redevelopment (HRA)	1,214,667	76,467	1,214,667	-0	1,264,667	1,264,667	-0
Meadstead New Build	1,772,110	2,252	1,739,470	-32,640	1,869,780	1,837,140	-32,640
Community Buildings - General		2,121	-0	-0	0	-0	-0
Community Buildings - Hudson Haven	7,004		7,004	0	7,004	7,004	0
Community Buildings - Saville Court	3,130	764	3,130	0	3,130	3,130	0
15/16 Lift Replacements Sheff Rd Flats	14,647	1,521	14,647	0	14,647	14,647	0
Environmental Imps	108,904	47,380	108,904	0	108,904	108,904	0
CAPITALISED SALARIES	173,954		173,954	0	913,425	913,425	0
11/12 Asset Management Database	13,383	1,050	13,383	0	13,383	13,383	0
16/17 Insurance 13 Pembridge CT Royston		264	0	0	0	0	0
16/17 Insurance 36 Cobcar Lane Elsecar		-8	-0	-0	0	-0	-0
15/16 Solar Panel Meter Upgrade & Loft W		0	0	0	0	0	0
Environmental Works Pearson Crescent	9,140	201	9,140	-0	9,140	9,140	-0
Conversion 26-32 Rufford Av	97,669	49,016	97,669	0	97,669	97,669	0
CRS	187,150	24	187,150	0	973,932	973,932	0
WORSBROUGH REGENERATION	40,000		40,000	0	40,000	40,000	0
16/17 Central Heating Prog Repl	37,699	650	37,699	0	37,699	37,699	0
Central Htg Prog 17/18	657,473	241,848	657,473	0	657,473	657,473	0
Sprinklers Independent Living Schemes	471,422		471,422	0	499,305	499,305	0
8a & 8b Park Road Thurnscoe	99,044	1,222	99,044	0	99,044	99,044	0
18/19 Central Heating Replacements	809,965	3,755	809,965	0	821,345	821,345	0
Woodhall Flats Conversion	72,946	1,504	72,946	0	72,946	72,946	0
Fire Safety Works Sheffield Rd Flats	37,233		37,233	0	37,233	37,233	0
<b>Housing Revenue Account Total</b>	<b>29,362,583</b>	<b>1,769,707</b>	<b>28,528,432</b>	<b>-834,151</b>	<b>60,087,139</b>	<b>59,252,988</b>	<b>-834,151</b>
Affordable Housing Enabling	3,380	-45,530	3,380	-0	3,380	3,380	-0
Goldthorpe Clusters (Empty Homes)	68,606	64,467	68,606	0	68,606	68,606	0
LAIP - COALFIELDS/ELSECAR	79,726		79,726	0	79,726	79,726	0
ACCREDITED LANDLORD SCHEME	3,748		3,748	0	3,748	3,748	0
SMITHIES LANE G&T SITE	11,719		11,719	0	11,719	11,719	0
HCA PROGRAMME	33,458	631	33,458	-0	33,458	33,458	-0
Better Homes Barnsley	82,391	11,285	82,391	0	82,391	82,391	0
Beevor Street Redevelopment	0	0	-0	-0	0	-0	-0
Local Growth Fund - Better Homes	264,768	1,400	264,768	0	264,768	264,768	0
Warm Homes - Healthy People Project	16,000	4,500	16,000	0	16,000	16,000	0
Longcar PDC Housing Development	4,312,500	546,255	4,312,500	-0	4,312,500	4,312,500	-0
Greater Use of Enforcement Powers	100,000		100,000	0	100,000	100,000	0
Empty Homes DISC Housing Programme	91,000		91,000	0	275,000	275,000	0
<b>Place Total</b>	<b>5,067,296</b>	<b>583,007</b>	<b>5,067,295</b>	<b>-1</b>	<b>5,251,296</b>	<b>5,251,295</b>	<b>-1</b>
<b>(5) Create more and better housing Total</b>	<b>39,938,716</b>	<b>2,742,535</b>	<b>36,595,727</b>	<b>-3,342,989</b>	<b>70,847,272</b>	<b>70,013,120</b>	<b>-834,152</b>
<b>(6) Every child attends a good school</b>							

Appendix A - Plan vs Forecast Per Corporate Priority

	2018/19 Plan	2018/19 Actuals	2018/19 Outturn	2017/18 Variance	Overall Plan	Overall Outturn	Overall Variance
Penistone Grammar Extension	1,989,945	50,419	1,989,945	0	1,989,945	1,989,945	0
<b>Core Services - Assets, IT and Finance Total</b>	<b>1,989,945</b>	<b>50,419</b>	<b>1,989,945</b>	<b>0</b>	<b>1,989,945</b>	<b>1,989,945</b>	<b>0</b>
SCHOOL ACCESS WORKS	12,308		12,308	0	12,308	12,308	0
HEALTH & SAFETY REACTIVE WORKS	101,742	30,286	274,016	172,274	101,742	276,880	175,138
Worsbrough Common Primary	237			-237	237	0	-237
Hunningley - Increase Admission Number t	13,837	454	10,110	-3,727	13,837	10,110	-3,727
Wombwell Park Street - Increase Admissio	6,072		6,072	0	6,072	6,072	0
Thurlstone Primary - Increase Admission	21,538	2,424	14,253	-7,285	21,538	14,253	-7,285
Milefield - Increase Admission Number to	84,969	2,723	85,590	621	84,969	85,590	621
Churchfields - Increase Admission Number	50,622	8,679	15,473	-35,149	50,622	15,473	-35,149
Wilthorpe Primary Roof/Building Repairs	3,978	27	280	-3,698	3,978	280	-3,698
Barugh Green Primary Install New Fire Alarm	1,759	1,100	1,100	-659	1,759	1,100	-659
Athersley South Re-Roofing Works Phase 1	1,270	174	161	-1,109	1,270	161	-1,109
Shawlands - Holy Rood Replace Heating Boiler	1,744	229	229	-1,515	1,744	229	-1,515
Penistone St Johns - Increase Ad - P2	14,029		3,529	-10,500	14,029	3,529	-10,500
Penistone St Johns - Increase Ad - P2A	21,639	87	9,159	-12,480	21,639	9,159	-12,480
Penistone St Johns - Increase Admissions - P3	1,653,053	36,335	1,518,750	-134,303	1,653,053	1,660,250	7,197
Burton Road Primary - Increase Admission	5,924	568	1,096	-4,828	5,924	1,096	-4,828
The Forest Academy - Alterations to Bulg		79	164	164	0	164	164
Hunningley - Increase Admission - P2	15,122	12,425	20,169	5,047	15,122	20,169	5,047
Gawber Primary - Replace Fan Convector	929			-929	929	0	-929
Hoyland Greenfield - Drainage Repairs	2,573	66	1,323	-1,250	2,573	1,323	-1,250
Worsbrough Common - Convert Quas to Classroom	11,676	7,967	15,716	4,040	11,676	15,716	4,040
Shawlands - Remodel Entr/Office	6,155	149	5,067	-1,088	6,155	5,067	-1,088
Lacewood Primary - Prov of Mod Classroom	9,856		8,313	-1,543	9,856	8,313	-1,543
Ladywood - Roofing	10,300	145	3,070	-7,230	10,300	3,070	-7,230
Millhouse - Emergency Lighting	3,365	650	3,165	-200	3,365	3,165	-200
Gawber Primary - Rewire	8,650	390	3,250	-5,400	8,650	3,250	-5,400
Wilthorpe Infants - Boilers	10,646	103	3,290	-7,356	10,646	3,290	-7,356
Churchfield - Heating to Hall	1,138	1,165	1,341	203	1,138	1,341	203
Silkstone Common - Kitchen/Hall Floor	2,569	29	60	-2,509	2,569	60	-2,509
Hoylandswaine - Drainage/Resur/Wind/Doors	1,015		927	-88	1,015	927	-88
Millhouse - Playground Repairs/Replace	4,059	631	9,954	5,895	4,059	9,954	5,895
Oxpring - Boundry Walls	100	101	101	1	100	101	1
Keresforth - Windows/Doors Nursery	2,107	82	620	-1,487	2,107	620	-1,487
Keresforth - Resurface Playground	1,109		1,094	-15	1,109	1,094	-15
Barugh Green/Cudworth Primary - Flood	40,000	6,438	38,000	-2,000	40,000	40,000	0
Jump Primary - Replace Light/Ceilings P1	100,000		98,705	-1,295	100,000	101,426	1,426
Oxspring Primary - Replace Fire Alarm	40,000	238	32,100	-7,900	40,000	33,000	-7,000
Athersley South Primary - Boiler Replace	120,000	192	116,747	-3,253	120,000	120,000	0
Churchfield Primary - Boiler Replace	50,000	95	48,637	-1,363	50,000	50,000	0
Wilthorpe Primary - Boiler Replace	120,000	456	116,747	-3,253	120,000	120,000	0
Barugh Green Primary - Roof	100,000	3,677	91,030	-8,970	100,000	93,584	-6,416
Burton Road Primary - Roof	100,000	2,659	101,312	1,312	100,000	104,155	4,155
Gawber Primary - Roof	100,000	3,457	102,812	2,812	100,000	105,697	5,697
Milefield Primary - Roofing Works	100,000		97,172	-2,828	100,000	100,000	0
Millhouse Primary - Roof - KS1	50,000	1,289	41,730	-8,270	50,000	42,900	-7,100
Summer Lane Primary - Roofing Works	10,000	75	9,721	-279	10,000	10,000	0
Barugh Green Primary - Fencing	50,000	2,164	48,637	-1,363	50,000	50,000	0

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	2018/19 Plan	2018/19 Actuals	2018/19 Outturn	2017/18 Variance	Overall Plan	Overall Outturn	Overall Variance
Milefield Primary - Playground/MUGA	90,000		87,508	-2,492	90,000	90,000	0
Keresforth Primary - Replace Cladding	10,000		9,721	-279	10,000	10,000	0
Jump Primary - Nursery Toilet Refurb	30,000	1,075	29,176	-824	30,000	30,000	0
<b>People Total</b>	<b>3,196,090</b>	<b>128,883</b>	<b>3,099,506</b>	<b>-96,585</b>	<b>3,196,090</b>	<b>3,274,877</b>	<b>78,787</b>
Keresforth Primary School	150,000		150,000	0	150,000	150,000	0
<b>Place Total</b>	<b>150,000</b>	<b>0</b>	<b>150,000</b>	<b>0</b>	<b>150,000</b>	<b>150,000</b>	<b>0</b>
<b>(6) Every child attends a good school Total</b>	<b>5,336,035</b>	<b>179,302</b>	<b>5,239,451</b>	<b>-96,585</b>	<b>5,336,035</b>	<b>5,414,822</b>	<b>78,787</b>
<b>(8) Children and adults are safe from harm</b>							
Integrated Learning Disability Day Servi	881		881	0	881	881	0
<b>Communities Total</b>	<b>881</b>	<b>0</b>	<b>881</b>	<b>0</b>	<b>881</b>	<b>881</b>	<b>0</b>
Better Care Fund - Market Place/Mob Working/NHS Num/Contact	142,960	36,430	142,960	-0	142,960	142,960	-0
Better Care Fund - Community Equipment & Adaptation	100,000			-100,000	100,000	0	-100,000
Autism Innovation	1,999		1,999	0	1,999	1,999	0
Purchase 3a Springs Lane Child Res Unit	7,971			-7,971	7,971	0	-7,971
<b>People Total</b>	<b>252,930</b>	<b>36,430</b>	<b>144,959</b>	<b>-107,971</b>	<b>252,930</b>	<b>144,959</b>	<b>-107,971</b>
<b>(8) Children and adults are safe from harm Total</b>	<b>253,811</b>	<b>36,430</b>	<b>145,840</b>	<b>-107,971</b>	<b>253,811</b>	<b>145,840</b>	<b>-107,971</b>
<b>(9) People are healthier, happier, independent and active</b>							
Assisted Living Technology	46,539	995	46,539	0	46,539	46,539	0
<b>Communities Total</b>	<b>46,539</b>	<b>995</b>	<b>46,539</b>	<b>0</b>	<b>46,539</b>	<b>46,539</b>	<b>0</b>
Goldthorpe Recreation Ground MUGA	30,210		30,210	0	30,210	30,210	0
Provision of MUGA Grimethorpe	60,567		7,500	-53,067	60,567	7,500	-53,067
Dodworth Road Recreation Ground	16,159	3,529	3,529	-12,630	16,159	3,529	-12,630
Leslie Road Play Area	2,315			-2,315	2,315	0	-2,315
Bridleway Improve at Reema Dev Site	6			-6	6	0	-6
Former Yorkshire Traction Site Sheffield Road MUGA	83,069	64,999	83,069	0	83,069	83,069	0
Former Yorkshire Traction Site Sheffield Road Public ROW Lin	107,518		107,518	0	107,518	107,518	0
Royston Park Play Equip & Skate Park Refurb	45,902		45,902	0	45,902	45,902	0
Adwick Wash - Biodiversity & Access Improvements	10,032		8,771	-1,261	10,032	8,771	-1,261
Barnsley Boundary Footpath Improvements	10,000		10,000	0	10,000	10,000	0
The Mullins Anti-Vehicle Protection	7,427		7,427	0	7,427	7,427	0
Thurnscoe Park Infrastructure Improvements	4,753		4,753	0	4,753	4,753	0
Thurnscoe Park Play Refurbishment	19,095	49,850	48,945	29,850	19,095	48,945	29,850
Mapplewell Park	7,595		7,595	0	7,595	7,595	0
Station Road Footpath - Royston	7,651		7,651	0	7,651	7,651	0
Play Surfaces	6,717			-6,717	6,717	0	-6,717
The Nook	1,643			-1,643	1,643	0	-1,643
High Street Footpath repairs Royston	15,000		15,000	0	15,000	15,000	0
TPT Resurfacing Royston North	23,000		23,000	0	23,000	23,000	0
Royston Pavillion	20,000	8,572	20,000	-0	20,000	20,000	-0
Royston Bowling Green	2,327	380		-2,327	2,327	0	-2,327
Misc POS Royston - Comm Orch & Comm Gdns	1,470	1,570	1,570	100	1,470	1,570	100
Additional Allotments - Royston	5,000		5,000	0	5,000	5,000	0
Monk Bretton Park Improvements	3,274		3,274	0	3,274	3,274	0
Millhouse Green Bowling Club	1,810	1,810	1,810	0	1,810	1,810	0
Countryside Sites & POS	54,766	13,806	54,766	0	54,766	54,766	0
Play Development 2017	268,426	32,986	268,426	0	268,426	268,426	0
Grimethorpe Sports Ground	30,000	15,000	30,000	0	30,000	30,000	0
Mapplewell Park Tennis Court	60,174	66,449	60,174	0	60,174	60,174	0
Penistone Managed Workspace P3	182,983		174,000	-8,983	182,983	174,000	-8,983

Appendix A - Plan vs Forecast Per Corporate Priority

	2018/19 Plan	2018/19 Actuals	2018/19 Outturn	2017/18 Variance	Overall Plan	Overall Outturn	Overall Variance
Playing Pitch Improvements	211,720	40,698	211,720	0	211,720	211,720	0
TPT Wombwell to Worsbrough	148,388	143,824	148,388	0	148,388	148,388	0
Penistone Cricket Club Carpark	50,743	2,711	50,743	0	50,743	50,743	0
MUGA - Thurgoland Welfare	23,000	23,000	23,000	0	23,000	23,000	0
MUGA - Darton Park	10,643		10,643	0	10,643	10,643	0
Pilley/Jubilee/Lidgett Rec Ground	75,000		75,000	0	75,000	75,000	0
Penistone Footpath Improvements	41,000		41,000	0	41,000	41,000	0
Wilthorpe Park Gates	4,000		4,000	0	4,000	4,000	0
GREEN CORRIDOR-ROYSTON	2,935		0	-2,935	2,935	0	-2,935
GREEN CORRIDOR-GC WIDE	4,966		0	-4,966	4,966	0	-4,966
<b>Place Total</b>	<b>1,661,284</b>	<b>469,184</b>	<b>1,594,383</b>	<b>-66,901</b>	<b>1,661,284</b>	<b>1,594,383</b>	<b>-66,901</b>
<b>(9) People are healthier, happier, independent and active Total</b>	<b>1,707,823</b>	<b>470,179</b>	<b>1,640,922</b>	<b>-66,901</b>	<b>1,707,823</b>	<b>1,640,922</b>	<b>-66,901</b>
<b>(10) People volunteering and contributing towards stronger communities</b>							
Hedge Laying Penistone	397			-397	397	0	-397
<b>Place Total</b>	<b>397</b>	<b>0</b>	<b>0</b>	<b>-397</b>	<b>397</b>	<b>0</b>	<b>-397</b>
<b>(10) People volunteering and contributing towards stronger communities Total</b>	<b>397</b>	<b>0</b>	<b>0</b>	<b>-397</b>	<b>397</b>	<b>0</b>	<b>-397</b>
<b>(11) Protecting the Borough for future generations</b>							
Principal Towns	1,248,480	40,677	901,407	-347,073	1,709,480	1,709,480	0
Hoyland Nether Public Hall	4,322		4,322	0	4,322	4,322	0
Worsbrough Dale Pavillion	15,752	1,833	15,752	0	15,752	15,752	0
Pocket Peace Garden Cudworth Park	879	330	879	0	879	879	0
Goose Acre Allotments	8,400	8,400	8,400	0	8,400	8,400	0
King Street Allotments	7,900	7,900	7,900	0	7,900	7,900	0
Dearne Road Allotments	9,550		9,550	0	9,550	9,550	0
<b>Communities Total</b>	<b>1,295,283</b>	<b>59,140</b>	<b>948,211</b>	<b>-347,072</b>	<b>1,756,283</b>	<b>1,756,284</b>	<b>1</b>
Hoyland Town Centre Regeneration		2,513	2,513	2,513	0	2,513	2,513
Planned Maintenance	2,051,000	251,797	2,051,000	-0	2,051,000	2,051,000	-0
<b>Core Services - Assets, IT and Finance Total</b>	<b>2,051,000</b>	<b>254,310</b>	<b>2,053,513</b>	<b>2,513</b>	<b>2,051,000</b>	<b>2,053,513</b>	<b>2,513</b>
Road Safety / Danger Reduction	330,000	2,986	330,000	-0	330,000	330,000	-0
Social Inclusion		103		0	0	0	0
Aids To Pedestrian Movements		477		0	0	0	0
New Footways	120,000	12,793	120,000	0	120,000	120,000	0
Traffic Signals	400,000	61,976	400,000	0	400,000	400,000	0
Residual Exp On Completed Schemes		100		0	0	0	0
Fees For Future Schemes	413,444	27,140	413,444	0	413,444	413,444	0
Condition Surveys	120,000	23,977	120,000	0	120,000	120,000	0
Assessment Programme	300,000	20,178	300,000	0	300,000	300,000	0
Retaining Walls General	40,000	32,223	40,000	0	40,000	40,000	0
Barnsley Hotspot Programme	50,000	5,643	50,000	0	50,000	50,000	0
Carriageways Planned Maintenance	2,390,000	434,759	2,390,000	-0	2,390,000	2,390,000	-0
Footways Planned Maintenance	845,000	209,153	845,000	-0	845,000	845,000	-0
Street Lighting Planned Maintenance	400,000	49,739	400,000	0	400,000	400,000	0
Structures Planned Maintenance	81,000	103,589	81,000	0	81,000	81,000	0
Drainage Planned Maintenance	550,000	136,804	550,000	-0	550,000	550,000	-0
Traffic Signs & SNP Planned Maintenance	285,000	60,884	285,000	-0	285,000	285,000	-0
Key Route Barnsley to Doncaster North		2,902		0	0	0	0
Key Route Barnsley to Wakefield		853		0	0	0	0
LED Street Lighting Replacements		4,146		0	0	0	0
Mandela Gardens		3,430	0	0	0	0	0

Appendix A - Plan vs Forecast Per Corporate Priority

	2018/19 Plan	2018/19 Actuals	2018/19 Outturn	2017/18 Variance	Overall Plan	Overall Outturn	Overall Variance
DFT Pothole Fund Scheme	709,784	188,529	709,784	-0	709,784	709,784	-0
Lang Avenue Property Flood Protection	64,221		64,221	0	64,221	64,221	0
Safety Barriers (PRN)	50,000		50,000	0	50,000	50,000	0
Shafton Bypass r/about-visibility		23,808	-0	-0	0	-0	-0
Peel Sq TM		112		0	0	0	0
Traffic MGT - Server Upgrade		547		0	0	0	0
Cundy Cross Signalisation		357,644	0	0	0	0	0
Principal Roads	3,080,000	1,836	3,080,000	0	3,080,000	3,080,000	0
A628 Barnsley Rd, Noblethorpe		4,404		0	0	0	0
Burton Road to Cundy Cross Cycleway	80,000		80,000	0	80,000	80,000	0
Keresforth Hill Rd to Keresforth Hall Rd Cycleway Signage		126		0	0	0	0
Bradbury Balk Lane River bridge (B6.002)	20,000		20,000	0	20,000	20,000	0
Dodworth River Bridge No.2 (B4.119)	400,000		400,000	0	400,000	400,000	0
Principal Inspections	60,000		60,000	0	60,000	60,000	0
Car Parking (MSCP) Mitigations		2,369		0	0	0	0
Skid Resistance Programme				0	1,000,000	1,000,000	0
Planned Patching Programme	1,000,000		1,000,000	0	1,000,000	1,000,000	0
Aldham River Bridge TrialHoles	20,000		20,000	0	20,000	20,000	0
Elsecar Green/Riv Dearne Bridge Painting	200,000		200,000	0	200,000	200,000	0
Vehicle Replacement Programme	2,953,100		2,953,100	0	2,953,100	2,953,100	0
Transfer Loading Station	890,565	14,750	890,565	0	890,565	890,565	0
<b>Place Total</b>	<b>15,852,114</b>	<b>1,787,980</b>	<b>15,852,114</b>	<b>-0</b>	<b>16,852,114</b>	<b>16,852,114</b>	<b>-0</b>
<b>(11) Protecting the Borough for future generations Total</b>	<b>19,198,397</b>	<b>2,101,430</b>	<b>18,853,837</b>	<b>-344,560</b>	<b>20,659,397</b>	<b>20,661,910</b>	<b>2,513</b>
<b>(12) Customers can contact us easily and use more services online</b>							
Libraries Mgmt Information System - LMIS	76,113	453	76,113	0	76,113	76,113	0
Replacement Programme for People's Netwo	33,865		33,865	0	33,865	33,865	0
Customer Services Project	376,841		364,586	-12,255	376,841	376,841	0
Central Library PM	43,375		43,375	0	43,375	43,375	0
<b>Communities Total</b>	<b>530,194</b>	<b>453</b>	<b>517,939</b>	<b>-12,255</b>	<b>530,194</b>	<b>530,194</b>	<b>0</b>
<b>(12) Customers can contact us easily and use more services online Total</b>	<b>530,194</b>	<b>453</b>	<b>517,939</b>	<b>-12,255</b>	<b>530,194</b>	<b>530,194</b>	<b>0</b>
<b>Grand Total</b>	<b>110,885,154</b>	<b>13,650,944</b>	<b>103,852,594</b>	<b>-7,030,560</b>	<b>154,641,395</b>	<b>153,721,176</b>	<b>-919,219</b>

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Appendix B - Variance Analysis Per Scheme

	2018/19 Variance	2018/19 Slippage	2018/19 Re-phasing	2018/19 Variation in Scheme Costs	Overall Variance	Overall Slippage	Overall Re-phasing	Overall Variation in Scheme Costs
<b>(1) Create more and better jobs and good business growth</b>								
M1 Junction 36 Phase 1 Hoyland	-2,156,805	-2,156,805	0	0	0	0	0	0
Barnsley Property Investment Fund Phase 2	-912,000	-912,000	0	0	0	0	0	0
Strategic Business Parks Eco Plan	7,901	0	0	7,901	7,901	0	0	7,901
<b>Place Total</b>	<b>-3,060,904</b>	<b>-3,068,805</b>	<b>0</b>	<b>7,901</b>	<b>7,901</b>	<b>0</b>	<b>0</b>	<b>7,901</b>
<b>(1) Create more and better jobs and good business growth Total</b>	<b>-3,060,904</b>	<b>-3,068,805</b>	<b>0</b>	<b>7,901</b>	<b>7,901</b>	<b>0</b>	<b>0</b>	<b>7,901</b>
<b>(5) Create more and better housing</b>								
Disabled Facilities Grant	-2,508,837	-2,508,837	0	0	-0	0	0	-0
<b>Communities Total</b>	<b>-2,508,837</b>	<b>-2,508,837</b>	<b>0</b>	<b>0</b>	<b>-0</b>	<b>0</b>	<b>0</b>	<b>-0</b>
17/18 BHS Wombwell Kier	-217,916	0	0	-217,916	-217,916	0	0	-217,916
17/18 BHS Athersley South CS	-137,214	0	0	-137,214	-137,214	0	0	-137,214
17/18 Hemmingfield Kier	-113,862	0	0	-113,862	-113,862	0	0	-113,862
17/18 Platts Common/Jump Kier	-80,590	0	0	-80,590	-80,590	0	0	-80,590
17/18 Barugh Green Cornish CS	-73,258	0	0	-73,258	-73,258	0	0	-73,258
16/17 BHS Dodworth	-47,036	0	0	-47,036	-47,036	0	0	-47,036
Meadstead New Build	-32,640	0	0	-32,640	-32,640	0	0	-32,640
17/18 BHS Barugh Green Trad CS	-30,971	0	0	-30,971	-30,971	0	0	-30,971
16/17 BHS Staincross	-29,510	0	0	-29,510	-29,510	0	0	-29,510
District Heating Elm & Maltas Court	-25,192	0	0	-25,192	-25,192	0	0	-25,192
17/18 BHS Burton Grange CS	-23,123	0	0	-23,123	-23,123	0	0	-23,123
17/18 BHS Cudworth CS	-14,812	0	0	-14,812	-14,812	0	0	-14,812
16/17 BHS Kendray / Monk Bretton	-8,308	0	0	-8,308	-8,308	0	0	-8,308
District Heating Honeywell CC	-4,202	0	0	-4,202	-4,202	0	0	-4,202
District Heating Pollyfox	485	0	0	485	485	0	0	485
17/18 BHS Shafton CS	4,000	0	0	4,000	4,000	0	0	4,000
<b>Housing Revenue Account Total</b>	<b>-834,150</b>	<b>0</b>	<b>0</b>	<b>-834,150</b>	<b>-834,150</b>	<b>0</b>	<b>0</b>	<b>-834,150</b>
<b>(5) Create more and better housing Total</b>	<b>-3,342,987</b>	<b>-2,508,837</b>	<b>0</b>	<b>-834,150</b>	<b>-834,150</b>	<b>0</b>	<b>0</b>	<b>-834,150</b>
<b>(6) Every child attends a good school</b>								
Penistone St Johns - Increase Admissions - P3	-134,303	-134,303	0	0	7,197	0	0	7,197
Athersley South Primary - Boiler Replace	-3,253	-3,253	0	0	0	0	0	0
Wilthorpe Primary - Boiler Replace	-3,253	-3,253	0	0	0	0	0	0
Milefield Primary - Roofing Works	-2,828	-2,828	0	0	0	0	0	0
Barugh Green Primary - Roof	-8,970	-2,554	0	-6,416	-6,416	0	0	-6,416
Milefield Primary - Playground/MUGA	-2,492	-2,492	0	0	0	0	0	0
Barugh Green/Cudworth Primary - Flood	-2,000	-2,000	0	0	0	0	0	0

Appendix B - Variance Analysis Per Scheme

	2018/19 Variance	2018/19 Slippage	2018/19 Re-phasing	2018/19 Variation in Scheme Costs	Overall Variance	Overall Slippage	Overall Re-phasing	Overall Variation in Scheme Costs
Churchfield Primary - Boiler Replace	-1,363	-1,363	0	0	0	0	0	0
Barugh Green Primary - Fencing	-1,363	-1,363	0	0	0	0	0	0
Jump Primary - Replace Light/Ceilings P1	-1,295	-1,295	0	0	1,426	0	0	1,426
Millhouse Primary - Roof - KS1	-8,270	-1,170	0	-7,100	-7,100	0	0	-7,100
Oxspring Primary - Replace Fire Alarm	-7,900	-900	0	-7,000	-7,000	0	0	-7,000
Jump Primary - Nursery Toilet Refurb	-824	-824	0	0	0	0	0	0
Summer Lane Primary - Roofing Works	-279	-279	0	0	0	0	0	0
Keresforth Primary - Replace Cladding	-279	-279	0	0	0	0	0	0
Churchfields - Increase Admission Number	-35,149	0	0	-35,149	-35,149	0	0	-35,149
Penistone St Johns - Increase Ad - P2A	-12,480	0	0	-12,480	-12,480	0	0	-12,480
Penistone St Johns - Increase Ad - P2	-10,500	0	0	-10,500	-10,500	0	0	-10,500
Wilthorpe Infants - Boilers	-7,356	0	0	-7,356	-7,356	0	0	-7,356
Thurlstone Primary - Increase Admission	-7,285	0	0	-7,285	-7,285	0	0	-7,285
Ladywood - Roofing	-7,230	0	0	-7,230	-7,230	0	0	-7,230
Gawber Primary - Rewire	-5,400	0	0	-5,400	-5,400	0	0	-5,400
Burton Road Primary - Increase Admission	-4,828	0	0	-4,828	-4,828	0	0	-4,828
Hunningley - Increase Admission Number t	-3,727	0	0	-3,727	-3,727	0	0	-3,727
Wilthorpe Primary Roof/Building Repairs	-3,698	0	0	-3,698	-3,698	0	0	-3,698
Silkstone Common - Kitchen/Hall Floor	-2,509	0	0	-2,509	-2,509	0	0	-2,509
Lacewood Primary - Prov of Mod Classroom	-1,543	0	0	-1,543	-1,543	0	0	-1,543
Shawlands - Holy Rood Replace Heating Boiler	-1,515	0	0	-1,515	-1,515	0	0	-1,515
Keresforth - Windows/Doors Nursery	-1,487	0	0	-1,487	-1,487	0	0	-1,487
Hoyland Greenfield - Drainage Repairs	-1,250	0	0	-1,250	-1,250	0	0	-1,250
Athersley South Re-Roofing Works Phase 1	-1,109	0	0	-1,109	-1,109	0	0	-1,109
Shawlands - Remodel Entr/Office	-1,088	0	0	-1,088	-1,088	0	0	-1,088
Gawber Primary - Replace Fan Convectector	-929	0	0	-929	-929	0	0	-929
Barugh Green Primary Install New Fire Alarm	-659	0	0	-659	-659	0	0	-659
Worsbrough Common Primary	-237	0	0	-237	-237	0	0	-237
Millhouse - Emergency Lighting	-200	0	0	-200	-200	0	0	-200
Hoylandswaine - Drainage/Resur/Wind/Doors	-88	0	0	-88	-88	0	0	-88
Keresforth - Resurface Playground	-15	0	0	-15	-15	0	0	-15
Wombwell Park Street - Increase Admissio	0	0	0	0	0	0	0	0
Oxpring - Boundry Walls	1	0	0	1	1	0	0	1
The Forest Academy - Alterations to Bulg	164	0	0	164	164	0	0	164
Churchfield - Heating to Hall	203	0	0	203	203	0	0	203
Milefield - Increase Admission Number to	621	0	0	621	621	0	0	621
Burton Road Primary - Roof	1,312	0	0	1,312	4,155	0	0	4,155
Gawber Primary - Roof	2,812	0	0	2,812	5,697	0	0	5,697



Appendix B - Variance Analysis Per Scheme

	2018/19 Variance	2018/19 Slippage	2018/19 Re-phasing	2018/19 Variation in Scheme Costs	Overall Variance	Overall Slippage	Overall Re-phasing	Overall Variation in Scheme Costs
Worsbrough Common - Convert Quas to Classroom	4,040	0	0	4,040	4,040	0	0	4,040
Hunningley - Increase Admission - P2	5,047	0	0	5,047	5,047	0	0	5,047
Millhouse - Playground Repairs/Replace	5,895	0	0	5,895	5,895	0	0	5,895
HEALTH & SAFETY REACTIVE WORKS	172,274	0	0	172,274	175,138	0	0	175,138
<b>People Total</b>	<b>-96,585</b>	<b>-158,156</b>	<b>0</b>	<b>61,571</b>	<b>78,787</b>	<b>0</b>	<b>0</b>	<b>78,787</b>
<b>(6) Every child attends a good school Total</b>	<b>-96,585</b>	<b>-158,156</b>	<b>0</b>	<b>61,571</b>	<b>78,787</b>	<b>0</b>	<b>0</b>	<b>78,787</b>
<b>(8) Children and adults are safe from harm</b>								
Better Care Fund - Community Equipment & Adaptation	-100,000	0	0	-100,000	-100,000	0	0	-100,000
Purchase 3a Springs Lane Child Res Unit	-7,971	0	0	-7,971	-7,971	0	0	-7,971
<b>People Total</b>	<b>-107,971</b>	<b>0</b>	<b>0</b>	<b>-107,971</b>	<b>-107,971</b>	<b>0</b>	<b>0</b>	<b>-107,971</b>
<b>(8) Children and adults are safe from harm Total</b>	<b>-107,971</b>	<b>0</b>	<b>0</b>	<b>-107,971</b>	<b>-107,971</b>	<b>0</b>	<b>0</b>	<b>-107,971</b>
<b>(9) People are healthier, happier, independent and active</b>								
Provision of MUGA Grimethorpe	-53,067	0	0	-53,067	-53,067	0	0	-53,067
Dodworth Road Recreation Ground	-12,630	0	0	-12,630	-12,630	0	0	-12,630
Penistone Managed Workspace P3	-8,983	0	0	-8,983	-8,983	0	0	-8,983
Play Surfaces	-6,717	0	0	-6,717	-6,717	0	0	-6,717
GREEN CORRIDOR-GC WIDE	-4,966	0	0	-4,966	-4,966	0	0	-4,966
GREEN CORRIDOR-ROYSTON	-2,935	0	0	-2,935	-2,935	0	0	-2,935
Royston Bowling Green	-2,327	0	0	-2,327	-2,327	0	0	-2,327
Leslie Road Play Area	-2,315	0	0	-2,315	-2,315	0	0	-2,315
The Nook	-1,643	0	0	-1,643	-1,643	0	0	-1,643
Adwick Wash - Biodiversity & Access Improvements	-1,261	0	0	-1,261	-1,261	0	0	-1,261
Bridleway Improve at Reema Dev Site	-6	0	0	-6	-6	0	0	-6
Misc POS Royston - Comm Orch & Comm Gdns	100	0	0	100	100	0	0	100
Thurnscoe Park Play Refurbishment	29,850	0	0	29,850	29,850	0	0	29,850
<b>Place Total</b>	<b>-66,900</b>	<b>0</b>	<b>0</b>	<b>-66,900</b>	<b>-66,900</b>	<b>0</b>	<b>0</b>	<b>-66,900</b>
<b>(9) People are healthier, happier, independent and active Total</b>	<b>-66,900</b>	<b>0</b>	<b>0</b>	<b>-66,900</b>	<b>-66,900</b>	<b>0</b>	<b>0</b>	<b>-66,900</b>
<b>(10) People volunteering and contributing towards stronger communities</b>								
Hedge Laying Penistone	-397	0	0	-397	-397	0	0	-397
<b>Place Total</b>	<b>-397</b>	<b>0</b>	<b>0</b>	<b>-397</b>	<b>-397</b>	<b>0</b>	<b>0</b>	<b>-397</b>
<b>(10) People volunteering and contributing towards stronger communities Total</b>	<b>-397</b>	<b>0</b>	<b>0</b>	<b>-397</b>	<b>-397</b>	<b>0</b>	<b>0</b>	<b>-397</b>
<b>(11) Protecting the Borough for future generations</b>								
Principal Towns	-347,073	-347,073	0	0	0	0	0	0
<b>Communities Total</b>	<b>-347,073</b>	<b>-347,073</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Hoyland Town Centre Regeneration	2,513	0	0	2,513	2,513	0	0	2,513
<b>Core Services - Assets, IT and Finance Total</b>	<b>2,513</b>	<b>0</b>	<b>0</b>	<b>2,513</b>	<b>2,513</b>	<b>0</b>	<b>0</b>	<b>2,513</b>
<b>(11) Protecting the Borough for future generations Total</b>	<b>-344,560</b>	<b>-347,073</b>	<b>0</b>	<b>2,513</b>	<b>2,513</b>	<b>0</b>	<b>0</b>	<b>2,513</b>
<b>(12) Customers can contact us easily and use more services online</b>								
Customer Services Project	-12,255	-12,255	0	0	0	0	0	0
<b>Communities Total</b>	<b>-12,255</b>	<b>-12,255</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(12) Customers can contact us easily and use more services online Total</b>	<b>-12,255</b>	<b>-12,255</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total</b>	<b>-7,032,559</b>	<b>-6,095,126</b>	<b>0</b>	<b>-936,434</b>	<b>-919,218</b>	<b>0</b>	<b>0</b>	<b>-919,218</b>

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## BARNSELEY METROPOLITAN BOROUGH COUNCIL

This matter is not a Key Decision within the Council's definition and has not been included in the relevant Forward Plan

Report of the Executive Director, Core Services  
and Service Director, Finance (S151 Officer)

### **TREASURY MANAGEMENT ACTIVITIES AND LEASING REVIEW - QUARTER ENDED JUNE 2018**

#### **1. Purpose of Report**

1.1 This document reviews the Council's treasury management and leasing activities during the first quarter of 2018/19, in accordance with the CIPFA Treasury Management Code and CIPFA Prudential Code.

1.2 In broad terms it covers the following:

- The agreed Treasury Management Strategy for 2018/19;
- Economic summary;
- The Council's borrowing and leasing activity;
- The Council's investment activity, and
- Prudential and Treasury Indicators for 2018/19.

#### **2. Recommendations**

2.1 It is recommended that Members note:

- **The treasury management and leasing activities carried out during the first quarter, and**
- **The Prudential and Treasury Indicators set out in Appendix 1.**

#### **3. The Agreed Strategy for 2018/19**

3.1 The Treasury Management Strategy identifies the key risks associated with borrowing, investment and leasing activities and sets out how the Council intends to address those risks.

3.2 The agreed borrowing strategy for 2018/19 can be summarised as follows:

- ***De-risk the Council's debt portfolio, by actively reducing interest rate exposure throughout the reporting period (2018/19 – 2020/21);***
- ***Address any additional borrowing requirement resulting from anticipated future capital investment, and***
- ***Within this context, maintain the Council's under-borrowed position as far as possible, to keep financing costs to a minimum.***

3.3 The strategy contained a number of borrowing options, the majority of which are covered in section 5.

3.4 The agreed investment strategy can be summarised as follows:

- **Keep investment balances to a minimum and invest only in secure counterparties**, to mitigate security risk;
- **Maintain a minimum balance of liquid funds** to address liquidity risk, and
- **Within this context, seek optimum performance in terms of yield;**

#### 4. Economic Summary

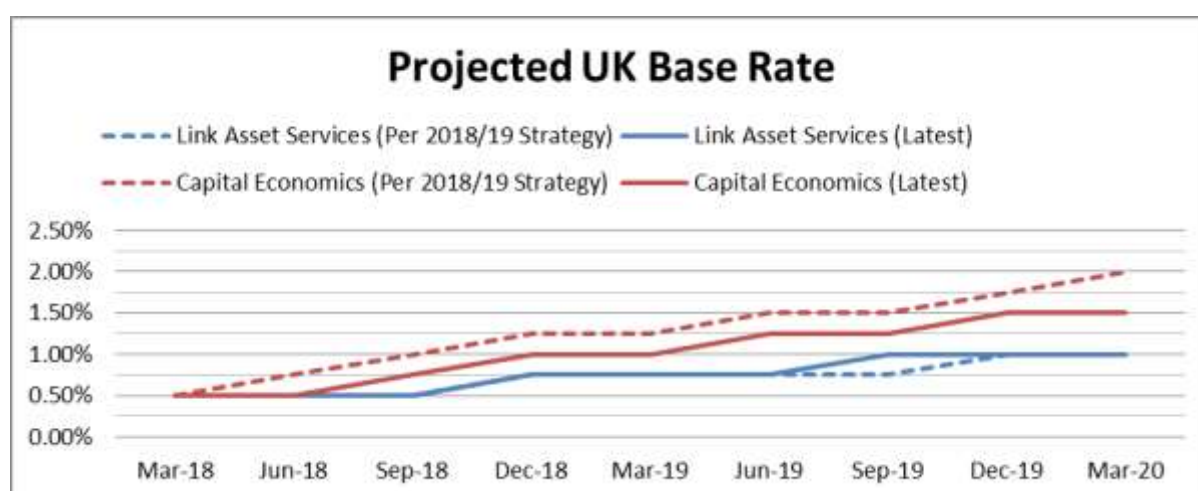
Highlights (see Appendix 3 for more details):

- *During Q1, the UK base rate remained unchanged at 0.50%;*
- *The market expectation is that the next rate rise will be announced in August;*
- *The Bank of England suggests that only one rate rise per year is needed, and that decision making will be far more dependent on data:*
- *However Capital Economics (an independent advisory group), are projecting up to four rate rises by March 2020.*

4.1 The UK base rate (or bank rate) is set by the Bank of England's Monetary Policy Committee (MPC). In their last two meetings, the MPC voted to keep the bank rate unchanged at 0.50%. The market expectation is that a rate rise will be announced at their next meeting on 2<sup>nd</sup> August.

4.2 Forecasting interest rates remains very difficult, particularly due to the uncertainties around Brexit. The Bank of England suggest that only one rate rise per year is needed, and that decision making will be far more dependent on data.

4.3 The following chart shows the projections from our two main sources and how they've changed since producing the 2018/19 strategy. This demonstrates both the uncertainty that exists in the financial markets and the importance of addressing the Council's under-borrowed position and variable interest rate exposure:



- 4.4 The forecast from our advisors (Link Asset Services) has remained fairly stable, with just one change from the 2018/19 strategy. They now expect a second rate rise in September (as opposed to December) 2019.
- 4.5 Capital Economics have revised their forecast down, suggesting a slower rate of increase, and that the bank rate will stabilise at 1.50% in March 2020. Their previous expectations suggested this could reach 2.00%.
- 4.6 Borrowing and investment rates fluctuated throughout the quarter, but saw a general downward trend in May, before picking up again in the following month. Investment rates reduced slightly overall, whilst longer term borrowing rates finished marginally higher, however these still remain relatively cheap (see Appendix 3 for more details).

## 5. Borrowing and Leasing Activity

### Highlights:

- *As at 31<sup>st</sup> March 2019, the Council's Capital Financing Requirement (CFR) is expected to reach £964M (a net increase in year of £15M);*
- *The Council is currently under-borrowed by £143M (down £18M from the estimated position);*
- *Several new loans were secured during the quarter including £20M from the Public Works Loans Board (PWLb);*
- *In addition, the Council secured a second deferred loan of £20M to address the variable rate debt maturing in 2019/20;*
- *The Council may be required to borrow up to £301M over the next 3 years.*

### Gross Debt and the Capital Financing Requirement (CFR)

- 5.1 The CFR reflects the Council's underlying borrowing need to finance capital investment and is a measure of the Council's total outstanding indebtedness.
- 5.2 Each year the Council makes a statutory revenue charge known as the minimum revenue provision (MRP), which reduces the CFR. Where appropriate the Council may set aside further amounts to repay debt, such as revenue contributions or capital receipts.
- 5.3 The table below outlines the movement in CFR expected during 2018/19 and how this compares to the agreed strategy:

	2018/19 Estimate (£M)	2018/19 Latest (£M)	2018/19 Variance (£M)
<b>Opening Capital Financing Requirement</b>	<b>945.549</b>	<b>949.904</b>	<b>4.355</b>
Increase in CFR from In Year Capital Investment	32.192	25.294	(6.898)
Amount Set Aside to Repay Debt	(10.465)	(10.721)	(0.256)
<b>Closing Capital Financing Requirement</b>	<b>967.276</b>	<b>964.477</b>	<b>(2.799)</b>

5.4 Based on current projections, the Council's closing CFR is estimated at £964M (down £3M from the original estimate). This variance primarily relates to changes to the approved capital programme.

5.5 The table below shows the extent to which the Council is under-borrowed (based on the expected borrowing CFR as at 31<sup>st</sup> March 2019) and how this compares to the strategy:

	<b>2018/19 Estimate (£M)</b>	<b>2018/19 Latest (£M)</b>	<b>2018/19 Variance (£M)</b>
Borrowing CFR*	730.928	723.581	(7.347)
Gross Borrowing	(569.813)	(580.280)	(10.467)
<b>Under / (Over) Borrowed Position</b>	<b>161.115</b>	<b>143.301</b>	<b>(17.814)</b>

\* Excludes PFI schemes / finance leases (~ £240M) due to the borrowing facility already included

5.6 As a result of the borrowing activities since January 2018, the Council's under-borrowed position is now estimated at £143M, which represents a reduction of £18M from the original estimate. However included within the gross borrowing figure of £580M, is £20M due to mature in December, which the Council will need to replace.

#### Movement on Gross Debt

<b>Source</b>	<b>Balance on 01/04/2018 (£M)</b>	<b>New Debt (£M)</b>	<b>Debt Repaid (£M)</b>	<b>Balance on 30/06/2018 (£M)</b>	<b>Net Increase / (Decrease) (£M)</b>
PWLB Borrowing	430.612	20.000	(0.933)	449.679	19.067
Other Long Term Loans*	63.000	-	-	63.000	-
Temporary Borrowing	38.003	14.000	(16.000)	36.003	(2.000)
Long Term LA Loans	31.598	-	-	31.598	-
<b>Total Borrowing</b>	<b>563.213</b>	<b>34.000</b>	<b>(16.933)</b>	<b>580.280</b>	<b>17.067</b>
Other Long Term Liabilities	222.587	-	-	222.587	-
<b>Total Debt</b>	<b>785.800</b>	<b>34.000</b>	<b>(16.933)</b>	<b>802.867</b>	<b>17.067</b>

\* Excludes deferred loans of £40M yet to be drawn down (paragraph 5.8 refers)

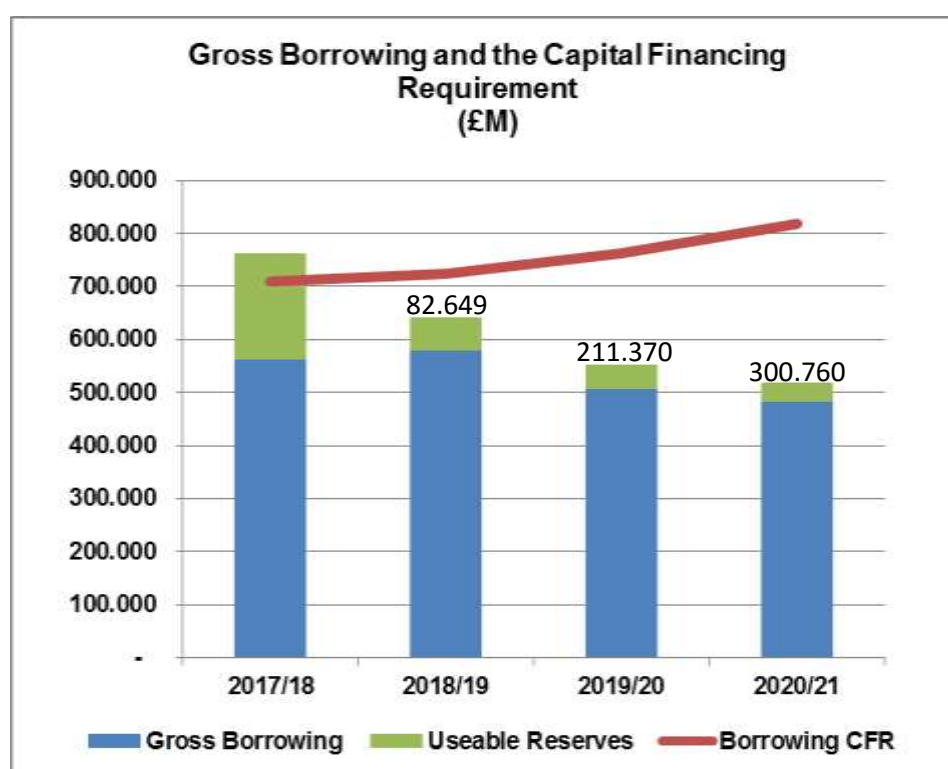
5.7 PWLB borrowing increased by £19M during the quarter, including new borrowing of £20M (details below), which took advantage of the fall in long term borrowing rates, whilst reducing the Council's under-borrowed position .

<b>Date</b>	<b>Amount</b>	<b>Term</b>	<b>Interest Rate</b>
31/05/2018	£10M	50y	2.25%
19/06/2018	£10M	49y	2.32%

- 5.8 The Council secured a second deferred loan of £20M in June 2018 to address the variable rate debt maturing in 2019/20, in addition to the £20M secured in December 2017. At a rate marginally above PWLB certainty, this protects the Council from any sudden interest rate rises whilst avoiding any cost of carry until late 2019/20 (when the new loans are drawn down).
- 5.9 Officers continued to take advantage of the low cost loans available from other LAs, however temporary borrowing as a whole fell by £2M reflecting the General Fund (GF) policy objective of fixing out short term / variable loans.

### Future Outlook

- 5.10 As shown in the chart below, the Council is currently maintaining an under-borrowed position, which is expected to increase further by 2020/21 as its borrowing need increases and its borrowing / reserve levels fall (assuming no replacement of long term loans as they mature):

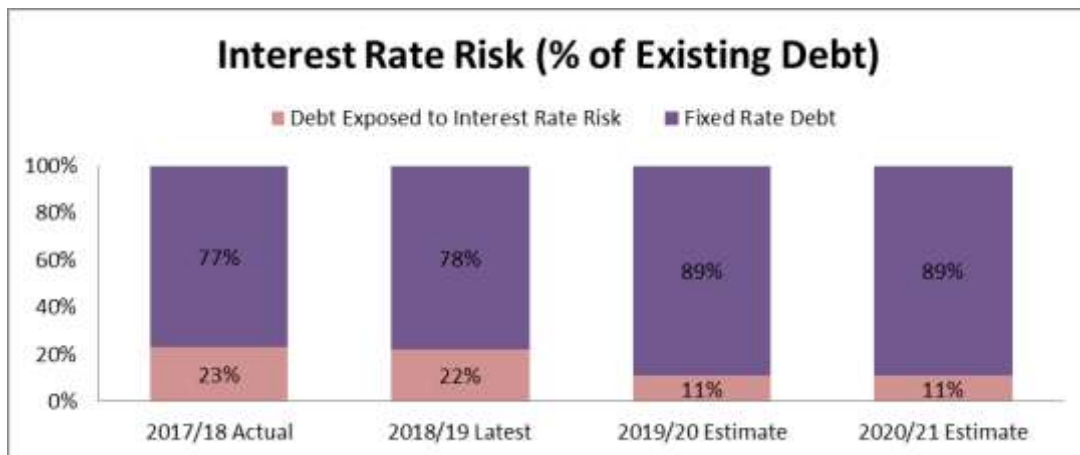


- 5.11 Whilst there are sufficient reserves to support this position in the short term, these reserves will ultimately need replacing with external borrowing as they are utilised. Based on current projections, the Council may be required to borrow up to £301M over the next 3 years (see table overleaf). This reflects an increase in borrowing CFR of £109M and a net reduction in gross borrowing of £79M (£139M of maturing debt less £60M of new borrowing):

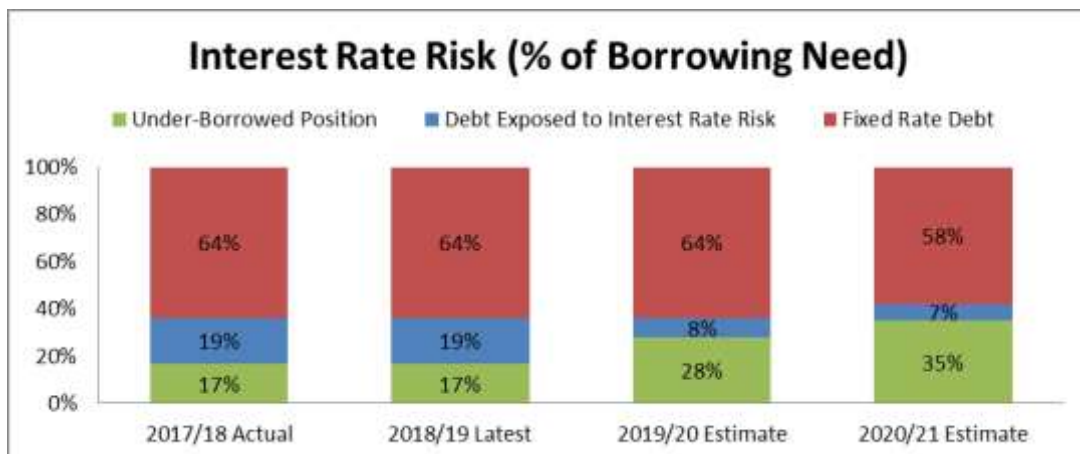
	2017/18 Actual	2018/19 Latest	2019/20 Estimate	2020/21 Estimate
Borrowing CFR*	710.250	723.581	763.223	819.058
Gross Borrowing	(563.213)	(580.280)	(508.481)	(484.009)
<b>Under / (Over) Borrowed Position</b>	<b>147.037</b>	<b>143.301</b>	<b>254.742</b>	<b>335.049</b>
Useable Reserves	(197.956)	(60.652)	(43.372)	(34.289)
<b>External Borrowing Requirement</b>	<b>-</b>	<b>82.649</b>	<b>211.370</b>	<b>300.760</b>

*\* Includes capital expenditure plans which have yet to be formally approved but could impact on the Council's future financing need*

5.12 The chart below expresses the Council's interest rate risk exposure as a % of its existing debt (including PFI / lease liabilities), covering variable rate debt from the PWLB, temporary loans from other local authorities and LOBOs, which are all (to some degree) sensitive to movements in interest rates. The Council is already within the target set of 25%; this position is set to improve in 2019/20 as the two variable rate PWLB loans mature:

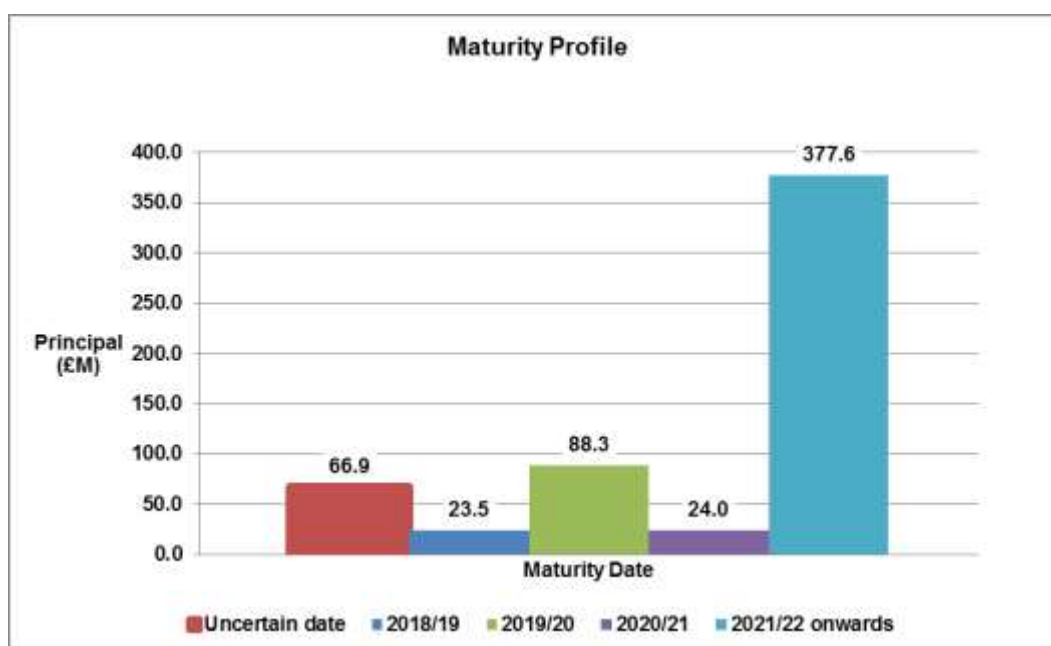


5.13 The chart below expresses the Council's interest rate risk exposure as a % of its overall borrowing need (including PFI / lease liabilities). In addition to existing debt, this covers any unfinanced expenditure which the Council will need to borrow for in future (i.e. its under-borrowed position). Whilst the Council is currently within the 35% target set in the 2018/19 strategy, this position is set to deteriorate as the borrowing CFR increases and gross borrowing declines:





5.14 The chart below illustrates the amount of debt that may need replacing within the next 3 financial years, including those with an uncertain maturity date (for instance the Council's LOBOs). If interest rates were to increase suddenly, replacing this debt would come at an additional cost:



5.15 Several options are being considered to address the above, including:

- **Fixed-rate borrowing from the PWLB** - whilst rates are still relatively low this continues to be a suitable option for the Council to consider.
- **Borrowing from the Municipal Bonds Agency (MBA)** - whilst a bond has yet to be issued this remains a potential option for the future. This could allow the Council to access cheaper funding than the PWLB. The Council is looking to borrow £10m should this materialise.
- **Further deferred loans** - the Council is in discussions with another potential lender who could offer up to £40m. This protects the Council from any sudden interest rate rises whilst avoiding any cost of carry until drawdown in 1-3 years' time.
- **Loans from other local authorities** - the Council could look to replace maturing debt with longer-term loans from other local authorities. This helps the Council to spread its refinancing risk.

## 6. Investment Activity

### Highlights:

- *The Council continued to invest in secure counterparties with the majority invested in Money Market Funds (MMFs) and instant access accounts;*
- *Investment balances increased by £29M during the quarter (compared to £9M throughout 2017/18);*
- *The Council continued to take advantage of some competitive rates offered by other LAs.*

### Movement on Investments

Source	Balance on 01/04/2018 (£M)	New Investments (£M)	Redeemed Investments (£M)	Balance on 30/06/2018 (£M)	Net Increase / (Decrease) (£M)
Short Term Investments	35.000	72.000	(39.000)	68.000	33.000
MMFs / Instant Access Accounts	36.000	97.100	(101.150)	31.950	(4.050)
<b>Total Investments</b>	<b>71.000</b>	<b>169.100</b>	<b>(140.150)</b>	<b>99.950</b>	<b>28.950</b>

- 6.1 Short term investments increased by £33M during the quarter, as the Council took on additional borrowing.
- 6.2 The closing balance on the Council's MMFs / instant access accounts reduced slightly by £4m, although there were a large volume of transactions during the year as a result of managing the daily cash position.

### Future Outlook

- 6.3 The Council is aware of two upcoming reforms that may impact on its future investment activities:
- 1. Money Market Fund (MMF) Reforms** - introducing a new structural fund from July 2018 - the Low Volatility Net Asset Value (LVNAV) Fund - and other changes to the existing Money Market Funds. These regulations will apply to existing funds from January 2019. Whilst the principal amount invested in LVNAV funds may fluctuate from time to time, the advice the Council has received suggests that the probability of this happening is very low. However in line with the Council's investment priorities, the recommendation is not to invest in LVNAV funds or any other funds where the principal invested is subject to variation.
  - 2. IFRS9 Financial Instruments** - changing the way that investments are accounted for. This is a new requirement for 2018/19 which could potentially impact the Council's general fund balances in two ways:
    - The change of accounting treatment of certain instruments, which can introduce an element of market volatility to investment valuations
    - The introduction of an expected credit losses model, in which the Authority must recognise potential losses (as opposed to the current requirement to recognise actual losses)
- 6.4 Given the current size and nature of the Council's investment portfolio, the impact of these reforms is expected to be low; however officers will continue to monitor the situation until confirmed. The MHCLG have released a consultation regarding a potential statutory override (closes 28<sup>th</sup> September), which officers will respond to and update members accordingly.

**7. Performance Measurement / Compliance with Prudential and Treasury Limits**

- 7.1 The Council's Capital Financing budget is expected to underspend by around £0.5M in year through postponing borrowing and taking advantage of low cost temporary loans. However the Authority is beginning to fix out its borrowing in light of the anticipated interest rate rises, therefore these savings are one-off in nature.
- 7.2 During the quarter, the Council has operated within the prudential and treasury indicators set out in the agreed strategy and in compliance with its Management Practices (see Appendix 1 & 2 for more details).

## APPENDIX 1 - PRUDENTIAL AND TREASURY INDICATORS AS AT 30<sup>th</sup> JUNE 2018

Prudential Indicators	Limit for 2018/19 (£M)	Quarter 1 Actual (£M)	Compliance with Indicator?
Average Debt Compared to Operational Boundary	967.276	790.679	Yes
Maximum Debt Compared to Authorised Limit	997.276	807.866	Yes
HRA Borrowing Need Compared to HRA Debt Cap	301.000	265.706	Yes

Maturity structure of GF borrowing	Lower Limit (%)	Upper Limit (%)	Quarter 1 Actual (£M)	Quarter 1 Actual (%)	Compliance with Indicator?
Under 12 months	0	50	69.668	22	Yes
12 months to 2 years	0	25	38.741	12	Yes
2 years to 5 years	0	25	50.073	16	Yes
5 years to 10 years	0	25	13.716	4	Yes
10 years to 20 years	0	75	9.348	3	Yes
20 years to 30 years	0	75	23.818	7	Yes
30 years to 40 years	0	75	54.606	17	Yes
40 years to 50 years	0	75	61.715	19	Yes

Maturity structure of HRA borrowing	Lower Limit (%)	Upper Limit (%)	Quarter 1 Actual (£M)	Quarter 1 Actual (%)	Compliance with Indicator?
Under 12 months	0	25	37.649	15	Yes
12 months to 2 years	0	25	49.611	19	Yes
2 years to 5 years	0	25	12.383	5	Yes
5 years to 10 years	0	25	18.062	7	Yes
10 years to 20 years	0	75	12.070	5	Yes
20 years to 30 years	0	75	31.712	12	Yes
30 years to 40 years	0	75	72.794	28	Yes
40 years to 50 years	0	75	24.315	9	Yes

<b>Treasury Indicators</b>	<b>Limit for 2018/19 (%)</b>	<b>Quarter 1 Actual (%)</b>	<b>Compliance with Indicator?</b>
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#### **GF**

<b>Upper limit of fixed interest rates based on gross debt</b>	90	88	Yes
<b>Upper limit of variable interest rates based on gross debt</b>	25	12	Yes

#### **HRA**

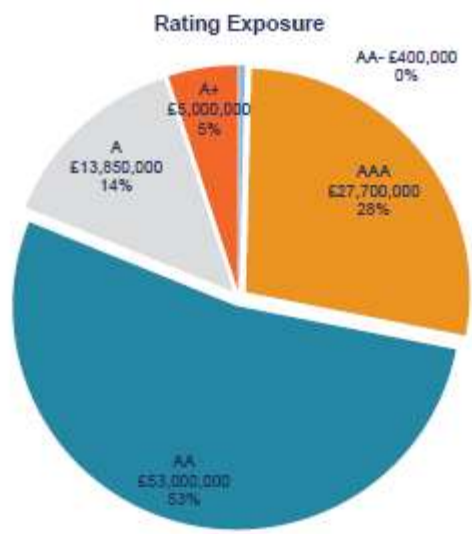
<b>Upper limit of fixed interest rates based on gross debt</b>	100	82	Yes
<b>Upper limit of variable interest rates based on gross debt</b>	25	18	Yes

	<b>Limit for 2018/19 (£M)</b>	<b>Quarter 1 Actual (£M)</b>	<b>Compliance with Indicator?</b>
<b>Upper limit for principal sums invested over 365 days</b>	20.000	-	Yes

APPENDIX 2 - INVESTMENT PORTFOLIO AS AT 30/06/2018

Current Investment List

Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Lowest Long Term Rating	Historic Risk of Default
MMF Federated Investors (UK)	10,000,000	0.53%		MMF	AAA	0.000%
MMF Aberdeen	300,000	0.43%		MMF	AAA	0.000%
MMF Goldman Sachs	2,400,000	0.46%		MMF	AAA	0.000%
MMF Standard Life	10,000,000	0.53%		MMF	AAA	0.000%
MMF Deutsche	5,000,000	0.45%		MMF	AAA	0.000%
Barclays Bank Plc (NRFIB)	3,850,000	0.30%		Call	A	0.000%
Svenska Handelsbanken AB	400,000	0.30%		Call	AA-	0.000%
London Borough of Newham	5,000,000	0.50%	01/06/2018	02/07/2018	AA	0.000%
Mayor's Office for Policing and Crime (MOPAC)	10,000,000	0.45%	22/06/2018	05/07/2018	AA	0.000%
Birmingham City Council	5,000,000	0.70%	25/04/2018	25/07/2018	AA	0.002%
Wirral Metropolitan Borough Council	5,000,000	0.45%	25/06/2018	03/05/2018	AA	0.002%
Bank of Scotland Plc (NRFIB)	5,000,000	0.60%	05/03/2018	06/08/2018	A+	0.005%
City and County of Swansea	5,000,000	0.58%	25/05/2008	28/05/2018	AA	0.004%
North Lanarkshire Council	5,000,000	0.65%	08/04/2018	31/08/2018	AA	0.004%
Blaenau Gwent County Borough Council	3,000,000	0.58%	31/05/2018	05/09/2018	AA	0.005%
Telford & Wrekin Council	5,000,000	0.55%	18/06/2018	18/09/2018	AA	0.005%
London Borough of Barking & Dagenham	5,000,000	0.57%	25/06/2018	25/09/2018	AA	0.006%
West Dunbartonshire Council	5,000,000	0.50%	28/06/2018	28/09/2018	AA	0.006%
Goldman Sachs International Bank	5,000,000	0.76%	24/05/2018	26/11/2018	A	0.022%
Goldman Sachs International Bank	5,000,000	0.76%	04/06/2018	04/12/2018	A	0.023%
<b>Total Investments</b>	<b>£99,950,000</b>	<b>0.55%</b>				<b>0.004%</b>



	% of Portfolio	Amount	% of Colour in Calls	Amount of Colour in Calls	% of Call in Portfolio	WARoR	WAM	WAM at Execution	Excluding Calls/MMFs/USDBFs	
									WAM	WAM at Execution
Yellow	80.74%	£80,700,000	34.32%	£27,700,000	27.71%	0.53%	30	273	46	416
Pink1	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Pink2	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Purple	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Blue	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Orange	5.40%	£5,400,000	7.41%	£400,000	0.40%	0.58%	34	169	37	182
Red	13.86%	£13,850,000	27.80%	£3,850,000	3.85%	0.64%	110	133	153	185
Green	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
No Colour	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
	100.00%	£99,950,000	31.97%	£31,950,000	31.97%	0.55%	42	248	61	365

Portfolio's weighted average risk number = 1.72  
WARoR = Weighted Average Rate of Return  
WAM = Weighted Average Time to Maturity

## APPENDIX 3 - ECONOMIC COMMENTARY FROM LINK ASSET SERVICES

Our treasury management advisers, Link Asset Services provided us on 11 May with the following update to their interest rate forecasts:

### Quarterly Inflation Report and Monetary Policy Committee (MPC) meeting 10.5.18

- *We have pushed back our first Bank Rate increase from May 2018 to November 2018.*
- *While photographers implore a sitter to watch the birdie, Mark Carney has often repeated the phrase of 'watch the data'!*

As late as mid-February, financial markets were viewing a May Bank Rate increase as a near dead certainty. We would refer clients back to our previous newsflash on 13.2.18 where we explained the forward guidance issued by the MPC after its previous meeting which reinforced the view that Bank Rate was likely to go up faster than markets were expecting. This guidance placed much emphasis on a tight labour market with the following characteristics: -

- remarkably low unemployment which was continuing on a trend of falling
- healthy growth of rising employment and levels of employment out of the population of available workers
- increasing levels of vacancies
- MPC concerns on rising wage inflation in this tight labour market
- low productivity limiting GDP non-inflationary growth to only 1.5% p.a.
- inflation still being slightly above the target of 2% during the new 18-24 month time horizon

Very little has changed since then apart from inflation now being projected to hit the 2% target in two years' time.

BUT..... what has changed the whole outlook and the latest MPC decision to leave Bank Rate unchanged, is the sharp downturn of economic data since mid-February which has resulted in a first estimate, (on 40% of the data), of a mere 0.1% GDP growth in quarter 1. Not only this, but over this quarter, the PMI indicators and actual production figures have come in weaker than expected. Admittedly, some of this was due to adverse weather in the quarter but the ONS commented that its 0.1% statistic was little affected by the weather. Admittedly, the optimists will point to the fact that we had a sharp dip in quarter 1 of 2017, so maybe we should not get too down about what might be just another blip this year. They could also raise concerns around US economic sanctions on Iran and developments in Venezuela leading to a sharp increase in the price of oil which could feed inflationary pressures into the economy; this, in turn, could then put upward pressure on Bank Rate. However, we can only summarise by saying that it is good sense for the MPC to hold fire on their promise on increasing Bank Rate until they see that economic growth recovers during the year and that the quarter 1 downturn proves only to be a temporary dip.

We therefore have to say that while our previous forecast included bringing forward the next increase in Bank Rate from November to May 2018, we have now had to reverse this back again in the light of how the economic data has transpired during quarter 1. The MPC may well now want to see two quarters of a return to reasonably strong growth before tightening monetary policy so we feel that an increase in Bank Rate as soon as August 2018 is unlikely. We would also point out that the MPC is probably unlikely to change Bank Rate at its February 2019 quarterly review meeting as this would be just ahead of the March deadline for withdrawal from the EU. So the MPC will be trying to juggle the tension between this and needing to take some action to deliver on its promise on increasing Bank Rate, which, therefore, puts the spotlight on the November 2018 meeting. A further factor will be that all central banks now have one eye on the need to normalise monetary policy so they can have tools to use if there was another recession. It is also notable that the MPC announced it will do a review on reversing quantitative easing.

As not much fundamentally has changed apart from recent weak data, we would refer clients back to our previous newsflash for the further comments we made then.

## **1. LINK ASSET SERVICES' FORECASTS**

We are therefore forecasting a first Bank Rate increase in November 2018, to be followed by further increases in September 2019, June 2020 and November 2020.

We can only forecast given the current situation and have to flag up that there is a wide spread of potential outcomes during this three year forecast period and a likelihood of heightened volatility as events actually unfold. Our own forecasts are based on a central assumption that the UK will make progress with concluding a satisfactory outcome over the Brexit negotiations with the EU by March 2019, although the UK finance sector is likely to be an area of particular concern and difficulty.

Forecasts for average investment earnings beyond the three year time horizon will be heavily dependent on economic and political developments.

### **Gilt yields and PWLB rates**

The general situation is for volatility in bond yields to endure as investor fears and confidence ebb and flow between favouring relatively more “risky” assets i.e. equities, or the “safe haven” of government bonds. The overall longer run trend is for gilt yields and PWLB rates to rise, albeit gently, although there are likely to also be periods of sharp volatility from time to time.

We have pointed out consistently that the Fed. Rate is likely to go up more quickly and more strongly than Bank Rate in the UK. While there is normally a high degree of correlation between the bond yields of both countries, we would expect to see an eventual growing decoupling of yields between the two i.e. we would expect US yields to go up faster than UK yields. Over the period since



the start of 2017, there has been a strong correlation between increases in treasury, gilt and bund yields for periods longer than 5 years, although the rate of increase in the UK and Germany has been somewhat lower than in the US. We will need to monitor this area and any resulting effect on PWLB rates.

### The balance of risks to economic growth and Bank Rate increases

- The overall balance of risks to economic growth in the UK is probably neutral.
- The balance of risks to increases in Bank Rate and shorter term PWLB rates, are probably also even and are dependent on how strong GDP growth turns out, how slowly inflation pressures subside, and how quickly the Brexit negotiations move forward positively.

Our forecasts are predicated on an assumption that there is no break-up of the Eurozone or EU, (apart from the departure of the UK), within our forecasting time period, despite the major challenges that are looming up, and that there are no major ructions in international relations, especially between the US and China / North Korea and Iran, which have a major impact on international trade and world GDP growth.

We would, as always, remind clients of the view that we have expressed in our previous interest rate revision newsflashes of just how unpredictable PWLB rates and bond yields are at present. Our revised forecasts are based on the Certainty Rate (minus 20 bps) which has been accessible to most authorities since 1st November 2012.

Link Asset Services Interest Rate View												
	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Bank Rate View	0.50%	0.50%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.50%	1.50%
3 Month LIBID	0.60%	0.70%	0.90%	0.90%	0.90%	1.10%	1.20%	1.30%	1.40%	1.50%	1.60%	1.60%
6 Month LIBID	0.70%	0.80%	1.00%	1.00%	1.00%	1.20%	1.20%	1.30%	1.50%	1.60%	1.70%	1.70%
12 Month LIBID	0.80%	0.90%	1.10%	1.10%	1.20%	1.30%	1.40%	1.40%	1.60%	1.70%	1.80%	1.80%
5yr PWLB Rate	1.90%	2.00%	2.00%	2.10%	2.20%	2.20%	2.30%	2.30%	2.40%	2.40%	2.50%	2.50%
10yr PWLB Rate	2.40%	2.40%	2.50%	2.60%	2.60%	2.70%	2.80%	2.80%	2.90%	2.90%	3.00%	3.00%
25yr PWLB Rate	2.70%	2.80%	2.90%	3.00%	3.10%	3.20%	3.30%	3.30%	3.40%	3.40%	3.50%	3.50%
50yr PWLB Rate	2.40%	2.50%	2.60%	2.70%	2.80%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%

BANK RATE	now	previously
Q1 2019	0.75%	1.00%
Q1 2020	1.00%	1.25%
Q1 2021	1.50%	1.50%

Our target borrowing rates and the current PWLB (certainty) borrowing rates are set out overleaf:

PWLB debt	Current borrowing rate as at 11.5.18	Target borrowing rate now (Q2 2018)	Target borrowing rate previous (Q2 2018)
5 year	1.88%	1.90%	2.00%
10 year	2.32%	2.40%	2.50%
25 year	2.71%	2.70%	2.90%
50 year	2.43%	2.40%	2.70%

**Borrowing advice:** although rates have risen from their low points, particularly in periods up to 10 years, longer term rates are still historically low and borrowing should be considered if appropriate to your strategy. We still see value in the 40 years to 50 years range, but note the curve has flattened considerably from 10 years out. Value, however, in the 40-50 years part of the curve may be negated if Bank Rate does not climb to at least 2.5% over the medium term. Accordingly, clients will need to review and assess their risk appetite in terms of any underlying borrowing requirement they may have, and also project forward their position in respect of cash backed resources. Any new borrowing should also take into account the continuing cost of carry, the difference between investment earnings and borrowing rates, especially as our forecasts indicate that Bank Rate may rise to only 1.50% by December 2020.

Our suggested budgeted investment earnings rates for investments up to about three months' duration in each financial year for the next seven years are as follows: -

Average earnings in each year	Now	Previously
2018/19	0.75%	0.80%
2019/20	1.00%	1.25%
2020/21	1.25%	1.50%
2021/22	1.50%	1.65%
2022/23	1.75%	1.75%
2023/24	2.00%	2.00%
Later years	2.75%	2.75%

As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts. The general expectation for an eventual trend of gently rising gilt yields and PWLB rates is unchanged. Negative, (or positive), developments could significantly impact safe-haven flows of investor money into UK, US and German bonds and produce shorter term movements away from our central forecasts.

Our interest rate forecast for Bank Rate is in steps of 25 bps whereas PWLB forecasts have been rounded to the nearest 10 bps and are central forecasts within bands of + / - 25 bps.

Naturally, we continue to monitor events and will update our forecasts as and when appropriate.

## BARNSELEY METROPOLITAN BOROUGH COUNCIL

This matter is not a Key Decision within the Council's definition and has not been included in the relevant Forward Plan

**Report of the Executive  
Director of Core Services**

### **Health and Safety Report 2017/2018**

#### **1. Purpose of Report**

This report seeks to present issues raised in the 2017/2018 Health and Safety Report. The 2017/2018 report provides a comprehensive overview of health and safety performance within the Authority.

#### **2. Recommendations**

- 2.1 That the Authority's health and safety performance for 2017/2018 is noted and continuous efforts made to improve upon performance in this area.

#### **3. Introduction**

##### **3.1 Health and Safety Report 2017/2018: Executive Summary**

3.1.1 The year April 2017 to March 2018 has seen further improvements in the Council's health and safety performance and also the implications of challenges faced in delivery of these services and maintenance of this performance. Positive indicators seen in 2017/2018 are shown below (with comparative data for 2016/2017 shown in parentheses):

- A decrease in accidents reported to 148 (151) accidents (accompanied by a maintained reporting rate of around 100%)
- The majority (83.9%) of audits show a satisfactory level of compliance with the Council's governance arrangements for health and safety
- The Council's RIDDOR reportable accident performance when compared to national statistics remaining favourable
- An improvement in compliance with requirements to develop risk assessments to 76% (74%) – (83% (77%) corporately and 60% (69%) in schools)
- A decrease in reported incidents of violence and aggression to 158 (205)
- A decrease in days lost due to incidents of violence and aggression to 57 (69)
- A decrease in the total number of employer's liability claims to 21 (23) with 15 (11) related to accidents and 6 (12) to work related ill health

3.1.2 However, some negative indicators are also seen:

- An increase in days lost due to accidents to 564 (323) with an increase in

the associated costs

- An increase in RIDDOR recordable accidents with 16 (14) over three day injuries; and an increase in RIDDOR reportable accidents with 15 (7) over seven day injuries and 1 (0) specified injuries
- An under-reporting of near miss accidents and lower level incidents of violence and aggression

Overall a number of opportunities for improvements exist with these outlined below along with proposals to address them:

Priority from 2017/2018	Action required in 2018/2019
1. All Business Units and/or Services will implement the Council's Occupational Health and Safety Management System to a standard that would meet the Health, Safety and Emergency Resilience Service's "Good" rating upon audit, with a good rating of 90%.	The audit programme will continue during 2018/2019 and each previous audit has produced a prioritised plan of action to allow this target to be met. This target requires Business Units and services to implement the Council's occupational health and safety management system in a proportionate manner to the risks they face.
2. Each Business Unit and/or Service (as appropriate) will produce all required risk assessments.	This target requires Business Units and services to implement the Council's occupational health and safety management system in a proportionate manner to the risks they face.
3. Each Business Unit and/or Service (as appropriate) will have an action plan to implement the health and safety competencies detailed in Section 8 of the Corporate Health and Safety Policy.	When implementing the Council's performance and development review process, services should include necessary competencies relating to health and safety. Training that supports achievement of this is provided by the Health, Safety and Emergency Resilience Service.
4. Reporting of near misses is far lower than reasonably expected.	The need for near miss reporting is included in the training provided by the Health, Safety and Emergency Resilience Service and the Council's occupational health and safety management system. It is proposed to run a specific campaign relating to the reporting of both near misses and incidents of violence and aggression during 2018/2019.
5. The majority of reported accidents have basic causes indicating the need to focus on basic health and safety management.	Risk management is the holistic aim of the Council's occupational health and safety management system and requires. Implementation of the system should support services to identify and control risks.

6. Reports of violence and aggression account for the majority of incidents reported.	The need for violence and aggression reporting is included in the training provided by the Health, Safety and Emergency Resilience Service and the Council's occupational health and safety management system. It is proposed to run a specific campaign relating to the reporting of both near misses and incidents of violence and aggression during 2018/2019.
7. To develop and implement an action plan to address the opportunities for improvement in the Employee Survey 2017	There is a need to both ensure the competence of employees (see 3 above) and also ensure that all employees at all levels contribute to making health and safety a core priority. An action plan and campaign will be developed and implemented in 2018/2019 to challenge all staff to think about how they contribute raising health and safety standards.

3.1.3 Despite these negatives, reflecting the Council's overall performance in this area, the Council has not experienced any formal enforcement action by the Health and Safety Executive or South Yorkshire Fire and Rescue and achieved the Royal Society for the Prevention of Accidents (RoSPA) Order of Distinction for Occupational Safety and Health and the British Safety Council International Safety Award.

3.1.4 This year reiterates the need for a greater reliance on Business Units to fulfil aspects of the overall health and safety function and ensure that good health and safety practice is embedded within services.

### **3.2 Overview of the content of the Health and Safety Report 2017/2018**

3.2.1 The report identifies the major causes and effects of accidents to employees and outlines remedial, responsive and proactive measures to reduce the risk of injury and work-related ill-health.

3.2.2 This report contains data in respect of the causes of accidents, the types of injury occurring and the parts of body injured. The report provides details of the cost of accidents to the Authority. Whilst the primary concern of the Authority is the health, safety and well being of its employees, this is nevertheless an important issue in economic terms. This issue is considered further with the incorporation of details provided by the Service Director Finance regarding Employer's Liability Claims.

3.2.3 The report deals with the issue of Work Related Violence to Employees. It outlines the number of reported work related violent incidents to employees. It also provides details of the services of the Health, Safety and Emergency Resilience Service as they relate to statutory occupational health.

## **4. Consideration of alternative approaches**

4.1 Due to the nature of this report, alternative approaches are not considered. However,

as discussed above, the current challenges faced by the Council may lead to further reports to Cabinet on this matter in due course.

**5. Proposal and justification**

- 5.1 Accept the annual Health and Safety Report 2017/2018 as a summary of current health and safety performance within the Authority. This supports the Corporate Health and Safety Policy, the statutory requirement for the management of health and safety and internal governance arrangements.

**6. Delivering Sustainable Community Strategy Ambitions and Local Area Agreement Outcomes**

- 6.1 There are no foreseen implications of this report.

**7. Long term sustainability of the proposal**

- 7.1 The Report emphasises the need for maintained focus on the overall health and safety function in order to uphold standards.

**8. Impacts on local people**

- 8.1 There are no foreseen implications of this report.

**9. Compatibility with European Convention on Human Rights**

- 9.1 There are no foreseen implications of this report.

**10. Promoting equality and diversity and social inclusion**

- 10.1 There are no foreseen implications of this report.

**11. Reduction of crime and disorder**

- 11.1 There are no foreseen implications of this report.

**12. Conservation of bio-diversity**

- 12.1 There are no foreseen implications of this report.

**13. Risk management issues including health and safety**

- 13.1 The report contributes to the Council's strive to maintain high standards of health and safety. The report identifies risks and proposes appropriate control measures.

**14. Financial implications**

- 14.1 Whilst there are no financial implications stemming directly from the report, unless health and safety matters are continually addressed, the costs detailed in the Report may escalate.
- 14.2 The Health, Safety and Emergency Resilience Service, by development and implementation of the Occupational Health and Safety Management Strategy, can

develop policies and procedures on health and safety, but without the day to day commitment of senior managers, managers, and those in supervisory roles, to ensure that these policies and procedures are effected, these measures are impotent

- 14.3 To appreciate the financial implications of health and safety, the report gives a detailed breakdown of the total number of accidents reported in 2017/2018 for the Authority, and the number of these that resulted in the injured person being absent from work.

**15. Employee implications**

- 15.1 Improvements in health and safety across the Council enrich the quality of employees' working life.
- 15.2 It is pleasing to note that in the 2017 Employee Survey over 92% of staff responded positively to the statement "I know what I need to do in my role to minimise health and safety risks". A further 5% did not disagree with the statement (albeit that they additionally did not agree but this does imply that they at least in part know what to do to minimise risks and have sufficient competence to recognise the opportunity for improvement) with only 1.5% of the workforce disagreeing (but again this is recognised by staff who can then raise their concern with their managers and/or Safety Representative).

**16. Glossary**

- 16.1 Not applicable

**17. List of appendices**

Appendix A – Health and Safety Report 2017/2018.

**18. Background Papers**

- 18.1 See Appendix A

## **19. Annex – consultations**

### **19.1 Financial implications**

Whilst there are no financial implications stemming directly from the report, unless health and safety matters are continually addressed, the costs detailed in the report may escalate.

### **19.2 Employee implications**

Improvements in health and safety across the Council enrich the quality of employees' working life.

It is pleasing to note that in the 2017 Employee Survey over 92% of staff responded positively to the statement "I know what I need to do in my role to minimise health and safety risks". A further 5% did not disagree with the statement (albeit that they additionally did not agree but this does imply that they at least in part know what to do to minimise risks and have sufficient competence to recognise the opportunity for improvement) with only 1.5% of the workforce disagreeing (but again this is recognised by staff who can then raise their concern with their managers and/or Safety Representative).

### **19.3 Legal implications**

The report assists the Council to fulfil its statutory duties under the Health and Safety at Work etc. Act 1974, the Civil Contingencies Act 2004 and the Fire Safety (Regulatory Reform) Order 2005 and associated legislation

### **19.4 Policy implications**

The report supports the Council's Corporate Health and Safety Policy. There are no foreseen implications of this report.

### **19.5 ICT implications**

There are no foreseen implications of this report.

### **19.6 Local Members**

There are no foreseen implications of this report.

### **19.7 Health and safety considerations**

The report assists the Council to fulfil its statutory duties under the Health and Safety at Work etc. Act 1974 and associated legislation. The report supports the Council's Corporate Health and Safety Policy.

### **19.8 Property implications**

The report supports the Council's Corporate Health and Safety Policy as it applies to the safety of premises. There are no foreseen implications of this report.

### **19.9 Implications for other services**

Measures outlined in the report impact upon all departments within the Council.

### **19.10 Implications for service users**

The report assists the Council to fulfil its statutory duties under the Health and Safety at Work etc. Act 1974 and associated legislation.

### **19.11 Communications implications**

There are no foreseen implications of these proposals.

**Simon Dobby, Head of Corporate Health, Safety and Emergency Resilience;**

**10<sup>th</sup> July 2018;**

**Telephone extension 2289**





OUR VISION

WORKING TOGETHER FOR

A BRIGHTER FUTURE

A BETTER BARNSELY

## Health and Safety Report 2017/2018



CLEAR VISION AND VALUES • CUSTOMER FOCUS • COMMERCIAL AND BUSINESS ACUMEN • EFFECTIVE DELIVERY OF PROJECTS AND PROGRAMMES • INNOVATIVE AND MANAGED RISK TAKING • LEARNING ORGANISATION • LEADERS AT EVERY LEVEL • FLEXIBLE WORKFORCE • WORKING TOGETHER • ENABLING OTHERS

## Executive Summary

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However, some negative indicators are also seen:

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Overall a number of opportunities for improvements exist with these outlined below along with proposals to address them:

Priority in 2018/2019	Action required in 2018/2019
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7. To develop and implement an action plan to address the opportunities for improvement in the Employee Survey 2017	There is a need to both ensure the competence of employees (see 3 above) and also ensure that all employees at all levels contribute to making health and safety a core priority. An action plan and campaign will be developed and implemented in 2018/2019 to challenge all staff to think about how they contribute raising health and safety standards.

Despite these negatives, reflecting the Council's overall performance in this area, the Council has not experienced any formal enforcement action by the Health and Safety Executive or South Yorkshire Fire and Rescue and achieved the Royal Society for the Prevention of Accidents (RoSPA) Order of Distinction for Occupational Safety and Health and the British Safety Council International Safety Award.



This year reiterates the need for a greater reliance on Business Units to fulfil aspects of the overall health and safety function and ensure that good health and safety practice is embedded within services.

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Performance management is integral to good business practice. The aim of this annual Health and Safety Report is to assist in the continuous improvement of health and safety within the Council. The Health, Safety and Emergency Resilience Service extends its thanks to the Financial Services for their assistance and contribution to the compilation of this Report. In addition, the Health, Safety and Emergency Resilience Service extends its gratitude to all Directorates, Business Units, Services and employees at all levels for their continued efforts, assistance and contribution to the Council's health and safety record.

There are legal, moral and business reasons for managing health and safety in a suitable and sufficient manner. The overall health and safety function within the Council involves all employees at all levels. United Kingdom health and safety legislation requires organisations to ensure the health, safety and welfare of their employees and others who may be affected by their work activities. The general duties are contained within the Health and Safety at Work etc Act 1974. The Management of Health and Safety at Work Regulations 1999 reinforce the general duties contained within the 1974 Act. As their name suggests these Regulations relate directly to the management of health and safety and require that various measures be taken. The Regulations detail requirements for arrangements to be in place to manage operations with regard to health and safety. The Health and Safety Executive develop and issue 'Approved Codes of Practice' that detail how organisations can comply with their corresponding Regulations.

By its nature work cannot be entirely hazard free. However, it can be managed to minimise risks and the effects on employees and the Council. Therefore the Council needs robust management systems to ensure that it manages health and safety in an appropriate and proportionate manner.

The Council has a fully documented health and safety management system that also encompasses emergency resilience, which is based on the nationally accepted standards produced by the Health and Safety Executive (HSE) (HSG65 '*Managing for health and safety*') and the British Standards Institution (BS 18001:2007 '*Occupational health and safety management systems - specification*'). In November 2016 the Health, Safety and Emergency Resilience Service's accreditation to the British Standard for occupational health and safety management BS OHSAS 18001:2007 – Occupational Health and Safety Management Systems – Specification was once again confirmed for application of the Council's occupational health and safety management system.

## 2 Health and safety priorities 2017/2018

To focus health, safety and emergency resilience efforts, performance targets were set for 2017/2018 based on the Council's performance in 2016/2017. The Corporate Health and Safety Policy includes the targets that:

1. All Business Units and/or Services will implement the Council's Occupational Health and Safety Management System to a standard that would meet the Health, Safety and Emergency Resilience Service's "Good" rating upon audit, with an increased good rating of 90%.
2. Each Business Unit and/or Service (as appropriate) will produce all required risk assessments.
3. Each Business Unit and/or Service (as appropriate) will have an action plan to implement the health and safety competencies detailed in Section 8 of the Corporate Health and Safety Policy.

In addition a number of opportunities for improvement were identified in the 2016/2017 Health, Safety and Emergency Resilience Report:

1. Reporting of near misses is far lower than reasonably expected
2. The majority of reported accidents have basic causes indicating the need to focus on basic health and safety management
3. Reports of violence and aggression account for the majority of incidents reported

### 3 Health and safety performance<sup>1</sup>

#### 3.1 Accidents and incidents

Accident and incident data provides 'reactive' information on the health and safety performance of the Council. In addition, the collation, and as necessary subsequent reporting, of accident data is a requirement of the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (in addition to the general requirements of the Social Security (Claims and Payments) Regulations 1979. In this report accidents are defined as 'separate, identifiable, unintended incidents, which cause physical injury (accident) or could have caused injury (near miss)'.

##### 3.1.1 Accidents to employees

Figure 1 below details the number of accidents by Directorate, indicates the reporting rate of accidents and compares the Council incident rate to national data published by the Health and Safety Executive (HSE). Figure 2 then categorises the accidents by cause, injury and part of body injured.

Several key points arise from the information in Figure 1 (see data with superscript references):

- (1) Days lost in 2017/2018 show a 74% increase on 2016/2017. One school based incident resulted in 142 days lost and three further incidents together accounted for 188 days of absence – these four absences together accounting for 330 days lost (58.5%) were all as a result of slips, trips and falls. The RIDDOR reportable accidents accounted for 544 days lost with RIDDOR recordable accidents accounting for a further 6 days (giving an overall RIDDOR recordable/reportable loss of 550 days). The remaining lost time incidents account for the balance of 14 days.
- (2) National incident rate figures for the total number of accidents are unavailable due to the HSE only compiling figures for accidents reportable to the enforcing authority under the RIDDOR legislation. The HSE's extrapolated incident rate is calculated by "scaling up" the HSE's annually published estimated figure for the reporting of accidents. The latest available national data is for 2017 and the HSE acknowledge that "it is known that non-fatal injuries to employees are substantially under-reported by employers, with current levels of reporting estimated at around a half" (<http://www.hse.gov.uk/statistics/causinj/index.htm> and <http://www.hse.gov.uk/statistics/tables/index.htm#riddor> (RIDHIST table) both accessed 12th June 2018). To allow comparison with the Council's data in which due to robust absence management policies the assumed level of over 7-day accident reporting is 100%, the HSE figure is doubled.
- (3) Whilst the Council's over 7 day incident rate is below the HSE national figure and this would be expected to continue in future years, some fluctuation in accident numbers and rates should be expected. Whilst the Council employs people and continues to directly provide a full range of services, there will be accidents and ill health and therefore a natural plateauing of performance should be expected.
- (4) In addition, for every 1 RIDDOR accident a further 189 near miss accidents would be expected. Application of this indicates that for the 17 RIDDOR reportable/recordable accidents reported in 2017/2018, 3,213 no injury 'near misses' accidents would *statistically* be expected (which although a high number equates to around 1 for each employee per year). However, only 9 such accidents were reported in 2017/2018 indicating a continued significant under-reporting of such incidents in the Council (and only a slight increase on the 6 reported in 2016/2017 despite services actively being encouraged to report these incidents and the need for this continuing to

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<sup>1</sup> Performance data excludes other Council associated organisations (Berneslai Homes, NPS(Barnsley)) and academy/trust schools.

be included in the health and safety training provided by the Health, Safety and Emergency Resilience Service). Therefore, an extremely valuable source of intelligence is being lost as analysis of the causes of near miss accidents would better inform risk control measures that would in turn lead to accident prevention. This highlights the need for reiteration of the need to report accidents/incidents rather than injuries – i.e. report any and all incidents which occur rather than solely those where an injury occurred. The processes are in place within the Council to report such incidents and the need for their reporting is included in the baseline health and safety training provided by the Health, Safety and Emergency Resilience Service. Therefore all departments are again actively requested at every opportunity to restate the need to report near miss accidents.

- (5) Whilst statistically in excess of 100% and although giving a degree of confidence in the level of accident reporting within the Council it would be unreliable to assume that all accidents are reported.

The causes of accidents and the injuries sustained detailed in Figure 2 stress the need for a “*back to basics*” approach to accident and incident prevention by the regular inspection of workplaces for hazards and risks and application of the risk control hierarchy – basic risk assessment and control. When considering the control measures required the ERCSP hierarchy must be considered by asking:

1. Can the work activity realising the hazards and risks be **eliminated**? If not,
2. Have the hazards and risks been **reduced**? If not,
3. Has exposure to the hazards and risks been **controlled**? If not,
4. Have appropriate **safe systems of work** been implemented, including safe working procedures and appropriate information, instruction and training? If not, and as a last resort,
5. Has appropriate **personal protective equipment** been issued?

However, albeit that the above control measures must be viewed as a hierarchy suitable and sufficient risk control measures are likely to be a combination of control measures.



Directorate	Reported accidents (received by the Health, Safety and Emergency Resilience Service)	Lost time accidents (i.e. those which resulted in an employee recording absence from work)	RIDDOR 'recordable' over 3 day accidents	RIDDOR 'reportable' over 7 day accidents	RIDDOR 'reportable' specified injury accidents	First aid accidents (i.e. those which resulted in an employee seeking first aid)	Medical treatment accidents (i.e. those which resulted in an employee attending hospital or their GP)	Days lost due to accidents
<b>Communities</b>	42 (54.2)	7	6	6 (7.7)	1	13	6	151
<b>People</b>	27 (51.3)	2	1	1 (1.9)	0	9	3	23
<b>Place</b>	32 (35.6)	6	5	5 (5.6)	0	5	9	175
<b>Core</b>	3 (5.2)	1	1	0 (0)	0	2	1	6
<b>Public Health</b>	1 (6.8)	0	0	0 (0)	0	0	0	0
<b>Primary Schools</b>	26 (14.7)	6	3	3 (1.7)	0	3	7	207
<b>Secondary/ Through Schools</b>	17 (18.7)	2	0	0 (0)	0	4	5	2
<b>Total</b>	<b>148</b>	<b>24</b>	<b>16</b>	<b>15</b>	<b>1</b>	<b>36</b>	<b>31</b>	<b>564<sup>(1)</sup></b>
<b>Incident rate per 1,000 employees*</b>	26.1	4.2	2.8	2.6	0.17	6.4	5.5	
			<b>HSE published RIDDOR reportable over 7 day incident rate<sup>(2)(3)</sup></b>	3.96				
<b>Accident reporting rate</b>	131		17			119		110%
	Minor accidents (total – RIDDOR)		Number of individual accidents which were RIDDOR recordable and/or reportable (i.e. excluding the duplications where a recordable accident was in addition reportable)			Expected number of minor accidents (where for every 1 RIDDOR recordable/reportable accident, 7 minor injury accidents would be expected) <sup>(4)</sup>		Accident reporting rate <sup>(5)</sup> (reported minor accidents v. expected minor accidents)
<i>2016/2017</i>	<i>151 (23.4)</i>	<i>23</i>	<i>14 (2.2)</i>	<i>7 (1.1)</i>	<i>0 (0)</i>	<i>59</i>	<i>23</i>	<i>323</i>
<i>2015/2016</i>	<i>159 (25.8)</i>	<i>37</i>	<i>25 (3.9)</i>	<i>20 (3.2)</i>	<i>2 (0.3)</i>	<i>39</i>	<i>34</i>	<i>721</i>

Figure 1: reported accidents by Directorate (with where applicable incident rates per 1,000 employees in parentheses)

$$* \text{ Incident Rate} = \frac{\text{Total Number of Accidents}}{\text{Number of Persons Employed}} \times \text{Unit Number of Employees (1,000)}$$

Main cause of accident	Number of accidents	Part of body	Number of accidents	Type of injury	Number of accidents
Slipped, tripped or fell on the same level	59	Lower Limb	42	Sprain/ Strain	50
Hit by a moving, flying or falling object	31	Upper Limb	41	Bump/ Bruising	44
Hit by something fixed/stationary	23	Back/Trunk	24	Cut/ Laceration	19
Injured while handling, lifting or carrying	16	Head	11	Burn	10
Road Traffic Collision	7	No Injury/near miss	9	No injury/near miss	9
Use of equipment/machinery	4	Abdomen	7	Break/fracture	5
Hazardous Substance	2	Face	6	Other	5
Contact with electricity	2	Eyes	6	Distress	3
Injured by an animal	2	Neck	2	Dislocation	1
Hit by moving vehicle	1			Needlestick/sharps injury	1
Needlestick/sharps injury	1			Bite	1
				Foreign body	1
<b>Total</b>	<b>148</b>	<b>Total</b>	<b>148</b>	<b>Total</b>	<b>148</b>

Figure 2: causes of accidents, part of body injured and type of injury

### 3.1.2 Accidents to non-employees

The Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 additionally require reports to be made in relation to 'persons not at work': accidents to members of the public or others who are not at work must be reported if they result in an injury and the person is taken directly from the scene of the accident to hospital for treatment to that injury. Accidents are only reportable if they happen 'out of or in connection with work'. The fact that there is an accident at work premises does not, in itself, mean that the accident is work-related – the work activity itself must contribute to the accident. In 2017/2018 6 such accidents were recorded:

- 3 in primary schools
- 2 in secondary schools
- 1 Economic Regeneration (town centre incident)

### 3.1.3 Aggression and violence to employees

Violent incidents are defined as:

- Any intentional acts that cause apprehension, fear, psychological or physical injury to an employee arising out of or in connection with their authorised duties
- The deliberate damage to the property or belongings of an employee that is attributable to the carrying out of duties on behalf of the Council.

The Council's violent incident categories are: physical violence, aggression, verbal, sexual or racial abuse, and intentional damage to property.

Figure 3 below details the number of incidents of violence and aggression by Directorate. Figures 4, 5 and 6 then categorises the accidents by type of incident, part of body injured and injury.

Directorate	Reported incidents of violence and aggression	Days lost due to incidents of violence and aggression
<b>Core</b>	2 (3.5)	0
<b>Communities</b>	33 (42.6)	0
<b>People</b>	35 (66.5)	53
<b>Place</b>	7 (7.8)	0
<b>Primary Schools</b>	74 (41.8)	3
<b>Secondary/Through Schools</b>	7 (7.7)	1
<b>Total</b>	<b>158 (27.9)</b>	<b>57</b>
2016/2017	205 (31.8)	69
2015/2016	200 (32.4)	197

Figure 3: incidents of violence and aggression by Directorate (with where applicable incident rates per 1,000 employees in parentheses)

Several key points arise from the information in Figure 3:

- (1) In People 53 days were lost due to one particular incident where a social worker was kicked by a client (this incident was RIDDOR reportable).
- (2) A decrease in the reported number of violent incidents in 2017/2018, with reported violent incidents decreasing by a total of 42 from 2016/2017.

- (3) A decrease in days lost due to incidents of violence and aggression decreasing from 69 from to 57 (with a single incident accounting for 93% of absence).
- (4) There is a higher incidence of 'violent' incidents within Communities, People and schools. This disparity reflects the nature of the work carried out and encountering some of the Council's most challenging clients. This reiterates the need for an assessment to be carried out on clients of the Council when receiving any service ranging from social care to compulsory education to ascertain their requirements from *both* the client's and employee's perspective. There is a need for ensuring that the resources available for clients are appropriate to their needs, whilst also ensuring that the safety of employees, who are entrusted with the provision of services for these clients, is not compromised.

Again key points arise from the information in Figures 4, 5 and 6:

- (1) Over a quarter of incidents (26.6%) involved a degree of physical violence with over two-thirds involving aggression (69.0%). Cumulatively aggression and physical violence account for 95.6% of reported incidents. On the assumption (that cannot other than anecdotally be demonstrated) that verbal abuse is more prevalent than aggression and physical violence this does suggest an under-reporting of incidents and indicates that reports are only made when more serious. The Council has a firm 'zero tolerance' policy towards violence and aggression to staff that has been used effectively in 2017/2018 in holding perpetrators to account. However, this policy needs to be reiterated to clients, customers, service users etc. by front-line services and incidents reported so that valuable information can be utilised in the risk assessment process.
- (2) Less than one-third (32.2%) of incidents resulted in no injury/impact on the employee.
- (3) A decrease in days lost due to incidents of violence and aggression decreasing from 69 from to 57 (with a single incident accounting for 93% of absence).

Directorate	Aggression	Harassment	Physical violence	Sexual harassment	Verbal Abuse	Intentional Damage to Property	Racial harassment	Total
Core	1	1	0	0	0	0	1	3
Communities	28	0	1	1	2	0	1	33
People	20	0	15	0	0	0	0	35
Place	4	0	1	1	0	0	0	6
Primary Schools	54	0	20	0	0	0	0	74
Secondary/Through Schools	2	0	5	0	0	0	0	7
<b>Total/Overall</b>	<b>109</b>	<b>1</b>	<b>42</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>158</b>

Figure 4: types of incidents of violence and aggression

Part of body	Number of incidents
No Injury	51
Upper Limb	42
Head/Face	29
Multiple Injuries	15
Back/Trunk	11
Lower Limb	10
<b>Total</b>	<b>158</b>

Figure 5: part of body injured in incidents of violence and aggression

Type of injury	Number of incidents
No physical injury	62
Bruise	33
Bite	22
Distress	18
Cut/Graze	15
Sprain / Strain	8
<b>Total</b>	<b>158</b>

Figure 6: type of injury in incidents of violence and aggression

### 3.1.4 Specified injury analysis

In 2017/2018 one specified injury to a Council employee was recorded. In this instance a member of school staff slipped in the school hall resulting in an upper limb fracture (and 67 days of absence). The recording of specified injuries is based upon the outcome of an accident rather than the route cause. Therefore an element of providence is involved in the occurrence of a specified injury. For example, the same simple slip or trip may result in a range of outcomes and therefore focussing on the outcome rather than the cause of the accident misses what should be the crux of the matter.

### 3.2 Work related ill-health

For several years data relating to work-related ill-health have been included in Health, Safety and Emergency Resilience Reports. However, sickness absence data is comprehensively reported via the Council's Performance Management Framework. As data may vary depending on the date it was extracted from databases, where data is shown in different reports there may therefore be inconsistencies between published data. Therefore detailed information relating to sickness absence will now only be included in Performance Management reports. However, for comparative purposes broad-brush data is shown below in Figure 7.

As with accidents and incidents it is accepted that the collation of work related ill health statistics can assist in improving health and safety within an organisation. The Council records the reported reasons for employee absences. Of the categories of absence reported it is considered that those concerning musculoskeletal illness and mental/emotional wellbeing issues are most likely to be associated with some aspect of work – that is not to state that these illnesses are caused by work but acknowledging that work may either directly or indirectly be associated with the illnesses, which indeed may be wholly attributable to factors outside work. However, regardless of the root cause the issue manifests itself at work and still leads to absence.

Year	Total absence days attributed to mental/emotional wellbeing related ill health	Number of absences attributed to mental/emotional wellbeing related ill health	Total absence days attributed to musculoskeletal related ill health	Number of absences attributed to musculoskeletal related ill health	Total absence days	Total number of absences
<b>2013/2014</b>	23,490	909	10,690	937	34,180	1,746
<b>2014/2015</b>	24,022	1,122	10,212	882	34,234	2,004
<b>2015/2016</b>	11,745	250	8,796	317	20,541	567
<b>2016/2017</b>	12,529	637	6,936	671	19,465	1,308
<b>2017/2018</b>	12,404	404	8,367	406	20,771	810

Figure 7: comparison of absences attributed to mental/emotional wellbeing and musculoskeletal related ill health from 2013/2014 to 2017/2018

### 3.3 Cost of accidents and incidents to and ill health associated with work in employees

It is possible to work out the approximate total cost to the Council of days off due to accidents at work in any given period. For 2017/2018 the direct salary cost due to employee absence following accidents and incidents of violence and aggression at work is:

Median <sup>2</sup> salary scale point		'Add on' costs		Total Cost to Authority
SCP 25 – Grade 5		Superannuation and National Insurance		Salary, superannuation and National Insurance
£22,658	+	£5,331	=	£27,989 per year

Therefore:

£27,989	/	365 days	=	£76.68 average cost per day
£76.68	x	621 lost days	=	£47,618

In considering this figure it should be noted that the unmeasurable costs of accidents are estimated by the Health and Safety Executive to be an average of 10 times the measurable costs. However, it is important not to overlook the cost avoidance of reductions in accidents. In 1999 the number of days lost within the Council due to accidents was 4052 days. Based on the reductions in days lost in comparison with 2017/2018 and the average cost per day lost, this now represents an avoidance of 3,431 days per year and an associated direct cost avoidance of £263,089 in the year 2017/2018 alone.

With data regarding days lost due to ill health available it is possible to calculate the cost of ill health and hence an overall cost of accidents and occupationally related ill health within the Council. Albeit that this is not an additional cost to the Council, this may be viewed as a production loss with staff unavailable to undertake their duties. Based on the number of days lost due to *potentially* occupational ill health (20,771) the cost of the absence may be estimated at: £1,592,720.

### 3.4 Risk assessment

Risk assessment is a specific legal requirement of health and safety legislation and the basic building-block of the fundamental health and safety principle of the implementation of a safe system of work. The purpose of the risk assessment is to identify reasonable control measures to mitigate reasonably foreseeable risks. The Council's internal accident recording form (HS2(E)) Report of an accident to an employee) includes details of the risk assessments that relate to the work activities being undertaken at the time of the accident. The form asks managers and supervisors "had a risk assessment been carried out for the activity undertaken prior to the accident?" with a simple 'yes/no' response being given. Subsequently the form asks "has a risk assessment been reviewed/developed for the activity undertaken after the accident?" The response to these questions is logged by the Health, Safety and Emergency Resilience Service and is integral to its accident/incident recording and monitoring function, i.e. was there a risk assessment before the accident and after the accident was this reviewed or as necessary developed?

The information provided by managers and supervisors on the HS2(E) form has been collated below in Figure 8 which highlights:

- (1) A risk assessment had been undertaken for the work activity being carried out prior to the accident in 76% of incidents reported (83% corporately (increased from 77%) and 60% in schools (decreased from 69%)), an increase on the 74% reported in 2016/2017.
- (2) In 54% of accidents the risk assessments was not initially reviewed thus indicating a lack of

<sup>2</sup> The median salary used for this purpose relates to the Council's former 11 grade salary structure to allow direct comparison with information relating to prior to April 2014 (when the Council's current 17 grade salary structure was introduced).

‘learning from the experience’. It is only by the review and as necessary revision of the risk assessment that action can be taken to prevent recurrence of the incident.

Whilst an improvement on 2016/2017 is recorded, the reasons for managers/supervisors providing a negative response to questioning regarding the existence of risk assessments remain the same as those reported in past reports:

1. Managers/supervisors do not understand the importance of full and accurate completion of the accident form (the form becomes a disclosable document in the event of enforcement action or civil proceedings)
2. Time pressures mean that managers/supervisors do not check the existence of the risk assessments or know they exist
3. The documents do not exist (some evidence identified as part of audit would support this, see section 3.7)

The consequences of not carrying out risk assessments may include:

- Prosecution/enforcement action due to breach of statutory duty
- An increased risk of injury/ill health to employees and others who may be affected by the Council’s activities
- Increased losses to the Council
- Decreased ability to defend any civil actions brought against the Council

In view of this Business Units are requested to review their need for and application of risk assessment to ensure that the risks of all tasks undertaken by employees have been considered and reasonable precautions taken.

Directorate	Pre-accident Risk Assessment				Post-accident Risk Assessment			
	Number of accidents where a risk assessment was indicated as being completed for the activity prior to the accident	Percentage of accidents where a risk assessment was indicated as being completed for the activity prior to the accident	Number of accidents where a risk assessment was not indicated as being completed for the activity prior to the accident	Percentage of accidents where a risk assessment was not indicated as being completed for the activity prior to the accident	Number of accidents where, following the accident, a risk assessment was completed/ reviewed for the activity being undertaken prior to the accident	Percentage of accidents where, following the accident, a risk assessment was completed/ reviewed for the activity being undertaken prior to the accident	Number of accidents where, following the accident, a risk assessment was not completed/ reviewed for the activity being undertaken prior to the accident	Percentage of accidents where, following the accident, a risk assessment was not completed/ reviewed for the activity being undertaken prior to the accident
<b>Communities</b>	36	86%	6	14%	15	36%	27	64%
<b>People</b>	23	85%	4	15%	20	74%	7	26%
<b>Place</b>	27	84%	5	16%	18	56%	14	44%
<b>Core</b>	1	33%	2	67%	0	0%	3	100%
<b>Public Health</b>	0	0%	1	100%	0	0%	1	100%
<b>Corporate subtotal</b>	<b>87</b>	<b>83%</b>	<b>18</b>	<b>17%</b>	<b>53</b>	<b>51%</b>	<b>52</b>	<b>49%</b>
<b>Primary Schools</b>	15	58%	11	42%	7	27%	19	73%
<b>Secondary Schools</b>	4	44%	5	56%	3	33%	6	67%
<b>Through School</b>	7	88%	1	12%	5	63%	3	37%
<b>Schools subtotal</b>	<b>26</b>	<b>60%</b>	<b>17</b>	<b>40%</b>	<b>15</b>	<b>35%</b>	<b>28</b>	<b>65%</b>
<b>Total/Overall</b>	<b>113</b>	<b>76%</b>	<b>35</b>	<b>24%</b>	<b>68</b>	<b>46%</b>	<b>80</b>	<b>54%</b>
<b>2015/2016</b>	112	74%	39	26%	67	44%	84	56%

Figure 8: risk assessment analysis - responses provided to the question "had a risk assessment been carried out for the activity undertaken prior to the accident?" and the question "has a risk assessment been reviewed/developed for the activity undertaken after the accident?"



### 3.5 Enforcement action against the Council

During 2017/2018 the Council has not been issued with any formal notices or been the subject of any prosecutions from any of the enforcing authorities, namely the Health and Safety Executive (HSE, including notice of contravention), the Environment Agency or South Yorkshire Fire and Rescue Service. However, any and all incidents could potentially result in some form of investigation and Business Units should always remain prepared to support any investigation as necessary.

### 3.6 Health and safety audits

Audit data provides 'active' information on the health and safety performance of the Council. During 2017/2018 the Health, Safety and Emergency Resilience Service has continued to undertake a programme of health and safety audits. All audits carried out by the Service produced a score judged against pre-determined criteria. The scores achieving each category are:

- Grade A – good – 90% or above: the Business Unit and/or Service or school have/has achieved a satisfactory standard in managing health and safety with only a few improvements required (i.e. very few or no gaps/weaknesses exist and controls are effective).
- Grade B – improving – 70 – 89%: the Business Unit and/or Service or school is not achieving an acceptable level of managing health and safety with many improvements required (i.e. some minor gaps/weaknesses exist but generally strengths outweigh weaknesses and controls are generally effective).
- Grade C – less than satisfactory – below 70%: the Business Unit and/or Service or school have/has very serious weaknesses in the management of health and safety with significant improvements to be made within six months.

When viewing the standards achieved it must be borne in mind that the ultimately acceptable standard of health and safety management must be compliance with the Council's standards for the management of health and safety and hence close to 100%. Figure 9 below shows the results of audits undertaken in 2017/2018 and the commonly recurring opportunities for improvement identified.

Standard achieved	Corporate		Schools		Overall	
	Number of audits achieving the standard	Percentage of audits achieving the standard	Number of audits achieving the standard	Percentage of audits achieving the standard	Number of audits achieving the standard	Percentage of audits achieving the standard
Good	10	67%	16	100%	26	83.9%
Improving	3	20%	0	0%	3	9.7%
Less than satisfactory	2	13%	0	0%	2	6.4%
Total	15	100%	16	100%	31	100%
Common opportunities for improvement	1. The service to have action plan(s) to implement the targets in the health and safety policy.		1. All appropriate COSHH assessments need to be obtained and kept up-to-date.			
	2. Systems to ensure that a review is undertaken of the applicable health and safety standards and their associated management procedures.		2. All employees who may be required to undertake work that may involve lone working need to be provided with suitable information, instruction and training on the hazards and risks involved and the appropriate control measures.			
	3. Set general performance targets for health and safety.		3. All risk assessments need to be signed/dated by the 'responsible person'.			
	4. Compliance monitoring programme to be developed and implemented for the service to reflect applicable health and safety standards.		4. Relevant employees (e.g. Premises Managers) need to attend the appropriate health and safety training course (e.g. IOSH Working Safely) equivalent.			
	5. Risk Assessments to be developed, implemented, signed and dated.		5. A building security policy needs to be developed for the premises. It should be signed, dated and an associated risk assessment produced with an action plan of required control measures.			

Figure 9: results of health and safety audits and commonly recurring opportunities for improvement

### 3.7 Employers' liability claims (information provided by Finance)

Whilst not necessarily directly a reflection of health and safety performance claims by current/former employees against the Council for injury/ill health allegedly caused/contributed to by the Council are a useful measure. During 2017/2018 the Council received a total of 21 employers' liability claims, which represents a decrease of 2 claims from the 23 received in 2016/2017. Figure 10 shows the annual number of claims received over the last 5 years.

Year	Number of accident claims	Number of disease claims	Total claims
2013/2014	21	40	61
2014/2015	20	14	34
2015/2016	14	19	33
2016/2017	11	12	23
2017/2018	15	6	21

Figure 10: Employers' Liability Claims 2012/2013 to 2017/2018

Of the 23 claims reported during 2017/2018, 15 have resulted from accidents in the workplace with the remaining 6 being industrial disease claims. The total estimated cost of the reported in year claims was £524,835. This represents an overall increase of £66,740 over costs established in 2016/2017. Inclusive of the 2017/2018 movements, the Council currently have 83 ongoing employers' liability claims with total estimated reserves of £1,363,809. Of these claims 32 have resulted from accidents, 51 from industrial diseases. Figure 11 shows a breakdown of these claims by alleged cause/type.

Alleged cause of claim	Number of claims
Noise induced hearing loss	42
Accident	32
Mesothelioma/asbestosis	5
Hand/arm vibration syndrome and/or vibration white finger	4

Figure 11: Analysis of ongoing employers' liability claims by alleged cause.

### 3.8 Employee survey 2017

The Council's biennial employee survey was undertaken in late 2017 and included two health and safety specific questions:

1. The health and safety of employees is given a high priority? This produced an overall positive response in 67.4% of responders.
2. I know what I need to do in my role to minimise health and safety risks? This produced an overall positive response in 92.4% of responders.

Whilst the majority of responses were positive there are opportunities for improvement. The second question relates directly to the comments in this report relating to employee competence and ensuring that employees are competent to undertake their role and minimise health and safety risks. In relation to the first question it would be simple to conclude that this is solely attributable to managers. However, all employees at all levels are inherent to making health and safety a high priority.

## 4 Health and safety performance assessment

### 4.1 Review of health and safety performance

Based on the information outlined above in section 3, Figure 12 below considers the Council's health and safety performance in 2017/2018 in comparison to the targets set.

Priority in 2017/2018 [source]	Progress	Action required in 2018/2019
1. All Business Units and/or Services will implement the Council's Occupational Health and Safety Management System to a standard that would meet the Health, Safety and Emergency Resilience Service's "Good" rating upon audit, with an increased good rating of 90%. [Corporate Health and Safety Policy 2017/2018]	The audit scores highlight that this priority has not been met.	The audit programme will continue during 2018/2019 and each previous audit has produced a prioritised plan of action to allow this target to be met. This target requires Business Units and services to implement the Council's occupational health and safety management system in a proportionate manner to the risks they face.
2. Each Business Unit and/or Service (as appropriate) will produce all required risk assessments. [Corporate Health and Safety Policy 2017/2018]	The year has seen an increase in overall performance from 74% to 76%, with the corporate compliance at 83% (increased from 77%). Whilst an improvement has been this is short of the 85% target set.	This target requires Business Units and services to implement the Council's occupational health and safety management system in a proportionate manner to the risks they face.
3. Each Business Unit and/or Service (as appropriate) will have an action plan to implement the health and safety competencies detailed in Section 8 of the Corporate Health and Safety Policy. [Corporate Health and Safety Policy 2017/2018]	Based on the audit scores and the number of audits not achieving a satisfactory rating this has not initially been achieved. However, each audit produces a prioritised plan of action to allow, as necessary, this target to be met.	When implementing the Council's performance and development review process, services should include necessary competencies relating to health and safety. Training that supports achievement of this is provided by the Health, Safety and Emergency Resilience Service.
4. Reporting of near misses is far lower than reasonably expected. [Health, Safety and Emergency Resilience Report 2016/2017]	Near miss reporting remains below that which would be expected.	The need for near miss reporting is included in the training provided by the Health, Safety and Emergency Resilience Service and the Council's occupational health and safety management system. It is proposed to run a specific campaign relating to the reporting of both near misses and incidents of violence and aggression during 2018/2019.

5. The majority of reported accidents have basic causes indicating the need to focus on basic health and safety management. [Health, Safety and Emergency Resilience Report 2016/2017]	Based on the risk assessment compliance highlighted above there are opportunities for improvement in the elimination and mitigation of hazards and risks.	Risk management is the holistic aim of the Council's occupational health and safety management system and requires. Implementation of the system should support services to identify and control risks.
6. Reports of violence and aggression account for the majority of incidents reported. [Health, Safety and Emergency Resilience Report 2016/2017]	Whilst incidents of violence and aggression remain the largest source of incident reports the reports received are skewed towards more serious incidents and may be indicative of an under-reporting of less serious incidents including those of verbal abuse.	The need for violence and aggression reporting is included in the training provided by the Health, Safety and Emergency Resilience Service and the Council's occupational health and safety management system. It is proposed to run a specific campaign relating to the reporting of both near misses and incidents of violence and aggression during 2018/2019.

Figure 12: progress against priorities/targets/identified opportunities for improvement

Whilst the above is intentionally critical with a view to continuous improvement, the Council has progressively improved and/or maintained its health and safety performance over many years. In recognition of this the Council has for the third time been awarded the Royal Society for the Prevention of Accidents (RoSPA) [now second highest with the introduction of the Patron's Award] achievement award for occupational health and safety – the Order of Distinction 2018. In addition the Council has again been awarded an International Safety Award, by the British Safety Council for 2018. Whilst this report highlights a number of opportunities for improvement these peer reviewed awards reflect the commitment by the Council to good standards of health and safety management and the efforts made by Business Units and services in this area.



## 4.2 Health and safety priorities for 2018/2019

Based on the above the health and safety priorities/targets for 2018/2019 will be:

1. All Business Units and/or Services will implement the Council's Occupational Health and Safety Management System to a standard that would meet the Health, Safety and Emergency Resilience Service's "Good" rating upon audit, with an increased good rating of 90%.
2. Each Business Unit and/or Service (as appropriate) will produce all required risk assessments.
3. Each Business Unit and/or Service (as appropriate) will have an action plan to implement the health and safety competencies detailed in Section 8 of the Corporate Health and Safety Policy.
4. To increase the number of reported 'near misses'
5. To increase the number of lower level incidents of violence and aggression
6. To develop and implement an action plan to address the opportunities for improvement in the Employee Survey 2017

Health and safety priorities may also be reflective of legislative changes in 2018/2019. Health and safety legislation is issued in April and October of each year. In line with the Government's drive to reduce the 'burden' on organisations of legislation (including health and safety) minimal health and safety legislation has been issued in 2017/2018. However, events of national significance in 2017 do have bearing on health and safety standards both in terms of fire safety and the safety of public spaces, particularly 'crowded places'. During 2018 a revised programme of fire risk assessments will be implemented in the Council along with enhanced assurance with regard to the standard of life safety fire risk assessments undertaken. In addition, revised considerations for mitigating against possible attacks on public spaces both in general and specifically at events will continue to be implemented in 2018/2019.

## BARNSELY METROPOLITAN BOROUGH COUNCIL

### AUDIT COMMITTEE

19<sup>th</sup> September 2018

### REPORT OF THE SERVICE DIRECTOR CUSTOMER, INFORMATION AND DIGITAL SERVICE

#### INFORMATION COMMISSIONERS OFFICE AUDIT – FINAL ACTION PLAN AND OUTCOMES

##### 1. Purpose of the Report

The purpose of this report is to provide Audit Committee with the final data protection audit outcomes.

##### 2. Information and Analysis

Barnsley Metropolitan Borough Council agreed to a consensual audit by the ICO of its processing of personal data and information requests in respect of the Freedom of Information Act 2000 (FOIA) and Environmental Information Regulations 2004 (EIRs). The audit took place during October 2017.

The conclusion of the audit was that the Council has a 'reasonable<sup>1</sup>' level of assurance that processes and procedures are in place and delivering data protection compliance. The audit identified some scope for improvement in existing arrangements to reduce the risk of non-compliance with the Data Protection Act.

##### Scope of the audit

Following pre-audit discussions with the Council, it was agreed that the audit would focus on the following areas:

- a) **Training and awareness** – The provision and monitoring of staff data protection training and the awareness of data protection requirements relating to their roles and responsibilities;
- b) **Records management (manual and electronic)** – The processes in place for managing both manual and electronic records containing personal data. This includes that controls are in place to monitor the creation, maintenance, storage, movement, retention and destruction of personal data records; and
- c) **Freedom of Information** – The processes in place to respond to any requests for information and the extent to which FOIA/EIR responsibility, policies and procedures, training, performance controls, and compliance reporting mechanisms are in place and in operation throughout the organisation.

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<sup>1</sup> There is a reasonable level of assurance that processes and procedures are in place and are delivering data protection compliance. The audit has identified some scope for improvement in existing arrangements to reduce the risk of non-compliance with the DPA.

## Follow up

The ICO will be conducting a follow up review to establish the progress made against the agreed recommendations since the audit in October 2017. The review will be desk based. The current process where a 'Reasonable' assurance rating is achieved requires the Council to provide an update against all recommendations made.

As a result of the review a formal report will not be published, nor will the ICO reassess the original assurance rating. They will however, acknowledge progress has been made and, where necessary, comment on priority recommendations which they feel have not been adequately addressed within the update.

The Council's Internal Audit service agreed to undertake a pre-audit to ensure that the evidence submitted in support of the recommendations were suitable.

The follow up was planned for 24<sup>th</sup> September 2018; however the ICO have requested this is deferred until 22<sup>nd</sup> October 2018 due to resource constraints. Due to the excellent progress made, the Council have continued their commitment to having this process completed by the end of September as planned; therefore it will be submitted to the Information Commissioners Office on 21<sup>st</sup> September 2018.

The Council are required to submit the Action Plan, supporting evidence and signed statement.

## Summary of Recommendations

In total, the ICO made 108 recommendations as follows:

FOCUS	URGENT	HIGH	MEDIUM	LOW	TOTAL
Training and awareness	0	4	13	8	25
Records management	8	10	22	8	48
FOIA	0	7	20	8	35
<b>TOTAL</b>	<b>8</b>	<b>21</b>	<b>55</b>	<b>24</b>	<b>108</b>

## Progress

Significant progress has been made throughout the Council against the recommendations. Out of the 108 recommendations 92 have been completed. This includes completion of some actions which had not yet reached their due date.

Below is a summary of the progress made:

### a) Training and awareness

Of the 25 recommendations made; all 25 are complete.

### b) Records management (manual and electronic)

Of the 48 recommendations made; 40 are complete.



There are 8 recommendations with a status of 'ongoing'. The reason is due to the completion date being in the future due to the scale of work to be completed. For example, the migration of records into SharePoint – the deadline date for this work package is 2020.

Other reasons include the fact that all of the evidence has not yet been submitted, though this is in progress. For example, the ICT systems access policy has been drafted however the task to collate evidence of compliance with the policy is yet to be completed. The deadline date is 31<sup>st</sup> December 2018 due to its scale.

**c) Freedom of Information**

Of the 35 recommendations made; 27 are complete.

The Council rejected 5 of the ICO's recommendations for a number of reasons, as they are not reflective of the Council's processes and procedures. For example, charging for FOIA and EIR the ICO suggested linking to a charging schedule – yet the Council do not charge for such requests. However, the Council have revised their policies to state that they '*may*' charge. Therefore, if there is a change in the Council's approach then this is already incorporated in policy.

There are 3 recommendations with the status of 'ongoing'. The reason is due to the changing of processes and procedures across the Council for example reporting into a SMT performance review meeting, the new arrangements have not been in place long and therefore evidence needs to be collated. The date for completion of these recommendations is also in the future.

### Summary of Recommendations by Priority

PRIORITY	Training and awareness			Records management			FOIA			TOTAL
	Complete	Ongoing	Rejected	Complete	Ongoing	Rejected	Complete	Ongoing	Rejected	
URGENT	0	0	0	3	5	0	0	0	0	8
HIGH	4	0	0	10	0	0	7	0	0	21
MEDIUM	13	0	0	19	3	0	14	3	3	55
LOW	8	0	0	8	0	0	6	0	2	24
<b>TOTAL</b>	<b>25</b>	<b>0</b>	<b>0</b>	<b>40</b>	<b>8</b>	<b>0</b>	<b>27</b>	<b>3</b>	<b>5</b>	<b>108</b>

## **Conclusion**

The ICO identified a number of areas of good practice, which is really positive for the Council as the audit was extensive across a number of areas of compliance. The ICO made recommendations where processes and practice could be improved. As outlined above the Council have made fantastic progress to ensure that the ICO recommendations have been implemented and supporting evidence has been collated for verification.

It is a credit to the Directorates and Business Units of how much hard work and commitment has been put into ensuring compliance and confirming that the Council has effective controls in place, alongside fit for purpose policies and procedures to support the legislative obligations.

The Council will continue to work towards fulfilling all of the requirements and recommendations and will ensure that the programme of work is completed within the timescales detailed within the Action Plan.

**DAVE ROBINSON**

Service Director of Customer, Information and Digital Service

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# Item 9

## 4BARNLEY METROPOLITAN COUNCIL

### Report of the Service Director – Human Resources & Business Support

#### Sickness Absence – 2017/18

##### **1. Purpose of Report**

1.1. To advise of BMBC's position in relation to sickness absence for the financial year 2017/18. The report also provides a comparison and summary for the whole financial year 2017/18.

##### **2. Background**

2.1. The Council's performance target for sickness absence for 2017/18 was 6.00 days per employee per year.

##### **3. Overall Position for 2017/18**

3.1. The following tables provide data for the financial year 2016/17 and 2017/18.

###### **2016/17**

Directorate	TOTAL DAYS LOST Q1	TOTAL DAYS LOST Q2	TOTAL DAYS LOST Q3	TOTAL DAYS LOST Q4	TOTAL FOR 2016/17
Communities	1.98	2.06	2.81	2.58	9.43
People	2.06	2.16	2.20	2.11	8.53
Place	2.26	2.42	1.87	2.36	8.91
Public Health	5.72	4.19	4.56*	4.70*	19.17
HR, Performance & Coms	1.24	1.09	2.10	2.05	6.48
Finance, Assets & IS	1.18	0.80	1.15	1.5	4.63
Legal and Governance	0.10	1.13	2.07	1.47	4.77
Total per employee for:	Quarter 1 is <b>1.89 days</b>	Quarter 2 is <b>1.93 days</b>	Quarter 3 is <b>2.14 days</b>	Quarter 4 is <b>2.28 days</b>	<b>8.24 days</b>

###### **2017/18**

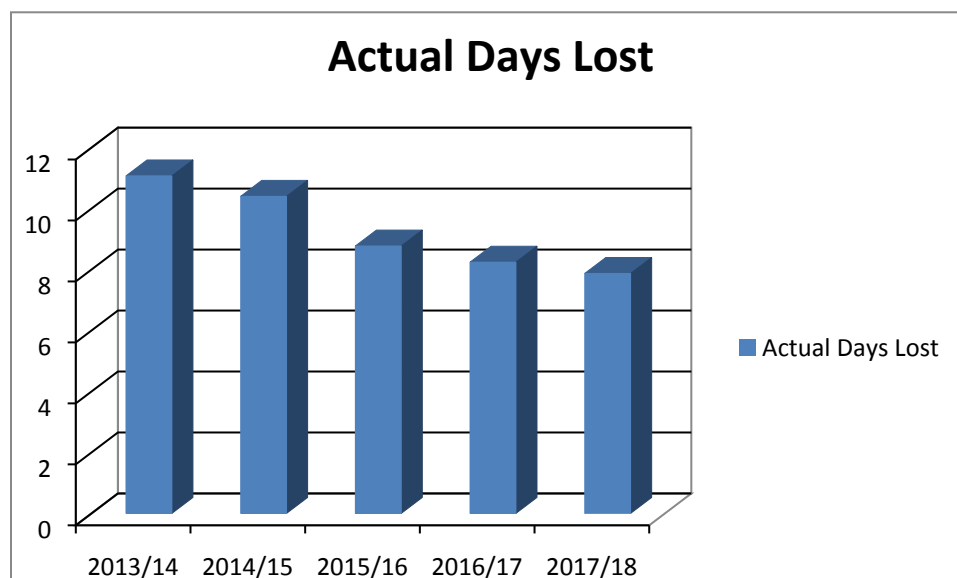
Directorate	DAYS LOST Q1	DAYS LOST Q2	DAYS LOST Q3	DAYS LOST Q4	TOTAL DAYS LOST FOR 2017/18
Communities and Information Services	1.53	1.41	2.44	2.07	7.45
People	1.90	1.50	2.02	2.49	7.90
Place	1.92	2.31	2.08	2.26	8.58
Public Health	2.28	3.34	2.74	4.28	12.64
Core *	1.47	1.50	1.37	1.92	6.26
<b>Total days lost per employee</b>	<b>1.76</b>	<b>1.78</b>	<b>2.03</b>	<b>2.30</b>	<b>7.87</b>

\*Assets, Business Improvements & Communications, Corporate Health Safety and Emergency Resilience, Elections and Land Registers, Finance, Governance and Member Support, Human Resources and Business Support, Legal Services and Policy, Governance and Democratic Services.

3.2. The absence level identified above shows a total days lost per employee of 7.87 days, this is an improvement on the overall days lost for 2015/16 (8.77 days) and 2016/17 (8.24 days). On average, public sector employees had 8.5 days of absence over the previous year according to a

recent CIPD survey into Health and Wellbeing with absence rates considerably higher in the public sector than in private sector services (5.6 days per employee).

- 3.3. The Council's current absence level of 7.87 days is below the public sector average however; there is still a need to significantly improve the management of sickness absence to achieve the Councils future performance indicator target of 6 days per employee for the period 2018/19. The chart below shows that there is a steady improvement in overall sickness absence year on year.



- 3.4 Across the Council the total number of days lost in 2017/18 was 22,916.78. With the Councils average salary being £20,456 p.a. the estimated cost of sickness to the Council is therefore £1,739,359 (this cost does not include the cost of cover for front line positions). The main reasons for absence during 2017/18 are due to mental health issues including stress, anxiety and depression (7165.46 total days). This is still particularly high within Place – Economic Regeneration (2212.5 days) and Communities –former BU7 (1043 days) and People BU1 (1015) days. The other key reason is musculoskeletal including back pain (5317.33 days) which is highest within Place – Environment and Transport (2351 days) and Communities former BU 7 (886 days). The days lost within the Council from minor ailments e.g. Cough, cold and influenza is (4150.94 days) per employee with January being significantly higher across the Council than any other month due to the Australia influenza.

#### **4. Managing Sickness Absence**

- 4.1. The Council's Human Resource Service – Wellbeing and Targeted Intervention Team provide advice and support to managers in respect of managing attendance. This service includes provision of Occupational Health and Counselling services.

- 4.2. There are many examples of good practice where Directorates and Services are proactively addressing sickness absence these include:
- Senior Management commitment to addressing levels of absence and supporting interventions.
  - Managers seeking advice and support on a regular basis when dealing with long term and short term sickness.
  - Managers are now actively managing persistent intermittent sickness cases and early intervention for long term sickness cases e.g. Absence review meeting being held at 4 weeks absence followed by a referral to OHU.
  - Pro-active and early intervention support for employees.
  - Greater take up of the Wellbeing Health checks.

- Absence Review Meetings being carried out across the majority of services and Managers are involving the Wellbeing Advisor particularly where employees are found unfit for their substantive post. Ensuring a more consistent approach to absence management across Directorates.
- Managers are continuing to work with each other across teams to enable employees to return to work on lighter duties for a short period of time to aide a speedier return to work.
- Managers working closely with Wellbeing Advisors to address issues of concern.
- Pro-active management of sickness including issuing formal sanctions.
- Seeking advice from Targeted Intervention Advisor on individual cases.
- Managers have sought advice from BMBC Counsellor in order to address stress in the workplace.

4.3. There remains areas where the implementation of the Managing Attendance Policy requires improvement these are in relation to:

- Concerns regarding addressing both short and long term sickness absence where Managers feel absences are genuine and are then delaying dealing with them or placing on sanctions.
- Delays in response to trigger reports in some areas, therefore the Wellbeing Advisor's unable to support the management of both long and short term sickness absence and provide advice on a consistent application of the Managing Attendance Policy.
- A delay in absence recording – either recording on SAP of the start and ending of an absence. Absence not input in a timely manner can result in either under or overpayment of statutory sick pay or the employees do not appear on the trigger report when they should and no action is taken. Resulting in inconstancy across the council.

4.4. Across the Council early intervention is assisting in bringing employees back to work earlier from long term sickness e.g. meetings carried out at 4 weeks absence and early referrals made to OHU, considering temporary alternative working options:- working from home, adjusted duties.

## **5. Wellbeing Initiatives**

5.1. In relation to mental health the following have taken place during 2017/18 with further courses planned over the coming months:

- two Stretch and Strain courses – approximately 120 employee
- four Mindfulness courses -68 employees
- three Managing Mental health in the Workplace (for Managers) – 50 managers
- four Mental Health Awareness course (for employees) – 80 employees

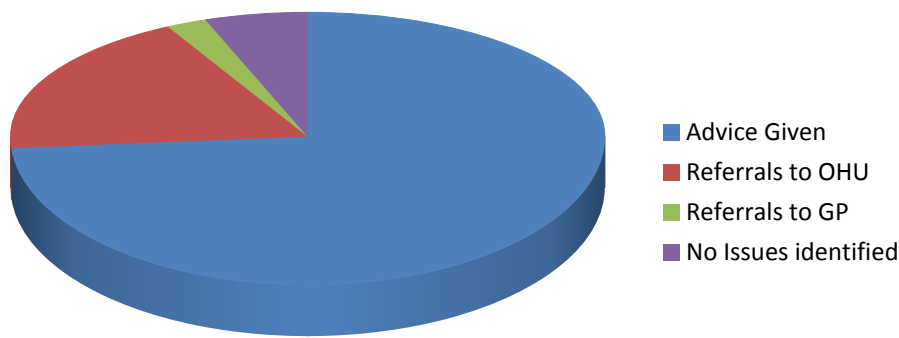
5.2. A further report and action plan to support mental wellbeing has been produced following the Thriving at Work and CIPD Health and Wellbeing at Work Reports. The Wellbeing Team is implementing a Mental Health strategy and action plan including shadowing national initiatives, looking at impact of presentism, e-learning course and face to face training to raise awareness.

5.3. There is also workplace counselling available to employees of which 236 employees attended during the last financial year.

5.4. There have also been a number of workstation assessments undertaken to support predominantly desk based employees alongside 3 Back Care sessions in order to support and prevent some of the musculoskeletal issues experienced by employees.

5.5. 122 employees (96 Female/26 Male) have had a Know Your Number Assessment from across the Council with the following outcomes:

## Results of KYN Assessments



5.6. Alongside these initiatives a number of POD Courses and self-help information is available on the Well@Work website.

### **6. Work Place Health Champions**

6.1 The Workplace Health Champions continue to meet to look at wellbeing initiatives to support issues within the workplace. At a recent meeting of Workplace Champions it was suggested that this should be a standard item on team meeting agendas and sought SMT support to encourage this. This will provide an avenue for employees to discuss wellbeing issues, promoting / encouraging the initiatives the Council are putting in place and bringing any concerns from the 'shop floor' that may be able to be addressed.

6.2. Champions continue to meet regularly to promote wellbeing initiatives. Some initiatives they have brought in over the past 12 months and continue to run are:-

Zumba (Monday evening, Town Hall)  
Legs, Bums and Tums (Tuesday evening Town Hall)  
Promote the Boundary Run (June)  
Walk to Run (Thursday at One Stop Shop)  
Fast Walking Group (Wednesday evening, One Stop Shop)  
Pilates continues on Monday and Wednesday evenings at Gateway and Westgate.

### **7. Recommendations**

7.1 This report is presented for information

Report Author: Alison Brown, Service Director – Human Resources & Business Support

Contact: 773674

Date: 31. 08.2018





Neil Copley  
Service Director for Finance and Chief Finance Officer  
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18 April 2018

Dear Neil

### **Planned audit fee for 2018-19**

The Local Audit and Accountability Act 2014 (the Act) provides the framework for local public audit. Public Sector Audit Appointments Ltd (PSAA) has been specified as an appointing person under the Act and the Local Authority (Appointing Person) Regulations 2015 and has the power to make auditor appointments for audits of opted- in local government bodies from 2018-19.

For opted- in bodies PSAA's responsibilities include setting fees, appointing auditors and monitoring the quality of auditors' work. Further information on PSAA and its responsibilities are available on the [PSAA website](#).

From 2018-19 all grant work, including housing benefit certification, now falls outside the PSAA contract, as PSAA no longer has the power to make appointments for assurance on grant claims and returns. Any assurance engagements will therefore be subject to separate engagements agreed between the grant-paying body, the Council and ourselves and separate fees agreed with the Council.

### **Scale fee**

PSAA published the 2018-19 scale fees for opted-in bodies in March 2018, following a consultation process. Individual scale fees have been reduced by 23 percent from the fees applicable for 2017-18. Further details are set out on the [PSAA website](#). The Council's scale fee for 2018-19 has been set by PSAA at £104,718.

PSAA prescribes that 'scale fees are based on the expectation that audited bodies are able to provide the auditor with complete and materially accurate financial statements, with supporting working papers, within agreed timeframes'.

The audit planning process for 2018-19, including the risk assessment, will continue as the year progresses and fees will be reviewed and updated as necessary as our work progresses.

### **Scope of the audit fee**

There are no changes to the overall work programme for audits of local government audited bodies for 2018-19. Under the provisions of the Local Audit and Accountability Act 2014, the National Audit Office (NAO) is responsible for publishing the statutory Code of Audit Practice and guidance for auditors. Audits of the accounts for 2018-19 will be undertaken under this Code. Further information on the NAO Code and guidance is available on the [NAO website](#).

The scale fee covers:

- our audit of your financial statements
- our work to reach a conclusion on the economy, efficiency and effectiveness in your use of resources (the value for money conclusion)
- our work on your whole of government accounts return (if applicable).

PSAA will agree fees for considering objections from the point at which auditors accept an objection as valid, or any special investigations, as a variation to the scale fee.

### **Value for Money conclusion**

The Code requires us to consider whether the Council has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the Value for Money (VFM) conclusion.

The NAO issued its latest guidance for auditors on value for money work in November 2017. The guidance states that for local government bodies, auditors are required to give a conclusion on whether the Council has put proper arrangements in place.

The NAO guidance identifies one single criterion for auditors to evaluate:

*In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.*

### **Billing schedule**

Fees will be billed as follows:

<b>Main Audit fee</b>	<b>£</b>
September 2018	26,180
December 2018	26,180
March 2019	26,179
June 2019	26,179
<b>Total</b>	<b>104,718</b>

### **Outline audit timetable**

We will undertake our audit planning and interim audit procedures from October 2018 to February 2019. Upon completion of this phase of our work we will issue a detailed Audit Plan setting out our findings and details of our audit approach.

Our final accounts audit and work on the VFM conclusion will be completed in July 2019. Our work on the whole of government accounts return is driven by future NAO group audit instructions for 2018-19 and will be completed alongside the accounts audit subject to availability of NAO guidance.

Phase of work	Timing	Outputs	Comments
Audit planning and interim audit	October 2018 - February 2019	Audit Plan	The plan summarises the findings of our audit planning and our approach to the audit of the Council's accounts and VFM.
Final accounts audit	June - July 2019	Audit Findings (Report to those charged with governance)	This report sets out the findings of our accounts audit and VFM work for the consideration of those charged with governance.
VFM conclusion	June - July 2019	Audit Findings (Report to those charged with governance)	As above
Whole of Government Accounts	June - July 2019	Opinion on the WGA return	We anticipate this work will be completed alongside the accounts audit subject to availability of NAO guidance
Annual Audit Letter	September 2019	Annual Audit Letter to the Council	The letter will summarise the findings of all aspects of our work.

### Our proposed team

The key members of the audit team for 2018-19 are:

Role	Name	Phone Number	E-mail
Engagement Lead	Gareth Mills	0113 200 2535	Gareth.Mills@uk.gt.com
Engagement Manager	Thilina De Zoysa	0113 200 1589	Thilina.De.Zoysa@uk.gt.com

### Additional work

The scale fee excludes any work requested by the Council that we may agree to undertake outside of our Code audit. Each additional piece of work will be separately agreed and a detailed project specification and fee agreed with the Council.

### Quality assurance

We are committed to providing you with a high quality service. If you are in any way dissatisfied, or would like to discuss how we can improve our service, please contact me in the first instance. Alternatively, you may wish to contact Sarah Howard, our Head of Public Sector Assurance, via [sarah.howard@uk.gt.com](mailto:sarah.howard@uk.gt.com)

Yours sincerely

*Gareth Mills*

Gareth Mills  
Engagement Lead  
For Grant Thornton UK LLP

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# Audit Progress Report and Sector Update

**Barnsley Metropolitan Borough Council**  
**Year ending 31 March 2019**

6 September 2018



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# Introduction



**Gareth Mills**

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We are delighted to be appointed as your external auditor and look forward to working with you to ensure you get maximum value from our audit work. We will be pragmatic and actively engage with you throughout the year in an open and transparent manner, ensuring you benefit from our wider insights and observations at all times.

Gareth Mills will be the Engagement Lead for the audit. Gareth is based in our Leeds office and has extensive experience working with Local Government and NHS bodies across the North of England. His responsibilities on this audit will include liaising with the Audit Committee, overseeing the work of the audit team and delivery of our audit opinion.

Thilina De Zoysa will be the Engagement Manager. Thilina is also based in our Leeds office and has worked extensively in public sector audit over the past 15 years. Thilina will manage the delivery of our audit fieldwork, complete our value for money conclusion work and assist Gareth in reporting our findings to the Audit Committee.

This paper provides the Audit Committee with an introduction to Grant Thornton and our audit approach, a report on our progress in delivering our responsibilities as your external auditor and a summary of emerging national issues and developments that may be relevant to you.

Members of the Audit Committee can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications. Click on the Grant Thornton logo to be directed to the website [www.grant-thornton.co.uk](http://www.grant-thornton.co.uk).

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either Gareth or Thilina.

# About Grant Thornton



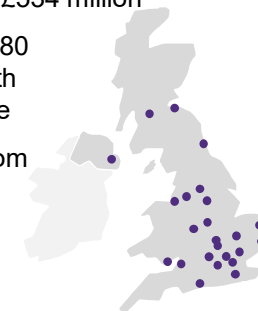
## Grant Thornton International Ltd

- One of the world's leading organisations of independent assurance, tax and advisory firms
- Combined turnover of \$4.6 billion
- Over 42,000 people based in over 130 countries.



## Grant Thornton UK LLP

- UK member firm of Grant Thornton International Ltd
- Turnover of £534 million
- More than 180 partners, with 4,500 people
- Operates from 26 offices.





# What we do

## Audit and Assurance

- Audit
- Corporate governance
- Accounting support
- Technical accounting
- Royalty audits
- Cost and Contracts Assurance
- Healthcare Assurance
- Outsourced compliance services

## Corporate Finance Services

- Strategic options reviews
- Taxation advice
- Acquisitions advice
- Disposals advice
- Advice on management buyouts, mergers and strategic alliances
- Advice on fund raising
- Capital markets

## Recovery and Reorganisation Services

- Control assessment and implementation
- Credit advisory services
- Financial and operational turnarounds
- Liquidity management
- Performance improvement solutions
- Operational assessments
- Runoff
- Supply chain risk management
- Tax recovery
- Tax restructuring

## Forensic and Investigation Services

- Expert witness
- Fraud solutions
- Forensic technology solutions
- Insurance claims solutions
- Internet intelligence tools
- Business Risk Services

## Taxation

- Corporate tax
- International tax
- Expatriate tax
- IP and WHT planning
- Incentive arrangements
- Employee share schemes
- VAT and PAYE solutions
- Transfer pricing
- Outsourced compliance services

## Transaction Advisory Services

- Due diligence
- Pensions and benefits
- Valuations
- Management assessment
- Operations and post deal services

## Government Infrastructure Advisory

- Funding advice
- Financial modelling
- Economic advisory services
- Business growth advice
- Service delivery consultancy
- Procurement support
- General financial advisory services for the public sector

## Business Risk Services

- Internal audit
- Corporate governance
- Business process Improvement
- Organisational change management
- Technology risk management

# Our work in the Public Sector



**Grant Thornton**  
An instinct for growth™

**We are the only leading firm to have grown both our NHS and Local Government audit portfolios over the last two years. This achievement makes us the clear market leader in Local Public Audit.**

**We are the external auditors to:**

- Approximately 40% of the Local Government sector.
- Over 30% of the NHS sector, including Barnsley Hospital NHS Foundation Trust.

**We have a dedicated Public Sector Assurance team, including:**

- Over 300 Local Government and NHS audit specialists.
- Over 30 Accredited Public Sector Engagement Leads, more than any other firm.
- We are the largest single CIPFA employer in the country.

Locally we have been appointed as the auditors to a number of bodies in Yorkshire, including Rotherham MBC, Doncaster MBC, South Yorkshire Police, Leeds City Council, West Yorkshire Police, Kirklees MBC, Ryedale District Council, and North York Moors National Park Authority.

# Our audit approach at a glance

## Smooth transition

- We have extensive experience of transitioning into new clients and will do this at minimum disruption to you.
- We will quickly look to build up good working relationships with your team.

## Audit planning

- We will meet with key management to identify financial statement and value for money risks.
- We will provide a prepared by client listing and agree a timetable for the audit.

## Audit Plan

- Confirms financial statement and value for money risk areas.
- Sets out our audit scope and our responses to assessed risks.
- Formal communication with the Finance, Risk and Audit Committee.

## Interim audit

- We will review key systems and controls.
- We will carry out early work on areas of audit risk.
- We will liaise with Internal Audit, review outputs and assess impact on our work.

## Final accounts audit – June to July 2019

- Focused on risk areas.
- IDEA interrogation software utilised to provide efficiency and insight.
- Audit issues and potential adjustments, discussed and cleared with you as they arise.

## Audit clearance meeting – July 2019

- Discuss audit issues with management.
- Agree treatment of any unadjusted differences.
- Practical recommendations on systems and controls.

## Audit Findings (ISA260) Report – July 2019

- Sets out key audit and accounting issues and how these have been resolved.
- Provides comments on systems and controls, and review of accounting policies; conclusions and judgements.
- Includes value for money conclusion.

## Completion – July 2019

- Finalise audit by 31 July 2019 deadline.
- Obtain Letter of Representation from management.
- Issue opinion covering financial statements and our value for money conclusion.

## Feedback from you – Summer 2019

- Debrief meeting with senior finance staff.
- Action Plan to address findings.
- On-line satisfaction survey and/or independent client service review.

# Progress as at 6 September 2018

## Financial Statements Audit

Gareth Mills held an introductory meeting with Andrew Frosdick and Neil Copley on 23 July 2018. This was a useful session to get to know key management and the issues facing Council.

Gareth and Thilina hope to hold an introductory day with other key contacts in the near future to help our audit planning and understanding of your key issues.

We issued our Audit Fee Letter to management, outlining our planned audit fee for 2018-19, in April 2018.

The Fee Letter is included in on the agenda for the Audit Committee on 19 September 2018.

In August 2018 we commenced handover procedures from the predecessor auditor, KPMG. During September 2018, we anticipate reviewing their 2017-18 audit file and meeting with members of the prior year audit team to gain an understanding of the key issues and risks that impacted both the financial statements and value for money audits.

We will commence our audit planning in October 2018 and we will present our Audit Plan to the Audit Committee in the New Year.

Our interim audit is expected to take place in February and March 2019 and our final accounts audit will take place in June and July 2019. Actual timings will be confirmed with the finance team in due course.

Our findings from the year-end audit will be reported to you in the Audit Findings ISA260 Report by 31 July 2019.

In August 2019 we will produce an Annual Audit Letter summarising our work for the 2018-19 year.

## Value for Money

The scope of our work is set out in the guidance issued by the National Audit Office. The Code requires auditors to satisfy themselves that; "the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources".

The guidance confirmed the overall criterion as: "in all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people".

The three sub criteria for assessment to be able to give a conclusion overall are:

- Informed decision making
- Sustainable resource deployment
- Working with partners and other third parties.

We will make our initial risk assessment to determine our approach and report this to you in our Audit Plan in the New Year.

We will report our work in the Audit Findings Report and give our Value For Money Conclusion by the deadline in July 2019.

## Other matters

### Meetings

We met with the Monitoring Officer and Section 151 Officer in July 2018 and will continue to be in discussions with finance staff regarding emerging developments and to ensure the audit process is smooth and effective.

### Events

We provide a range of workshops, along with network events. We will be inviting key finance staff to our annual accounts workshop which is expected to take place early in the New Year.

Further details of the publications that may be of interest to the Council are set out in our Sector Update section of this report.

# Audit Deliverables

2018-19 Deliverables	Planned Date	Status
<b>Fee Letter</b> Confirming audit fee for 2018-19.	April 2018	Complete
<b>Accounts Audit Plan</b> We are required to issue a detailed accounts Audit Plan to the Audit Committee setting out our proposed approach in order to give an opinion on the Council's 2018-19 financial statements.	January 2019 (tbc)	Not yet due
<b>Interim Audit Findings</b> We will report to you the findings from our interim audit and our initial value for money risk assessment within our Progress Report.	March 2019 (tbc)	Not yet due
<b>Audit Findings (ISA260) Report</b> The Audit Findings Report will be reported to the July Audit Committee.	July 2019	Not yet due
<b>Auditors Report</b> This is the opinion on your financial statement, annual governance statement and value for money conclusion.	July 2019	Not yet due
<b>Annual Audit Letter</b> This letter communicates the key issues arising from our work.	August 2019	Not yet due
<b>Annual Certification Letter</b> This letter reports any matters arising from our certification work.	December 2019	Not yet due

# Sector Update

Local government finances are at a tipping point. Councils are tackling a continuing drive to achieve greater efficiency in the delivery of public services, whilst facing the challenges to address rising demand, ongoing budget pressures and social inequality.

Our sector update provides you with an up to date summary of emerging national issues and developments to support you. We cover areas which may have an impact on your organisation, the wider local government sector and the public sector as a whole. Links are provided to the detailed report/briefing to allow you to delve further and find out more.

Our public sector team at Grant Thornton also undertake research on service and technical issues. We will bring you the latest research publications in this update. We also include areas of potential interest to start conversations within the organisation and with audit committee members, as well as any accounting and regulatory updates.

- **Grant Thornton Publications**
- **Insights from local government sector specialists**
- **Reports of interest**
- **Accounting and regulatory updates**

More information can be found on our dedicated public sector and local government sections on the Grant Thornton website

# CIPFA consultation – Financial Resilience Index

The Chartered Institute of Public Finance and Accountancy (CIPFA) has consulted on its plans to provide an authoritative measure of local authority financial resilience via a new index. The index, based on publically available information, will provide an assessment of the relative financial health of each English council.

CIPFA has designed the index to provide reassurance to councils who are financially stable and prompt challenge where it may be needed. To understand the sector's views, CIPFA invited all interested parties to respond to questions it has put forward in the consultation by the 24 August.

The decision to develop an index is driven by CIPFA's desire to support the local government sector as it faces a continued financial challenge. The index will not be a predictive model but a diagnostic tool – designed to identify those councils displaying consistent and comparable features that will highlight good practice, but crucially, also point to areas which are associated with financial failure. The information for each council will show their relative position to other councils of the same type. Use of the index will support councils in identifying areas of weakness and enable them to take action to reduce the risk of financial failure. The index will also provide a transparent and independent analysis based on a sound evidence base.

The proposed approach draws on CIPFA's evidence of the factors associated with financial stress, including:

- running down reserves
- failure to plan and deliver savings in service provision
- shortening medium-term financial planning horizons.
- gaps in saving plans
- departments having unplanned overspends and/or undelivered savings.

Conversations with senior practitioners and sector experts have elicited a number of additional potential factors, including:

- the dependency on external central financing
- the proportion of non-discretionary spending – e.g. social care and capital financing - as a proportion of total expenditure
- an adverse (inadequate) judgement by Ofsted on Children's services
- changes in accounting policies (including a change by the council of their minimum revenue provision)
- poor returns on investments
- low level of confidence in financial management.

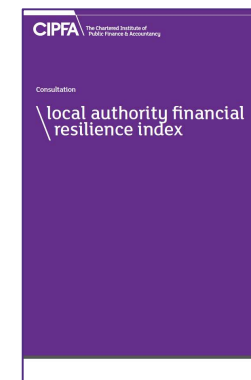
The consultation document proposes scoring six key indicators:

1. The level of total reserves excluding schools and public health as a proportion of net revenue expenditure.
2. The percentage change in reserves, excluding schools and public health, over the past three years.
3. The ratio of government grants to net revenue expenditure.
4. Proportion of net revenue expenditure accounted for by children's social care, adult social care and debt interest payments.
5. Ofsted overall rating for children's social care.
6. Auditor's VFM judgement.

## CIPFA Consultation

### Challenge question:

Have members been briefed on the Council's response to the Financial Resilience Index consultation?



# MHCLG – Social Housing Green Paper

The Ministry of Housing, Communities and Local Government (MHCLG) published the Social Housing Green Paper, which seeks views on government's new vision for social housing providing safe, secure homes that help people get on with their lives.

With 4 million households living in social housing and projections for this to rise annually, it is crucial that MHCLG tackle the issues facing both residents and landlords in social housing.

The Green Paper aims to rebalance the relationship between residents and landlords, tackle stigma and ensure that social housing can be both a stable base that supports people when they need it and also support social mobility. The paper proposes fundamental reform to ensure social homes provide an essential, safe, well managed service for all those who need it.

To shape this Green Paper, residents across the country were asked for their views on social housing. Almost 1,000 tenants shared their views with ministers at 14 events across the country, and over 7,000 people contributed their opinions, issues and concerns online; sharing their thoughts and ideas about social housing,

The Green Paper outlines five principles which will underpin a new, fairer deal for social housing residents:

- Tackling stigma and celebrating thriving communities
- Expanding supply and supporting home ownership
- Effective resolution of complaints
- Empowering residents and strengthening the regulator
- Ensuring homes are safe and decent

Consultation on the Green Paper is now underway, which seeks to provide everyone with an opportunity to submit views on proposals for the future of social housing and will run until 6 November 2018.

The Green Paper presents the opportunity to look afresh at the regulatory framework (which was last reviewed nearly eight years ago). Alongside this, MHCLG have published a Call for Evidence which seeks views on how the current regulatory framework is operating and will inform what regulatory changes are required to deliver regulation that is fit for purpose.

The Green Paper acknowledges that to deliver the social homes required, local authorities will need support to build by:

- allowing them to borrow
- exploring new flexibilities over how to spend Right to Buy receipts
- not requiring them to make a payment in respect of their vacant higher value council homes

As a result of concerns raised by residents, MHCLG has decided not to implement at this time the provisions in the Housing and Planning Act to make fixed term tenancies mandatory for local authority tenants.

The Green Paper is available on the MHCLG's website at:  
<https://www.gov.uk/government/consultations/a-new-deal-for-social-housing>

## Social Housing Green Paper Consultation



### Challenge question:

What does the Social Housing Green Paper mean for your local authority?





# MHCLG – Business rate pilots

The Secretary of State has invited more councils to apply for powers to retain the growth in their business rates under the new pilots. The pilots will see councils rewarded for supporting local firms and local jobs and ensure they benefit directly from the proceeds of economic growth.

From April 2019, selected pilot areas will be able to retain 75% of the growth in income raised through business rates, incentivising councils to encourage growth in business and on the high street in their areas. This will allow money to stay in communities and be spent on local priorities - including more funding to support frontline services.

This follows the success of previous waves of business rates retention pilots, launched in a wide range of areas across country in 2017 and 2018.

The current 50% business rates retention scheme is yielding strong results and in 2018 to 2019 it is estimated that local authorities will keep around £2.4 billion in business rates growth.

Findings from the new round of pilots will help the government understand how local authorities can smoothly transition into the proposed system in 2020.

Proposals will need to show how local authorities would 'pool' their business rates and work collaboratively to promote financial sustainability, growth or a combination of these.

Alongside the pilots, the government will continue to work with local authorities, the Local Government Association, and others on reform options that give local authorities more control over the money they raise and are sustainable in the long term.

The invitation is addressed to all authorities in England, excluding those with ongoing business rates retention pilots in devolution areas and London. Due to affordability constraints, it may be necessary to assess applications against selection criteria, which will include:

- Proposed pooling arrangements operate across a functional economic area
- Proposal demonstrates how pooled income from growth will be used across the pilot area to either boost further growth, promote financial sustainability or a combination of these
- Proposal sets out robust governance arrangements for strategic decision-making around management of risk and reward and outlines how these support the participating authorities' proposed pooling arrangements

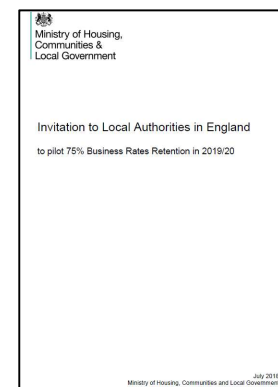
Any proposals will need to show that all participating authorities have agreed to become part of the suggested pool and share additional growth as outlined in the bid. The Section 151 officer of each authority will need to sign off the proposal before submission.

Proposal for new pilots must be received the MHCLG by midnight on Tuesday 25 September 2018.

## Business Rates pilots 2019/20

### Challenge question:

Has your Council considered applying to be a Business Rates pilot?



# Institute of Fiscal Studies: Impact of 'Fair Funding Review'

The IFS has published a paper that focuses on the issues arising in assessing the spending needs of different councils. The government's 'Fair Funding Review' is aimed at designing a new system for allocating funding between councils. It will update and improve methods for estimating councils' differing abilities to raise revenues and their differing spending needs. The government is looking for the new system to be simple and transparent, but at the same time robust and evidence based.

## Accounting for councils' spending needs

The IFS note that the Review is seeking a less subjective and more transparent approach which is focused on the relationship between spending and needs indicators. However, like any funding system, there will be limitations, for example, any attempt to assess needs will be affected by the MHCLG's funding policies adopted in the year of data used to estimate the spending needs formula. A key consideration will be the inherently subjective nature of 'spending needs' and 'needs indicators', and how this will be dealt with under any new funding approach. Whilst no assessment of spending needs can be truly objective, the IFS state it can and should be evidence based.

The IFS also note that transparency will be critical, particularly in relation to the impact that different choices will have for different councils, such as the year of data used and the needs indicators selected. These differentiating factors and their consequences will need to be understood and debated.

## Accounting for councils' revenues

The biggest source of locally-raised revenue for councils is and will continue to be council tax. However, there is significant variation between councils in the amount of council tax raised per person. The IFS identify that a key decision for the Fair Funding Review is the extent to which tax bases or actual revenues should be used for determining funding levels going forward.

Councils also raise significant sums of money from levying fees and charges, although this varies dramatically across the country. The IFS note that it is difficult to take account of these differences in a new funding system as there is no well-defined measure of revenue raising capacity from sales, fees and charges, unlike council tax where the tax base can be used.

## The overall system: redistribution, incentives and transparency

The IFS also identify that an important policy decision for the new system is the extent to which it prioritises redistribution between councils, compared to financial incentives for councils to improve their own socio-economic lot. A system that fully and immediately equalises for differences in assessed spending needs and revenue-raising capacity will help ensure different councils can provide similar standards of public services. However, it would provide little financial incentive for councils to tackle the drivers of spending needs and boost local economics and tax bases.

Further detail on the impact of the fair funding review can be found in the full report

<https://www.ifs.org.uk/uploads/publications/comms/R148.pdf>.



# National Audit Office – The health and social care interface

The NAO has published its latest ‘think piece’ on the barriers that prevent health and social care services working together effectively, examples of joint working in a ‘whole system’ sense and the move towards services centred on the needs of the individual. The report aims to inform the ongoing debate about the future of health and social care in England. It anticipates the upcoming green paper on the future funding of adult social care, and the planned 2019 Spending Review, which will set out the funding needs of both local government and the NHS.

The report discusses 16 challenges to improved joint working. It also highlights some of the work being carried out nationally and locally to overcome these challenges and the progress that has been made. The NAO draw out the risks presented by inherent differences between the health and social care systems and how national and local bodies are managing these.

**Financial challenges** – include financial pressures, future funding uncertainties, focus on short-term funding issues in the acute sector, the accountability of individual organisations to balance the books, and differing eligibility criteria for access to health and social care services.

**Culture and structure** – include organisational boundaries impacting on service management and regulation, poor understanding between the NHS and local government of their respective decision-making frameworks, complex governance arrangements hindering decision-making, problems with local leadership holding back improvements or de-stabilising joint working, a lack of co-terminus geographic areas over which health and local government services are planned and delivered, problems with sharing data across health and social care, and difficulties developing person-centred care.

**Strategic issues** – include differences in national influence and status contributing to social care not being as well represented as the NHS, strategic misalignment of organisations across local systems inhibiting joint local planning, and central government’s unrealistic expectations of the pace at which the required change in working practices can progress..

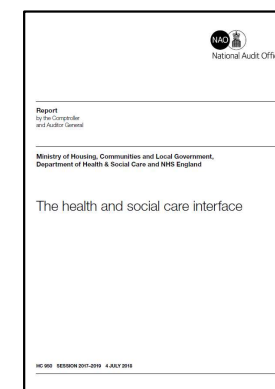
This ‘think piece’ draws on the NAO’s past work and draws on recent research and reviews by other organisations, most notably the Care Quality Commission’s review of health and social care systems in 20 local authority areas, which it carried out between August 2017 and May 2018. The NAO note that there is a lot of good work being done nationally and locally to overcome the barriers to joint working, but often this is not happening at the scale and pace needed.

The report is available to download from the NAO’s website at:  
<https://www.nao.org.uk/report/the-health-and-social-care-interface/>

## The health and social care interface

### Challenge question:

Has the Audit Committee considered the 16 challenges to joint working and what can be done to mitigate these?



# The Vibrant Economy Index

## a new way to measure success

Our Vibrant Economy Index uses data to provide a robust, independent framework to help everyone understand the challenges and opportunities in their local areas. We want to start a debate about what type of economy we want to build in the UK and spark collaboration between citizens, businesses and place-shapers to make their places thrive.

Places are complex and have an intrinsic impact on the people and businesses within them. Economic growth doesn't influence all of the elements that are important to people's lives – so we shouldn't use GDP to measure success. We set out to create another measure for understanding what makes a place successful.

In total, we look at 324 English local authority areas, taking into account not only economic prosperity but health and happiness, inclusion and equality, environmental resilience, community and dynamism and opportunity. Highlights of the index include:

- Traditional measures of success – gross value added (GVA), average workplace earning and employment do not correlate in any significant way with the other baskets. This is particularly apparent in cities, which despite significant economic strengths are often characterised by substantial deprivation and low aspiration, high numbers of long-term unemployment and high numbers of benefit claimants
- The importance of the relationships between different places and the subsequent role of infrastructure in connecting places and facilitating choice. The reality is that patterns of travel for work, study and leisure don't reflect administrative boundaries. Patterns emerge where prosperous and dynamic areas are surrounded by more inclusive and healthy and happy places, as people choose where they live and travel to work in prosperous areas.
- The challenges facing leaders across the public, private and third sector in how to support those places that perform less well. No one organisation can address this on their own. Collaboration is key.

Visit our website ([www.granththornton.co.uk](http://www.granththornton.co.uk)) to explore the interactive map, read case studies and opinion pieces, and download our report **Vibrant Economy Index: Building a better economy**.

### Vibrant Economy app

To support local collaboration, we have also developed a Vibrant Economy app. It's been designed to help broaden understanding of the elements of a vibrant economy and encourage the sharing of new ideas for – and existing stories of – local vibrancy.

We've developed the app to help people and organisations:

- see how their place performs against the index and the views of others through an interactive quiz
- post ideas and share examples of local activities that make places more vibrant
- access insights from Grant Thornton on a vibrant economy.

We're inviting councils to share it with their employees and the wider community to download. We can provide supporting collateral for internal communications on launch and anonymised reporting of your employees' views to contribute to your thinking and response.

To download the app visit your app store and search 'Vibrant Economy'

- Fill in your details to sign up, and wait for the verification email (check your spam folder if you don't see it)
- Explore the app and take the quiz
- Go to the Vibrant Ideas section to share your picture and story or idea



# Supply Chain Insights tool helps support supply chain assurance in public services

## Grant Thornton UK LLP has launched a new insights and benchmarking platform to support supply chain assurance and competitor intelligence in public services.

The Supply Chain Insights service is designed for use by financial directors and procurement professionals in the public sector, and market leaders in private sector suppliers to the public sector. It provides users with a detailed picture of contract value and spend with their supply chain members across the public sector. The analysis also provides a robust and granular view on the viability, sustainability, market position and coverage of their key suppliers and competitors.

The platform is built on aggregated data from 96 million invoices and covers £0.5 trillion of spending. The data is supplemented with financial standing data and indicators to give a fully rounded view. The service is supported by a dedicated team of analysts and is available to access directly as an on-line platform.

Phillip Woolley, Partner, Grant Thornton UK LLP, said:

"The fall-out from the recent failure of Carillion has highlighted the urgent need for robust and ongoing supply chain monitoring and assurance. Supply Chain Insights provides a clear picture of your suppliers' activities across the sector, allowing you to understand risks, capacity and track-record. We think it's an indispensable resource in today's supplier market."



### The tool enables you to immediately:

- access over 96 million transactions that are continually added to
- segment invoices by:
  - organisation and category
  - service provider
  - date at a monthly level
- benchmark your spend against your peers
- identify:
  - organisations buying similar services
  - differences in pricing
  - the leading supplier
- see how important each buyer is to a supplier
- benchmark public sector organisations' spend on a consistent basis
- see how much public sector organisations spend with different suppliers

Supply Chain Insights forms part of the Grant Thornton Public Sector Insight Studio portfolio of analytics platforms.

Click on Supply Chain Insights for more information.

## Supply Chain Insights

Grant Thornton

### Challenge question:

Has the Council considered how our Supply Chain Insight tool can help support your supply chain assurance?



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# Links

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## Grant Thornton website links

<https://www.grantthornton.co.uk/>

<http://www.grantthornton.co.uk/industries/publicsector>

## National Audit Office link

<https://www.nao.org.uk/report/the-health-and-social-care-interface/>

## Ministry of Housing, Communities and Local Government links

<https://www.gov.uk/government/news/social-housing-green-paper-a-new-deal-for-social-housing>

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/728722/BRR\\_Pilots\\_19-20\\_Prospectus.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/728722/BRR_Pilots_19-20_Prospectus.pdf)

## Institute for Fiscal Studies

<https://www.ifs.org.uk/uploads/publications/comms/R148.pdf>



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# BARNLEY MBC AUDIT COMMITTEE – INDICATIVE WORK PROGRAMME

	Mtg. No.	3	4	5	6	7	8	1	2
Committee Work Area	Contact / Author	19.09.18**	31.10.18 (2.00 pm)	5.12.18	16.01.19	20.03.19	17.04.19	5.06.19	19.07.19 (2.00 pm)
<b>Committee Arrangements</b>			<b>Workshop</b>						
Committee Work Programme	WW	X		X	X	X	X	X	X
Minutes/Actions Arising	WW	X		X	X	X	X	X	X
Review of Terms of Reference and Self-Assessment	RW/CHAIR								
Training Review and Skills Assessment	RW/CHAIR								
Review of Terms of Reference & Working Arrangements	ACF				X				
Draft Audit Committee Annual Report	RW/CHAIR			X				X	
Audit Committee Annual Report	RW/CHAIR				X				
<b>Internal Control and Governance Environment</b>									
Local Code of Corporate Governance	AF/AH				X				
Annual Governance Review Process and Timescales	AF/AH								
Draft Annual Governance Statement & Action Plan	AF/AH							X	
Final Annual Governance Statement	AF/AH								X
AGS Action Plan Update	AF/AH			X					
Corporate Whistleblowing Update & Annual Report	RW			X					
Annual Fraud Report	RW							X	

	Mtg. No.	3	4	5	6	7	8	1	2
Committee Work Area	Contact / Author	19.09.18**	31.10.18 (2.00 pm)	5.12.18	16.01.19	20.03.19	17.04.19	5.06.19	19.07.19 (2.00 pm)
Corporate Fraud Team - Report	RW			X		X			
<b>Corporate Risk Management</b>									
Risk Management Policy & Strategy	AH						X		
Risk Management Update*	AH				X				
Risk Management Framework				X					
Annual Report	AH	X							
Strategic Risk Register Review	AH			X			X		
<b>Internal Audit</b>									
Internal Audit Charter	RW				X			X	
Internal Audit Plan	RW					X			
Internal Audit Quarterly Report	RW			X	X		X		X
Annual Review of the Effectiveness of Internal Audit	RW			X					
Internal Audit Annual Report	RW							X	
<b>External Audit (Grant Thornton)</b>									
Annual Governance Report (ISA260 Report)	GT								X
Audit Plan	GT					X			
Annual Fees Letter	GT	X				X			
Annual Audit Letter	GT								
Claims & Returns Annual Report	GT				X				

	Mtg. No.	3	4	5	6	7	8	1	2
Committee Work Area	Contact / Author	19.09.18**	31.10.18 (2.00 pm)	5.12.18	16.01.19	20.03.19	17.04.19	5.06.19	19.07.19 (2.00 pm)
External Audit Progress report & Technical Update	GT	X		X	X	X	X	X	X
<b>Financial Reporting and Accounts</b>									
Budget Proposal Section 25 Report	NC					X			
Draft Statement of Accounts	NC								
Corporate Finance Summary	NC	X							
Corporate Finance and Performance Management & Capital Programme Update	NC	X				X			
Treasury Management Annual Report	IR								X
Treasury Management Progress Report	IR/SW			X					
Treasury Mgt. Policy & Strategy Statement	IR					X			
<b>Other Corporate Functions contributing to overall assurance</b>									
Human Resources (annual)	AB	X							
Business Improvement and Communication (annual)	MP								X
Health & Safety Resilience (6 monthly report – March Update – September Annual)	SD	X				X			
Governance & Member	IT/WW							X	

	Mtg. No.	3	4	5	6	7	8	1	2
Committee Work Area	Contact / Author	19.09.18**	31.10.18 (2.00 pm)	5.12.18	16.01.19	20.03.19	17.04.19	5.06.19	19.07.19 (2.00 pm)
support (annual)									
Information Governance update	DR	X		X		X		X	
General Data Protection Regulations - Update	RW/SH	<b>X</b> Moved from 20/7						X	

\*Members of the Senior Management Team to be invited periodically to report on any issues identified within the Strategic Risk Register

\*\* Please Note: Change of dates and times dates/times due to the changes to the regulations relating to the approval of the accounts

## Report of the Data Protection Officer

**AUDIT COMMITTEE – 19<sup>th</sup> September 2018**

### **GENERAL DATA PROTECTION REGULATIONS (GDPR) DATA PROTECTION OFFICER UPDATE REPORT**

#### **1. Purpose of Report**

- 1.1 This report provides the Audit Committee with an update from the perspective of the Council's Data Protection Officer (DPO) regarding the discharging of that role and the general approach to testing compliance with the requirements of the GDPR and Data Protection Act 2018.

#### **2. Recommendations**

##### **2.1 It is recommended that the Committee:**

- i. Considers the report and satisfies itself that the Data Protection Officer role is being effectively planned and discharged to provide the Committee and the Council with the appropriate information and assurances with regards compliance with the GDPR;**
- ii. Receives formal 6-monthly DPO information / assurance reports; and**
- iii. Receives a further information / awareness session regarding GDPR and the role/work of the DPO.**

#### **3. Background**

- 3.1 As the Committee is aware, the GDPR came into force on 25<sup>th</sup> May 2018 after a period of preparation of 2 years. What became more and more evident in the last few months before the implementation date, even with the period of preparation we had, was the huge amount of work needed.
- 3.2 Whilst the preparations were good and significant effort was put in by a lot of people across the Council, we like almost every organisation and sector I'm aware of cannot claim full and embedded compliance at this stage. What we do have however, and to give the Committee assurances, is a clear plan of what is needed and a governance structure to oversee and monitor this plan.
- 3.3 The Information Commissioner's Office (ICO) has acknowledged itself that many organisations will need time to fully implement all the necessary changes to working practices to meet all the GDPR requirements.
- 3.4 The process and work in preparing for the GDPR has been driven by the Information Governance Team, supported by other colleagues in IT, the Information Governance Board and senior management. The work undertaken already by the small IG Team is to be commended and the extent

of readiness and compliance thus far is testament to their expertise, drive and commitment.

- 3.5 Part of the GDPR requirements is to appoint a statutory Data Protection Officer (DPO). As the Committee is aware, this role has been added to that of the Head of Internal Audit and Corporate Anti-Fraud.

#### **4. DPO Update**

- 4.1 Since appointed, my focus has been to assist the IG Team and wider Authority to ensure there has been an effective plan and approach to being ready for and as far as possible, complying with the GDPR. This has involved reviewing revised policies and procedures, monitoring the project plan, advising on matters and issues as they arise, and more recently developing an 'audit-style' programme of activity to test compliance across the Authority. A revised and comprehensive general information governance risk register has also been reviewed.
- 4.2 Given the acknowledgement that full and embedded compliance has not yet been achieved, any compliance testing has, for the first part of the year, been deferred. What the Council has achieved however is a position of comprehensive awareness (almost 2,000 employees undertaking on-line training), significant change through revised policies and procedures, and not least the completion of 172 individual data process mapping exercises to review how Business Units manage personal information in their systems and services with regard to the GDPR requirements and general good practice.
- 4.3 This process mapping identified a number of actions that are now being followed up by the IG Team as Phase 2, to ensure that any areas where changes in service procedure were required have been completed. This will be further reviewed, on a risk basis, as part of my DPO assurance work.
- 4.4 Work is also continuing to ensure that all contracts the Council has contain the updated DPA 2018/GDPR clauses. In addition to this contract related work that's on-going is to also ensure that there is a written agreement between the Council as a data controller and any third party acting as a data processor on our behalf. The GDPR requires such relationships to be formally captured and agreed. Further meetings are planned over the next few weeks between Legal Services and Corporate Procurement, assisted by the IG Team and DPO, to complete this important phase of activity.
- 4.5 The Information Governance Board, chaired by Executive Director – Core Services as the Council's Senior Information Risk Officer (SIRO), receives detailed progress reports in relation to GDPR and all matters 'IG'. This is a well-established Board with all Directorates represented plus key technical officers from IT, the IG Team, Internal Audit and the DPO.
- 4.6 As mentioned above, I am developing an 'audit programme' of activity to ensure the DPO role is fully discharged. This audit programme will focus on the higher risk areas of data protection around children's' and vulnerable adults but also test awareness across all parts of the Council. As the

Committee will be aware the GDPR sets out 6 principles which in turn will guide compliance activity.

- 4.7 Compliance testing and assurance work will commence in a few weeks' time, also utilising specific days set aside in the main Internal Audit plan. The next report to the Committee will include the results of that work. I shall also report to the Senior Management Team, and as part of the responsibilities of the DPO, inform the Chief Executive directly should I need to raise a matter more urgently. The Committee should be assured that the DPO is afforded unfettered access to senior management and is required to undertake the role independently and without management direction. I can also assure the Committee that such arrangements are in place and accepted as part of the GDPR requirements.
- 4.8 The DPO role has also been offered to the Parish and Town Councils within the Borough and through a service level agreement to the South Yorkshire Pensions Authority. Two awareness sessions have been provided for Parish/Town Council Clerks and members. A programme of IG support and DPO provision has been discussed and substantially agreed with the Head of Pensions Administration. A series of training sessions and data process mapping workshops have also been planned for Pension's staff over the next couple of months.
- 4.9 As I have not undertaken any specific compliance testing work, I am not able to provide the Committee with an assurance opinion at this stage. I can however assure the Committee of the continued focus and work being driven by the IG Team particularly, to ensure full compliance is secured as soon as possible.
- 4.10 The Committee will be acutely aware of the spectre of the massively increased fines that the ICO can impose for information breaches and serious non-compliance issues. Whilst no guarantees can ever be made that the Council won't be subject to ICO fines or censure, the robust approach being taken to implement GDPR is minimising the risk.

## **5. Supporting Information**

- 5.1 Should the Committee wish, the full GDPR programme action plan can be provided along with details of the IG Board for further assurance purposes. Any requests for further information should be directed to the DPO.

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