

MEETING

BUDGET AND PERFORMANCE OVERVIEW & SCRUTINY COMMITTEE

DATE AND TIME

TUESDAY 21ST JUNE 2011

AT 7:00PM

VENUE

HENDON TOWN HALL, THE BURROUGHS, HENDON NW4 4BG

TO: MEMBERS OF THE COMMITTEE (Quorum 3)

Chairman: Councillor Dean Cohen

Vice Chairman: Councillor Joan Scannell

Councillors:

Brian Gordon

Alex Brodkin

John Marshall

Alison Moore

Hugh Rayner

Alan Schneiderman

Brian Schama

Andrew Strongolou

Substitute Members:

Eva Greenspan

Ross Houston

Rowan Turner

Barry Rawlings

You are requested to attend the above meeting for which an agenda is attached.

Aysen Giritli – Head of Governance

Democratic Services contact: Andrew Charlwood 020 8359 2014

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CORPORATE GOVERNANCE DIRECTORATE

ORDER OF BUSINESS

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| 3. | DECLARATION OF MEMBERS' PERSONAL AND PREJUDICIAL INTERESTS | – |
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AGENDA ITEM 6

Pages 1 - 26

| | |
|----------------|--|
| Meeting | Budget and Performance Overview and Scrutiny Committee |
| Date | 21 June 2011 |
| Subject | Corporate Performance results for Quarter 4 and year end 2010/11 |
| Report of | Performance Team, Chief Executive's Service |
| Summary | This report presents progress against the Corporate Plan performance targets and improvement initiatives for quarter four and year end 2010/11. This is the last time that this set of indicators will be presented to the Committee. In the future performance against the new set of indicators in the Corporate Plan for 2011-13 will be presented. |

| | |
|----------------------------------|--|
| Officer Contributors | Kari Manovitch, Head of Performance, Chief Executive's Service Luke Ward, Performance Manager, Chief Executive's Service |
| Status (public or exempt) | Public |
| Enclosures | Appendix A: Directorate performance results Appendix B: Directorate Improvement Initiatives progress |
| Contact for Further Information: | Luke Ward, Performance Manager, Chief Executive's Service 020 8359 2672, luke.ward@barnet.gov.uk |

1. RECOMMENDATIONS

1.1. That the Committee reviews the quarter four performance results and decides the topic of one or more in-depth reports to be presented to it in its meeting on 22 September 2011. It is recommended that one or both of the following topics are selected:

- **The impact of changes in local housing allowances on homelessness and the use of emergency temporary accommodation.**
- **% of children subject to a child protection case for the second or subsequent time**

2. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

2.1 This report presents the final end of year position for all performance targets and Corporate Plan Improvement Initiatives in relation to the three Corporate Priorities in the Corporate Plan 2010-13 which were:

- Better services with less money
- Sharing opportunities, sharing responsibilities
- A successful London suburb.

2.2 At the next meeting of the Committee on 22 September 2011, quarter one progress against the new corporate plan 2011-13 indicators and improvement initiatives will be presented to it for the first time.

3. RELEVANT PREVIOUS DECISIONS

3.1 Annual Council, 17 May 2011 – agreed a revised structure for overview and scrutiny committees, which includes the reporting of Corporate Plan performance measures to this Committee.

3.2 Budget and Performance Overview and Scrutiny Committee, 3 June 2010 – agreed that the format and focus of reporting performance to this Committee should move from being on whole council performance to being on particular themes, selected in advance by the Committee.

4. RISK MANAGEMENT ISSUES

4.1 In-depth review of pre-selected performance issues by this Committee should contribute to performance improvement, and therefore mitigate the risk of non-improvement and failure to meet Corporate Plan performance targets.

5. EQUALITIES AND DIVERSITY ISSUES

5.1 The following performance indicators raise equalities concerns because people accepted as homeless are recognised as a marginalised group, and a disproportionate number are from black and minority ethnic backgrounds or are households led by women:

- CPI 25 – Number of households living in temporary accommodation
- CPI 26 - Number of households accepted as homeless under the provision of the 1996 Housing Act

6 USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

6.1 The following performance indicators raise use of resources concerns:

- CPI 11 - *The percentage of our largest vendors under a formal Council contract (CPI 11)*. Placing vendors under formal contract will enable robust performance monitoring, driving improved service delivery and value for money, mitigating risks associated with service delivery failure and non-compliance which might otherwise expose the Council to financial and reputational risk.
- CPI 19 – *Amount of waste sent to landfill (basket)*: The levy paid by the council to the North London Waste Authority (NLWA) for the disposal of waste includes the cost of Landfill Tax, which is currently £56 per tonne and is set to rise by £8 per tonne per year. The levy payment is £8.3M for 2011/12. Provisional figures from NLWA indicate that the cost of Barnet’s levy payments will rise to £11.1M by 2014/15.

7. LEGAL ISSUES

7.1 No legal issues are raised by this report.

8. CONSTITUTIONAL POWERS

8.1 The scope of all scrutiny committees are contained within Part 2, Article 6 of the Constitution;

8.2 The Overview and Scrutiny Procedure Rules (Part 4 of the Constitution) set out the terms of reference of the Budget and Performance Overview and Scrutiny Committee which includes, amongst other duties, responsibility for “...scrutinising the overall performance, effectiveness and value for money of Council services, including the planning, implementation and outcomes of all corporate improvement strategies.”

9. BACKGROUND INFORMATION

9.1 Barnet’s Corporate Plan 2010-13 sets out performance targets and improvement initiatives for the Council by corporate priority. Appendix A of this report sets out all progress against these targets at the end of quarter four 2010-11. Appendix B sets out progress on the Corporate Plan Improvement Initiatives.

9.2 In quarter four there is data available for 33 of the 41 indicators. Of these 33 indicators 17 have been met (51.5%) and 16 have been missed (48.5%). This compares with 62.5% of the sixteen indicators

reporting data being met in **quarter one** 2010/11, and 37.5% being missed. There are eight indicators where data has either not been reported or which have already been reported previously in the year. The only indicator that has not been reported but which was expected was *percentage satisfaction with contact centre telephone service by corporate customer services*, which has therefore been rated red.

9.3 A summary of results by Directorate is presented in the table below:

| Directorate | Total no. of Corp Plan targets | Total no. of Corp Plan indicators | No. of indicators achieved | No. of indicators missed | Negative DoT | No. of indicators reporting data in Q4 |
|----------------------------------|--------------------------------|-----------------------------------|----------------------------|--------------------------|-----------------|--|
| Adult Social Services | 3 | 3 | 1 | 2 | 2 | 3 |
| Children's Services | 6 | 9 | 1 | 1 | 1 | 2* |
| Environment & Operations | 4 | 6 | 4 | 2 | 1 | 6 |
| Planning, Housing & Regeneration | 6 | 6 | 2 | 4 | 3 | 6 |
| Commercial Service | 3 | 4 | 1 | 3 | 0 | 4 |
| Deputy Chief Executive | 1 | 2 | 1 | 1 | 2 | 2 |
| Chief Executive's Service | 1 | 6 | 2 | 3 | 5 | 5 |
| Corporate Governance | 4 | 5 | 5 | 0 | 0 | 5 |
| Total | 28 | 41 | 17 (51.5%) | 16 (48.5%) | 14 (42%) | 33 |

Note: Some indicators are grouped into baskets and treated as a single target, which is why columns 1 and 2 are different

9.4 The total number of missed targets has increased by three since quarter 3. This includes five indicators that have been newly missed in quarter 4, having been green in quarter 3, and two indicators that have turned from red to green in quarter 3. Two of the newly missed targets are owned by the Commercial Directorate - % of contracts held by the Council that have been reviewed, and the % of contracts deemed to require renegotiation have commenced renegotiation. Another two are customer services targets - answering customers' calls within 20 seconds and emails within 10 days. The fifth target to go from green to red was the % of services that are in the high performance/low spend quadrant of the Capital Ambition analysis (See Appendix A, page 13 of this report).

9.5 The two targets that were missed in quarter 3 and have been newly met in quarter 4 are the percentage of households returning completed electoral registration forms, which has achieved an outturn of 94% against a target of 91%, and the number of homeless acceptances; however the year end target for this was still missed.

- 9.6 Performance results are traffic lighted according to a four point traffic light scale: Green, Green Amber, Red Amber and Red. The calculation method for identifying these traffic lights is shown in the table below.

| Traffic Light | % of targeted improvement achieved | Description |
|---------------|------------------------------------|--------------------------------|
| Green | 100% or more | Meeting or exceeding target |
| Green Amber | >80% <100% | Near target with some concerns |
| Red Amber | >65% <80% | Problematic |
| Red | <65% | Serious concerns |

- 9.7 Any target that is met or exceeded achieves a Green traffic light. Targets that have not been met, but where 80% or more of the targeted improvement has been achieved, will be given a Green Amber traffic light. If the targeted improvement is below 80% but above 65% the indicator will get a Red Amber rating. For example, if the baseline is 80 people and the target is 100 people, the targeted improvement is 20 people. 80% of 20 is 16, so the outturn would need to be at least 96 people to achieve Green Amber and at least 93 people to achieve a Red Amber.
- 9.8 Whilst initial traffic lights will be based on these objective criteria, they may subsequently be changed through discussion between Directorates and the Performance team, based on the individual circumstances and prospects for each target. This quarter, discretion has been used for traffic lighting “Number of net additional homes provided” in Planning, Housing and Regeneration which was moved from Red to Red Amber because the end of year result is so close to the target and a large number of houses are in the pipeline and expected to be provided in quarter 1.
- 9.9 Indicator results are also compared with the previous relevant results¹ in order to measure the Direction of Travel (DoT). This may show improvement (▲), deterioration (▼) or stability (-) .
- 9.10 Of the eleven priority improvement initiatives (reported in Appendix B) four have received a Green traffic light this quarter, meaning that all milestones have been met. For instance, in Children’s services, the priority improvement initiative “Ensure sufficient primary school places are available in the right areas” was completed successfully.
- 9.11 In addition to the Green improvement initiatives there are three Green Amber rated ones and four Red Amber ones, which are:

¹ The previous result used will either be the previous quarter, or the same quarter of the previous year. The same quarter of the previous year will be used for annual indicators, cumulative indicators (where the numbers add up during the year and are reported as ‘year to date’) and if the indicator is affected by seasonal fluctuations

- *“Promote volunteering as a means to empower individuals, contributing to strong communities, adding value in the delivery of public services”, owned by Adult Social Services.*
- *“Use video technology to empower families to effectively participate in child protection planning”, owned by the Children’s Service.*
- *“Launch new foster carer recruitment campaign to increase opportunities for stable, local placements”, owned by Children’s Services.*
- *“Work with businesses and residents to prototype new and innovative approaches to reducing waste and energy use and improving the street environment in town centres,” owned by Environment and Operations.*

9.12 Cabinet Resources Committee receives a quarterly budget and performance monitoring report that also includes summary data on human resources, finance, and risk. The next meeting of Cabinet Resources Committee is scheduled for 29 June 2011.

9.13 The detailed quarter four performance results for each Council service area are also published on the council’s website here:
<http://www.barnet.gov.uk/cp-annual-performance-monitors.htm>

10. LIST OF BACKGROUND PAPERS

10.1 None

Appendix A – Directorate performance results

Please note that where benchmarking ranking are given, 1st is best.

Adult Social Services

| CPI no | Performance Indicator | Period Covered | Numerator/denominator | Relevant previous outturn | Target | Outturn | Target Variance | DoT | Benchmark data |
|--------|--|------------------------------|-----------------------|---------------------------|--------|---------|-----------------|------------|---|
| 1 | Number of social care clients and carers receiving Self Directed Support (service users receiving direct payments and personal budgets) | April 2010 – March 2011 | N/A | 1649 | 2140 | 2185* | 2.1% | ▲ 32.5% | 18% London Average |
| 2 | % Achieving independence for older people through rehabilitation/intermediate care | October 2010 – December 2010 | 616/725 | 86% | 87.0% | 85% | 2.3% | ▼ 1.2% | 85% London Average |
| 3 | % of volunteers referred to voluntary sector organisations supporting AdSS objectives (out of the total number of CommUNITY Barnet volunteering referrals in the period) | January 2011 – March 2011 | 50/153 | 73% | 85.0% | 32.7% | 61.5% | ▼ 55.3% | No benchmarking data available (unique to Barnet) |

* This is a key driver for the transformation agenda within Adult Social Care. The Barnet outturn is equivalent to 30.6%, compared to the London average of 18%.

Children's Service

| CPI no | Performance Indicator | Period Covered | Numerator/denominator | Relevant previous outturn | Target | Outturn | Target Variance | DoT | Benchmark data |
|--------|--|--|-----------------------|---------------------------|--------|---------|-----------------|-----------|--|
| 4 | Attainment gap between children with the greatest disadvantage and average attainment | | | | | | | | |
| 4a | <i>% achievement gap between pupils eligible for free school meals and their peers achieving the expected level at Key Stage 2</i> | There was no data published for Barnet due to the large number of schools who boycotted the Statutory Assessment Tests in Summer 2010 | | | | | | | |
| 4b | <i>% point gap between pupils with special educational needs achieving 5 A*-C GCSE, including English and Maths, and their peers</i> | Provisional data was reported in quarter 2 and confirmed in quarter 3 for the previous academic year. The target was missed (52% outturn achieved against a target of 47%) | | | | | | | |
| 4c | <i>% achievement gap between pupils eligible for free school meals and their peers achieving the expected level at Key Stage 4</i> | Provisional data was reported in quarter 2 and confirmed in quarter 3 for the previous academic year. The target was missed (28.7% outturn achieved against a target of 18%) | | | | | | | |
| 4d | <i>% of children in care achieving 5 A*-C (or equiv) at KS4 inc English and Maths</i> | Provisional data was reported in quarter 2 and confirmed in quarter 3 for the previous academic year. The target was met (16% outturn against a target of 16%) | | | | | | | |
| 5 | % Schools inspected in the previous academic year given an overall effectiveness rating by Ofsted of good or outstanding | This is only reported in quarter 2 for the previous academic year. This was green amber (81.8% outturn against a target of 84%) | | | | | | | |
| 6 | % achievement of 5 or more A*-C grades at GCSE or equivalent including English and Maths (Threshold) - final | Provisional data was reported in quarter 2 and confirmed in quarter 3 for the previous academic year. The target was exceeded (67% outturn against a target of 66%) | | | | | | | |
| 7 | % achievement of at least 78 points across the Early Years Foundation Stage with at least 6 in each of the scales in Personal, Social and Emotional Development and Communication, Language and Literacy - final | Provisional data was reported in quarter 2 and confirmed in quarter 3 for the previous academic year. The target was exceeded (64% outturn against a target of 56%) | | | | | | | |
| 8 | % of children in care, aged under 16, who are in LBB foster placement | 31 Mar 11 | 101/226 | 45.3% | 54.0% | 44.7%* | 17.2% | ▼ 1.3% | Unique to Barnet |
| 9 | Number of children in care | 31 Mar 11 | N/A | 307 | 320 | 304 * | 5% | ▲ 1.0% | Barnet 40 per 10,000 (under 18 pop) England 58, London 66 (2010 data). National average (DfE) |

* Provisional figures

Environment and Operations

| CPI no | Performance Indicator | Period Covered | Numerator/denominator | Relevant previous outturn | Target | Outturn | Target Variance | DoT | Benchmark data |
|-----------|--|-------------------------|-----------------------|---------------------------|-----------------------------|-------------------------|-----------------|-------------|--|
| 19 | Amount of waste sent to landfill(basket) | | | | | | | | |
| 19a | <i>Number of kgs of residual household waste per household</i> | October to December 10 | 23,967.08/ 137,698 | 708.6 | 625 kg | 696.0 kg | 11.4% | ▲ 1.8% | Ranked 23rd out of 25 London Boroughs (WasteDataFlow as at 18/04/2011) |
| 19b | <i>% of household waste sent for reuse, recycling and composting (tonnes)</i> | | 10916.5/34883.6 | 34% | 40.0% | 31.3% | 21.8% | ▼ 7.9% | Ranked 14th out of 26 London Boroughs (WasteDataFlow as at 18/04/2011) |
| 20 | % (overall) satisfaction with the local area | February 11 to March 11 | 1730/2022 | 79.5% | 84.0% | 86.0% | 2.4% | ▲ 8.2% | 86% National citizenship Survey 10/11 |
| 21 | Dealing with local concerns about anti-social behaviour & crime by the local council & police | | 1501/1910 | 30.2% | 32.0% | 79%* | 137.5% | ▲ 151.7% | None available |
| 22a | Principal roads where maintenance should be considered | April 10 to March 11 | 6.2/137.3 | 5.0% | 7.0% | 4.5% | 35.5% | ▲ 10% | National benchmarking figures not yet published |
| 22a proxy | Proxy indicators for Principal Roads road condition: a) % of potholes repaired on principal roads b) number of service requests relating to potholes on principal roads c) number of potholes on principal roads identified by Inspections & other sources | January 11 to March 11 | 118/118 | a) 100% b) 4 c) 5 | a) 100% b) N/A c) N/A | a)100% b) 37 c)73 | N/A | N/A | No benchmarking data available as this is a local measure |

| CPI no | Performance Indicator | Period Covered | Numerator/denominator | Relevant previous outturn | Target | Outturn | Target Variance | DoT | Benchmark data |
|-----------|--|------------------------|-----------------------|---------------------------|-----------------------------|-------------------------|-----------------|-----------|---|
| 22b | Non-principal roads where maintenance should be considered | April 10 to March 11 | 1.8/36.7 | 6% | 7.0% | 4.9% | 1.9% | ▲ 18.3 | National benchmarking figures not yet published |
| 22b proxy | Road condition monitor for Non Principal Roads (proxy) a) % of potholes repaired on non principal roads b) number of service requests relating to potholes non principal roads c) number of potholes on principal roads identified by Inspections & other sources | January 11 to March 11 | 16/16 | a) 100% b) 0 c) 5 | a) 100% b) N/A c) N/A | a) 100% b) 9 c) 8 | N/A | N/A | No benchmarking data available as this is a proxy measure |

* The data for the 2010/11 figure is taken from the Resident's Perception Survey which used a different methodology to the former Place survey and provides a more representative sample than the former survey. The question in this years survey was also worded slightly differently than was the case with the Place Survey (The place Survey asked how much residents agree or disagree, this years question asked residents how satisfied or dissatisfied they are).

Planning Housing and Regeneration

| CPI no | Performance Indicator | Period Covered | Numerator/denominator | Relevant previous outturn | Target | Outturn | Target Variance | DoT | Benchmark data |
|--------|--|------------------|-----------------------|---------------------------|--------|---------|-----------------|------------|---|
| 23 | % of net additional homes suitable for families | Apr 10 to Mar 11 | 2121/3262 | 68.6% | 70% | 65% | 7.1% | ▼ 5.2% | Unique to Barnet |
| 24 | Number of net additional homes provided | Apr 10 to Mar 11 | N/A | 1,310 | 1,388 | 1,310* | 5.6% | ↔ 0% | Ranked 14 out of 33 Greater London Authority Annual Monitoring report 2009/10 (London) |
| 25 | Number of households living in temporary accommodation | Mar 11 | N/A | 2156 | 1,944 | 2,139 | 10% | ▲ 0.8% | Ranked 29 out of 33 (27/33 per 1000 households). London average 1,091 (Q3 2010/11) CLG. |
| | <i>Households in TA Regeneration Stock</i> | Mar 11 | N/A | 946 | N/A | 968 | N/A | ▼ 2.3% | Not available |
| | <i>Households in TA outside of regeneration estates</i> | Mar 11 | N/A | 1210 | N/A | 1,171 | N/A | ▲ 3.2% | |
| 26 | Number of households accepted as homeless under the provision of the 1996 Housing Act* | Jan 11 to Mar 11 | N/A | 77.0 | 55 | 50 | 9.1% | ▲ 35.1% | Ranked 18 out of 33 (15/33 per 1000 households). (Q3 2010/11 YTD) CLG. |
| 27 | Number of households being re-housed in the private sector via the Housing Service | Jan 11 to Mar 11 | N/A | 97 | 213 | 125 | 41.3% | ▲ 28.9% | Other London Boroughs have seen falls – estimates: Westminster - 50% Islington – 17% Haringey – 24% |
| 28 | Satisfaction of businesses with local authority regulation services | Apr 10 to Mar 11 | 3.6/4 | 93.4% | 80.0% | 89.1% | 11.4% | ▼ 4.6% | Ranked 10 out of 26. LAPS 2009/10 |

*Note that whilst quarterly performance against CPI 26 is green, the overall year-end target was missed due to poor performance in previous quarters.

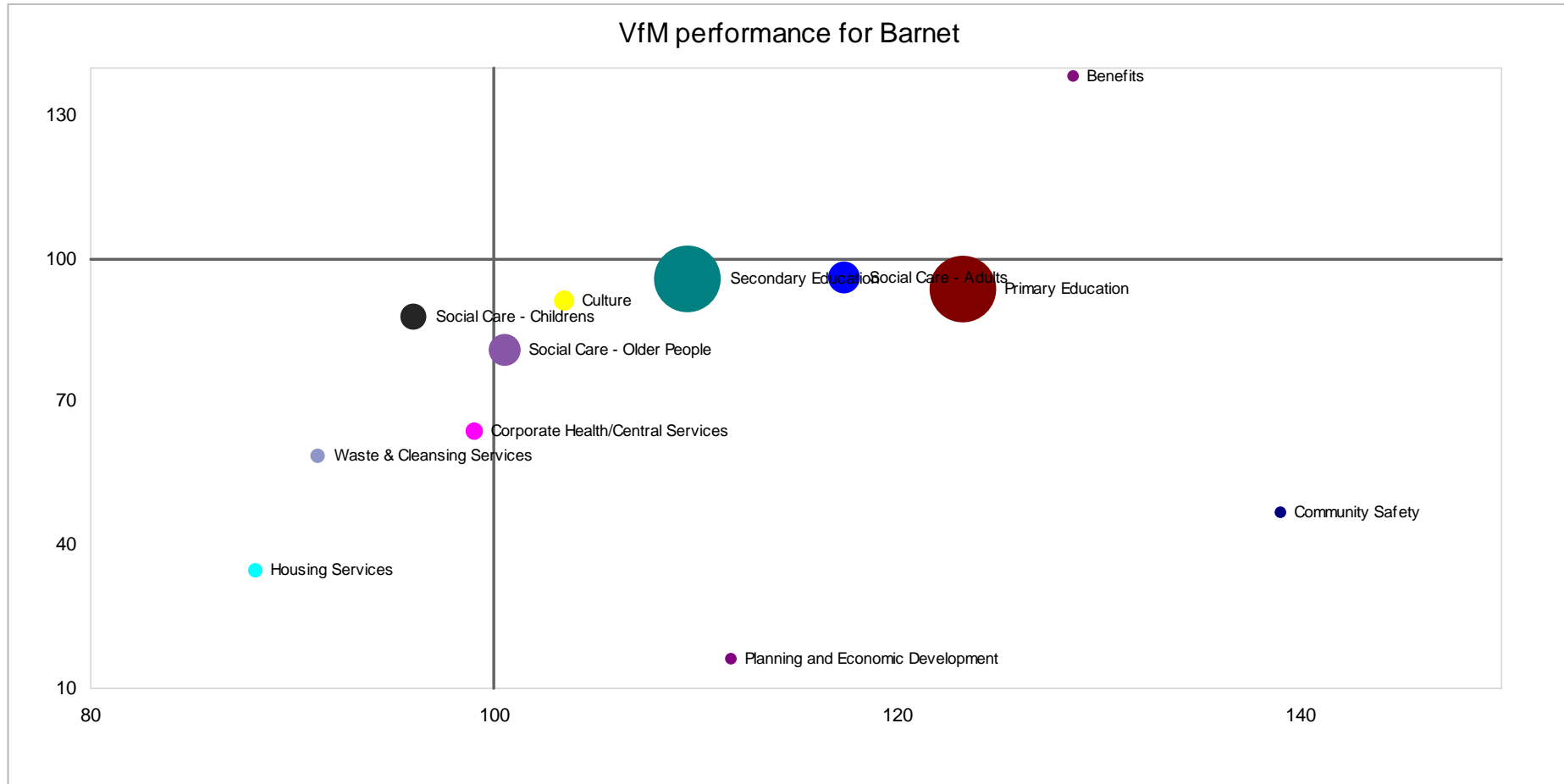
Commercial Services

| CPI no | Performance Indicator | Period Covered | Numerator/denominator | Relevant previous outturn | Target | Outturn | Target Variance | DoT | Benchmark data |
|--------|--|---------------------------|-----------------------|---------------------------|--------|---------|-----------------|-------------|---------------------------------------|
| 10 | Effective contract management (basket) | | | | | | | | |
| 10a | <i>% of contracts held by the Council have been reviewed</i> | January 2011 – March 2011 | 66/180 | 31.1% | 50% | 36.7% | 26.6% | ▲ 18.0% | Local indicator, no benchmarking data |
| 10b | <i>% of contracts deemed to require renegotiation have commenced renegotiation</i> | | 19/90 | 15.6% | 50% | 21.1% | 57.8% | ▲ 35.3% | Local indicator, no benchmarking data |
| 11 | % of 50 largest vendors under formal contract | | 35/50 | 16% | 80% | 70.0% | 12.5% | ▲ 337.5% | Local indicator, no benchmarking data |
| 12 | % rental voids on Commercial property portfolio | | 7/202 | 4.5% | 5% | 3.5% | 30.8% | ▲ 22.2% | Not participating in benchmarking |

Deputy Chief Executive's Service

| CPI no | Performance Indicator | Period Covered | Numerator/denominator | Relevant previous outturn | Target | Outturn | Target Variance | DoT | Benchmark data |
|--------|---|---------------------------|-----------------------|---------------------------|--------|---------|-----------------|------------|---|
| 17 | Value for money basket | | | | | | | | |
| 17a | <i>% of services that are in the high performance/low spend quadrant of the Capital Ambition analysis</i> | January 2011 – March 2011 | 7.0/12.0 | 80% | 80% | 58% | 27.1% | ▼ 27.1% | Capital Ambition (London Councils) LAPS |
| 17b | <i>Cost per head of population of back office support</i> | | 20447154/345800 | £58.90 | £59.41 | £59.13 | 0.5% | ▼ 0.4% | unique to Barnet |

Graph 1: % of services that are high performance/low spend (CPI 17a, above) - this is a new indicator of value for money, and is compiled across all London councils comparing a set of national performance indicators with costs of services per resident. The bottom right quadrant of the graph represents good value for money (low cost, high performance), and our aim is for 80% of services to be in this quadrant. The performance of Housing Services, Waste & Cleansing Services, and Children's Social Care have deteriorated between quarter three and quarter four, moving from the bottom right to the bottom left quadrant.



Chief Executive's Service

| CPI no | Performance Indicator | Period Covered | Numerator/denominator | Relevant previous outturn | Target | Outturn | Target Variance | DoT | Benchmark data |
|--------|--|---------------------------|-----------------------|---------------------------|--------|---------|-----------------|------------|---|
| 18 | Customer services accessibility & satisfaction | | | | | | | | |
| 18a | <i>% demand met by telephone within corporate ring time (5 rings) by all council call centres</i> | January 2011 – March 2011 | 158852/248206 | 71.2% | 75.0% | 64.0% | 14.6% | ▼ 10.1% | 76% - Benchmarked against five local authorities. See call centre breakdown on page 14. |
| 18b | <i>Percentage of emails acknowledged within 2 working days by corporate customer services</i> | | 4164/5417 | 90.8% | 90.0% | 76.9% | 14.6 | ▼ 15.3% | 74.0% (Richmond-Upon Thames) see call centre breakdown on next page |
| 18c | <i>Percentage of emails responded to within 10 days by all council services</i> | | 3047/3837 | 82.7% | 85.0% | 79.4% | 6.6% | ▼ 4.0% | 95.0% (Harrow Council) |
| 18d | <i>% Satisfaction with face-to-face customer service at Barnet House and Burnt Oak</i> | | 261/294 | 89.6% | 85.0% | 88.8% | 4.4% | ▼ 0.9% | 87.7% Statistical Neighbours Avg |
| 18e | <i>% Satisfaction with contact centre telephone service by corporate customer services</i> | | N/A | 93.4% | 85.0% | No data | N/A | N/A | 80.5% (Richmond-upon-Thames) |
| 18f | <i>Average time (in minutes) spent waiting at the corporate reception points at Barnet House and Burnt Oak</i> | | N/A | 3.5 | 11.0 | 4.4 | 59.6% | ▼ 26.4% | 9.3 Statistical Neighbours Avg |

The table below displays a breakdown by service of what percentage of phone calls are responded to within 20 seconds (CPI 18a). The first 3 call centres (highlighted in bold) were managed by corporate Customer Services based in the Chief Executive's Service in quarter 4; the remaining 8 were managed by different Directorates. Since then some call centres have transferred into corporate Customer Services.

| CPI 18a: % demand met by telephone within corporate ring time (5 rings/20 seconds) | Period Covered | Numerator/denominator | Relevant previous outturn | Target | Outturn | Target Variance | DoT | Benchmark data |
|---|-----------------------|------------------------------|----------------------------------|---------------|----------------|------------------------|------------|---|
| Overall corporate outturn | January – March 11 | 158852/248206 | 71.2% | 75% | 64% | 14.7% | ▼ 10.1% | Harrow = 87% Richmond = 84% Dacorum = 60% Southampton = 88% Winchester CC = 60% |
| Switchboard | | 56633/82196 | 80.2% | 75% | 68.9% | 8.1% | ▼ 14.1% | |
| Environment & Transport, Street Based Services | | 11329/15393 | 74.9% | 75% | 73.6% | 1.9% | ▼ 1.7% | |
| Planning | | 4837/6672 | 74.9% | 75% | 72.5% | 3.3% | ▼ 3.2% | |
| Registrars | | 3311/6883 | 62.4% | 75% | 48.1% | 35.8% | ▼ 22.9% | |
| Parking | | 3298/27485 | 27.4% | 75% | 12% | 84.1% | ▼ 56.2% | |
| Adult Social Services | | 8425/10138 | 81.5% | 75% | 83.1% | 10.8% | ▲ 2.0% | |
| Council Tax | | 20573/27801 | 70.3% | 75% | 74% | 1.3% | ▲ 5.3% | |
| Housing Benefits | | 18488/30558 | 86.7% | 75% | 60.5% | 19.3% | ▼ 30.2% | |
| Housing Advice | | 5230/7067 | 68.6% | 75% | 74% | 1.3% | ▲ 7.9% | |
| Out of Hours | | 497/591 | 87.8% | 75% | 84.1% | 12.1% | ▼ 4.2% | |
| Barnet Homes | | 18048/33422 | 68.6% | 75% | 54% | 28.1% | ▼ 21.3% | |

The table below displays a breakdown by service of what percentage of emails are responded to within 10 days by all council services. There are eight services that missed this target in quarter four.

| <i>CPI 18b: % of emails responded to within 10 days by all council services</i> | Period Covered | Numerator/denominator | Target | Outturn | Target Variance | Benchmark data |
|--|----------------------------------|------------------------------|---------------|----------------|------------------------|-----------------------|
| Overall Corporate Outturn | January 11 – March 11 | 3463/4374 | 85% | 79.2% | 6.8 | 95% Harrow |
| Strategy | | 17/38 | 85% | 44.7% | 47.1 | |
| Children’s Services (including education) | | 58/116 | 85% | 50.0% | 41.2 | |
| Corporate Services | | 139/217 | 85% | 64.1% | 24.6 | |
| Barnet Homes | | 17/25 | 85% | 68.0% | 20.0 | |
| Customer Services | | 149/208 | 85% | 71.6% | 15.8 | |
| Environment & Operations | | 2388/2990 | 85% | 79.9% | 6.0 | |
| Older Adults | | 22/27 | 85% | 81.5% | 4.1 | |
| Planning Housing & Regeneration | | 648/727 | 85% | 89.1% | 4.8 | |
| Corporate Governance | | 19/20 | 85% | 95.0% | 11.8 | |
| Generic* | | 1/1 | 85% | 100% | 17.6 | |
| Not assigned** | | 5/5 | 85% | 100% | 17.6 | |

* This means the email query does not fit in to any other category

** This refers to emails that have been allocated to a particular service in the first instance but are subsequently changed to different service (e.g. from request parking enforcement to reporting an abandoned vehicle).

Corporate Governance

| CPI no | Performance Indicator | Period Covered | Numerator/denominator | Relevant previous outturn | Target | Outturn | Target Variance | DoT | Benchmark data |
|--------|---|--------------------|-----------------------|---------------------------|--------|---------|-----------------|-------------|---|
| 13 | Effectiveness and transparency of decision making within the council by ensuring that overview and scrutiny over the year 2010/11 (basket) | | | | | | | | |
| 13a | <i>Number of decisions considered by Overview and Scrutiny prior to being taken by Cabinet (annual target)</i> | Jan 11 to Mar 11 | N/A | 6 | 3 | 9 | 200% | ▲ 50% | Unique to Barnet |
| 13b | <i>Number of policy developments initiated by Overview and Scrutiny (annual target)</i> | | N/A | 4 | 3 | 6 | 100% | ▲ 50% | Unique to Barnet |
| 14 | % of households returning completed electoral registration forms | Jan 11 to Mar 11 | 130974/139284 | 89.2% | 91% | 94% | 0.03% | ▲ 5.4% | London average as at 10 th March 2011 = 92.7 |
| 15 | Increase the % of additional items in the Publication Scheme | Jan 11 to Mar 11 | 71/78 | 43.7% | 70% | 91% | 30% | ▲ 108.2% | Unique to Barnet |
| 16 | % who are satisfied with the opportunities for participation in local decision making | April 10 to Mar 11 | 873/1806 | 29%* | 35% | 48% | 37.1% | ▲ 65.5% | No benchmark data available. |

* The relevant previous outturn is from the Place survey which was abolished in 2010. The data for the 2010/11 figure is taken from the Resident's Perception Survey which used a different methodology to the former Place survey and provides a more representative sample than the former survey.

Appendix B - Corporate Plan improvement initiative progress

Adult Social Care

| Corporate Priority & Strategic Objective | Top Project/ Top improvement initiative | Quarter 4 milestone/s | Status | Commentary |
|--|---|---|--|--|
| A Successful London Suburb | Promote volunteering as a means to empower individuals, contributing to strong communities, adding value in the delivery of public services. | *AdSS SMT / Grants Unit agreement of procurement plan to implement commissioning strategy *AdSS specification of volunteering targets within 2011/12 SLAs with voluntary organisations | Work initiated/partially achieved | Voluntary sector contracts will be streamlined and re-procured for the 2011/12 year (subject to CRC approval), including the specification of volunteering targets where appropriate. This is on track. Over the year there has been 216 volunteers matched out of 368 volunteering opportunities, relating to just adult social care. |

Children's Service

| Corporate Priority & Strategic Objective | Top Project/ Top improvement initiative | Quarter 4 milestone/s | Status | Commentary |
|---|---|---|--|---|
| <i>Better services with less money</i> | Launch new foster carer recruitment campaign to increase opportunities for stable, local placements | Implement action plan arising from FirstStat | Work initiated/partially achieved | Majority of actions implemented and remaining activities ongoing and to be carried forward into next year's plan |
| <i>Sharing opportunities and sharing responsibilities</i> <i>Embed a safeguarding culture throughout Barnet to make sure our children, young people and adults remain safe</i> | Strengthen multi-disciplinary support for vulnerable families | Multi Agency groups (MAGs) embedded and in place, reviewing Common Assessment Frameworks (CAF) and monitoring and evaluating success of interventions | Achieved | MAGs been in place since September 2010, monitoring and evaluating the CAF process. Evaluation of the success of the inventions is part of the CAF process which are discussed at the MAG meetings. Good attendance from member agencies and have managed to get CAF action plans back on track for 63% of the cases presented to MAGs. Review underway since 1st February 2011 to look at the current MAG structure. |

| | | | | |
|--|---|--|--|--|
| <p><i>Sharing opportunities and sharing responsibilities</i></p> <p><i>Embed a safeguarding culture throughout Barnet to make sure our children, young people and adults remain safe</i></p> | <p>Use video technology to empower families to effectively participate in child protection planning</p> | <p>Pilot new approach to carrying out child protection conferences - linking with One Barnet empowerment of Barnet Citizens.</p> | <p>Work initiated/partly achieved</p> | <p>The families' model of child protection case conferences has been researched. Model now piloted in a number of London boroughs. Training completed in Barnet with conference chairs and proposal for piloting in Barnet due to be submitted to Safeguarding Board in May 2011 with a view to commencing the strengthening families pilot in Sept 2011</p> |
| <p><i>A Successful London Suburb</i></p> <p><i>Ensure every school a good school for every child</i></p> | <p>Ensure sufficient primary school places are available in the right areas</p> | <p>Plans in place for providing sufficient Reception places for September 2011</p> | <p>Achieved</p> | <p>8 schools have put on additional reception classes to help meet demand in appropriate areas. Additional capacity has also been provided as one school joined the maintained sector in January 2011, and a new free school is on track to open in September 2011.</p> |

Environment and Operations

| Corporate Priority & Strategic Objective | Top Project/ Top improvement initiative | Quarter 4 milestone/s | Status | Commentary |
|--|---|--|--|---|
| <p><i>Sharing opportunities and sharing responsibilities</i></p> <p><i>Develop a new relationship with residents so they are able to more effectively contribute to making Barnet and its residents successful</i></p> | <p>Work with the Metropolitan Police and engage residents to achieve successful outcomes around shared objectives and community issues</p> | <p>Burglary action plan will cease February 2011, evaluation to commence March 2011.</p> | <p>Work initiated/mostly achieved</p> | <p>Project complete. Evaluation inconclusive but does show a burglary reduction in targeted areas. However, there was displacement and burglary overall did not decrease across the whole borough.</p> <p>Activities completed:</p> <p>Poster site campaign targeted at commuter locations in hotspot areas</p> <p>10,350 households visited and given crime prevention advice and timer switches in our top 123 most burgled roads</p> <p>3 crime prevention road shows held</p> <p>2 stolen property road shows held</p> <p>1 gating scheme delivered</p> |

| | | | | |
|---|---|--|--|---|
| <p><i>Successful London Suburb</i></p> <p><i>Protect and enhance our natural environment so that the borough is clean and green</i></p> | <p>Work with businesses and residents to prototype new and innovative approaches to reducing waste and energy use and improving the street environment in town centres</p> | <p>1. Consensus achieved with all represented parties on Barnet Traders Group. 2. Breakdown on spend relating to initial £5k grant. 3. Additional EcoTeams running in Barnet</p> | <p>Work initiated/partially achieved</p> | <p>Achieved consensus on the way forward that is representative of all parties within Barnet Traders group. A new point of contact nominated in Planning & Regen as the logical approach to ensure synergy with other High Barnet initiatives. Breakdown on initial £5K grant received from Barnet Traders. No additional Eco Teams have been set up yet as hoped. However contact maintained and support offered in the form of free use of council premises for when the groups are formed.</p> |
|---|---|--|--|---|

Planning Housing and Regeneration

| <p>Corporate Priority & Strategic Objective</p> | <p>Top Project/ Top improvement initiative</p> | <p>Quarter 4 milestone/s</p> | <p>Status</p> | <p>Commentary</p> |
|--|---|---|------------------------|--------------------------|
| <p><i>Sharing opportunities and sharing responsibilities</i></p> <p><i>Promote mixed communities</i></p> | <p>Review housing allocations policy</p> | <p>New Allocations policy fully implemented</p> | <p>Achieved</p> | |

| | | | | |
|---|--|--|--|--|
| <p><i>A Successful London Suburb</i></p> <p><i>Protect and enhance our natural environment so that the borough is clean and green</i></p> | <p>Complete a business and enterprise scoping study for each priority town centre</p> | <p>Complete scoping studies and draft issues papers.</p> | <p>Work initiated/mostly achieved</p> | <p>Business scoping survey work has been completed in Priority Town Centres- Edgware, Chipping Barnet, Finchley Central and Golders Green. These centres have also had Business Forums set up in them. Business survey work is due to begin at North Finchley in June/July and shortly after we will be establishing a Business Forum there. The delay in the scoping survey work at North Finchley is due to the fact that Golders Green (not originally designated as a Priority Town Centre) overtook North Finchley as a Priority Town Centre for scoping survey work and to establish a Business Forum.</p> |
|---|--|--|--|--|

Commercial Services

There are no Corporate Plan improvement initiatives for Commercial Services

Deputy Chief Executives Service

There are no Corporate Plan improvement initiatives for Deputy Chief Executive's Service

Chief Executives Service

| Corporate Priority & Strategic Objective | Top Project/ Top improvement initiative | Quarter 4 milestone/s | Status | Commentary |
|--|---|--|------------------------|--|
| <p><i>Better services with less money</i></p> <p><i>Improve customers' access to the council, and encourage more contact and transactions to be carried out online</i></p> | <p>Develop an organisational dashboard and indicators for better measuring of customer satisfaction and value for money</p> | <p>Review/Re-evaluate the dashboard and implement an improvement plan.</p> | <p>Achieved</p> | <p>Next year's performance framework which incorporates the dashboard has been developed and aligned to the new strategic objectives. The improvement plan was to ensure that processes were in place to allow all performance indicators to be reported on, on a regular basis. This will guarantee returns for each quarter and no data gaps. This dashboard will be published online from quarter 1 2011-12 at www.barnet.gov.uk/</p> |

Corporate Governance

| Corporate Priority & Strategic Objective | Top Project/ Top improvement initiative | Quarter 4 milestone/s | Status | Commentary |
|---|--|--|---------------------------------------|--|
| <p>Better services with less money</p> <p>Improve council policy and decision making through greater involvement by non-executive members</p> | <p>By analysing compliance with the Publication Scheme, implement a plan to improve transparency of the council's administration and achieve the maximum number of relevant publications in the scheme in 2011-12.</p> | <p>1. Identify all information agreed for publication that is still outstanding.</p> <p>2. Publish all information that has been identified.</p> <p>3. Identify on-going milestone to continue with the expansion and on-going updating of the scheme.</p> | <p>Work initiated/mostly achieved</p> | <p>The Scheme has identified and included all information for publication under the Scheme. There is no information agreed for publication that is still outstanding.</p> <p>The maximum amount of information for this year as identified by service representatives has been published under the Scheme. In addition the Scheme has led to the creation of new information in the form of an FOI Disclosure Log that will increase public access to information.</p> <p>The Standards and Information Rights Team is working with the Web Team as part of the website development project to identify areas of future expansion for the Scheme and develop procedures for regularly updating the Scheme.</p> |

AGENDA ITEM: 7

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| | |
|-------------------|--|
| Meeting | Budget and Performance Overview & Scrutiny Committee |
| Date | 21 June 2011 |
| Subject | Achieving Independence for Older People through Rehabilitation / Intermediate Care |
| Report of Summary | <p>Cabinet Member for Adult Social Care</p> <p>The Report outlines the context and partnership work undertaken between NHS Barnet and Barnet Council in 2010/11 for the corporate indicator NI 125; and provides an update on the financial resources and work streams to further increase integration between health and social care, improve outcomes and deliver efficiencies against shared agendas.</p> |

| | |
|----------------------------------|---|
| Officer Contributors | Ceri Jacob, Joint Associate Director Joint Commissioning and Mathew Kendall, Assistant Director Transformation & Resources – Adult Social Care & Health Directorate |
| Status (public or exempt) | Public |
| Wards Affected | All |
| Enclosures | Appendix 1 - Summary of NHS social care and earmarked enablement allocations |
| Contact for Further Information: | <p>Caroline Chant, Joint Commissioner (Older People) and Rodney D'Costa, Head of Performance (Adults) – Adult Social Care & Health Directorate. Telephone: 020 8359 4259 & 4304</p> |

1. RECOMMENDATIONS

- 1.1 Committee are requested to make comments/recommendations on the work underway to achieve greater independence for older people using the social care allocations transferred from NHS Barnet to Barnet Council.**

2. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 2.1 The London Borough of Barnet has agreed a Medium Term Financial Strategy and the proposal for the investment of the social care allocations through the NHS must support the delivery of that strategy.

- 2.2 The NHS Operating Framework sets out how this new funding should be managed:

'PCTs will need to transfer this funding to local authorities to invest in social care services to benefit health, and to improve overall health gain. Transfers will need to be made via an agreement under Section 256 of the 2006 NHS Act.

PCTs will need to work together with local authorities to agree jointly on appropriate areas for social care investment, and the outcomes expected from this investment.'

- 2.3 The Council's Corporate Plan 2011/12 (published in draft and pending approval at Cabinet 15 June 2011) includes the theme *Better services with less money*. One of the key priorities of Adult Social Care & Health linked to this theme is *"Integrate health and social care services to promote better outcomes, increase independence and reduce bureaucracy"*. This will be delivered through the use of s256 resources and related work-streams referred to in the main part of this report. As with the 2010/11 Corporate Plan, the 2011/12 version includes National Indicator (NI) 125 as a target. NI 125 relates to *"Achieving independence for older people through rehabilitation / independence care"* (paragraph 9.1 refers).

3. RELEVANT PREVIOUS DECISIONS

- 3.1 Cabinet Resources Committee, 2 March 2011 – approved the transfer of resources referred to in this report under section 256 of the NHS Act 2006 from NHS Barnet to London Borough of Barnet.
- 3.2 Cabinet, 14 February 2011 – agreed partnership working for Health in Barnet including delegating responsibility for the social care allocation through the NHS to the shadow Health and Well Being Board.
- 3.3 Cabinet, 12 April 2010 – agreed the Corporate Plan 2010/11, which included the corporate plan indicator and target NI 125.

4. RISK MANAGEMENT ISSUES

- 4.1** These allocations represent a significant opportunity at a time when the public sector is experiencing significant reductions or constraints on budgets. It is therefore imperative that the monies transferred to local authorities under s256 of the NHS Act 2006 are invested in such a way that mitigate risks within the system and where possible generate opportunities to drive efficiencies across that system.
- 4.2** The social care allocations through the NHS are significant in 2011/12 in recognition that reductions to Local Authority budgets are front loaded. The level of allocation in subsequent years reduces. It is therefore essential to invest in areas that will deliver additional long term savings within health and social care as opposed to investing in provision which would have to reduce year on year. It is noted that the level of investment in enablement increases over the financial years.
- 4.3** As noted in the aforementioned Cabinet Resources Committee report, there is a risk that the enablement allocation which can be used for health and social care priorities is deployed by NHS Barnet and North Central London sector to meet health priorities only. It was therefore agreed that this risk is mitigated through the expenditure plans for this allocation being agreed through the Health and Well Being Board.
- 4.4** NI 125 is an indicator and target joint owned by Health and the Council, though sourced by the former. There is a risk relating to the timely collection and provision of this data as it involves two provider (hospital) trusts. Officers in Health and the Council have put in place joint working arrangements to mitigate this risk. NI 125 also needs to be seen in the context of a suite of indicators (the national data set – paragraph 9.1 refers) which comprise the outcomes framework for Adult Social Care.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1** The investments must comply with appropriate equalities and diversity considerations and legislation. All business cases linked to the expenditure plan for sign off through the Health and Well Being Board will need to clearly identify equality and diversity considerations and how they address local needs as identified through the Barnet Joint Strategic Needs Assessment.
- 5.2** Consideration will also need to be given to the potential impact of any proposals on the protected groups pursuant to the Equality Act 2010. This general duty requires public authorities, in the exercise of their functions to have “due regard” to the need to: (a) eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Act; (b) advance equality of opportunity between different groups; and (c) foster good relations between different groups.

Equalities analysis will be completed within the context of the partnership with Health and be addressed through the Health and Well Being Board.

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

- 6.1 The NHS Operating Framework sets out how this new funding should be managed: *'PCTs will need to transfer this funding to local authorities to invest in social care services to benefit health, and to improve overall health gain. Transfers will need to be made via an agreement under Section 256 of the 2006 NHS Act.*

PCTs will need to work together with local authorities to agree jointly on appropriate areas for social care investment, and the outcomes expected from this investment. This could include current services such as Telecare, community directed prevention (including falls prevention), community equipment and adaptations, and crisis response services. The Department would expect these decisions to take into account the Joint Strategic Needs Assessment for their local population, and the existing commissioning plans for both health and social care. PCTs should work with local authorities to achieve these outcomes in a transparent and efficient manner, with local authorities keeping PCTs informed of progress using appropriate local mechanisms'.

- 6.2 The allocation will support the delivery of the £8.9m saving plan across adult social care budgets in 2011/12. The NHS Barnet Board agreed in principle to the transfer based on an investment plan that demonstrates measurable outcomes for health and social care (both quality and finance).
- 6.3 It is recognised that the delivery of this programme of work may require additional commissioning and other resource; however, where this is the case, it will be funded from within these allocations (paragraph 9.8, Tables 1 and 2 refer).
- 6.4 The commitments proposed in this report will be contained within the funds available as set out in paragraph 9.8 (Tables 1 and 2 refer).

7. LEGAL ISSUES

- 7.1 The NHS Act 2006 provides a legal framework enabling NHS bodies and local authorities to work together through delegation of functions, grant arrangements and flexibilities such as pooled budgets. Section 256 of the NHS Act 2006 is the enabling power for a PCT to make payments to a local authority towards expenditure incurred or to be incurred by the authority on community services. The social care allocations detailed in paragraph 9.8 of this report therefore come under legislation.
- 7.2 See also paragraph 5.2 and legal duties under the Equality Act 2010.

8 CONSTITUTIONAL POWERS

- 8.1 The scope of the Overview and Scrutiny Committees/Sub-Committees is contained within Part 2, Article 6 of the Council's Constitution; the Terms of Reference of the Overview and Scrutiny Committees are included in the Overview and Scrutiny Procedure Rules (Part 4 of the Council's Constitution).

9 BACKGROUND INFORMATION

National Indicator 125 and Initiatives relating to Older People in 2010/11

- 9.1 There is a set of indicators that underpin the outcomes framework for Adult Social Care (ASC) i.e. National Data Set for ASC, part of the Local Government Single Data List. This includes NI 125 "Achieving independence for older people through rehabilitation/intermediate care". NI 125 is a corporate plan indicator and seeks to measure the benefit to individuals from intermediate care and rehabilitation following a hospital episode. It captures the joint work of social services and health and is defined as where both health and social care needs of the individual have been assessed. This assessment may have been done jointly by health and social care staff, social care staff only, or health staff only. The key element is that both the health and social care needs of the individual have been assessed. The measure is designed to follow the individual and not differentiate between social care and NHS funding boundaries. The measure covers older people aged 65+ on discharge from hospital who:
- Would otherwise face an unnecessarily prolonged stay in acute in-patient/community hospital care, or be permanently admitted to long term residential or nursing home care, or potentially use continuing NHS in-patient care.
 - Have a planned outcome of maximising independence and enabling them to resume living at home.
 - Are provided with care services on the basis of a joint multi-disciplinary assessment resulting in an individual support plan that involves active therapy, treatment or opportunity for recovery.
 - Are to receive short-term interventions, typically lasting no longer than 6 weeks, and frequently as little as 1-2 weeks or less.
- 9.2 The definition of NI 125 is: the proportion of older people aged 65 and over discharged from hospital to their own home or to a residential or nursing care home or extra care housing for rehabilitation, with a clear intention that they will move on/back to their own home (including a place in extra care housing or an adult placement scheme setting) who are at home or in extra care housing or an adult placement scheme setting three months after the date of their discharge from hospital. **Good performance is typified by a higher percentage.**

Note – those who are in hospital or in a registered care home (other than for a brief episode of respite care from which they are expected to return home) at the three month date and those who have died within the three months are not reported in the numerator. Three months is defined as 91 days.

- 9.3 NI 125 data for 2010/11 shows that Barnet's percentage achieving independence was 84.31% (target 87%). This equates to a numerator of 317 and denominator of 376. For 2009/10 the figures were respectively 86.41% (83%), 534 and 618. For 2008/09 the figures were respectively 82.63% (no target % set as it was a new indicator), 176 and 213.
- 9.4 Compared to Barnet's "statistical near neighbours" Barnet is ranked 10th out of 16 for the year 2010/11 (quarter 3). The top-performing borough is Haringey (95.8%), with the lowest score represented by Croydon (63.9%). Unfortunately comparative information on the detailed work streams undertaken for this indicator by Councils and their respective Health partners is not collected in any systematic way.
- 9.5 By way of illustration, some of the work initiatives relating to older people undertaken by the Council with partners during 2010/11 include:
- Integration of Enablement and Intermediate Care Services (joint working arrangements between Health and Council).
 - Improving Stroke services (refocusing community support / rehabilitation options for stroke victims).
 - Review of Falls pathway.
 - Dementia (implementation of local action plan in line with the national Dementia strategy).
 - Housing Support for Older People ("sheltered plus" housing and a menu of charged services e.g. warden morning-call).

Initiatives relating to Older People in 2011/12 – 2012/13

- 9.6 Recent policy documents "A vision for Adult Social Care: Capable Communities and Active Citizens" and "Equity and Excellence: Liberating the NHS" both identify a need for increased integration between health and social care in the planning and delivery of care to meet the needs of their population. In addition it has been recognised that national NHS policies such as care closer to home and QIPP (Quality, Innovation, Prevention and Productivity) have an impact on social care provision and capacity and that it is necessary to support social care through these NHS changes.

Support to Social Care

- 9.7 This support to social care is being delivered through a series of financial allocations to deliver a benefit to the health and social care system. The allocation for Barnet is set out in tables 1 and 2 below. The funding for social care allocation has been transferred in full to the London Borough of Barnet by way of a section 256 agreement.
- 9.8 The funding will be used in a highly co-ordinated way to achieve maximum benefit across both health and social care, principally across London Borough of Barnet and North Central London Barnet (NCLB) but also with the acute health trusts. For example, the development of enablement services in the community supports the ability of acute trusts to avoid admitting people via A&E departments and achieving timely discharge of patients. The programme will lay the foundation to achieve long term benefits over the next 5 to 10 years.

| | 2010/11 | 2011/12 | 2012/13 |
|-----------------------|----------------|----------------|----------------|
| | £m | £m | £m |
| National Allocation | 162.000 | 648.000 | 622.000 |
| London Allocation | 24.611 | 98.363 | Not yet set |
| NHS Barnet Allocation | 0.967 | 3.888 | 3.726 (est.) |

| | 2010/11 | 2011/12 | 2012/13 |
|-----------------------|----------------|----------------|----------------|
| | £m | £m | £m |
| National Allocation | 70.000 | 150.000 | 300.000 |
| London Allocation | 10.686 | 92.043 | Not yet set |
| NHS Barnet Allocation | 0.421 | 0.980 (est) | 1.961 (est) |

- 9.9 Appendix 1 illustrates how this funding has been allocated to different service areas. Each service area is being taken forward as an individual project. In some cases, work streams have been brought together in recognition of significant overlap; for example, care homes, enablement and intermediate care. The following briefly describes each work area (cross-referenced to Appendix 1) and the evidence base / good practice that has identified and prioritised the different work streams.

Work Stream on Admission Avoidance (Care Homes, Enablement and Intermediate Care)

- 9.10 A hospital stay for any patient is very costly. Every attendance at Accident and Emergency (A & E) and emergency admission for older people (OP) has extra risks associated with disorientation, and change to life and social patterns, that create opportunities for accidents (falls) development of other conditions, and stress that delays recovery and lengthens the hospital stay.

9.11 Barnet performs badly against a national indicator of emergency admissions (the indicator shows the ratio of actual emergency admissions to the expected level, given the age, sex and need of the population for 19 conditions where admission could be potentially avoided). This costs money, is distressing for patients and may identify inadequate care pathways.

Best Practice / Evidence Base

9.12 Kings Fund seminar; 'Avoiding hospital admissions, Lessons from evidence and experience' 2010. A summary of the findings include:

- The greatest opportunity to reduce hospital admission and bed days lays in the proactive management of people with long term conditions especially people with multiple conditions.
- Integrated working between health and social care can result in lower than expected emergency admissions and reduced use of beds (Torbay experience)
- Multiple co-ordinated strategies, under pinned by an integrated information system, are needed to reduce demand on A & E.
- Need for more proactive strategies to reduce deaths in hospitals including a range of alternatives to hospital such as hospices.
- A single assessment and co-ordinated care approach to older people identified as being at risk of avoidable hospital admission or admission to residential care has shown a range of positive benefits including fewer bed days, and A & E visits, few falls and delayed transfers to nursing care.

9.13 A review of evidence carried out by the Health Services Management Centre (HSMC) show a number of initiatives have an effect on emergency admissions. These include:

- Case management in some forms
- Crisis resolution teams
- Intermediate care
- Telehealth
- Team-based interventions in Accident & Emergency
- Proactive management of long-term care

Strategic fit

9.14 The project forms part of the NHS QIPP plan for this year and also LBB/NHS work to integrate planning, commissioning and delivery of services across health and social care where clear benefits to working this way can be identified. The London Borough of Barnet Corporate Plan target is to achieve:

A reduction in emergency re-admissions within 28 days of discharge from hospital.

Success will be measured as follows:

- A 25% reduction in avoidable re-admissions within 28 days of discharge.
- 87% of people aged 65+ who are still at home 91 days after discharge into rehabilitation services

The project links with the following:

- NHS/NCL Barnet Commissioning Strategic Plan (CSP) goals: First things First; Improving Health; Building Resilience.
- London Borough of Barnet corporate plan – to integrate health and social care services to promote better outcomes, increase independence and reduce bureaucracy.

Implementation

- 9.15 A group comprising social care and health service managers, GPs, clinicians from acute and community services and a public representative have been brought together to take guide these streams of work. This work is expected to deliver greater integration between local authority enablement services, NHS intermediate care services, hospital care providers and GP care. Greater integration in how these services are commissioned and delivered will reduce duplication and omission of care leading to better outcomes for people using the services and savings within health and social care systems. There is also a link to work already underway in our local acute hospital trusts to manage people differently when they attend A&E departments and to work previously undertaken in Barnet to improve end of life care. In particular this will include the expansion of the rapid response palliative care service into residential care homes.
- 9.16 Detailed project plans have been developed for each element with delivery of change expected to commence by the final quarter of 2011/12 in most cases.
- 9.17 Some projects are already underway: for example, an initial pilot took place between December 2010 and March 2011, using the reablement linked to hospital discharge funding 2010/11. The first stage of the project comprised investment into the successful enablement service (provided by Housing 21 and commissioned by LB Social Services). Aim initially was to:
- Ensure a greater number of people have access to enablement.
 - More simplified access and greater choice for patients, through a single pathway.
 - Creation of more capacity within IC, especially during the winter.

The outcome is that an outline pathway has been agreed and implemented. In the period February to end of March 2011 in the region of 20 patients successfully moved through the pathway. This project is currently being evaluated, and the detailed report will be ready by mid June.

Work stream on Dementia

9.18 LBB will commission a piece of work to map the ideal care pathway for people with dementia across health and social care. This work will be undertaken with local clinicians, social workers and carers to develop / confirm the ideal pathway. There will be an emphasis on maintaining independence for as long as possible. The council will procure actuarial skills to identify where changes to the pathway should be made to generate the greatest benefit to Barnet people and the impact of these changes on workforce needs, cost and activity across health and social care. The outputs of this work will be the production of:

- A data analysis summary and high level process map of the current dementia pathway in Barnet.
- A high level process map of a desired dementia pathway in Barnet that has been agreed with stakeholders.
- A list of potential interventions (securing the agreement of key stakeholders across both health and social care), which will positively impact the dementia pathway in Barnet.
- Develop a cost/benefit model for each of the proposed interventions, which will show the cumulative benefits and will also break down the cost and saving for each stakeholder organisation.
- An implementation route map.
- A high level business case, which robustly evidences the case for change.

Delivery of this stream of work is expected to commence in August / September 2011 following a formal procurement process.

Work Stream on Older people (fragility fractures and community stroke pathway)

9.19 In addition to the dementia pathway referred to above, the council will carry out similar work on the community element of the stroke care pathway i.e. from the point a patient is discharged from acute hospital care. The same approach will be followed and will underpin actions to improve stroke care in the community following the recent Care Quality Commission assessment.

9.20 There is evidence that older people that fracture a bone are susceptible to further fractures. These subsequent fractures can significantly increase the level of ongoing dependence a person experiences. However; appropriate follow up of these patients reduces the risk of subsequent fractures and therefore improves outcomes for the patient

and reduces spend in health and social care. A business case for to support the development of a fragility fracture follow up service is being finalised and will be presented to the NCL NHS Barnet QIPP group in June 2011.

Work stream on Telecare / Telehealth

- 9.21 The ASC&H directorate has already carried out a pilot to assess the impact of including telecare in the intensive, six week enablement assessment package. An evaluation is being undertaken and next steps will be agreed following review of this evaluation. These may include an expansion of the original pilot to further test the outcomes achieved and to build the business case for further investment if appropriate.

Public involvement

- 9.22 A member of the public, recruited via the Older People's Assembly, is a member of the group overseeing admission avoidance and will take a particular interest in the care homes work stream. We would seek to include other members of the public and service users in other work streams as they progress and in particular in the work on dementia and community stroke services.

Evaluation of impact

- 9.23 Baseline data and clear outcomes are being defined for each strand of work set out above. This will facilitate robust evaluation of the impact on outcomes for service users and the intention is to measure impact across health and social care. Information managers from NCL NHS Barnet and LBB are working together to ensure data from both organisations can be brought together in a meaningful fashion to support this work. These evaluations will be shared with all interested stakeholders and used to support any future investment decisions.

10 LIST OF BACKGROUND PAPERS

- 10.1 None.

Appendix 1: Summary of NHS social care and earmarked enablement allocations

| Service area | Funding nominally allocated £000s | Outline of work proposed |
|--|-----------------------------------|--|
| Manage impact of changing health offer | £800 | To manage the impact of changes to continuing healthcare leading to shift of patients to social care responsibility. Will be linked to project to jointly procure continuing care to increase efficiencies and VFM and reduce changes in provider for patients / clients. |
| Managing winter pressures | £400 (carried fwd from 2010/11) | Manage increased pressures in winter, especially usage of care home beds. |
| Enablement (Admission avoidance work stream) | £300 | Extending the enablement offer to Barnet residents. Understanding the impact of PACE. |
| Intermediate care (step up / step down) (Admission avoidance work stream) | £ 900 | Map the provision of enablement and intermediate care services. Develop interventions to avoid admissions such as the virtual ward and rapid response. Strengthen social work capacity on hospital sites in and out of hours. Support to the cares role (excluding carer's breaks). |
| Telecare / Telehealth (Admission avoidance work stream) | £200 | To support the maintenance and early discharge of people. Pilot inclusion of free telecare in the 6 week intensive re-ablement offering and explore use of telehealth. |
| Mental Health (Dementia) Care pathway work stream | £500 | PwC Optimal Care pathway project that will work with clinicians and social care to agree desired pathway; use actuarial skills to identify where changes to the current pathway towards the desired pathway will have greatest impact on quality and costs. Identify where investment needs to be made and by whom to achieve savings across health and social care. This underpins conversations between health and social care on service changes. |
| Older People (Falls and stroke work stream) | £200 | Deliver the falls business case to pilot support for older adults. Improve the community element of the stroke pathway (Barnet scored "fair" in a recent CQC assessment) including supported discharge and post discharge reviews. |
| Community equipment | £300 | Plan for increased spend on community equipment as a result of focus in health and social care on supporting people in their own homes. |
| Care homes (Admission avoidance work stream) | £250 | Develop the offer for supporting Barnet residents in care homes. This work will be combined with the work streams on enablement and intermediate care under the banner of admission avoidance. |
| Building commissioning capacity | £250 | Invest in capacity to deliver the projects above. |

AGENDA ITEM: 8 Pages 39 – 48

| | |
|---|--|
| Meeting | Budget and Performance Overview & Scrutiny Committee |
| Date | 21 June 2011 |
| Subject | Waste and Recycling Performance |
| Report of | Pam Wharfe, Director of Environment and Operations |
| Summary | Barnet's performance in terms of the amount of household waste sent for disposal, and the percentage of household waste recycled, composted or reused has remained static. Improvements in recycling performance will reduce the increasing costs for residual waste disposal. In order to deliver future improvements, the Council will need to decide on its approach to future waste collection arrangements. |
| Officer Contributors | Lynn Bishop, Assistant Director, Environment and Operations Nicola Cross, Environmental Services Manager – Waste Strategy Michael Lai, Group Manager, Waste & Sustainability Team |
| Status (public or exempt) | Public |
| Wards affected | All |
| Enclosures | Appendix 1 – London Boroughs Waste Performance in 2009/10 Appendix 2 – Service arrangements for top performing London Boroughs (2009/10) |
| Reason for urgency / exemption from call-in | Not applicable |

Contact for further information: Michael Lai, Group Manager, Waste & Sustainability Team, tel: 020 8359 7435.

1. RECOMMENDATIONS

- 1.1 That the Budget and Performance Overview and Scrutiny Committee note the update on the resolutions agreed at the Committee meeting of 1 September 2010.**
- 1.2 That the Budget and Performance Overview and Scrutiny Committee make comments/recommendations on the report on waste and recycling performance, and the strategic considerations involved in improving this performance.**

2. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 2.1 The Corporate Plan 2011/12 includes the strategic objective of decreasing overall levels of household waste whilst increasing the proportion of waste being recycled. The Corporate Plan includes the intention to implement a Sustainability and Waste Minimisation Strategy, and as part of the One Barnet programme to conduct a review of street scene services (waste collection, grounds maintenance etc) to assess whether there are better ways in which these services can be delivered.
- 2.2 The Corporate Plan 2011/12 includes performance targets to reduce the amount of waste sent for disposal to 710 kilograms of residual average household waste per household, and to recycle, compost or reuse 34% of household waste.

3. RELEVANT PREVIOUS DECISIONS

- 3.1 The Budget and Performance Overview and Scrutiny Committee meeting of 1 September 2010 considered a report on Reducing Waste and Increasing Recycling Rates in Barnet (decision item 7).
- 3.2 The Budget and Performance Overview and Scrutiny Committee meeting of 22 February 2011 requested that the Committee receive an in-depth report on Waste and Recycling when reporting Quarter 4 data (decision Item 8).

4. RISK MANAGEMENT ISSUES

- 4.1 The Council pays for the disposal of waste through a levy payment to the North London Waste Authority (NLWA). Should the Council fail to reduce waste and increase recycling the risks are:
- o paying a significantly increased levy to the NLWA
 - o potential loss of income from the sale of recyclable materials should recycling opportunities not be maximised.
 - o to the Council's reputation relating to performance.
- 4.2 It is proposed that as part of the ongoing NLWA procurement of future waste services there would be a move to "menu pricing", whereby constituent boroughs' payments are made directly in line with the quantity and type of waste they generate for treatment and disposal. The most expensive option will be to send waste for disposal.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 The waste management and street cleansing services are used by all residents of Barnet. Provision is made to enable all residents to use the services. Special collections of refuse are offered during Pesach. All waste recycling services are promoted to residents through a range of means.

5.2 A composition analysis of waste carried out in 2009/10 suggested that in larger housing types, residents recycle an average amount of waste, but produce significantly more waste overall. The analysis showed that there is the potential for residents to recycle or compost 74% of their total household waste using the recycling services currently being provided, compared with an actual performance of 33% in 2009/10.

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

6.1 The levy paid by the Council to the NLWA for the disposal of waste includes the cost of Landfill Tax, which is currently £56 per tonne and is set to rise by £8 per tonne per year. The levy payment is £8.3M for 2011/12. Provisional figures from NLWA indicate that the cost of Barnet's levy payments will rise to £11.1M by 2014/15. Figures are based on current collection arrangements staying the same, with the same level of resident participation in recycling services as at present, plus projected increases in charges such as the Landfill Tax.

6.2 The cost of the Recycling Services Contract with May Gurney for recycling from houses, flats, schools, recycling bring banks and the Civic Amenity and Recycling Centre is a cost of £4.0M per year (2011/12) excluding material income received by the Council. A savings target of £171k for 2011/12 has been allocated to this service. The cost of the refuse and green garden/kitchen waste collection services is £5.557M (2011/12). Increases in recycling will lead to increased income from the sale of materials, for which Barnet receives a 50% share. Increases in the amount of refuse collected will lead to increased disposal costs.

7. LEGAL ISSUES

7.1 None save those contained in the main body of the report.

8. CONSTITUTIONAL POWERS

8.1 The scope of the Overview and Scrutiny Committees are contained within Part 2, Article 6 of the Council's Constitution.

8.2 The terms of reference of the Overview and Scrutiny Committees are included in the Overview and Scrutiny Procedure Rules within Part 4 of the Council's Constitution.

8.3 The Budget and Performance Overview and Scrutiny Committee has within its terms of reference responsibility for scrutinising "the overall performance, effectiveness and value for money of Council services."

9. BACKGROUND INFORMATION

9.1 Update on the resolutions agreed at the Committee meeting of 1 September 2010.

9.1.1 The Budget and Performance Overview and Scrutiny Committee meeting of 1 September agreed seven resolutions. An update on progress on these resolutions is provided below.

- That Members of the Committee be provided with the Waste Action Plan.
This has been provided to members.
- That the Cabinet Member be invited to write to Councillor Shooter on the topic of a borough Carbon Reduction Strategy.

Since the 1 September 2010 meeting a Task and Finish Group has been convened to discuss Carbon/Carbon Reduction Strategy.

- That officers be asked to investigate the feasibility of placing a sticker containing recycling instructions in the lid of residents' bins to indicate which material is suitable for recycling, and the correct box for it to be placed in.

The funding that was initially identified for stickers to be placed on residents' refuse bins was returned to central funds following budget discussions.

- The Committee affirms the importance of recycling education in schools and encourages officers to continue their efforts in this area.

The Schools Recycling Challenge has now been updated to form the "Watch Your Waste project", with a greater emphasis on waste prevention as well as recycling. As part of this work, schools receive a week of intensive support from Waste & Sustainability officers, and carry out a number of educational activities. The first of these projects was completed at Cromer Road School on 27 May 2011. This scheme is aimed at primary schools, with a related scheme ("Green Matters") aimed at secondary schools. On 10 February 2011 a successful day of school activities was held in partnership with the recycling contractor May Gurney, to incentivise Barnet's secondary schools to recycle and reduce their waste. The Barnet Environmental Action Round Schools (BEARS) scheme continues to match up schools that are recycling well with those that want ideas on how to improve.

- That officers be asked to investigate the instigation of a recycling reward scheme, similar to the scheme currently being offered by Maidstone Borough Council.

Waste & Sustainability officers have met with contacts from the Recyclebank scheme, which has been launched by Windsor & Maidenhead and Halton councils. Officers have also investigated a similar scheme, Local Green Points. Both schemes involve high set-up costs of approximately £2 per household per year. Currently the Council's levy payments to NLWA are based on tonnage two years in arrears, therefore it should be recognised that currently, if such schemes delivered a reduction in waste for disposal, it will take 2 years before the Council sees any benefit for its investment. The NLWA levy payments are intended to change to actual tonnage in that year once menu-pricing is adopted by the constituent authorities. Further ongoing research is to be undertaken by Waste & Sustainability officers to better understand behaviour change, including progress with the Recyclebank scheme at Windsor & Maidenhead and a trial scheme for flats in Lambeth. Any proposals would need to carefully consider the implications set out above before a reward scheme in Barnet could be designed and implemented.

- That officers be asked to continue to work with supermarkets to encourage recycling facilities be installed at their sites.

Barnet residents can now use compostable bags, with the 'Seedling logo' to place their food waste into their green bins. Waste & Sustainability officers have contacted all major supermarkets and have currently gained the agreement of eleven supermarkets in Barnet to display 'shelf talker' notices to inform customers that they can now use compostable bags with the 'Seedling logo' in their green bins.

- That Members of the Committee do communicate any further views on further potential action, directly to the Cabinet Member.

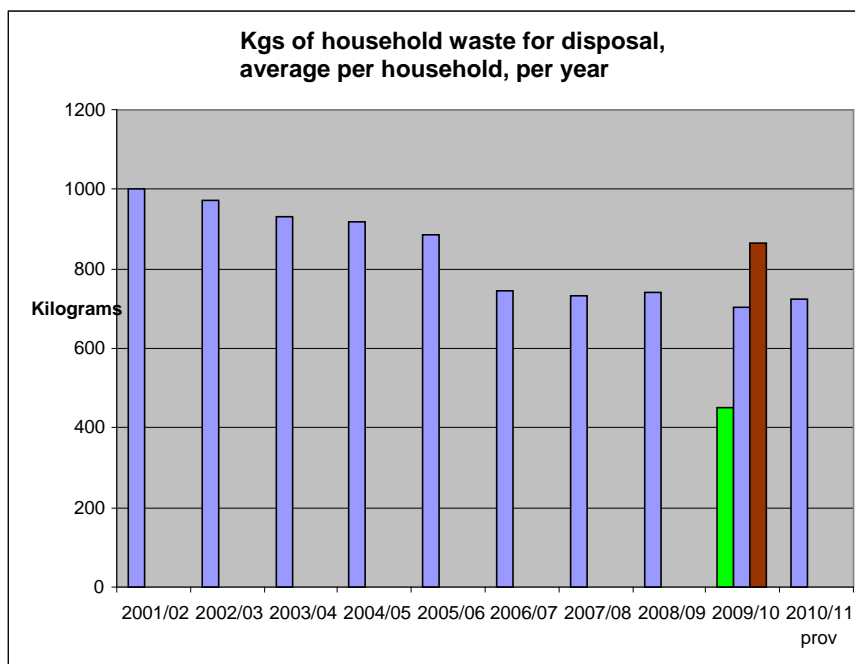
Officers have received no items, Councillor Coleman has received no items.

9.2 National and regional targets

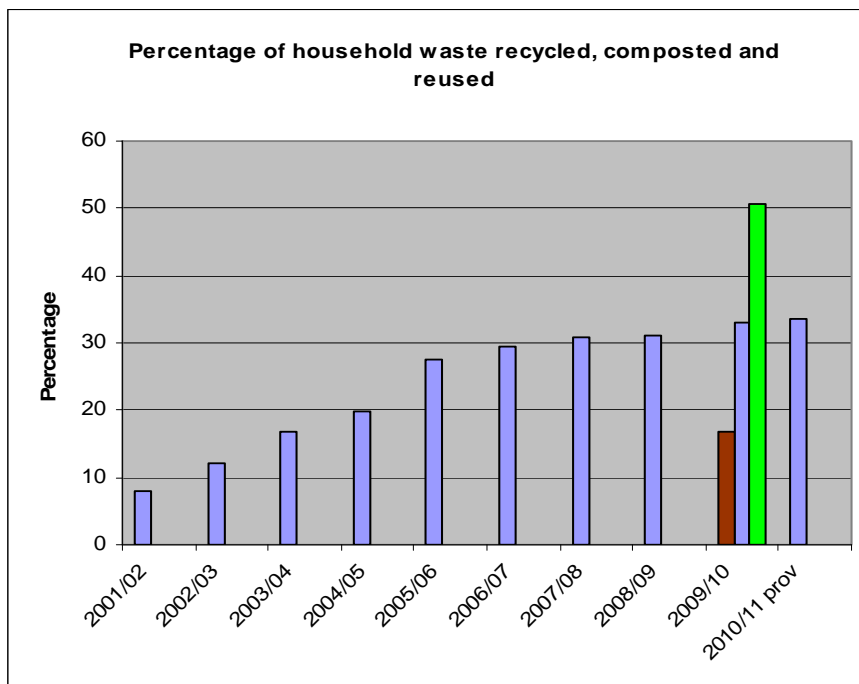
- 9.2.1 The Government's Waste Strategy for England (2007) sets a target of 50% recycling, reuse and composting of household waste by 2020 for all local authorities.
- 9.2.2 The Government is carrying out a review of the national waste strategy, and has suggested that it wishes to work towards a "zero waste" approach whereby recycling is increased and waste disposal is reduced. The results of this review are expected to be announced mid to late June 2011.
- 9.2.3 The draft London Mayor's Municipal Waste Management Strategy proposes a target of a 60% recycling rate by 2031.

9.3 Barnet's current performance

- 9.3.1 The two key measures for waste performance are the kilograms of household waste sent for disposal (formerly NI 191), and the percentage of household waste recycled, composted or reused rather than disposed of (formerly NI 192). These will continue to be used to measure performance on an ongoing basis.
- 9.3.2 The data used to measure performance on the above indicators includes third party tonnage data which is provided to the Council by the NLWA. This data is only available on a quarterly basis. The data is also only available a quarter in arrears, because there is a detailed auditing process that must be carried out. Therefore year end data for 2010/11 is not available until the end of June 2011.
- 9.3.3 The graph below shows the kilograms of household waste sent for disposal per household (NI 191) in Barnet for the past 10 years. There has been a decline in waste sent for disposal between 2001 and 2006, which is largely attributable to the introduction of collections of green garden and kitchen waste for composting, using green wheeled bins. However, the level of household waste sent for disposal in Barnet remains high, and in 2009/10 Barnet was ranked 27th best out of 33 London boroughs. For comparison purposes the brown bar represents the worst performing London borough, and the green bar the best, in 2009/10. A provisional estimate for Barnet's performance for 2010/11 is also included.



9.3.4 The graph below shows the percentage of household waste recycled, composted or reused (NI 192) in Barnet for the past 10 years. Performance has improved substantially over the last 10 years, with significant jumps following the introduction of the kerbside multi-materials recycling service (October 2001), compulsory recycling (March 2005) and the green garden and kitchen waste service (rolled out between September 2002 and January 2006). However performance has plateaued at around 33%, despite the waste composition analysis referred to at section 5.2 showing that with the existing council service provision, there is the potential for residents to recycle or compost 74% of their total household waste. In 2009/10 Barnet was ranked 14th best out of 33 London boroughs. For comparison purposes the brown bar represents the worst performing borough, and the green bar the best in 2009/10. A provisional estimate for Barnet's performance for 2010/11 is also included.



9.3.5 At current rates of performance the Council's target of 40% recycling in 2010/11 is unlikely to be reached. The targets for 2011/12 are 710 kilograms for NI 191, and 34% for NI 192, and are more realistic than previous targets.

9.3.6 The evidence overall suggests that Barnet will continue to make only incremental increases each year with its current approach. A significant change is required if the Council is to make progress towards the national recycling target of 50% in 2020, and even more challenging targets beyond this.

9.4 Comparison to other local authorities

9.4.1 Appendix 1 shows the waste performance for each of the London boroughs in 2009/10. The table includes a combined overall ranking based on the kilograms of waste sent for disposal and the percentage of waste recycled, composted or reused by each borough.

9.4.2 The top four performing boroughs in terms of their overall ranking in 2009/10 were Kingston, Bexley, Ealing, and Harrow. The waste service arrangements (collection type, container, collection frequency, and whether provided in-house or by a contractor) for each of these boroughs are set out in Appendix 2.

- 9.4.3 Two of the top boroughs had all their waste services provided in-house, and two had all of them provided by a contractor.
- 9.4.4 Three boroughs had a weekly “kerbside sort” recycling box collection from houses (as is the case in Barnet) and one had a fortnightly “comingled” recycling bin collection. Flats had a weekly recycling collection using either sacks or bins.
- 9.4.5 Three of the four collect organic waste weekly, using sacks or bins, though the top performer is not yet collecting food waste across the whole borough.
- 9.4.6 Three of the four have fortnightly refuse collections.

9.5 Actions already undertaken/being undertaken

9.5.1 A number of activities have been carried out in Barnet to improve performance, as follows:

- Improved coverage of recycling services for flats – the list of properties used for Council Tax purposes has been reviewed, to identify blocks of flats which have never contacted the Council to take up the offer of free recycling facilities. Through this exercise 186 flat blocks were identified, and work is ongoing to provide these sites with recycling facilities through negotiations with their managing agents.
- “On the go” recycling bins have been trialled near eight underground stations. The trial has shown that these bins were not well used by residents, and that it would not be cost-effective to expand this service further. On the go recycling bins have also been trialled at three libraries. Although this scheme has not produced a significant amount of recycling, it has low ongoing running costs and it is proposed to continue this.
- Participation in the Council’s compulsory recycling policy continues to be monitored by the recycling contractor May Gurney on a rolling basis. Ten collection rounds have been monitored since April 2010 and a further ten rounds will be monitored by the end of September 2011.
- The provision of recycling “bring banks” on streets and in car parks has been reviewed, and it has been concluded that it is cost-effective to continue the service. Officers are currently working to improve the textile banks, and to investigate the potential for Waste Electronic and Electrical Equipment (WEEE) banks.
- The use of biodegradable bags for food waste in the green bins has now been agreed with NLWA, and has been promoted to residents through an article in Barnet First, promotion at supermarkets (as set out in section 9.1), and on the Council website.
- All residents that are new to Barnet now receive a guide to recycling and waste prevention with their initial Council Tax mailing.
- The Council and its recycling contractor May Gurney are supporting the Barnet Furniture Centre, which diverts reusable furniture from landfill and provides it at low cost to residents on low incomes. Good quality furniture collected at the Summers Lane, Civic Amenity and Recycling Centre is made available to the Barnet Furniture Centre.
- The Neighbourhood Skip service was discontinued from April 2011, and this will lead to some decrease in the amount of waste sent for disposal.

9.6 Strategic considerations/decisions

9.6.1 Despite the actions set out above, Barnet will continue to make only incremental improvements in its performance each year with its current approach. A significant step change is required if the Council is to make progress towards challenging future recycling targets, and to minimise the costs of waste disposal. There are a number of key strategic considerations and decisions to be made by the Council to deliver on its ambition to minimise waste and increase recycling:

- Decision on future waste collection methods – the Council will need to decide on its future collection arrangements for recycling, organic waste and waste for disposal by April 2012 as part of the ongoing NLWA procurement project to provide waste disposal and treatment services once existing facilities come to the end of their life in 2014-2016. These decisions will have a significant effect on the future levels of performance that can be achieved, and the cost of services. It is proposed that an options report goes to Cabinet in September 2011.
- One Barnet programme – the Council will investigate the options for the future procurement of street scene services, including waste services. This will include consideration of whether there are benefits to grouping services together into one large procurement, and option appraisals on how services are best delivered.

10. LIST OF BACKGROUND PAPERS

10.1 None.

Legal – PJ
CFO – JH/MC

Appendix 1 – London Boroughs Waste Performance in 2009/10

| Authority | NI 191 Total Residual Household Waste per Household (kg/household) | Ranking | NI 192 Percentage waste sent for Reuse, Recycling, Composting | Ranking | Combined score | Overall ranking |
|--|---|----------------|--|----------------|---------------------------|----------------------------|
| Barking and Dagenham LB | 784.30 | 32 | 32.75% | 15 | 47 | 19 |
| Barnet LB | 702.49 | 27 | 33.07% | 14 | 41 | 17 |
| Bexley LB | 518.02 | 8 | 50.70% | 1 | 9 | 2 |
| Brent LB | 683.70 | 25 | 28.69% | 22 | 47 | 19 |
| Bromley LB | 590.42 | 16 | 40.20% | 6 | 22 | 6 |
| Camden LB | 487.55 | 4 | 29.75% | 20 | 24 | 7 |
| City of London | 532.59 | 10 | 35.19% | 10 | 20 | 5 |
| Croydon LB | 606.27 | 18 | 32.24% | 16 | 34 | 14 |
| Ealing LB | 531.83 | 9 | 37.55% | 7 | 16 | 3 |
| Enfield LB | 626.39 | 22 | 31.07% | 18 | 40 | 16 |
| Greenwich LB | 622.61 | 20 | 35.42% | 9 | 29 | 11 |
| Hackney LB | 569.12 | 14 | 24.32% | 29 | 43 | 18 |
| Hammersmith and Fulham LB | 510.36 | 7 | 27.24% | 24 | 31 | 13 |
| Haringey LB | 663.53 | 23 | 25.12% | 27 | 50 | 20 |
| Harrow LB | 579.05 | 15 | 46.09% | 3 | 18 | 4 |
| Havering LB | 709.88 | 29 | 34.35% | 11 | 40 | 16 |
| Hillingdon LB | 624.88 | 21 | 40.90% | 5 | 26 | 8 |
| Hounslow LB | 680.53 | 24 | 33.19% | 13 | 37 | 15 |
| Islington LB | 482.08 | 3 | 29.06% | 21 | 24 | 7 |
| Lambeth LB | 495.79 | 5 | 27.15% | 25 | 30 | 12 |
| Lewisham LB | 777.36 | 31 | 16.85% | 33 | 64 | 23 |
| Merton LB | 593.03 | 17 | 33.62% | 12 | 29 | 11 |
| Newham LB | 875.69 | 33 | 18.80% | 32 | 65 | 24 |
| Redbridge LB | 698.17 | 26 | 31.58% | 17 | 43 | 18 |
| Richmond upon Thames LB | 544.52 | 12 | 43.01% | 4 | 16 | 3 |
| Royal Borough of Kensington and Chelsea | 455.03 | 1 | 30.65% | 19 | 20 | 5 |
| Royal Borough of Kingston upon Thames | 497.71 | 6 | 46.16% | 2 | 8 | 1 |
| Southwark LB | 703.61 | 28 | 22.13% | 31 | 59 | 22 |
| Sutton LB | 606.84 | 19 | 37.51% | 8 | 27 | 9 |
| Tower Hamlets LB | 473.48 | 2 | 26.39% | 26 | 28 | 10 |
| Waltham Forest LB | 734.07 | 30 | 27.92% | 23 | 53 | 21 |
| Wandsworth LB | 567.22 | 13 | 24.99% | 28 | 41 | 17 |
| Westminster City Council | 538.07 | 11 | 24.08% | 30 | 41 | 17 |

Appendix 2 – Service arrangements for top performing London Boroughs (2009/10)

| Borough | Rank | Recycling | Organics | Refuse | Notes | Operations |
|----------|------|--|--|---|--|--|
| Kingston | 1 | <ul style="list-style-type: none"> Weekly – kerbside sort box collection (houses) Weekly - sack collection (flats) | <ul style="list-style-type: none"> Fortnightly - garden waste sacks or bin Weekly kitchen waste caddy (houses) | <ul style="list-style-type: none"> Fortnightly - sack collection | Charge for garden waste sacks | Single contractor for all collections. Kitchen waste is collected as part of recycling collections. |
| Bexley | 2 | <ul style="list-style-type: none"> Weekly - kerbside sort 3-box collection (houses) Weekly – wheeled bin (flats) | <ul style="list-style-type: none"> Weekly - garden and kitchen wheeled bin | <ul style="list-style-type: none"> Fortnightly - wheeled bin | Top performer in London on % recycled, composted or reused | In-house. Two recycling vehicles for glass/ plastic bottles /cans, and paper/cardboard. Weekly refuse collection where food collection is not provided (mostly flats). |
| Ealing | 3 | <ul style="list-style-type: none"> Weekly – kerbside sort box collection (houses), separate sack collection of mixed plastics Weekly – sack collection (flats) | <ul style="list-style-type: none"> Weekly – garden waste sacks Weekly – kitchen waste caddies | <ul style="list-style-type: none"> Weekly – sacks or bins | | Single contractor. Kitchen waste is collected as part of recycling collections. Mixed plastics collected as part of garden waste collections (using split bodied vehicle). |
| Harrow | 4 | <ul style="list-style-type: none"> Fortnightly – comingled bin collection (houses) Weekly - wheeled bin (flats) | <ul style="list-style-type: none"> Weekly - garden and kitchen wheeled bin | <ul style="list-style-type: none"> Fortnightly - wheeled bin | Compulsory recycling and organics | In-house. |

AGENDA ITEM: 9 Page nos. 49 – 54

| | |
|----------------|---|
| Meeting | Budget and Performance Overview and Scrutiny Committee |
| Date | 21 June 2011 |
| Subject | Cashless Parking Operations |
| Report of | Scrutiny Office |
| Summary | In addition to the traditional method of paying for parking by inserting coins in a machine the Council offers a service whereby motorists can pay by phone. This report updates the Committee on the implementation of the scheme and on the options for extending it. It is for information only and does not require a decision. |

| | |
|---------------------------|---|
| Officer Contributors | Pam Wharfe, Interim Director, Environment and Operations John McArdle, Interim Parking Manager |
| Status (public or exempt) | Public |
| Wards affected | All |
| Enclosures | None |
| For decision by | Budget and Performance Overview Scrutiny Committee |

Contact for further information:

Andrew Charlwood, Overview and Scrutiny Manager, Corporate Governance Directorate
020 8359 2014, andrew.charlwood@barnet.gov.uk

1. RECOMMENDATIONS

- 1.1 That the Budget and Performance Overview Scrutiny Committee make comments and/or recommendations on the information contained within this report.**

2. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 2.1 The Budget and Performance Overview Scrutiny Committee, Sub-Committees, Panels and Task and Finish Groups must ensure that the work of Scrutiny is reflective of the Council's priorities.**
- 2.2 The three priority outcomes set out in the 2010/13 Corporate Plan are: –**
- **Better services with less money**
 - **Sharing opportunities, sharing responsibilities**
 - **A successful London suburb**
- 2.3 The One Barnet programme has three overarching aims: –**
- **A new relationship with citizens**
 - **A one public sector approach**
 - **A relentless drive for efficiency**

The use of cashless payment systems is part of the drive towards greater efficiency in the parking operation as they enable reductions in operating costs and provide a more reliable and consistent way for motorists to pay for parking. This reliability leads also to increased revenue from paid parking.

3. RELEVANT PREVIOUS DECISIONS

- 3.1 Decision by the Acting Director of Environment and Transport and Cabinet Member for Environment and Transport (DPR 758, 2 April 2009) for the appointment of Verrus UK Ltd to provide cashless parking services borough wide for two years with effect from 22 March 2009**
- 3.2 Budget and Performance Overview and Scrutiny Committee, 22 February 2011, Decision 10 – the Committee requested a report on Cashless Operations at their next meeting on 5 April 2011**
- 3.3 Budget and Performance Overview and Scrutiny Committee, 5 April 2011, Decision 9 – the Committee noted that the report on Cashless Operations had been deferred for consideration until the first meeting of the Committee in the 2011/12 municipal year**
- 3.4 Decision by the Interim Director of Environment and Operations and Director of Commercial Services (DPR 1289, 8 April 2011) to extend the Contract with Verrus UK Ltd to provide cashless parking services borough wide until the strategic partner was in place in April 2012**

- 3.5 Decision by the Interim Director of Environment and Operations and Director of Commercial Services (DPR 1288, 24 March 2011) for the appointment of Paypoint Ltd to provide a cash alternative to the Pay by Phone cashless parking services.

4. RISK MANAGEMENT ISSUES

- 4.1 There is a risk in relying on a service provided by a third party in that any failure on their part will reflect badly on the Council. This is mitigated by the fact that it is an established service, used by many local authorities and private companies, and is supplied by a company of sound financial standing and considerable operational expertise.
- 4.2 There is no significant financial risk as the supplier does not handle the Council's money, instead facilitating a connection between the motorist's bank and the Council's own bank so that a transaction can take place.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 Equalities Impact Assessments have been undertaken in respect of the introduction of both the Pay by Phone and Paypoint services, and as each is an additional means of payment no adverse impacts were found. A **full** Equalities Impact Assessment is being undertaken on the implications of either significantly reducing the numbers of Pay and Display machines or removing them altogether and will form part of any decision making process.

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

- 6.1 The additions of cashless parking does not involve any significant expenditure as the existing infrastructure remains in place. A transaction fee is payable to the supplier for processing each transaction, and provision has been made for this in the Parking Service Plan.
- 6.2 In the event that a decision was made to switch from the use of Pay and Display as the primary method there would be costs to be considered, and these would have to be offset against proposed savings.
- 6.3 There are no procurement issues as all of the necessary Contracts and authorisations are already in place.
- 6.4 There are no IT issues as the service is hosted entirely by the provider.

7. LEGAL ISSUES

- 7.1 As contained within the body of the report.

8. CONSTITUTIONAL POWERS

- 8.1 The scope of all overview and scrutiny committees are contained within Part 2, Article 6 of the Constitution;
- 8.2 The Overview and Scrutiny Procedure Rules (Part 4 of the Constitution) set out the terms of reference of the Budget and Performance Overview and Scrutiny

Committee which includes, amongst other duties, responsibility for "...scrutinising the overall performance, effectiveness and value for money of Council services."

- 8.3 The Contract Procedure Rules set out in the Constitution provide the framework for selecting contractors, authorisation and acceptance procedures, and tendering requirements. The provision of this service will form a part of the specification for the provision of parking enforcement and related services and, as such, will not require a separate tender process.
- 8.4 The Road Traffic Regulation Act 1984 empowers Highways Authorities to designate parking places and make charges for vehicles left in any parking place so designated.

9. BACKGROUND INFORMATION

- 9.1 The Council undertook a cashless parking trial in car parks using competing suppliers from September 2008, and responded to the success of that trial by awarding a contract to provide a similar service in both car parks and on-street from April 2009 (DPR 758). This borough wide Contract was awarded to Verrus UK Ltd by competitive tender and was for two years until 21 March 2011. During the term of the Contract Verrus was acquired by PayByPhone, but still trades as a separate legal entity.
- 9.2 During the term of the Contract the Council took a decision to seek a delivery partner for the parking service from April 2012, and to place the provision of cashless parking within scope of that project. As a result the Contract with Verrus has been extended until then.
- 9.3 The Pay by Phone option was available in car parks from the outset, and was extended to street parking in June 2010. In December 2010 an operational decision was made so that motorists unable to pay using coins because of a faulty machine should either move to another machine or pay using their phone.
- 9.4 At the time of award it was anticipated that the take up of the cashless option would represent some 10% of all transactions, but the success of the scheme is such that in the first 8 weeks of this financial year 32% of car parks income and 41% of street parking income has been collected in this way. Against this background it can be concluded that the system has achieved broad acceptance amongst motorists.
- 9.5 There have been some operational issues where motorists have been unable to access the system through problems with the phone network, but overall service availability has been almost 100% as opposed to the typical 80% for the pay and display service. When the network does go down, enforcement is temporarily suspended to avoid anyone unfairly receiving a penalty charge notice, but such occasions are extremely rare.
- 9.6 Some motorists have also been confused by the optional text message service which sends a reminder when a parking session is about to expire. This is a useful facility, for which a charge of 10p is made, and can prevent someone from receiving a PCN by reminding them to return to their vehicle or top up their payment. Phone parking sessions are charged at the same rate as cash transactions.

9.7 Officers are currently working on an option to extend payment options to include the PayPoint facility. This could allow a motorist to pay using cash on a walk-up basis at selected convenience stores. The transaction is then logged on the phone system and enforcement can take place as normal to ensure that all motorists have paid. There are some 80 PayPoint stores in the Borough and an exercise is currently being undertaken to map and match stores and parking places to ensure adequate coverage. We are aware that Paypoint is not available in every CPZ.

9.8 This provision of a cash alternative may pave the way for the removal of pay and display machines, an exercise which would be likely to result in significant cost savings. The options for this are currently being examined as part of a programme which includes consultation with staff involved. These will be the subject of a separate report when complete.

10. LIST OF BACKGROUND PAPERS

10.1 None.

AGENDA ITEM: 10 Page nos. 55 – 102

| | |
|---------------------------|--|
| Meeting | Budget and Performance Overview Scrutiny Committee |
| Date | 21 June 2011 |
| Subject | Future of the Parking Service Business Case |
| Report of | Commercial Directorate |
| Summary | The Parking Service in Environment and Operations is responsible for the provision and management of on and off-street parking facilities and the enforcement of on street parking controls across the borough. This report seeks comments and recommendations from the Committee on the business case before proceeding to the procurement process to source a new parking service provider that will provide a significantly more efficient service and financial savings. |
| Officer Contributors | Andrew Charlwood, Overview and Scrutiny Manager Pam Wharfe, Interim Director, Environment and Operations Tahir Mahmood, Project Manager, Commercial Services John McArdle, Head of Service, Parking Services |
| Status (public or exempt) | Public |
| Wards affected | All |
| Enclosures | Appendix One – Future of Parking Business Case Appendix Two – Equalities Impact Assessment on staff |
| For decision by | Budget and Performance Overview Scrutiny Committee |

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1. RECOMMENDATIONS

- 1.1 That the Budget and Performance Overview Scrutiny Committee make comments and recommendations on the Future of the Parking Service Business Case as set out in Appendix 1 to this report.**

2. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 2.1 The Overview Scrutiny Committees, Sub-Committees, Panels and Task and Finish Groups must ensure that the work of Scrutiny is reflective of the Council's priorities.**

- 2.2 The three priority outcomes set out in the Corporate Plan are: –**

- **Better services with less money**
- **Sharing opportunities, sharing responsibilities**
- **A successful London suburb**

- 2.3 The One Barnet programme has three overarching aims: –**

- **A new relationship with citizens**
- **A one public sector approach**
- **A relentless drive for efficiency**

- 2.4 The overarching aim of the One Barnet Programme is to create a new citizen centred council through delivering a new relationship with citizens and, by improving their experience of the parking service this will contribute to the council in achieving this aim.**

- 2.5 The aim of the parking project is to provide a streamlined service which will result in a more efficient service that provides a better experience for customers. This would help improve the reputation of the council. As such the proposal to select a strategic partner for the delivery of a parking service fits within the One Barnet objectives of “A relentless drive for efficiency” and “A new relationship with citizens”.**

3. RELEVANT PREVIOUS DECISIONS

- 3.1 Cabinet, 6 May 2008 (Decision item 5) – approved the establishment of the Future Shape of the Organisation¹.**

- 3.2 Cabinet, 3 December 2008 (Decision item 5) – approved the programme structure for the next phase of the Future Shape programme and that a detailed assessment of the overall model for public service commissioning, design and delivery should be undertaken.**

¹ The Future Shape programme has been renamed One Barnet Programme. The relevant previous decisions shown refer to meetings held before this change.

- 3.3 Cabinet, 6 July 2009 (Decision item 5) – approved that three principles would be adopted as the strategic basis for making future decisions (a new relationship with citizens, a one public sector approach and a relentless drive for efficiency) and that a phased approach to delivering the Future Shape Programme and immediate consolidation of activity in the areas of property, support and transact.
- 3.4 Overview and Scrutiny Panel, 21 September 2010 (Decision item 9) – approved a template for Equalities Impact Assessment for use in One Barnet projects to assess the impact of service transformation on current staff.
- 3.5 Cabinet, 21 October 2009 (Decision item 8) – approved plans to implement the Future Shape programme.
- 3.6 Cabinet, 29 November 2010 (Decision item 10) – authorised the Director of Commercial Services to commence a procurement process to identify a strategic partner for the delivery of parking; and that the procurement process for a Parking Service be commenced as soon as practicable and covering the end to end process of the service.
- 3.7 Business Management Overview and Scrutiny Sub Committee, 16 December 2010 (Item 6) – the Sub-Committee referred the decision on the Future of the Parking Service back to Cabinet for the following reason:
- “That the procurement should be delayed due to a lack of robust evidence of financial information and for a full options appraisal to be carried out, including the in-house option.”
- 3.8 Cabinet, 10 January 2011 (Decision item 10) – resolved that decision item 10 (Future of the Parking Service) taken by Cabinet on 29 November 2010 be reaffirmed.

4. RISK MANAGEMENT ISSUES

- 4.1 In order to begin the process of achieving potential cost savings during quarter 1 of the financial year 2012/13, the appointment of a partner or supplier should take place by the end of December 2011 with contract commencement scheduled for April, 2012. In order to undertake such a procurement thoroughly and safely, it is usual to allow a 10-12 month timeframe for the procurement process. To this end the council issued the OJEU notice for pre-qualification for the purpose of short listing suppliers in April 2011 and plan to issue the tender notice in July 2011 to allow the procurement process sufficient time to complete effectively.
- 4.2 By issuing an OJEU notice for prequalification the council is not bound to proceed with any procurement. However, if the process is abandoned, there is a risk of challenge from applicants/bidders, and the further the procurement process has progressed the greater the risk of a successful challenge. This risk is mitigated by the planned undertaking of thorough and ongoing reviews

of the council's requirements for and of the services, their income and expenditure, and the changing financial and political landscape in which they are required to operate, to ensure that the process is not abandoned.

- 4.3 The Council's Contract Procedure Rules provide that a Cabinet Member can authorise entering into contracts with a value of £500,000 and above where the tender is (a) the lowest; or (b) where the tender represents value for money and is the best available option for the Council and the tender value is no more than 25% above the lowest priced tender. It is anticipated that, should the requirements of the Contract Procedure Rules as set out above be met, acceptance of such a contract will be carried out by a Cabinet Member. However, the project will return to be scrutinised by the Budget and Performance Overview Scrutiny Committee if requested during the procurement process.
- 4.4 It is expected that the council will begin to realise the benefits of this project from Q1 2012/13. The additional financial pressures on the council during 2011/12 are being addressed via internal improvement initiatives. In order to mitigate the risk that a potential partner is given inaccurate establishment lists of staff the project manager is reviewing the status of the lists with the HR One Barnet business partner and the service directors at key project stages.
- 4.5 The Special Parking Account (SPA) is a ring fenced account that makes a surplus each year which is then transferred into the General Fund which can then be used for transportation and highway network management related work. Over the previous three years it has provided £4.8m, £4.4m and £2.7m (7/8 to 9/10 respectively). However, in 2009/10 a reduction in income to the SPA meant that a reduced amount was transferred and this is likely to be repeated again this year if we fail to maximise income in parking.
- 4.6 Failure to improve the Parking Service would also see an increase in the number of challenges and appeals, leading to the inability to reduce administrative overheads.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 It is recognised that such a transformation of the service is likely to have an impact upon staff.
- 5.2 Although it is anticipated that the change will have a positive impact on service provision, it will also be necessary to assess the equalities impact of the project on the different groups of people within the borough, as outlined in the Corporate Plan, and work will be undertaken towards this end.
- 5.3 The council's equalities policy will be followed in the management of the tender process, including evaluation of tenders' equalities and diversity policies concerning employment practice and service delivery. Any eventual contract will include explicit requirements fully covering the council's duties under equalities legislation.

5.4 An Equalities Impact Assessment template was presented to the Future Shape Overview and Scrutiny Panel on 21 September 2010 for consideration. The Panel welcomed the template and it is being used to assess the impact of service transformation on current staff. The initial Equalities Impact Assessment is attached as Appendix 2.

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

6.1 The Spending Review has announced reductions in Government support to local authorities of 26% over the next four year. The Council has now received its grant settlement and budget reductions of £53.4 million were approved in Cabinet on 14 February, 2011 in the Budget, the Council Tax and the Medium-term Financial Strategy 2011/12 – 2013/14 report.

6.2 For the One Barnet projects, estimates of savings have been made which are reflected in the financial plans and included within the budget reductions. Clearly, it has been necessary to make some assumptions regarding savings, but these have been assessed as reasonable and prudent.

Parking Project - MTFS Analysis

| Planned Savings & Progress | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 |
|--|----------------|-----------------|-----------------|------------------|------------------|
| Total Alternative SPA-Related Planned Savings in MTFS / Budget | £231,000 | £239,000 | £381,000 | £0 | £0 |
| In-House savings relating to 2011/12 | -£231,000 | £0 | £0 | £0 | £0 |
| Savings included in Future of Parking Business Case | | -£296,360 | -£168,226 | -£168,134 | -£168,291 |
| NET SAVINGS (Saving)/Shortfall | £0 | -£57,360 | £212,774 | -£168,134 | -£168,291 |

The figures in the business case for 2013/14 do not currently indicate that the MTFS savings will be made, although this shortfall is made up in 2014/15. These figures will be revisited through the tendering process, and if this gap cannot be met, alternative savings will be brought forward by the service

6.3 The contract for parking services is planned to commence in April 2012 for a term of five years with an option to extend it for a further two years if the council is satisfied with its performance. The savings resulting from this project have been estimated as follows:

| Current cost of all services in Parking Service | | | | | | | | |
|---|----------|-----------------|------------------|---|------------------|------------------|--------------------|--------------------|
| 2011/12 | | | | 2011/12 | | | | |
| Gross expenditure | £ | 6,603,152 | | Revised gross expenditure prior to transfer | £ | 4,240,427 | | |
| Adjusted secondary recharges | £ | 30,499 | | This excludes an estimated cost of the retained client funcio | £ | 2,195,984 | | |
| Income | £ | 13,622,100 | | | | | | |
| Income as % exp. (inc. secondary recharges) | | 205% | | | | | | |
| Net expenditure | -£ | 6,988,449 | | Revised net expenditure prior to transfer | -£ | 9,381,673 | | |
| Seven-year overview of financial benefits | | | | | | | | |
| | | Contract starts | | | | | | |
| | | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 |
| | | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
| Cost reduction | £ | 237,382 | £ 343,682 | £ 446,792 | £ 546,809 | £ 643,825 | £ 737,931 | £ 829,214 |
| Income increase | £ | 58,978 | £ 120,905 | £ 185,928 | £ 254,203 | £ 325,891 | £ 401,163 | £ 480,199 |
| Total financial benefit | £ | 296,360 | £ 464,587 | £ 632,720 | £ 801,012 | £ 969,716 | £ 1,139,095 | £ 1,309,414 |

- 6.4 These estimates are based on taking savings from the current published budget showing £296,360 of savings in year 2012/13. Additional savings have been identified in the published budget of £168,226 in 2013/14 making total cumulative savings of £464,587 that year and so on. As the project is progressed these estimates will be amended as necessary and included within our financial planning.
- 6.5 The only service to be significantly affected by this work will be the Parking Service. However there will also be an impact on the new Customer Service Organisation as some parking related activities will move into this area.
- 6.6 The cost to the council of resources for the project is estimated at this stage to be as follows:

| Budget | 2010 / 2011 | 2011 / 2012 |
|----------------------------------|--------------------|--------------------|
| Internal resources | | |
| Project Management | £18,125 | £28,828 |
| Finance support | £0 | £15,470 |
| Communications | £0 | £4,013 |
| External cost | | |
| Legal support | £0 | £25,000 |
| Implementation Consultancy | £6,750 | £4,050 |
| Implementation Support | £4,250 | £0 |
| Specialist Service Support | £0 | £30,000 |
| Trade unions dispute contingency | £0 | £15,000 |
| Pensions reports | £0 | £1,500 |
| Total cost by year | £29,125 | £123,861 |
| TOTAL FOR PROJECT | | £152,986 |

- 6.7 The project will be funded from the council's One Barnet Programme and the business areas involved where support can be provided without requiring any

backfill. Other resources will be provided by the support services as part of the One Barnet programme.

- 6.8 Working with a suitable partner will allow the council to leverage their expertise around the development and innovation within the industry.
- 6.9 There could be IT implications as currently the council use a Civica software system for recording parking contraventions that was contracted until 2014. However it is anticipated that a new supplier will ensure compatibility with this software as part of the procurement process.
- 6.10 The council will continue to meet all of its statutory and contractual obligations in regard to change and its impact upon the Council's staff. In the context of One Barnet Programmes this means that all internal re-structures will be managed in compliance with the Council's Managing Organisational Change Procedure. Where the change results in a TUPE transfer the council will meet all of its statutory obligations pursuant to the Transfer of Undertakings (Protection of Employment) Regulations 2006, and Best Value Authorities Staff Transfers (Pensions) Direction and any other relevant statutory provision.

7. LEGAL ISSUES

- 7.1 Procurement processes must comply with the European procurement rules and the Treaty obligations of transparency, equality of treatment and non discrimination, as well as the council's Contract Procedure Rules.
- 7.2 In the event that services are to be externalised, the council must comply with its legal obligations under the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE") with respect to the transfer of staff. Where they apply, the Regulations impose information and consultation obligations upon the council and the incoming contractor and operate to transfer the contracts of employment, of staff employed immediately before a transfer, to the new contractor at the point of transfer of the services.
- 7.3 Data Protection Act 1998 considerations in relation to information sharing. This will be relevant during the procurement phase, as well as during the negotiation of the contract with the successful bidder/partner.

8. CONSTITUTIONAL POWERS

- 8.1 The scope of the Overview & Scrutiny Committees is contained within Part 2, Article 6 of the Council's Constitution.
- 8.2 The Overview and Scrutiny Procedure Rules are set out in Part 4 of the Constitution.
- 8.3 The Terms of Reference of the Budget and Performance Overview Scrutiny Committee are contained within Part 4 of the Constitution (Overview and Scrutiny Procedure Rules). The Committee has the following responsibilities:

“To perform the overview and scrutiny role in relation to the One Barnet transformation programme, particularly performance and financial issues;

To receive and consider options appraisals, business cases and closure report for the One Barnet projects; and

To monitor the implementation of the One Barnet programme throughout the programme lifecycle.”

- 8.4 Council Constitution, Part 3 (Responsibility for Functions) sets out the Responsibilities of the Executive.
- 8.5 The Council’s Contract Procedure Rules state that authorisation is to be sought from a Cabinet Committee on contracts with a value of £500,000 and above. This authorisation was obtained from the Cabinet at the meeting which took place on 29 November 2010 and reaffirmed at the meeting which took place on 10 January 2011.
- 8.6 The Council Contract Procedure Rules provide that a Cabinet Member is authorised to accept contacts with a value of £500,000 and above where the tender is (a) the lowest; or (b) where the tender represents value for money and is the best available option for the Council and the tender value is no more than 25% above the lowest priced tender.

9. BACKGROUND INFORMATION

9.1 One Barnet Programme

As part of the One Barnet Programme, the Transact Working Group, with the assistance of PricewaterhouseCoopers and Local Partnerships (previously 4Ps), identified a bundle of street scene services (grounds maintenance, street cleaning, street lighting (PFI contract) and highway maintenance) as an area where efficiencies could be made, through delivering this bundle in a different method. It was also suggested that as part of this bundle the current Civil Enforcement Officers (CEOs) could be included, as under the Traffic Management Act their duties had the scope to be widened. However given the scale of the parking operation and the current issues around performance and pressure on income, it was more appropriate to look at the Parking Service in isolation of the rest of the Environment and Operations Department.

9.2 Business Case Outline

The Business Case attached as Appendix One sets out the financial and non-financial benefits behind the recommended decision in the Cabinet Paper, Future of the Parking Service presented to Cabinet on 29 November 2010. The paper sets out the reasons for looking to procure a supplier to provide the parking service on behalf of Barnet Council, this is with the exception of the policy and strategy design which will be retained by the council.

9.2.1 The Business Case sets out both the cost of the current service and the expected savings and the costs associated with the project and the anticipated timeline for the procurement process to ensure that a strategic partner is identified and in place for a contract start of April 2012.

9.2.2 The Business Case will continue to be reviewed and refined during the project. Review and refinement of the business case throughout the procurement phase as the specification and financial modelling is completed will ensure that the council is achieving value for money by carrying out this process and that the project continues to be aligned to both strategic and financial objectives.

10. LIST OF BACKGROUND PAPERS

10.1 None.

Legal: PJ

CFO: JH/MC

Appendix 1: Future of Parking Business Case



London Borough of Barnet One Barnet Programme

Future of the Parking Service: Business Case

Final v 1.9

Date: April 2011
Author: Tahir Mahmood, Project Manager
Commercial Services, London Borough of Barnet

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| Jan 2011 | 0.3 | Initial draft | Suzanne Hope |
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| April 2011 | 0.7 | Comments from Finance following business case review meeting | Tahir Mahmood |
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| April 2011 | 1.1 | Further minor changes from AD for Finance | Tahir Mahmood |
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| Jun 2011 | 1.9 | Comments from the clearance process John McArdle (03/06/11) Andrew Nathan (03/06/11) Julie Pal (06/06/11) Andrew Charlwood (08/06/11) Philomena Jemide (08/06/11) Alison Clark (10/06/11) Maria Christofi (10/06/11) John Hooton (10/06/11) | Tahir Mahmood |

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1. Executive Summary

1.1 Purpose

This report sets out the business case for the procurement of a strategic partner to provide parking services on behalf of Barnet Council. The business case outlines the services in scope of this project, strategic fit with the One Barnet programme, financial and non-financial benefits as well as with key risks to the council associated with the procurement process and the anticipated outcomes. With regard to the key risks associated with the process the appropriate methods of management and mitigation are being logged and actively monitored to ensure a successful outcome of the project. Finally, the report sets out both the cost of the current service and the expected savings and the costs associated with the project and the anticipated timeline that the procurement process will follow to ensure that a strategic partner is identified and in place for a contract start of April 2012.

The business case will be further refined during the project at key points within the procurement process. Following the planned operational changes in the service, the financial baseline for the project will be revised to be able to assess the tender responses. It is then anticipated that bidders will put together their submissions based on the evidenced potential of the service not just the figures available from previous years. During the evaluation of final tenders it will be possible to view the bids against the business case to ensure that the council is achieving value for money by carrying out this process and that the service will continue to be aligned to both strategic and financial objectives of the council.

1.2 Summary

There is a need for change in the parking service as, although strong in some areas, it is weak in others and has consistently failed to meet activity and income targets. This is due partly to a lack of investment, but is also caused by a failure throughout the organisation to focus and act on the key drivers for these areas.

The solution agreed by Cabinet is to engage a delivery partner who will bring both investment and expertise, allowing the service to be raised to a new level of efficiency and effectiveness. This partner will maintain activity levels, hence income, at the required level but will reduce costs by bringing both economies of scale and expertise. It is anticipated that budgeted income will remain broadly constant at over £13 million per annum, but that the cost of delivery can be driven down from a revised gross expenditure of £4.24m to below £4.01m in the first year with further reductions in subsequent years. The overall cost benefit compared to the 2011/12 baseline in this business case is over £5.61m over a 7 year period, or an average of £802k per annum.

This improved service will also fit with corporate objectives to form a new relationship with citizens, work in a joined-up way, and improve efficiency.

The arrangements will cover all aspects of the parking service including the provision of parking (payment collection), all enforcement, and maintenance of the local infrastructure. Some 81 staff will transfer to the provider, with only two remaining to monitor the contract and undertake those statutory functions that must be retained. The contract will not include dealing with telephone enquiries or issuing permits to residents which will be carried out by the Council's Customer Service Organisation.

The contract is to commence in April 2012 for a term of five years, but can be extended for a further two years if the council is satisfied with the way it is working.

1.3 Need for change

It is accepted that the Parking Service cannot remain as it is – income has repeatedly fallen short of projection as a result of the lack of investment and maintenance, making enforcement of non-compliance with regulations difficult. As well as a significant financial pressure, this raises a great reputational risk. Additionally, through researching other models in the market, it has been established that the current service does not provide value for money to the council when compared to the operating costs of other suppliers.

Effective enforcement relies on the controls being effectively signed, and it proposed that the provider undertake a full assessment of the signs and lines and provide a priced proposal to upgrade them to an acceptable standard.

2. Strategic fit

2.1 One Barnet Programme

The One Barnet Programme is the council's response to address several drivers for change that have been identified:

- The financial pressures resulting from the global recession has brought the era of consistently increasing public sector budgets to an end. Within the council there is a funding gap of £53.4m over the next three years, and our public sector partners face challenges of a similar scale.
- Despite consistent improvements in service delivery, satisfaction with Barnet Council, as with other local authorities, has been on a consistently downward trend.
- Digital technology continues to change and develop, as do the ways that people use it to change and grow. Residents will continue to expect us to deliver against those standards of instant information and access to services.
- Our identification of the need to develop a new partnership with our residents to deliver services in future is echoed by the Coalition Government's focus on a Big Society.
- The Government's focus on localism and devolution sets a national context for our aim to provide local leadership and join up services across the public sector.

The aim of the One Barnet programme is to create a citizen-centred council which ensure that citizens get the services they need to lead successful lives, and to ensure that Barnet is a successful place. The council believes that this is best delivered through the adoption of the three key principles of the programme.

- **A new relationship with citizens** - Enabling residents to access information and support and to do more for themselves
- **A one public sector approach** - Working together in a more joined up way with our public sector partners to deliver better services
- **A relentless drive for efficiency** - Delivering more choice for better value

The aim of the project is to provide a streamlined service which will result in a more efficient service that provides a better experience for customers. This would help improve the reputation of the council. As such the proposal to select a strategic partner for the delivery of a parking service fits within the One Barnet objectives of "a relentless drive for efficiency" and "a new relationship with citizens".

2.2 Parking Service

Efficient transport provision within the borough is vital to the local economy and quality of life of both residents and visitors. The Parking Service has an essential role to play in the maintenance of order on the highway. Within Barnet effective control of parking is essential in combating the negative impact of parking on traffic movement, road safety, and essential servicing of the parking infrastructure.

The Parking Service oversees the installation and maintenance of the infrastructure that allows residents and visitors to park legally both on street and in Barnet's car parks. This has includes parking permits and pay by phone parking. Compliance with the traffic and parking regulations is through the Civil Enforcement Officers (CEO) on street and Closed Circuit TV monitoring.

3. Scope

The following areas of the Parking Service are included within the scope of this procurement. These are the provision of:

- On and off-street enforcement
- Payment collection of the parking service
- Processing of Penalty Charge Notices (PCNs), including representations and appeals
- Dealing with payments and non-statutory correspondence
- Automated bus lane enforcement system
- Parking signs and lines maintenance

The current spend is approximately £6.6m in revenue on these services annually and the service employs over 86 staff in these areas, with a budgeted income of approximately £13.6m.

These services include the provision of parking enforcement and infrastructure maintenance. In particular, this requires the provision of: On-Street Services, which include the provision of street based staff who will primarily enforce parking regulations. There are 48 Civil Enforcement Officers (CEOs) issuing some 140,000 PCNs per annum. They are deployed on foot, by car or on motorcycles to cover the entire borough which is a mixture of Controlled Parking Zones (CPZs) and areas of location-specific controls. CEOs also undertake the inspection of some 2,000 suspected abandoned vehicles every year.

It also includes management and parking enforcement IT software and hardware systems; hand held and portable computers/devices for the purposes of communicating, recording and reporting parking contraventions and, maintenance and support for any or all of the above. Additionally, it includes the maintenance and reporting of faults in relation to on and off street infrastructure such as parking signs and lines.

The processing of these PCNs, together with another 20,000 from an automated bus lane enforcement system, gives rise to some 600,000 items of correspondence per year. In scope is responding to informal representations and enquiries; preparing and issuing decisions and case packs for formal representations and appeals; and the receipt, processing and banking of payments at every stage. The contract will also cover debt recovery process, including providing and instructing bailiffs.

3.1 Out of Scope

The service has undergone significant transformation in the past year and more is planned as part of the overall One Barnet programme. The net result of this that some of the areas of the Parking Services are out of scope for externalisation. The parking customer call centre is already part of the Customer Services Organisation. Other services which are out of scope for procurement of the Parking Service are:

- Permits, Suspensions and Dispensations – this service is to be transferred to the Customer Service Organisation (CSO)
- Service Management (client side monitoring)
- Pay and display machines maintenance and the payment and collection of parking charges
- Removal of abandoned vehicles – this is dealt with under a separate joint contract with two neighbouring boroughs

4. Benefits Case

4.1 Strategic benefits

A good parking service will ensure compliance with Barnet Council's parking policy making sure that enforcement is carried out correctly and consistently to a high standard across the borough. It will give choice to the customer as to how and when they engage with, and pay for, the service. It will also ensure that parking signs and lines are well maintained to ensure that those parking are in a position to understand the regulations in regard to the location they wish to park.

The strategic benefits of this work will be realised both during the project and across the duration of the contract. Those benefits to be realised after the project has closed will be measured by both the contract monitoring team and through the new customer service framework. In order to ensure accurate benefit measurement the service will have a base line where appropriate.

Key strategic benefits from carrying out this project will be:

- Improved parking signs and lines will allow for greater compliance to be enforced within parking regulations leading to an improved ability to raise income from paid for parking spaces.
- By providing a better service for customers where infrastructure and signs and lines have adequate investment it will improve the reputation of the council for being able to deliver the service to a high standard.
- It will be easier for customers to carry out parking related transactions online. This will improve the service for customers and will reduce the cost of running the service.
- An improved payment collection system will result in decreased costs and increased revenue collection. The integration of the improved payment collection parking with the wider parking service provision will result in the customers receiving a more consistent and flexible range of services and will reduce the burden on the council of monitoring and coordinating the various aspects of the service.

4.2 Non-Financial benefits

The main benefit of outsourcing the Parking Service is to improve the parking provision to our citizens and make it easier for them to use the service. The financial and resource investment required to remedy the issues within parking, would be passed to a provider who will be in a better position to leverage the investment required. This investment in infrastructure would mean that compliance could be better enforced, thereby improving the income of the service. Currently the council's reputation for running parking services is low, and the expectation is that this would be addressed by bringing in an external provider to run and manage the service. The new provider would be able to draw on best practice and innovation gained for working with other local authorities.

It is recognised that the right partnership will help us to meet our efficiency targets and enhance and improve citizens' experience. This partnership must be based upon openness, transparency and trust. We expect any partner to work with us as trusted peers to meet not only our current desired outcomes but also all the new challenges we will face in the coming years. We therefore seek to achieve the following outcomes:

- To provide a truly citizen-centred service that is easy to access and simple to navigate.
- Be responsive to changing citizen needs within the Borough and adjust service offerings accordingly.
- To provide improved parking signs and lines in the Borough to allow both for better compliance by citizens but also for better enforcement as contravention of parking regulations will be clearer.
- Improve customer satisfaction (both citizen and business customer) with the services provided in terms of ease of use, speed of response and transparency in the decision making process.
- Streamlined, efficient, integrated services which is able to respond flexibly to situations as they arise
- Fulfil all statutory requirements and meet all additional local priorities and agreements.
- Have effective risk assessment of businesses
- Have accurate customer intelligence and record keeping using well designed technology in co-operation with customer service staff who work for the council.
- Have a well trained, well motivated workforce with more opportunities for staff development and progress.

4.3 Financial case

The approach taken to calculate current delivery costs, and the financial benefits associated with this project, is outlined in this section. For each part of the parking service the project has established the current service cost and assessed the potential for the service to improve income and reduce costs.

4.3.1 Establishing the service cost

The understanding of current service costs is key to determining and gauging potential levels of improvement. The business case has used 2011/12 budget data for both income and expenditure as a baseline. Table 1 shows the current cost of the service. The forecast outturn position of parking income for 2010/11 is £8.54m with a reduced appropriation to the General Fund of approximately £2.2m.

| Service | Number of FTEs | Gross 2011/12 Expenditure (£000) | Total Income (£000) |
|----------------------|----------------|----------------------------------|---------------------|
| Car Parks Off-Street | 0 | 281 | 1,180 |
| Parking Maintenance | 6 | 482 | 0 |
| Parking Enforcement | 56 | 3,086 | 10,626 |
| Parking Processing | 24 | 2,754 | 1,817 |
| Totals | 86 | 6,603 | 13,623 |

Table 1

4.3.2 Establishing the service cost for outsourcing

The cost of the service needs to be adjusted to reflect not only the contract value but also the areas of the service that are out of scope for outsourcing. In order to facilitate this calculation of the costs of the services, the following assumptions have been made (see Table 2):

- A standard 8% assumption for secondary recharges was added to the gross expenditure figures to pay for overheads and head office costs
- Cost and FTE associated with permits and suspensions functions of the back office service moving to the Customer Services were then deducted from the revised gross expenditure.
- Cost and FTE associated with the retained client function (or services that will remain in the Council post the appointment of a partner) were also deducted from the revised gross expenditure.

The revised expenditure for the service resulting from the above changes is shown in Table 2 below.

| Service | Gross Exp (£000) | 8% secondary recharges (£000) | Assumed implications (NSO, CSO, Efficiencies) (£000) | Retained client & retained costs (£000) | Revised Exp (£000) | Gross Income (£000) | Assumed Implications (Income increases) | Revised Income (£000) |
|----------------------|------------------|-------------------------------|--|---|--------------------|---------------------|---|-----------------------|
| Car Parks Off-Street | 281 | 30 | 0 | (243) | 69 | 1,180 | 0 | 1,180 |
| Parking Maintenance | 482 | N/A | 0 | (128) | 355 | 0 | 0 | 0 |
| Parking Enforcement | 3,086 | N/A | 0 | (705) | 2,380 | 10,626 | 0 | 10,626 |
| Parking Processing | 2,754 | N/A | (197) | (1,120) | 1,436 | 1,817 | 0 | 1,817 |
| Totals | 6,603 | 30 | (197) | (2,196) | 4,240 | 13,623 | 0 | 13,623 |

Table 2

These calculations provide revised 2011/12 expenditure and income for each service, and this has then been used as a baseline against which further opportunities for cost reductions and improved income generation have been made. This is shown in the table 3 below.

| Parking Services - overview of improvement potential and financial benefits | | | | | | | | | | |
|---|--------------------------------------|--------------------------------------|---------------------------|---|---------------------|-----------------|-------------------------|----------------------|-----------------------|-------------------------|
| Overview of improvement potential and financial benefits - service by service | | | | | | | | | | |
| | Revised gross expenditure (baseline) | Cost reduction potential (by Year 7) | Revised Income (baseline) | Income generation potential (bv Year 7) | Per annum (average) | | | Over Seven Years | | |
| | | | | | Cost reduction | Income increase | Total financial benefit | Total cost reduction | Total income increase | Total financial benefit |
| Car Parks Off-Street | £ 69,079 | 0% | £ 1,179,560 | 41% | £ - | £ 261,038 | £ 261,038 | £ - | £ 1,827,267 | £ 1,827,267 |
| Parking Maintenance | £ 354,710 | 25% | £ 2 | 0% | £ 62,808 | £ - | £ 62,808 | £ 439,656 | £ - | £ 439,656 |
| Parking Enforcement | £ 2,380,400 | 25% | £ 10,625,538 | 0% | £ 414,796 | £ - | £ 414,796 | £ 2,903,574 | £ - | £ 2,903,574 |
| Parking Processing | £ 1,436,238 | 22% | £ 1,817,000 | 0% | £ 63,201 | £ - | £ 63,201 | £ 442,405 | £ - | £ 442,405 |
| Total | £ 4,240,427 | | £ 13,622,100 | | £ 540,805 | | £ 801,843 | £ 3,785,636 | | £ 5,612,903 |

Table 3

Key assumptions used in the financial analysis

- Predicted increases in income did not separate out the causes of that growth i.e. what growth is due to outsourcing or the growth that would happen naturally. As such all increases in income related to PCNs are profiled as being flat (0% increases)

- All income generated from any part of the service will be retained by the Council
- 'Other retained costs' are costs that are non-employee related and will be retained by the Service, these were not being picked up in the model.
- Expenditure reductions have only been applied to expenditure which will be outsourced and not to all expenditure.
- No assumption has been made around the value/cost of any management fee.
- Retained Expenditure: E&O - Profiled as flat
- Retained Expenditure: CSO - The savings accruing from this will be claimed by CSO Project - so profiled as flat.

Car Parks Off-Street

- Income is increased by the new provider by 41% over the life of the contract (5% year-on-year over 7 years) as result of closer expert focus leading to both increased patronage and the opportunity for selective fee increases
- Expenditure is expected to remain flat within this cost centre

Parking Maintenance

- The whole parking maintenance function is to be transferred to the provider. The client side management of this function is retained and reflected within Parking Processing team
- Expenditure is expected to reduce by 25% over the life of the contract (10% in year 1, followed by a 3% reduction year-on-year) within this cost centre. This reduction is expected as a result of economies of scale that an outsourced provider could leverage in purchasing, investment in automation of processes and shared management costs all of which will reduce costs to a greater extent that would be possible in an in-house arrangement.

Parking Enforcement

- The whole of the parking enforcement function, bar any specified exceptions, is to be transferred to the provider. The client side management of this function is retained and reflected within Parking Processing
- The environmental recharge line has been included within the income figure, although it nets (almost) with the corresponding line in 10644.

- Vehicle costs are assumed to be flat across the length of the contract
- Expenditure is expected to reduce by 25%, broken down as follows:
 - Employee costs are expected to reduce by 10% in year 1, followed by a 3% reduction year-on-year within this cost centre. In line with parking maintenance, this reduction is expected as a result of economies of scale that an outsourced provider could leverage in purchasing of goods and services, investment in automation of processes and shared management costs
 - Building costs are expected to reduce by 20% in year 1, followed by a 3% reduction year-on-year within this cost centre. This comes as a result of rationalisation
 - Equipment/Materials/Supplies are expected to reduce by 10% in year 1, followed by a 3% reduction year-on-year within this cost centre, this has also been applied to all recharges within this code.

Parking Processing

- There are 24 FTEs within this cost centre. Assumed that 2 of these posts are retained by the Council and that 3 posts are transferring to the CSO Project with the remainder transferring out to the provider.
- The Post Team are considered to be joining the external partner therefore the Franking machine lease and associated postage costs have also been transferred.
- Expenditure is expected to reduce by 22% as a result of reductions in employee and building costs. This is particularly in respect of a private provider leveraging greater economies of scale in terms of purchasing of goods and services, along with a track record of delivering improvements in processes and IT systems to support parking processing which will reduce the costs of this function over time.
- The Council to retain the costs of the Traffic and Development Service function for the provision of traffic management orders to enable enforcement

4.4 The Financial Model

A summary of the net financial benefits over the course of the proposed contract is shown in Table 4. The summary covers the services in scope and their assumed cost at the point of contract over a 7 year contract length. It demonstrates the cumulative effect of cost reductions and increases in income as the savings and income increases made in year 2 are carried over into year 3 and built upon providing a time-based view of the projected savings.

Parking Services - Business Case Overview

Current cost of all services in Parking Service

| 2011/12 | | 2011/12 | |
|--|--------------|---|--------------|
| Gross expenditure | £ 6,603,152 | Revised gross expenditure prior to transfer | £ 4,240,427 |
| Adjusted secondary recharges | £ 30,499 | This excludes an estimated cost of the retained client function | £ 2,195,984 |
| Income | £ 13,622,100 | | |
| Income as % expenditure (inc. secondary recharges) | 205% | | |
| Net expenditure | -£ 6,988,449 | Revised net expenditure prior to transfer | -£ 9,381,673 |

Seven-year overview of financial benefits

| | | | Contract starts | | | | | | | | |
|-------------------------|----------|-----------|-----------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--|
| | Year -1 | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Total | |
| | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | (cumulative) | |
| Cost reduction | £ - | £ - | £ 237,382 | £ 343,682 | £ 446,792 | £ 546,809 | £ 643,825 | £ 737,931 | £ 829,214 | £ 3,785,636 | |
| Income increase | £ - | £ - | £ 58,978 | £ 120,905 | £ 185,928 | £ 254,203 | £ 325,891 | £ 401,163 | £ 480,199 | £ 1,827,267 | |
| Total financial benefit | | | £ 296,360 | £ 464,587 | £ 632,720 | £ 801,012 | £ 969,716 | £ 1,139,095 | £ 1,309,414 | £ 5,612,903 | |
| Revised expenditure | | | £ 4,003,044 | £ 3,896,745 | £ 3,793,635 | £ 3,693,618 | £ 3,596,601 | £ 3,502,495 | £ 3,411,212 | | |
| Cost of change | £ 29,125 | £ 123,861 | | | | | | | | £ 152,986 | |
| Net financial benefit | | | | | | | | | | £ 5,459,917 | |

Summary statements

| | | | |
|--|-------------|---|-------------|
| The revised gross expenditure at point of transfer is calculated as | £ 4,240,427 | This excludes an estimated cost of the retained client function | £ 2,195,984 |
| If the Parking Service reaches the target potential for improvement within 7 years, the service will operate at the cost of: | £ 3,411,212 | The net financial benefit will be | £ 5,459,917 |
| If the Parking Service reaches the target potential for improvement +10% within 7 years, the service will operate at the cost of: | £ 3,070,091 | The net financial benefit will be | £ 6,005,909 |
| If the Parking Service reaches the target potential for improvement - 10% within 7 years, the service will operate at the cost of: | £ 3,752,334 | The net financial benefit will be | £ 4,913,925 |

Table 4

5. Commercial Aspects

As the procurement is for a single service where the service requirements are clearly established and the crossover between the Customer Service Organisation and the Parking Service has been established it is considered that the restricted procurement route, rather than the competitive dialogue route, will ensure best value for money for the council. The added advantage is that the restricted procedure will be less time consuming for staff involved, have reduced procurement costs but still ensure the most satisfactory outcome for the council.

The competitive dialogue route is designed for the award of particularly complex contracts where a contracting authority needs to discuss all aspects of the proposed contract with the providers.

The restricted procedure is a two-staged process. Providers are requested to express an interest in the contract following publication of a contract notice in the OJEU. Following an assessment of those providers who have expressed an interest, the contracting authority must draw up a shortlist of those providers it will invite to tender.

Notice has been placed in the Official Journal of the European Union (OJEU) to invite expressions of interest from potential partners to deliver the Parking Service for Barnet. It is now anticipated that the invitation to tender will be sent out in July 2011 to invite proposal against the service specification. As such it is anticipated that the contract would be awarded in December 2011, followed by the mobilisation period, with the desired start date for a new contract would be 1st April 2012.

5.1 Procurement process

The key dates within the procurement process are outlined in the table below.

| | |
|--|--|
| Cabinet – Commencement of procurement process for One Barnet | November 2010 |
| OJEU | Notice published 04 April 2011 PQQ released 05 April 2011 |
| Pre-Qualification Questionnaire process | Last date for requesting PQQ and raising points of clarification 16 May 2011 Last date for receiving completed PQQs 23 May 2011 |
| Tender Process | ITT releases 11 July 2011 ITT Returned 22 August 2011 Tender Evaluation completed 14 October 2011 |
| Contract Award | 7 December 2011 |
| Commence Contract | 1 April 2012 |

5.1.1 The Requirements

The key requirements that will form part of the service specification are set out below. This is by no means the exhaustive list of outputs and outcomes and it is entirely possible that as the specification is developed and reviewed further outputs may come to light.

- To keep the traffic control infrastructure in a good state of repair so that enforcement can be carried out,
- to establish and maintain payment systems so that charges for parking on streets and in car parks can be collected effectively,
- to provide, deploy, and manage sufficient trained staff to ensure that motorists in the borough comply with the regulations,
- to ensure that Penalty Charge Notices are correctly issued and processed with quick and accurate responses at every stage of the process,
- to report regularly on all aspects of the service so that the council has no less information from the front line than it would have if the service was to be provided directly,
- to conduct all activities in such a way as to protect and enhance the reputation of the council,
- to ensure that the service complies with the new public sector Equality Duty which came into force on 5th April 2011. The council will require the service provider to have due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations in the course of developing policies and delivering services.

5.2 Payment mechanisms

Currently there are a number of payment mechanisms that are being considered by the procurement team and finance team. The model considered to be of most benefit to Barnet Council will be included in the Invitation to Tender documentation. Those models being considered are:

- Core contract cost - charges could include but not be limited to; head office overhead, investment return, administrative costs, human resource funding, sundries and consumables, licenses and fees, ICT software and hardware, vehicles and other physical equipment, development funding and contract surplus.
- Performance risk and reward - the contractor would 'risk' a percentage of their expected contract surplus, against achievement of selected key performance indicators, as defined in the specification information.
- Key quality performance indicator element – it would be expected that initial key quality performance indicators will be confirmed by the contract management team prior to commencement of contract.
- Value for money element - this is a key element in demonstrating the continued sound management of the contract and the contractor will take an active role in ensuring that adequate control is maintained over contract expenditure.

5.3 Risk allocation and transfer

Business risks will be retained by the council such as meeting business objectives, change in business direction which could be as a result of political, environmental or financial change.

Service risks would likely where possible be transferred to the service provider. Although there may be cases where the risk is considered to be best shared between the council and provider, these risks would be reviewed at the regular contract management meetings, frequency of these meetings will be dealt with during the procurement process.

5.4 Contract length

The council is intending to let a contract for parking services for five years with up to two years extension. This is considered industry standard and gives an incentive for potential suppliers to offer up front investment into the service as they would see the return on their investment across the duration of the contract.

5.5 Workforce issues

During the final phase of the project, the contract mobilisation, the council will comply with its legal obligations under the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE") with respect to the transfer of staff. Where they apply, the Regulations impose information and consultation obligations upon the council and the incoming contractor and operate to transfer the contracts of employment, of staff employed immediately before a transfer, to the new contractor at the point of transfer of the services. Any new provider will be required to comply with the Best Value Pensions Direction, 2007.

An equalities impact assessment on the staff that would be currently affected by any change to the service is currently being carried out with HR.

Health and safety is an integral part of the Council's responsibility to its citizens, employees and service users. Through the procurement of services, the Council will endeavour to ensure that workers and the public are properly protected. The Council retains responsibility for third parties to carry out their responsibilities on their behalf. It is not possible to discharge these responsibilities with regards to section 3 of the Health & Safety at Work etc Act 1974.

The Council will form a framework with the successful strategic partner to ensure compliance with all legislative requirements and standards. There is the expectation to form a common set of standards and expected activity. Prior to this and throughout the procurement process, the Council will be assessing all bidders to ensure they hold the required knowledge, competencies and skills to maintain and develop the council's Health & Safety strategy in relation to the contract.

The Council as a commissioning body will monitor the contract, audit the provider, work together with the provider to assess risk and review processes and procedures. The provider will be regularly assessed against key performance indicators in health and safety to ensure the provider meets the appropriate standards and regulatory requirements.

6. Critical Success Factors, Constraints, Dependencies and Risks

6.1 Critical Success Factors

- A new supplier to deliver the parking service identified by December 2011
- A new contract with the preferred supplier for delivering parking services mobilised for April 2012
- A new contract that financially delivers an annual saving of 10% on current operating costs
- A suitable contract management team in place and trained to the appropriate standard to ensure effective contract management by February 2012.

6.2 Constraints

- Key members of the project board and team are also staff from within the Parking Service. As such they are still required to perform their day to day roles. Some of these staff will also be involved in putting together and seeing through the in-house service recovery plan. This constraint will be addressed in the resource plan.
- Applicable legislation may restrict delegation of some statutory functions to the new supplier/partner. If this is the case, the Council will need to ensure there are appropriate procedures in place between the new supplier and the retained Council staff to ensure compliance with that legislation. This constraint will be addressed in the contract should legal advice sought on this issue suggests that this is necessary.

6.3 Dependencies

- In order to provide a contract with best value for money to the council the project is dependent on the in-house recovery plan. Early indications are that the plan is delivering its aim to streamline the service and return income to an upward trend. If this does not occur in a timely fashion it will impact on the prices provided by suppliers during the procurement process.
- A smooth transition from the procurement phase into mobilisation of a new contract is dependent on early identification of a suitable contract manager. In order to have greatest control over the contract once delivery begins the contract manager needs to be involved in the service specification and procurement process in order to have a detailed understanding of what is agreed.

6.4 Risks

The following risks are those considered highest in the project. The risk register is maintained by the project manager and those high risks are monitored and reviewed by the Project Board and escalated to the One Barnet programme board as necessary

1. Failure to improve the Parking Service in line with the dependency of the in-house recovery plan, would see a continuation or increase in the elevated number of challenges and appeals, leading to the inability to reduce administrative overheads. This would be reflected in the prices submitted by potential suppliers in their final bids.
2. If the service specification is not designed fit for the purpose of the future service it could result in the contract failing to deliver the results as expected.
3. There is a risk that suppliers who are invited to tender are not able to show adequate financial and non-financial benefits for the council in running the service.
4. If the procurement process is not conducted correctly it could leave the council open to the risk of legal challenge.
5. There is risk that a three-way relationship between the parking provider, the customer services provider and the Council may result in some issues being passed from one provider to another if there are not clear Service Level Agreements with a commitment to strong partnership working.

6.5 Risk quantification

1. Failure to improve the Parking Service would see a continuation or increase in the elevated number of challenges and appeals, leading to the inability to reduce administrative overheads.
 - This risk will be managed by the Parking Service Project Manager as this risk will be mitigated by ensuring adequate key performance indicators (KPIs) are drafted as part of the specification for the contract. Once a supplier has been appointed it is likely that this would be an ongoing risk which is then transferred to the new contractor. It would be their responsibility to meet the KPIs. The financial risk could be reduced through the appropriate payment mechanism for example a risk and reward system against key KPIs.
2. If the service specification is not designed fit for the purpose of the future service it could result in the contract failing to deliver the results as expected.
 - This risk is to be managed by the Parking Service Matter Expert who will be taking the lead in specifying the requirements for the contract. The specification will be reviewed and signed off by the Project Board. It is difficult

to estimate the financial impact if this risk if it occurs but the likely impact would be jeopardising reaching the maximum income for the service however the saving in operational costs could still be achieved. However, as review points with the Project Board will be built into the design of the specification this will reduce the likelihood of this risk occurring.

3. There is a risk that suppliers who are invited to tender are not able to show adequate financial and non-financial benefits for the council in running the service.
 - This risk will be managed by the Sponsor who will retain the approval as chair of the Project Board to reject all bids should none be considered to provide better value for money than the service already provided by the council. The outcome of the procurement process will be set out to the Project Board in early September, however as the service is currently managed in-house if the risk materialises it will not compromise the delivery of the current service.
4. If the procurement process is not conducted correctly it could leave the council open to challenge and possibly a judicial review.
 - This risk will be managed by the Procurement Manager within the procurement team supported by One Barnet's internal and external legal advisers to ensure the process is conducted correctly which will therefore prevent any valid challenges to the contract award being made.
5. There is risk that a three-way relationship between the parking provider, the customer services provider and the Council may result in some issues being passed from one provider to another if there are unclear and ineffective SLAs and hand-off points between the three service providers to the citizens of the borough.
 - This risk will be managed by exploring the idea of a corporate intelligent client for CSO and Parking and by ensuring that effective SLAs are in place and clear responsibility for resolving issues to provide an end-to-end service to the citizens of Barnet.

Appendix A – Existing Arrangements

The on street service comprises the installation and maintenance of signs and lines, pay and display machines and payment collection of parking, patrolling of the streets and the enforcement of parking regulations through the issue of PCNs.

There is also a significant back office function within the Parking Service, which deals with the processing of over 100,000 PCNs and the issue of 14,000 parking permits per annum

The table below outlines the income streams of the Parking Service over the previous three years. It should be noted that although income is important as it allows the service to maintain investment in parking and highways, it is an alternative for compliance to parking regulations.

Table 1

| Income | 07/08 | 08/09 | 09/10 | 10/11 (Projected) |
|------------------------|--------------------|--------------------|-------------------|------------------------------|
| Penalty Charge Notices | £4,558,567 | £5,792,493 | £4,425,726 | £3,983,693 |
| Permits | £1,246,016 | £1,161,728 | £1,015,225 | £1,251,633 |
| Pay and Display | £2,938,408 | £2,716,719 | £2,531,827 | £2,114,981 |
| CCTV Bus lanes | £2,164,894 | £2,073,069 | £1,523,629 | £1,190,442 |
| Total Income | £10,907,885 | £11,744,009 | £9,496,406 | £8,540,749 |

The level of PCNs issued has reduced over the past three years as set out in Table 1 above, whereas the number of tickets appealed has remained stable in the previous two years, as reflected below.

Table 2

| | 07/08 | 08/09 | 09/10 | 10/11 |
|---------------------------|--------------|--------------|--------------|--------------|
| Number of PCNs | 156,972 | 149,137 | 143,386 | 104,568 |
| Number paid at discount | 104,259 | 65,102 | 59,603 | 65,966 |
| Number appealed at PATAS* | 875 | 1,138 | 1,139 | 1,222 |

*Parking and Traffic Appeals Service

Barnet's Parking Service is somewhat unusual in providing almost all of its services in-house. In an established market place, it is one of a minority of London local authorities still providing in-house enforcement, compared with 23 of 34 (68%), who are already using an external service provider. Only the bailiff service, ICT enforcement system and the cashless parking service are currently operated externally.

Currently 56 staff carry out and manage on street enforcement. Barnet currently provides its back office processing service in-house, with 32 staff involved in processing PCNs through to responding to written customer contact on challenges and appeals.

Appendix 2: Employee Equality Impact Assessment

One Barnet Programmes – Employee Equality Impact Assessment

One Barnet Programme Name: Future of Parking

[This document remains live with information being added at each critical milestone]

| | |
|------------------------------|----------------------|
| Project Sponsor: | Declan Hoare |
| EIA Owner: | Pam Wharfe |
| Date process started: | 14 April 2011 |
| Date process ended: | |

| | |
|--|--|
| This EIA is being undertaken because it is: | <input checked="" type="checkbox"/> outlined within the equality scheme relevance assessment table <input type="checkbox"/> part of a project proposal submission to the programme management board <input type="checkbox"/> a result of organisation change <input type="checkbox"/> other – please specify: |
|--|--|

EIA Contents

- 1 Introduction
- 2 Any Anticipated Equalities Issues at each milestone and identified mitigation
- 3 Monitoring Summary
- 4 Project Milestone Outcomes, Analysis and Actions

1. Introduction

1.1 Aims and objectives of the OB programme

The Future of Parking project forms part of the One Barnet programme.

The One Barnet programme is the London Borough of Barnet's strategic change programme. At its heart is one clear aim – to become a truly citizen-centric council ensuring that our residents can lead successful and independent lives. It is also the council's response to address several drivers for change that have been identified:

- The financial pressures resulting from the global recession has brought the era of consistently increasing public sector budgets to an end. Within the council there is a funding gap of £53m over the next three years, and our public sector partners face challenges of a similar scale.
- Despite consistent improvements in service delivery, satisfaction with Barnet Council, as with other local authorities, has been on a consistently downward trend.
- Digital technology continues to change and develop, as do the ways that people use it to change and grow. Residents will continue to expect us to deliver against those standards of instant information and access to services.
- Our identification of the need to develop a new partnership with our residents to deliver services in future is echoed by the Coalition Government's focus on a Big Society.
- The Government's focus on localism and devolution sets a national context for our aim to provide local leadership and join up services across the public sector.

The council believes that the One Barnet programme is best delivered through the adoption of the three key principles:

- **A new relationship with citizens** - Enabling residents to access information and support and to do more for themselves
- **A one public sector approach** - Working together in a more joined up way with our public sector partners to deliver better services
- **A relentless drive for efficiency** - Delivering more choice for better value

1.2 Future of Parking

The aim of this project is to provide a streamlined parking service which will result in a more efficient service that provides a better experience for

customers. This would help improve the reputation of the council. As such the proposal to select a strategic partner for the delivery of a parking service fits within the One Barnet objectives of “a relentless drive for efficiency” and “a new relationship with citizens”.

Efficient transport provision within the borough is vital to the local economy and quality of life of both residents and visitors. The Parking Service has an essential role to play in the maintenance of order on the highway. Within Barnet effective control of parking is essential in combating the negative impact of parking on traffic movement, road safety, and essential servicing of the parking infrastructure.

The Parking Service oversees the installation and maintenance of the infrastructure that allows residents and visitors to park legally both on street and in Barnet’s car parks. This includes parking permits and pay by phone parking. Compliance with the traffic and parking regulations is through the Civil Enforcement Officers (CEO) on street and Closed Circuit TV monitoring.

1.3 Scope of the project

The following areas of the Parking Service are included within the scope of this process. These are the provision of:

- On and off-street enforcement
- Payment collection of the parking service
- Processing of Penalty Charge Notices (PCNs), including representations and appeals
- Dealing with payments and non-statutory correspondence
- Automated bus lane enforcement system
- Parking signs and lines maintenance

The current spend is approximately £6.8M in revenue on these services annually and employs over 90 staff in these areas, with an income of approximately £13.6m.

1.4 Description of the critical milestones

- Initial EIA on staff likely to be in scope carried out – the business case and the financial model identifies those in scope and out of scope
- Service Specification for the tender identifies the details of the services in scope
- Final Tender report will outline the preferred bidder and the services in scope
- Transfer of staff to appointed partner.

1.3 Key Stakeholders

- The key stakeholders of this EIA process are the employees and managers within the project's scope.

2. Any Anticipated Equalities Issues at each milestone and identified mitigation

None

2.1 Milestone 1 - Outset

None

2.2 Milestone 2 - Service Specification

None

2.3 Milestone 3 - Final Tender Report

None

2.4 Milestone 4 - Transfer of staff to the appointed partner

None

3. Monitoring Summary

3.1 Table 1- Employee EIA Profile of the One Barnet Project (this profile is in accordance with the requirements of the Equality Act 2010 and the Council will collect this information so far as we hold it)

Critical Milestones

| | | Outset date (April 2011) | | Service Specification (June '11) | | Final Tender Report (Sept '11) | | Transfer date (Jan 2012) | |
|----------------------------|--|--------------------------|--|----------------------------------|----------|--------------------------------|----------|--------------------------|----------|
| | | No. | N/A | No. | % change | No. | % change | No. | % change |
| Number of employees | | | | | | | | | |
| Gender | Female | 24 | | | | | | | |
| | Male | 59 | | | | | | | |
| Date of Birth (age) | 1992-1986 | | Figure withheld to prevent identification | | | | | | |
| | 1985-1976 | 24 | | | | | | | |
| | 1975-1966 | 25 | | | | | | | |
| | 1965-1951 | 28 | | | | | | | |
| | 1950-1941 | | Figure withheld to prevent identification | | | | | | |
| | 1940 and earlier | 0 | | | | | | | |
| Ethnic Group | White British Irish Other White | 23 | Figures withheld to prevent identification | | | | | | |
| | Mixed White and Black Caribbean White and Black African White and Asian Other Mixed | | Figure withheld to prevent identification | | | | | | |
| | Asian and Asian British Indian Pakistani Bangladeshi Other Asian | | Figures withheld to prevent identification | | | | | | |
| | Black or Black British Caribbean African Other Black | 19 | Figures withheld to prevent identification | | | | | | |
| | | | | | | | | | |

| | | | | | | | | | |
|--------------------------------|---|----|--|--|--|--|--|--|--|
| | | | ation | | | | | | |
| | Chinese or Other Ethnic Group Chinese Other Ethnic Group | | Figure withheld to prevent identification | | | | | | |
| Disability | Physical co-ordination (such as manual dexterity, muscular control, cerebral palsy) | | All disability figures withheld to prevent identification | | | | | | |
| | Hearing (such as: deaf, partially deaf or hard of hearing) | | | | | | | | |
| | Vision (such as blind or fractional/partial sight. Does not include people whose visual problems can be corrected by glasses/contact lenses) | | | | | | | | |
| | Speech (such as impairments that can cause communication problems) | | | | | | | | |
| | Reduced physical capacity (such as inability to lift, carry or otherwise move everyday objects, debilitating pain and lack of strength, breath, energy or stamina, asthma, angina or diabetes) | | | | | | | | |
| | Severe disfigurement | | | | | | | | |
| | Learning difficulties (such as dyslexia) | | | | | | | | |
| | Mental illness (substantial and lasting more than a year) | | | | | | | | |
| | Mobility (such as wheelchair user, artificial lower limb(s), walking aids, rheumatism or arthritis) | | | | | | | | |
| Gender Identity | | | All gender identity figures withheld to prevent identification | | | | | | |
| | Transsexual/Transgender (people whose gender identity is different from the gender they were assigned at birth) | | | | | | | | |
| Pregnancy and Maternity | Pregnant | | Data not yet available | | | | | | |
| | Maternity Leave (current) | | | | | | | | |
| | Maternity Leave (in last 12 months) | | | | | | | | |
| Religion or Belief | Christian | 40 | Other figures withheld to | | | | | | |
| | Buddhist | | | | | | | | |
| | Hindu | | | | | | | | |
| | Jewish | | | | | | | | |
| | Muslim | | | | | | | | |
| | Sikh | | | | | | | | |

| | | | | | | | | | |
|--|-------------------|----|---|--|--|--|--|--|--|
| | Other religions | | prevent identification | | | | | | |
| | No religion | 12 | | | | | | | |
| | Not stated | 11 | | | | | | | |
| Sexual Orientation | | | All other figures with held to prevent identification | | | | | | |
| | Heterosexual | | | | | | | | |
| | Bisexual | | | | | | | | |
| | Lesbian / Gay | | | | | | | | |
| | Prefer not to say | 23 | | | | | | | |
| Marriage and civil partnership | | | Other figures withheld to prevent identification | | | | | | |
| | Married | | | | | | | | |
| | Single | | | | | | | | |
| | Widowed | | | | | | | | |
| | Divorced | | | | | | | | |
| | Unknown | 42 | | | | | | | |
| Relevant and related grievances | | | | | | | | | |
| | Formal | 0 | | | | | | | |
| | Upheld | 0 | | | | | | | |
| | Dismissed | 0 | | | | | | | |

3.2 Evidence

3.2.1 List below available data and research that will be used to determine impact on different equality groups

The revised establishment lists from SAP provide the primary data, plus the 'local knowledge' of heads of service. They will consider the impact of the project on the following, amongst other potential factors:

- Flexible working arrangements and their impacts on parents and carers
- Working from home (as above)
- The impact of moving staff to different work locations
- The impact of potential changes to holidays / term time working
- The impact on staff of changes to their working culture
- The impact on staff of additional health and safety training
- The impact on staff of a different programme of investment and development

We have a small number of employees who have notified us in their equalities returns that they have a disability. It is not clear from the data currently available what specific disabilities they have. Any changes to working conditions proposed by the project will be subject to consultation. At that point the employees in question will be able to disclose any issues they may encounter as a result of the changes. There is a mini project about to commence asking staff to update their equalities data on SAP.

3.2.2 Evidence gaps

The business case is reviewing the existing service and the parking recovery plan which may result in change in the services in scope.

Data used for employee equalities is taken from the information held at present. SAP establishment is currently going through a definition project for the Council. Following this and SAP upload the data will be of a greater degree of accuracy.

3.2.3 Solution, please explain how you will fill any evidence gaps?

The equalities impact assessment will be revised at key milestones to accommodate changes in the scope of staff included within the project.

4. Project Milestone Outcomes, Analysis and Actions

4.1 Summary of the outcomes at each milestone

- Milestone 1 - Outset
- Milestone 2 - Service Specification
- Milestone 3 - Final Tender Report
- Milestone 4 - Transfer of staff to the appointed partner

4.1.1 Milestone 1 - Outset

The EIA data will be reviewed in conjunction with the business case to ensure that the proposed solution identified any equalities implications on staff

4.1.2 Milestone 2 – Service Specification

The detailed service specification will refine the services and the functions in scope of the project against which the bidders will submit their solutions. The EIA will be reviewed to identify any changes in the scope of the project and any impact on staff

4.1.2 Milestone 3 – Final Tender Report

At the end of tender process, one bidder's proposal will be accepted. The EIA will be reviewed in the light of the chosen solution in order to assess the potential impacts on staff in scope.

4.1.2 Milestone 4 - Transfer of staff to the appointed partner

The EIA will be reviewed following the close of the project in order to determine the actual impact on staff in scope.

4.2 Actions Proposed

4.2.1 Milestone 1 - Outset

*Were there any unexpected equalities impacts that you did not identify at the first stage?
How will the learning be brought forward to the next milestone?*

TBC

4.2.2 Milestone 2 – Service Specification

*Were there any unexpected equalities impacts that you did not identify at the first stage?
How will the learning be brought forward to the next milestone?*

TBC

4.2.2 Milestone 3 - Final Tender Report

Were there any unexpected equalities impacts that you did not identify at the previous stages?

How will the learning be brought forward to the next milestone?

TBC

4.2.3 Milestone 4 - Completed transition to the appointed partner

Were there any unexpected equalities impacts that you did not identify at the previous stages?

How will the learning be captured?

TBC

Business Scrutiny:

This table summarises the briefing activities. This EIA forms the primary briefing tool and has been shared as detailed below.

Table 1

Dates dependent upon Governance Services schedule for 2011/12 and 2012/13.

| Milestone Description | Programme Office | Trade Unions – appropriate TU for Project | CDG | DPR - Delegated Powers Report | GFC – General Functions Committee |
|---|-------------------------|--|---------------|--------------------------------------|--|
| <i>Milestone 1 - Outset</i> | date | date | 26 April 2011 | date | date |
| <i>Milestone 2 - Service Specification</i> | date | date | | date | date |
| <i>Milestone 3 – Final Tender Report</i> | date | date | | date | Sept 2011 |
| <i>Milestone 4 - Transfer of staff to the appointed partner</i> | date | date | | date | date |

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| | |
|----------------|--|
| Meeting | Budget and Performance Overview and Scrutiny Committee |
| Date | 21 June 2011 |
| Subject | New Support and Customer Services Organisation Business Case |
| Report of | Scrutiny Office |
| Summary | Annex 1 provides the Committee with the Cabinet Resources Committee report outlining the Business Case for the New Support and Customer Services Organisation. |

| | |
|---------------------------|---|
| Officer Contributors | Andrew Charlwood, Overview and Scrutiny Manager |
| Status (public or exempt) | Public |
| Wards affected | All |
| Enclosures | Annex 1: New Support and Customer Services Organisation: Business Case, Report to Cabinet Resources Committee on 29 June 2011 |
| For decision by | Budget and Performance Overview and Scrutiny Committee |

Contact for further information:

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020 8359 2014, andrew.charlwood@barnet.gov.uk

1. RECOMMENDATIONS

- 1.1 That the Budget and Performance Overview and Scrutiny Committee make comments and recommendations to the Cabinet Resources Committee on the New Support and Customer Services Organisation: Business Case as set out in Annex 1 to this report.**

2. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 2.1 The Overview and Scrutiny Committees, Sub-Committees, Panels and Task and Finish Groups must ensure that the work of Scrutiny is reflective of the Council's priorities.**
- 2.2 The three priority outcomes set out in the draft 2011-13 Corporate Plan are: –**
- Better services with less money**
 - Sharing opportunities, sharing responsibilities**
 - A successful London suburb**
- 2.3 The One Barnet programme has three overarching aims: –**
- A new relationship with citizens**
 - A one public sector approach**
 - A relentless drive for efficiency**

3. RELEVANT PREVIOUS DECISIONS

- 3.1 Future Shape Overview & Scrutiny Panel, 8 June 2010, Decision 10, Customer Services Organisation – the Panel commented on the Customer Services workstream of the One Barnet programme and requested that the service definition be brought to a future meeting of the Panel, prior to publication in the Official Journal of the European Union.**
- 3.2 One Barnet Overview & Scrutiny Panel, 21 February 2011, Decision 7, New Support Organisation / Customer Services Organisation: Options Appraisal – the Panel considered the Options Appraisal for the New Support Organisation / Customer Services Organisation and made a number of comments and recommendations in relation to:**
- assumptions used in the scoring matrix of the NSO/CSO report**
 - contract variations**
 - CIPFA benchmarking data used in the evaluation of support services**
 - made a number of comments to the Cabinet Resources Committee.**

4. RISK MANAGEMENT ISSUES

- 4.1 The One Barnet programme recognises that Barnet residents deserve and expect high quality, efficient public services. The council accepts that it is not best placed to deliver all services and that some will be delivered more**

effectively and efficiently and with greater quality by public sector partners, or the private or third sector.

- 4.2 To enable the Council's Overview and Scrutiny function to provide a critical friend challenge to the executive, it is essential that the Committee have the opportunity to provide a robust, proportionate and timely challenge to the One Barnet workstreams as they progress through the council's decision-making framework. Failure to facilitate pre-decision scrutiny in this way might result in reputational damage to the council.
- 4.3 Risk management considerations as they relate the New Support Organisation / Customer Services Organisation Business Case are set out in the attached report at Annex 1.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 In addition to the Terms of Reference of the Panel, and in so far as relating to matters within its remit, the role of the Panel is to perform the Overview and Scrutiny role in relation to:
- The Council's leadership role in relation to diversity and inclusiveness; and
 - The fulfilment of the Council's duties as employer including recruitment and retention, personnel, pensions and payroll services, staff development, equalities and health and safety.
- 5.2 Equalities and diversities considerations as they relate the New Support Organisation / Customer Services Organisation Business Case are set out in the attached report at Annex 1.

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

- 6.1 As set out in the attached report at Annex 1.

7. LEGAL ISSUES

- 7.1 As set out in the attached report at Annex 1.

8. CONSTITUTIONAL POWERS

- 8.1 The scope of the Overview & Scrutiny Committees is contained within Part 2, Article 6 of the Council's Constitution.
- 8.2 The Terms of Reference of the Overview & Scrutiny Committees is set out in the Overview and Scrutiny Procedure Rules (Part 4 of the Constitution). The Budget and Performance Overview and Scrutiny Committee has within its terms of reference the following responsibilities:

To perform the overview and scrutiny role in relation to the One Barnet transformation programme, particularly performance and financial issues.

To receive and consider options appraisals, business cases and closure reports for One Barnet projects.

To monitor the implementation of One Barnet projects throughout the programme lifecycle.

To engage with partner organisations, other relevant public sector bodies, private sector organisations, trade unions, local residents or any other appropriate witnesses when fulfilling the overview and scrutiny role in relation to the One Barnet programme.

- 8.3 Constitutional powers as they relate the New Support Organisation / Customer Services Organisation Business Case are set out in the attached report at Annex 1.

9. BACKGROUND INFORMATION

- 9.1 The Committee are requested to make comments, representations and recommendations to the Cabinet Resources Committee on the New Support Organisation / Customer Services Organisation: Business Case as set out in Annex 1.

10. LIST OF BACKGROUND PAPERS

- 10.1 None.

ANNEX 1

| | |
|----------------|--|
| Meeting | Cabinet Resources Committee |
| Date | 29 June 2011 |
| Subject | New Support and Customer Services Organisation Business Case |
| Report of | Cabinet Member for Resources and Performance Cabinet Member for Customer Access and Partnerships |
| Summary | This report outlines the business case for the outsourcing of support and customer services and seeks authority from the Committee to approve the business case for the procurement of a strategic provider. |

| | |
|---|--|
| Officer Contributors | Andrew Travers, Deputy Chief Executive Claire Johnston, Programme Manager, Commercial Services Suzanne Hope, Project Manager, Commercial Services |
| Status (public or exempt) | Public |
| Wards affected | All |
| Enclosures | Appendix A: Business Case Appendix B: Employee Equalities Impact Assessment Appendix C: GMB Interim Report Appendix D: Unison Interim Report Appendix E: Response to TU Interim Report |
| For decision by | Cabinet Resources Committee |
| Function of | Executive |
| Reason for urgency / exemption from call-in | Not applicable |

Contact for further information: Suzanne Hope, One Barnet Project Manager, 020 8359 2684

1. RECOMMENDATION

- 1.1 That the committee approves the New Support and Customer Services Business Case in order that the council can begin the competitive dialogue process, following the previously approved placing of the OJEU notice.**
- 1.2 That the authority to award contract remains with the Cabinet Resources Committee.**
- 1.3 That the committee give due regard to the statutory equality duties under the Equality Act 2010 and the outcomes of the equality impact assessments referred to in this report.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Cabinet, 6 May 2008 (Decision item 5) – approved the establishment of the Future Shape of the Organisation¹.
- 2.2 Cabinet, 3 December 2008 (Decision item 5) – approved the programme structure for the next phase of the Future Shape programme and that a detailed assessment of the overall model for public service commissioning, design and delivery should be undertaken.
- 2.3 Cabinet, 6 July 2009 (Decision item 5) – approved that three principles would be adopted as the strategic basis for making future decisions:
 - a new relationship with citizens
 - a one public sector approach
 - a relentless drive for efficiency.

It also approved a phased approach to delivering the Future Shape Programme and immediate consolidation of activity in the areas of property, support and transact.

- 2.4 Cabinet, 21 October 2009 (Decision item 8) – approved plans to implement the Future Shape programme.
- 2.5 Cabinet, 21 June 2010 considered the medium-term strategic context for the Council and likely very substantial financial challenges. Cabinet endorsed the Future Shape programme as the response to the challenges set out. The report also noted that the full implementation costs of Future Shape were not budgeted at that time and would need to be factored into future financial planning and in reviewing earmarked reserves.
- 2.6 The financial statements for 2009/10, agreed by the Audit Committee on 21 September 2010, established a Transformation Reserve to meet the costs of the Future Shape programme.
- 2.7 Cabinet, 29 November 2010 (Decision item 6) – approved the One Barnet Framework and the funding strategy for its implementation.
- 2.8 Cabinet Resources Committee, 2 March 2011, Decision 9, Customer Services Organisation and New Support Organisation Options Appraisal

¹ The Future Shape programme has been renamed One Barnet Programme. The relevant previous decisions shown refer to meetings held before this change.

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

3.1 The three priority outcomes set out in the 2010/13 Corporate Plan are:

- better services with less money
- sharing opportunities, sharing responsibilities
- a successful London suburb.

The One Barnet Programme has three overarching principles:

- a new relationship with citizens;
- a one public sector approach; and
- a relentless drive for efficiency.

3.2 The proposals outlined in the Customer Services Organisation (CSO) and New Support Organisation (NSO) options appraisal fit within the One Barnet principles. In line with the One Barnet principles all services should:

A new relationship with citizens

- be designed and delivered around customers' needs
- provide the best possible customer experience
- enable customers to help themselves by providing accurate and accessible information and enabling self-service wherever possible.

A one public sector approach

- be in a position to support the requirements of all public sector partners and drive better multi-agency working
- be flexible and therefore able to rapidly respond to changing demands.

A relentless drive for efficiency

- operate as efficiently as possible to both minimise the cost of the service and minimise the cost to customers of accessing the service
- be innovative and take advantage of evolving technology, thinking and practice
- maximise the value the council achieves from all its assets (capital and revenue)
- safeguard the council's position to maintain its reputation and comply with legal responsibilities.

4. RISK MANAGEMENT ISSUES

4.1 Risks associated with the delivery of the projects are managed and reported in accordance with corporate risk and project management processes and will also be reported through existing democratic processes.

4.2 Key risks associated with the procurement of these services highlighted in the business case along with the respective mitigating actions. These risks will be updated in later iterations of the business case produced during the life of the procurement process.

4.3 The key risks of not implementing the recommendations of this business case are that:

- the council fails to foster opportunities for investment by the private sector
- the council fails to keep pace with changes in society, for example with regard to use of technology
- the council fails to halt the decline in customer satisfaction

- the council fails to ensure existing commercial arrangements with third parties are delivering value for money
- the council does not undertake the effective strategic planning needed to deliver services in a way which continues to meet growing residents' need in a challenging financial climate. Instead, the council continues a programme of year on year cuts, leading to a decline in the quality of service delivery and customer satisfaction.

4.4 The key risks associated with delivering the recommendations of the business case are:

- contract arrangements are not robust and do not achieve intended outcomes or protect the council from risk – the council has procured support to ensure that the competitive dialogue process is robust and that the contract arrangements are beneficial to the council
- inadequately designed output specifications could lead to a partner not delivering the expected service and leave the council at risk of increased contract costs – the council has procured support in designing the specifications with services. Additionally review and challenge will be provided by departments that are customers of these services to ensure they are fit for purpose
- current financial benefits are based on current service costs which are likely to have changed at point of contract mobilisation – the business case will be updated through the life of the procurement to reflect any changes to baseline figures (savings from internal transformation or as elements of the case are known in more detail)
- loss of internal and external engagement due to poor communication - communication and engagement plans are in place for the procurement phase of this project with council staff and partners

5. EQUALITIES AND DIVERSITY ISSUES

5.1 It is recognised that such a significant transformation of services is likely to have an impact upon staff. This impact will be monitored through the completion and update of an Employee Equalities Impact Assessment, this is attached as Appendix B.

5.2 Throughout any period of change the One Barnet Programme will act in accordance with many of the principles in the Council's Managing Organisational Change policy including:

- the employees concerned will be treated in a fair and equitable way
- advance notice of the impending change is given to the employee concerned as soon as possible including:
 - the rationale for change
 - the proposed change
 - the impact upon employees
- change will be brought about in line with the Inform & Consult policy
- management will consult with recognised trade unions and staff on issues as above
 - employees will be given an opportunity to discuss in a meeting the reasons for the change
 - appropriate information will be shared with employees and recognised trade unions
- Employee Support programmes will be provided where fitting

The Council will continue throughout the process to assess the impact of the change in regard to the protected characteristics. It is important to understand the effect change will have on these employees and what the Council can do to minimise any impact.

There will be clarity on actual impacts at the stage of contract award, following competitive dialogue. Until the future employer is known all analysis is based around possibility.

- 5.3 The Equalities Impact Assessment will be revisited at key milestones throughout the projects lifecycle to assess the impact of the procurement process and any service transformation on the council's employees.

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

- 6.1 The Spending Review has announced reductions in government support to local authorities of 26% over the next four years. The Council has now received its grant settlement and budget reductions of £53.4m were approved at Cabinet on 14 February 2011 in the Budget, Council Tax and Medium-term Financial Strategy 2011/12 – 2013/14 report.
- 6.2 For current One Barnet projects (Wave 1), estimates of savings have been made which are reflected in the Council's financial plans. These were included within the Budget, Council Tax and Medium-term Financial Strategy (MTFS) 2011/12 – 2013/14 report approved at Cabinet on 14 February 2011.
- 6.4 The MTFS includes savings in respect of New Support Organisation and Customer Service Organisation as follows (all figures are cumulative)

| | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|-------|---------|---------|---------|---------|---------|
| NSO | 1,916 | 2,336 | 2,336 | 2,336 | 2,336 |
| CSO | 640 | 640 | 640 | 640 | 640 |
| TOTAL | 2,556 | 2,976 | 2,976 | 2,976 | 2,976 |

The savings in the "prudent" version of the business case are as follows (figures here are included over a 5 year period):

| | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|-------|---------|---------|---------|---------|---------|
| NSO | 527 | 1,812 | 2,346 | 3,302 | 4,546 |
| CSO | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 527 | 1,812 | 2,346 | 3,302 | 4,546 |

There are no savings in respect of CSO included in this business case under the prudent scenario. The internal transformation programme needs further work to be completed to ensure that the £640k of savings in the MTFS can be realised for 2012/13. The initial indications from the project are that savings of this magnitude will be achieved.

The savings in respect of NSO included in the business case are as follows:

| | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|------------------------------|---------|---------|---------|---------|---------|
| NSO savings in business case | 527 | 1,812 | 2,346 | 3,302 | 4,546 |
| NSO savings in MTFS | 1,916 | 2,336 | 2,336 | 2,336 | 2,336 |
| DIFFERENCE | (1,389) | (524) | 10 | 966 | 2,210 |

This table shows that the savings in the MTFs for 2012/13 and 2013/14 are not achieved based on the prudent version of the business case. Further work is therefore needed to enable a balanced budget to be set in 2012/13 and 2013/14, and this will be resolved in the business and financial planning process about to commence. However, by 2015/16 and 2016/17, a saving significantly greater than the current MTFs target would be achieved.

- 6.5 The up front costs of change will be funded from the council's transformation reserve, in line with the agreement in the One Barnet Framework.
- 6.6 The council will continue to meet all of its statutory and contractual obligations in regard to change and its impact upon our staff. In the context of One Barnet Programme this means that all internal re-structures will be managed in compliance with the Council's Managing Organisational Change Procedure. Where the change results in a TUPE transfer the Council will meet all of its statutory obligations but it will not provide any enhancement over and above that provided by the Transfer of Undertakings (Protection of Employment) Regulations 2006, Code of Practice and Best Value Authorities Staff Transfers (Pensions) Direction. All matters relating to staffing and requiring a decision must be referred to the General Functions Committee for approval.
- 6.7 An embargoed version of a draft of the business case was shared with Trade Unions. Their interim reports of the business case and a commentary addressing the points raised in the two reports are included as appendices of this report.

7. LEGAL ISSUES

- 7.1 Procurement processes must comply with the European procurement rules and the Treaty obligations of transparency, equality of treatment and non discrimination.
- 7.2 In the event that services are to be externalised, the council must comply with its legal obligations under the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE") with respect to the transfer of staff. Where they apply, the Regulations impose information and consultation obligations upon the council and the incoming contractor and operate to transfer the contracts of employment, of staff employed immediately before a transfer, to the new contractor at the point of transfer of the services.
- 7.3 Data Protection Act 1998 considerations in relation to Information sharing. This will be relevant during the actual procurement phase.

8. CONSTITUTIONAL POWERS

- 8.1 The council's constitution, in Part 3, Responsibility for Functions, paragraph 3.6 states the terms of reference of the Cabinet Resources Committee including "approval of schemes not in performance management plans but not outside the council's budget or policy framework".

9. BACKGROUND INFORMATION

- 9.1 The options appraisal for the Customer Services Organisation and New Support Organisation was approved by Cabinet Resources Committee in March 2011. This

decision gave approval to initiate a procurement process for the delivery of seven support services:

- Customer Services
- Estates
- Finance
- Human Resources
- Information Systems
- Procurement
- Revenues and Benefits

Additionally the function of project management, currently carried out predominantly through the Corporate Programmes Team, is also in scope for delivery by a provider

The recommendation from the options appraisal was that although a procurement process could be initiated with the issued of an OJEU notice it could not proceed to competitive dialogue until the business case for outsourcing these services had been approved by Cabinet Resources Committee.

9.2 The requirement for change within the support and customer services is:

- In order to respond to the challenges and opportunities presented by a changing customer profile
- In- house improvement alone is not a sustainable option given the scale of the budget pressures and the opportunity to work more closely with partners
- As a result of the funding gap the council is required to carefully consider where it is able to invest and this has to be the frontline services. The council is seeking the opportunity for a number of its support services to be outsourced to an organisation where these services are the core business and can provide investment and economies of scale.

The council's aim is to enable the support services to be delivered differently in order to:

- provide the best possible professional service to their customers (Children's Service; Adult Social Services; Planning, Environment and Regeneration; Barnet Homes; and schools)
- enable customer channel shift
- provide better use of the customer's time by the customer service channels acting as an advocate for the customer
- make savings to benefit the taxpayer
- enable services to adapt to the future shape and function of the council and public services in Barnet.

9.3 The business case, in response to the options appraisal has two key aims. To identify the non-financial benefits the council expects to achieve through procuring a new delivery method for these services to the council, staff and customers and demonstrate the financial savings against each service area involved and how the combined savings are then profiled over a ten year contract.

9.4 The council expects that through procuring a strategic partner it will be possible to deliver the transformation of customer services, which is at the core of substantially improving customers' and residents' experience of dealing with the council. The transformation will improve customer services and develop a better understanding of customers' needs, driving service improvements such as improved methods of customer engagement.

- 9.5 The recommendation from the business case is that the procurement process, begun with the issue of the OJEU notice in June 2011, to identify a strategic partner for the delivery of support and customer services continues. The most appropriate method identified to procure this provider is through competitive dialogue as this will enable the council to engage in dialogue with potential providers and is then best positioned to identify the solution it desires. This procurement process is likely to take twelve months with approximately three to five months for service mobilisation. As such any staff transfer is likely to occur in early 2013.
- 9.6 This business case will be updated at key points during the procurement process to take into account any changes as a result of internal service transformation. The final evaluation of tenders will be viewed against the most current version of the business case to ensure the council is still achieving the expected value for money by carrying out this change to delivery and aligns to the council strategic and financial objectives.

10. LIST OF BACKGROUND PAPERS

- 10.1 Customer Services Organisation and New Support Organisation: Options Appraisal
- 10.2 One Barnet Framework

Legal – MM

Finance – JH / MC

London Borough of Barnet

New Support & Customer Services Project: Business Case

June 2011

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1. Executive Summary

This business case is in response to the customer services organisation and new support organisation options appraisal¹ which recommended that a business case for outsourcing a number of support services and the customer service should be produced. The options appraisal identified that a strategic partnership with a private provider would be the most effective approach for the council as this would form a relationship between council and provider rather than a solely contractual provision of services. This partnership would allow the council to meet its objective of service transformation and innovation to match customer need whilst ensuring business as usual activities were not compromised. The council believes that this model of service delivery will allow the provider to contribute to the council's strategic aim of delivering a responsive customer focused organisation.

The council expects that in delivering a new customer service the chosen provider will take advantage of evolving technology, best practice, specialist experience and innovation in the market place beyond the capability of the council. The provider will be able to respond to with flexibility to the changing demands of customers. All of which will place the council in a stronger position to drive joint working with partners in both the voluntary and public sectors.

The council anticipates that a provider will be able to bring both expertise and investment to the services in scope to raise the level of efficiency and effectiveness. The provider will be required to maintain or improve on current service levels and drive efficiency savings on service cost. It is acknowledged that through reducing service cost it will equally reduce the income from those services currently trading with Barnet Homes and schools to the benefit of these partners who may see a reduced cost for the service they purchase.

The recommendation from this business case is that the procurement process identifies a strategic partner for the delivery of support and customer services, which began with the issue of the OJEU notice in June 2011, should continue. The most appropriate method identified to procure this provider is through competitive dialogue as this will enable the council to engage in dialogue with potential. This will ensure the council is in the best possible position to identify the solution it desires. This business case will be updated at key points during the procurement process to take into account any changes in both baseline staff and financial information. The final evaluation of tenders will be viewed against the most current version of the business case to ensure the council is still achieving the expected value for money by carrying out this change to delivery and aligns to the council strategic and financial objectives.

¹ Customer Services Organisation and New Support Organisation – Options Appraisal report to Cabinet Resources Committee 2 March 2011

1.1 The services in-scope

The options appraisal² considered a number of potential future delivery options for the services in scope. This evaluation, and an analysis of the cost and performance of services, scored the Strategic Partnership delivery option highest.

This grouping of Barnet's services covers the core customer-facing and support services for both staff and citizens alike.

The following services are within the scope of the New Support and Customer Services Project:

- Corporate Procurement
- Customer Services
- Estates (Building Services, Property Services, Facilities Management)
- Finance
- Human Resources
- Information Systems
- Revenues and Benefits.

Additionally, the function of project management, currently carried out predominantly through the Corporate Programmes Team, is also in scope for delivery by a provider.

The mandate for the New Support and Customer Services Procurement Project is:

1. support services need to change in order to respond to the challenges and opportunities of the future
2. in-house improvement alone is not a sustainable option given the scale of the budget pressures and the opportunity to work more closely with partners
3. as a result of the funding gap the council is required to carefully consider where it is able to invest and this has to be the frontline services. The council is seeking the opportunity for a number of its support services to be outsourced to an organisation where these services are the core business and can provide investment and leverage commonality.

The council's aim is to enable the support services to be delivered differently in order to:

- provide the best possible professional service to their customers
- provide better a customer service that enables other services to better focus on responding to the needs of the customer
- make savings to benefit the taxpayer
- enable services to adapt to the future shape and function of the council and public services in Barnet.

² Customer Services Organisation and New Support Organisation – Options Appraisal report to Cabinet Resources Committee 2 March 2011

1.2 The size and scale of the services in scope

Under existing arrangements, the seven services are delivered with a gross budget of £45.3m. Staffing levels associated with the functions deemed in-scope for the New Support and Customer Service Organisation, equate to 622 full-time equivalents, as detailed in Appendix A.

1.3 Benefits Realisation

Through a private sector partnership, the financial benefits to the council could be as much as 14 per cent in a typical year from the current gross baseline figure – this figure averages to 11 per cent over 10 years (17 per cent in the optimistic scenario).

Further financial benefits could be realised as the requirement for support decreases as a result of the One Barnet Programme³ and these benefits are not reflected in the figures above. It must be recognised that any benefits delivered through such a delivery vehicle will not be realised until the new partner(s) has been procured and it is more likely to be a minimum of six to twelve months after the contract commencement.

Over a ten year period (the typical contract duration for such a service provision deal) financial benefits could equate to as much as £38m (in the optimistic scenario this increases to £63m). This is significantly more than indicated in the One Barnet Framework, but is based on a more robust analysis of both current service costs, and potential future service transformation.

1.4 Approach to delivery

The council needs to begin service transformation now as waiting until the conclusion of a procurement process in 2013 will be too late to deliver the committed savings. The direction of travel has been set now to start the internal transformation, specifically in relation to three service areas:

- Customer Services
- Information Systems
- Procurement

Customer Services transformation will:

- provide a more efficient customer experience
- deliver more customer contact to those channels which are most cost effective whilst delivering a good service to customers
- provide the information and insight needed to work with service providers inside and outside of the council to enable them to reposition services around the customer and through life events
- act as an advocate to ensure customers individually and collectively receive services that respond effectively to their needs

³ One Barnet Framework report to Cabinet 29 November 2010

This will be delivered through providing a joined up customer information service with professionally skilled staff who are able to support service providers with information and insight about customers whilst acting on behalf of the individual customer. The deliver of this service will be possible through using the appropriate technological systems. The customer service transformation business case will set out the scope and potential savings associated with this transformation.

Information Systems transformation will:

- review IT infrastructure management and associated service call procedures
- improve management of mobile IT stock, desktop services and support
- realign application support; review service desk and applications support, staffing and service call management
- review information and data management, incident reporting and risk
- target the management of existing projects and implement a delivery methodology for new projects
- target management of the IS transformation process; restructure strategic IS staff and business communication channels; rationalise contracts, licences and asset consulting; and review performance management.

Procurement transformation will:

- facilitate purchasing on a corporate-wide basis
- performance manage contracts and provide improved spend insight
- improve and standardise contract management and problem resolution skills
- consolidate the procurement services
- review and reduce vendor base and contract values
- develop e-procurement.

To procure a strategic partner the council believes the most appropriate route is through the OGC Competitive Dialogue Procedure. This is the route recommended for complicated procurement that enables negotiation with suppliers and supports innovation in the market. As set out in the options appraisal, this process should allow for the formation of a Strategic Partnership, an Incremental Partnership or a Joint-venture, as each of these delivery options scored similarly. The process will identify the most suitable option for Barnet.

2 Introduction

The council has previously identified a number of significant challenges that can not adequately be addressed through business as usual. These are:

- The financial context - in 2010 the Spending Review⁴ announced reductions in government support to local authorities of 26 per cent over the next four years. In response to this challenge, the council has consulted on savings proposals to reduce the funding gap of £53M⁵ affecting Barnet Council over the next three years.
- Resident satisfaction - despite consistent improvements in service delivery, satisfaction with Barnet Council, as with other local authorities, has been on a downward trend.
- Increased expectations from customers for more personalised services and continued pressure to provide more services

As a result the council has recognised that the delivery of services has to now change in order to respond to the challenges above.

The One Barnet programme is built around the principles of a new relationship with citizens, a one public sector approach, and a relentless drive for efficiency. The primary driver for the programme is to develop a customer centred organisation, with the programme is also expected to help reduce the cost of the provision of services to our residents.

3 The Purpose of the Business Case

The business case has three key aims

- to identify the non-financial benefits the council expects to achieve through procuring a new delivery method for these services to the council, staff and customers
- to articulate a robust baseline and the scale of the financial case across the services
- to demonstrate the financial savings against the individual service areas involved and how the combined savings are then profiled over a ten year contract.

This business case builds upon the findings and recommendations contained within the options appraisal that was undertaken in the winter of 2010. This report reviewed the current service levels and potential future delivery options of the services identified in 1.1 and recommended the procurement of a private sector partner to deliver the services going forward. By definition, this business case is a dynamic document, and as such will be updated at appropriate points in time over the next 12-18 months.

⁴ Spending Review report by HM Treasury, October 2010

⁵ Budget, Council Tax and Medium Term Financial Strategy report to Cabinet 14 February 2011

4 Strategic fit

The overarching aim of the One Barnet programme, as set out in the One Barnet Framework, is to create a citizen-centric council. Citizens are “to get the services they need to lead successful lives, and to ensure that Barnet is a successful place.”⁶

Barnet Council faces a funding gap of £53M⁷ over the next three years. In order to help mitigate the impact of this funding gap the council is now looking to procure a private sector partner to deliver the services in scope. The partnership will involve significant investment by the partner into the services and a decrease in the cost of the service to the council. Through outsourcing the support services to a strategic partner, process re-engineering will deliver efficiency savings in support of the Medium Term Financial Strategy (MTFS) which seeks to bridge the funding gap.

The strategic objective of the council is to deliver a new customer delivery model. The expectation is that a company that specialises in customer service can draw on extensive experience and professionalism in this field. This organisation should be able to utilise new practices and deliver continuous innovation throughout the life of the contract.

Through procuring a strategic partner it will be possible to deliver the transformation of customer services, which is at the core of substantially improving customers' and residents' experience of dealing with the council. The transformation will improve customer services and develop a better understanding of customers' needs, driving service improvements such as improved methods of customer engagement.

The contract notice, published 17 June, makes reference to the fact that the contract will be open for other public and third sector partners to utilise. The result of this could mean that in spite of a reducing size of council requiring support the actual value and scope of work could increase. This opportunity for partners to take advantage of the contract is something that the council with the support of the provider will actively encourage during the contract term.

In line with the One Barnet principles all services should:

A new relationship with citizens

- be designed and delivered around customers' needs
- provide the best possible customer experience
- enable customers to help themselves by providing accurate and accessible information and allowing self-service wherever possible.

A one public sector approach

- be in a position to support the requirements of all public sector partners and drive better multi-agency working
- be flexible and therefore able to rapidly respond to changing demands.

A relentless drive for efficiency

⁶ One Barnet Framework report to Cabinet 29 November 2010, pg 6

⁷ Budget, Council tax and Medium Term Financial Strategy report to Cabinet 14 February 2011

- operate as efficiently as possible to both minimise the cost of the service and minimise the cost to customers of accessing the service
- be innovative and take advantage of evolving technology, thinking and practice.

5 Scope

The council services in scope are listed below:

- Procurement
- Customer Services
- Estates (Asset Management, Property Services, Facilities Management)
- Finance
- Human Resources
- Information Systems
- Revenues and Benefits.

All services within the scope of the project are currently delivered in-house and current budget and employee numbers are summarised below. Further detail on the services can be found in Appendix A.

| Service | FTE | Gross 11/12 Expenditure £000 | Total 11/12 Income £000 |
|-----------------------|------------|------------------------------------|-------------------------------|
| Procurement | 27 | 1,721 | 32 |
| Customer Services | 58 | 2,554 | 170 |
| Estates | 74 | 13,016 | 5,941 |
| Finance | 145 | 5,949 | 1,121 |
| Human Resources | 81 | 4,121 | 2,371 |
| Information Systems | 76 | 9,718 | 2,314 |
| Revenues and Benefits | 162 | 6,882 | 1,697 |
| Total | 622 | 43,961 | 13,647 |

Table 1 Service scope

It should be noted that there are IT systems in use throughout the council that are supported through external service contracts, and not by in-house IS. These contracts would need to be novated to the new provider.

It should be noted that, following the Competitive Dialogue Procedure, the final scope may exclude some of these services for practical, commercial or legal reasons.

6 Benefits Case

6.1 Introduction

The benefits sought by the project align with the council's strategic One Barnet objectives. The key benefits for change are set out below.

6.2 Strategic benefits

The council expects that a strategic partnership with a private provider will ensure the council is able to deliver the best possible service focused around customer (internal and external) need.

It is expected that the chosen service provider will deliver insight through the customer service, whose primary role is to be an advocate for the customer will be able to gather information and insight on the changing needs of the customer. This information will then be used by the council to commission services to better meet customer needs.

The council is seeking a partner for whom these services form their core business and can bring a new focus on service delivery. It is expected this will be driven through the provider's extensive experience in business process re-engineering and their ability, through proven experience, to configure the services into a highly effective and efficient customer focused entity whilst reducing costs and increasing income. This will result in the council being better placed to meet customer needs.

The council recognises that a number of framework agreements already exist for delivery of shared services and this may well increase during the life of the contract, for example the expected delivery of OneSAP. The council will be looking to all bidders to identify how they can utilise framework contracts in the market place that could deliver best value for the council through delivery of shared services across a number of councils.

6.3 Non financial benefits

All bidders will be required to provide proposals which meet the council's requirements in terms of non-financial benefits by being transformational. The council will expect to see means by which the services can be delivered with benefits that focus on the customer and citizen experience.

The council recognises that the way in which services are delivered is changing both internally and externally. The customer service organisation will be expected to engage with the full spectrum of service providers in order to meet the needs to the customer. They will also be expected to develop a partnership approach with council staff in responding to customer problems.

A summary of the potential non-financial benefits of the project, and how they align with the One Barnet key principles is provided below.

A new relationship with citizens

The services will:

- support those staff delivering frontline services by ensuring they have the necessary support and tools to carry out their work. It is expected that bidders will provide business plans for the continued development of staff skill sets to ensure all support service functions can run as smoothly and efficiently as possible. This will allow the front line services to focus on their core duties in supporting those most in need and in turn improving customer satisfaction
- be expected to increase their capability in achieving customer self service resolution as part of the Strategic Partnership
- be able to facilitate speedier issue resolution through process and system improvements
- direct customers to the most cost effective channel or choice of channels (for both the customer and the council) when they contact the council
- deliver a consistent, high quality experience regardless of the channel type or service requested
- maximise opportunities for self service and use of emerging technologies
- ensure insight and information from the customer experience is provided to the council to be used in commissioning, designing and improving services
- support council and local public services in joining up the customer service around the needs and life events of customers to provide a more personalised service
- enable resolution of issues through a single point of contact with customer services
- build customers' capability to help themselves and others
- enable customers to provide information only once, which can be used to provide a range of related services
- provide a coherent brand, identity and ethos for customer services that builds a new relationship with the citizens of Barnet
- increase the number of enquiries resolved at the first point of contact and reduce the failure-demand
- become more responsive to changing citizen needs within the borough and be able to adjust service offerings accordingly
- improve their ability to share council intelligence, and utilise provider expertise to inform strategic direction, decisions and overall service delivery.

A one public sector approach

The services will:

- be developed and joined up through life events to enable a customer service to be delivered to other public sector bodies in Barnet, such as GPs, and third sector partners. These public and third sector partners would be able to access provision of support and customer services through the council.
- potentially deliver savings to Barnet Homes and schools who purchase elements of support services. Efficiencies delivered in these service areas could reduce the cost of the traded services
- have enhanced capacity and capability to drive improvements in the maintenance and development of council assets
- be able to utilise experience and expertise gathered from delivering similar public sector services to resolve issues and carry out process improvements more effectively and efficiently.

A relentless drive for efficiency

The services will:

- benefit from the experience of a private sector organisation in enhancing performance whilst realising operational efficiencies
- be able to be delivered through a reduced FTE given the potential for economies of scale provided by a strategic partner
- benefit from initial capital investment to facilitate early service improvement and operational development that the council will pay back across the life of the contract
- secure the necessary investment in technology, process and change management to deliver efficiencies and service improvements
- benefit from investment in technology, process and change management to deliver efficiencies in process management
- benefit from service experience, specialist skill sets and capability to access innovation and creativity in order to deliver faster service transformation
- be able to provide flexible deployment arrangements of staff that will allow customer and staff issues to be resolved during a consistent time period
- benefit from new performance management systems to ensure consistency across service areas and ensure high efficiency levels of work
- provide the council, alongside the other One Barnet projects, with an opportunity to locate all remaining council staff into a single building at North London Business Park (NLBP). The council has break clauses within one lease that will take effect in 2015.

6.4 Benefits for staff

Given the volume of staff involved in the services it is equally important to ensure benefits for staff are set out by bidders as part of their proposals. Although this cannot be guaranteed, the scale of operations of the organisations likely to seek a partnership with us may also significantly enhance opportunities for staff in terms of their personal and professional development. For example, staff will potentially have:

- the opportunity to share in and enhance expertise and insight from new colleagues and best practice methodologies from a wider pool of peers in a new organisation
- greater experience of industry standards and how they inform business practice across a variety of organisations
- wider opportunities for personal development that could lead to promotion into a broader range of management and senior management roles
- greater opportunities to attend training courses to help them develop personally and professionally, which could be furthered by the opportunity to work on varied contracts
- the opportunity to develop new commercial skills that will broaden their personal skill base
- access to more developed talent management and succession planning programmes.

6.5 Financial benefits

The approach taken to calculate current delivery costs and the financial benefits associated with New Support and Customer Service Organisation is outlined in this section.

For each service the project established the current service cost, assessed the potential for the service to improve, and articulated the financial case.

The cost of the service needs to be adjusted to reflect not only the contract value but also the areas of the service that are out of scope.

| Service | Gross 11/12 Expenditure £000 | One Barnet 2011/12 £000 | One Barnet 2012/13 £000 | Retained client £000 | Revised Expenditure £000 |
|-----------------------|------------------------------------|-------------------------------|-------------------------------|----------------------------|--------------------------------|
| Procurement | 1,721 | (2) | (7) | (50) | 1,663 |
| Customer Services | 2,554 | 0 | 0 | (120) | 2,434 |
| Estates | 13,016 | 0 | (1,189) | (171) | 11,656 |
| Finance | 5,949 | (37) | (116) | (820) | 4,976 |
| Human Resources | 4,121 | (73) | (167) | (1,086) | 2,795 |
| Information Systems | 9,718 | (441) | (749) | (439) | 8,089 |
| Revenues and Benefits | 6,882 | 0 | 0 | (571) | 6,311 |
| Total | 43,961 | (553) | (2,228) | (3,257) | 37,923 |

Table 2 Establishing the service cost

In order to facilitate this calculation of the costs of the services, the following assumptions have been made:

- Cost and FTE associated with New Support Organisation functions that will be transferring with DRS, Adults LATC, Parking and Transport have been deducted from the gross expenditure figure.
 - reduction in costs will be realised in 2011/12 (Year -1) as the Adults LATC is created and the Transport shared service begins.
 - reduction in costs will be realised in 2012/13 (Year 0) as the DRS goes to the new strategic partner and the Parking service is outsourced.
- Each service area has agreed roles or services that will remain in the council post appointment of a partner. These estimates have been used to calculate service costs that have then been deducted from the indicative revised gross provider figure in order to factor in the cost of a retained client function. In total the retained client accounts for 7% of the gross budget as shown in figure 1.

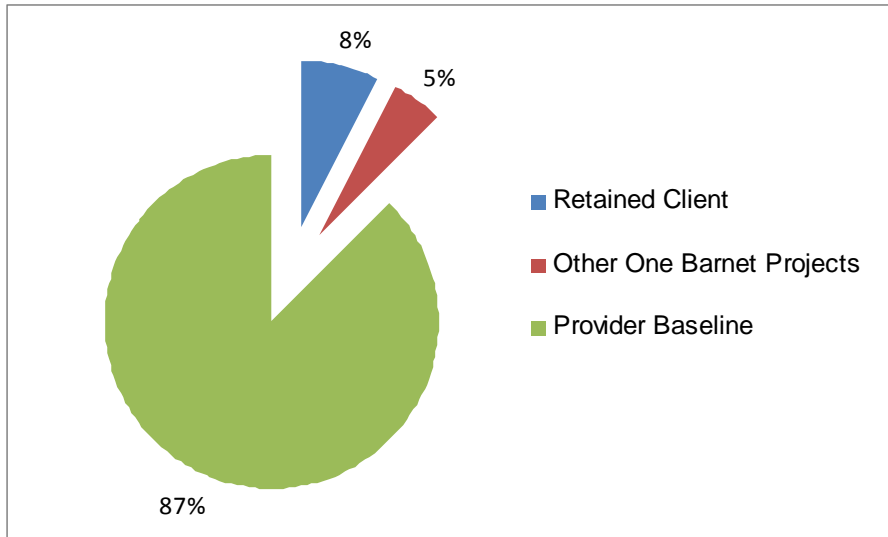


Figure 1 Elements of base service cost as a whole

The retained client element of Human Resources will reduce as the One Barnet programme progresses. The funding for a number of posts supporting the One Barnet programme ceases at the end of 2012/13, as a result any projects that continue to require HR support would need to source it from the provider. The whole retained client will reduce to 5% of the gross budget by 2015.

Figure 2 shows the provider baseline, retained client and amounts transferring as part of other One Barnet projects as a percentage of the current base cost for each service.

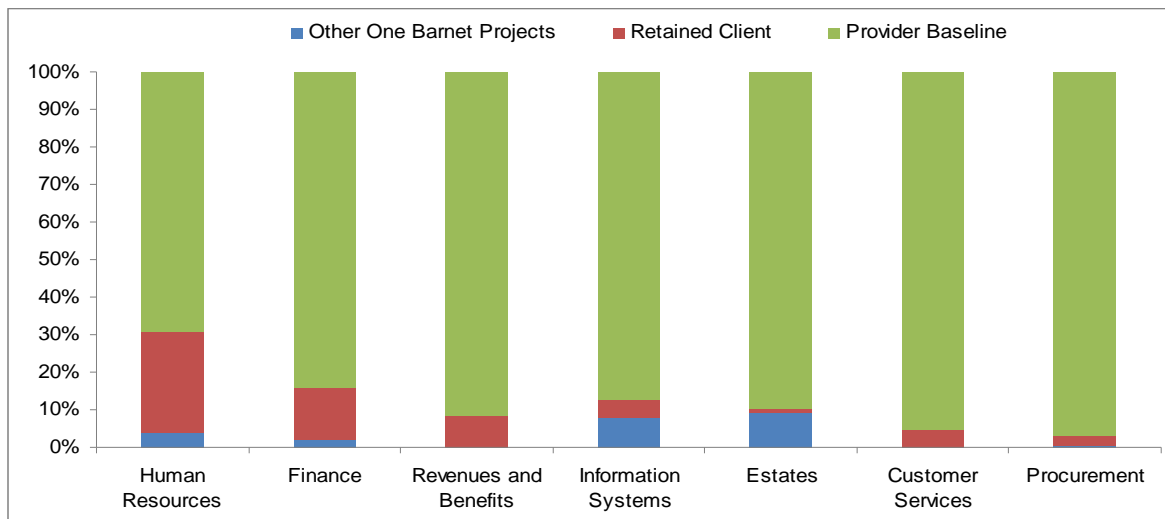


Figure 2 Elements of base service cost by service

6.6 Reducing the support costs of the organisation

As this project deals with customer services and support services across the whole organisation, all of the other One Barnet projects are interlinked into this project. One of the major issues to contend with is the fact that the size of the organisation that needs to be supported by these services in 2013/14 is likely to be much different from the organisation that the services support today.

Perhaps the most stark example is in respect of accommodation costs. The three main buildings (Barnet House, NLBP 2 and NLBP 4) cost the council approximately £8m per annum. NLBP accommodates 1400 staff at a cost of £6m per annum. Should the current One Barnet projects have completed by 2013/14, the accommodation requirements for the remaining council staff would be much lower. The break clauses on NLBP 4 is not until 2015, but a significant part of the £8m cost could probably be saved in 2015 by reorganising office accommodation requirements over the coming years.

The council's accommodation strategy is to look to rationalise its accommodation where possible and the space that is retained should be utilised more efficiently. The council will work with potential providers during the procurement process to investigate opportunities for the provider to locate staff in vacant council accommodation.

The council will not, with the exception of the customer service, be requiring external partners identified through other One Barnet projects to use the support service delivered by the provider identified as a result of this procurement. As a result, council IT requirements and support would reduce as a result of the other One Barnet projects. Savings could be made on SAP licences, desktop hardware and software and other IT related costs. There will also be reductions in the finance and HR support that the organisation would require.

This is relevant for two principle reasons for this business case:

- a) The purpose of the procurement of a private sector partner is to generate efficiencies from improvements that cannot be made as quickly or as effectively if the services were retained in house, and this is the main focus of this business case. However, it does not make economic sense to transfer IT and accommodation related costs to a private sector provider for them to make savings that can and will be made by Barnet Council; and
- b) The contract that is developed for the provision of these services needs to be flexible to enable a reduction in the contract price to be realised as a result of a reduction in the size of the retained organisation.

Should this business case be approved, detailed work will be undertaken to map the likely changes in support cost requirements between now and 2015 (particularly IT and accommodation).

6.7 Assessing the potential to improve

The business case has identified where potential opportunities for service improvement could be delivered by a strategic partner.

The business case uses a mixture of benchmarking data (where available), feedback from the services and commercial judgement to identify potential for improvement. Two case scenarios have been produced – prudent and optimistic.

Key assumptions:

- the savings analysis is based on savings that can be accrued during the life of the contract. The baseline for the model is based on the as-is staffing and performance level in these service areas - this may change in the next two years (through internal transformation/consolidation), and hence the business case will need to be revised since changes will impact the performance and team size.
- the savings are based on benchmarking key performance indicators with other local authorities and assuming that the procurement partner will be able to improve the performance level and achieve average (prudent improvement) to median/upper quartile performance (optimistic improvement).
- the business case does not show any of the effects of any internal improvement/transformation programme in progress. The business case will need to be updated as the benefits of this work are known.
- the business case includes a year 0 as the contract award is likely to be in the third quarter of 2012/13 and as such the remainder of that financial year will be a period of transition. This also enables the council to synchronise the contract years with the financial year of the council. Any savings shown in year 0 are for 1 quarter only.
- the profile provides an early yet realistic level of benefit realisation to support the council's immediate financial challenges, and supplements this with year-on-year targets for improvement thereafter.
- the benefits shown are net of provider fees and costs.
- the business case does not include the effects of inflation.

The drivers for realising savings have been specified for each service area in the table below – individual service models can be viewed in Appendix B and further detail on how the savings have been estimated are included in Appendix C.

| Service | Improvement rationale | Prudent improvement | Optimistic improvement |
|-----------------|--|---------------------|------------------------|
| Human Resources | <p>Savings are expected to come from improvements in processes and standardization, which will in turn improve the ratio of cost of HR function per FTE as well as cost of HR as a percentage of organisational running costs.</p> <p>The service has identified roles that are likely to be subsumed into a provider through economies of scale. In addition a provider will be expected to remove an additional percentage from the running costs.</p> <p>The establishment for the council is expected to reduce over the coming years - and therefore as a more accurate picture of the size and shape of the council emerges the business case should be revisited to include the implications of these changes to support costs.</p> | 12% | 13% |
| Finance | <p>Savings are expected to come from improvements in processes and standardisation, which in turn will improve the ratio of cost of function as a percentage of organisational running costs.</p> <p>The service has identified target savings in the costs of processing functions such as purchase to pay; management reporting and income/cashiers functions - demonstrating the interdependencies between finance and areas such as procurement and revenues & benefits.</p> <p>Savings will also come from the consolidation of finance functions/roles across the council.</p> <p>In addition, a provider will be expected to remove an additional percentage from the running costs.</p> | 9% | 18% |

| Service | Improvement rationale | Prudent improvement | Optimistic improvement |
|---------------------|--|---------------------|------------------------|
| Customer Services | <p>There are no expected financial savings anticipated from the customer service department in the prudent scenario⁸.</p> <p>The optimistic model assumes some savings in staff costs and supplies as detailed in Appendix B.</p> <p>There are broader 'customer contact' savings to be made across the council – categorised as follows:</p> <ul style="list-style-type: none"> • reduction of customer contact (reducing avoidable/repeat contact) • transfer of customer contact to more efficient channels • efficiency savings will be generated as customer contact functions are consolidated • back office efficiencies as a result of Customer Services improvements • Contact centre operational improvements. <p>These savings will be considered as part of the Customer Services Transformation project. A separate business case is to be prepared for that project.</p> | 0% | 15% |
| Information Systems | <p>The business case details four savings areas⁹ (Infrastructure, Organisational, Licensing and Procurement)</p> <p>The optimistic case assumes 100% realisation of these savings. The prudent case assumes 75% realisation.</p> | 11% | 14% |

⁸ There are savings to be made from channel shift and reducing customer contact across the council, these savings will be considered in the Customer Services Transformation project

⁹ Savings are based on the ICT service analysis carried out by Agilisys

| Service | Improvement rationale | Prudent improvement | Optimistic improvement |
|-------------------------------|--|---------------------|------------------------|
| | <p>Savings are expected to come from economies of scale, improvements in processes, standardisation, virtualisation of infrastructure and organisational redesign, which will in turn reduce the level of staffing required.</p> <p>In addition, a provider will be expected to remove an additional percentage from the running costs.</p> <p>The council should attempt to realise as much of the savings potential as possible before contract otherwise the benefits will be passed directly to the provider.</p> <p>Savings have been reduced between years 6 to 10 to reflect the need for an IT refresh (see Appendix B for details).</p> | | |
| Revenues and Benefits | <p>Savings are expected to come from:</p> <ul style="list-style-type: none"> • economies of scale and virtualisation of teams – a provider will run services for multiple local authorities and be able to better cope with demand peaks and troughs. Officers will not have to be physically located in the authority for which they are processing work. • automation of processes • stream lining of customer contact <p>Automation and customer contact improvements could include channel transfer of transactions/customer contact to the internet – thereby reducing officer intervention in standard processes.</p> | 10% | 13% |
| Estates (including corporate) | Savings are expected to come from improvements in processes and standardisation, which in turn will improve the ratio of cost of function as a percentage of organisational running costs. | 16% | 24% |

| Service | Improvement rationale | Prudent improvement | Optimistic improvement |
|-------------|--|---------------------|------------------------|
| programmes) | <p>This business case has estimated a 5% saving on organisation running costs as the driver for savings in the prudent case.</p> <p>For the optimistic case the figure used is 10% as the saving achievable.</p> <p>The model assumes the council will exercise its break clause on NLBP Building 4 in October 2015. The cost of NLBP is £4.5M per annum.</p> <p>There will be a cost to relocate and reconfigure existing/new buildings to accommodate the remaining workforce – which may include the strategic partners for DRS and NSCSO.</p> <p>The prudent business case assumes that after costs the saving will be approximately £830K (5 months of a £2M per year saving) in year 3 (2015/16) and £2M per annum from year 4 (2016/17).</p> <p>The optimistic business case assumes that after costs the saving will be circa £1M (5 months of a £2.5M per year saving) in year 3 (2015/16) and £2.5M per annum from year 4 (2016/17).</p> | | |
| Procurement | <p>Savings are expected to come from improvements in processes and standardisation, which in turn will improve the ratio of cost of the function as a percentage of organisational running costs.</p> <p>Savings should be achieved in 3rd party spend by managing it actively by procurement professionals and through consolidation and pre-established contract arrangements</p> <p>Electronic sourcing of 3rd party spend</p> | 6% | 22% |

Table 3 Improvement rationale

The cumulative effects of savings, based on the prudent scenario, delivered through the levers identified in the table above are shown in figure 4.

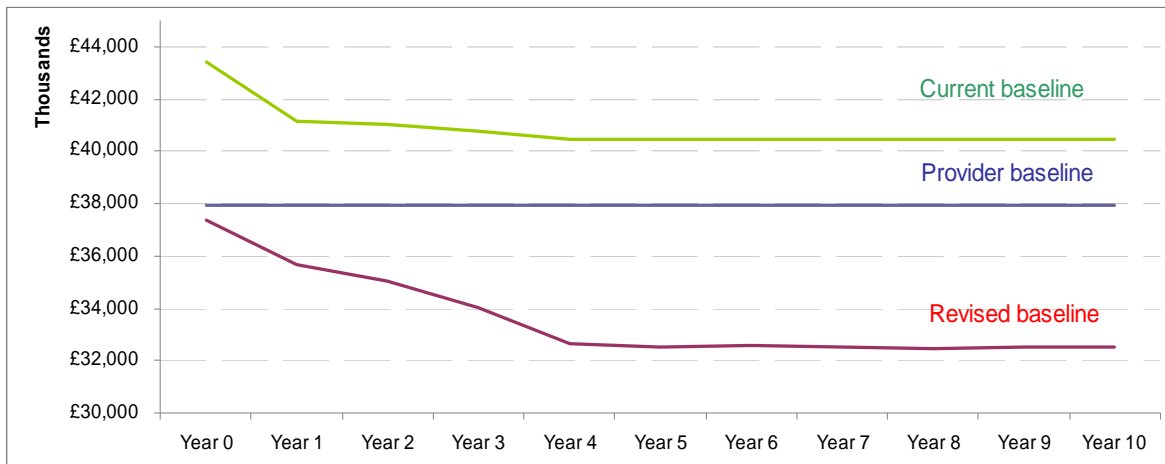


Figure 3 Potential reduction to cost baseline (Prudent case)

Notes

- a) The figure shows the current baseline reducing as the effects of the other One Barnet projects is felt (DRS, Parking, Adults LATC and Transport).
- b) The provider baseline figure is net of the costs identified above and net of the retained client function.
- c) The revised baseline is the expected ‘price’ that LBB would be paying to a provider to run the NSCSO services.
- d) The gap between the provider baseline and the revised baseline is equivalent to the ‘savings’ the council is aiming for from the appointment of a strategic partner.

Figure 5 shows the annual savings contribution by service.

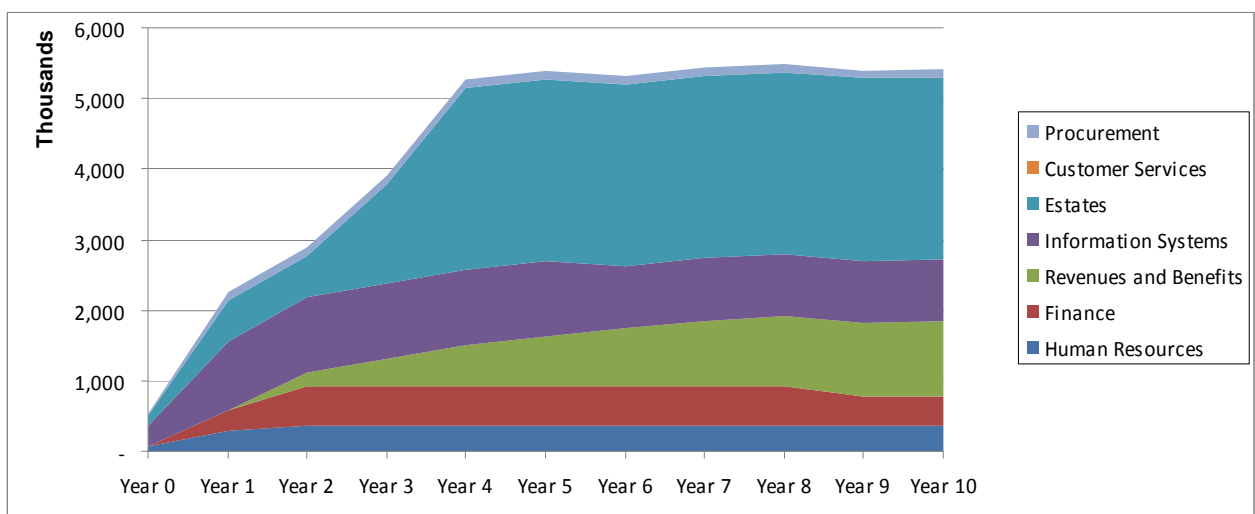


Figure 4 Savings contributions by service

For information only – figures not included in business case

Additionally, savings for Procurement can be achieved through a gain/share arrangement with a provider whereby they would be expected to provide a return on the influenceable spend identified by the council.

For the purpose of this exercise an influenceable spend of approximately £160M¹⁰ has been assumed.

| Service | Improvement rationale | Prudent improvement | Optimistic improvement |
|---------------------------|--|---------------------|------------------------|
| Procurement ¹¹ | <p>Savings are based on reduction in influenceable spend available each year</p> <p>Key drivers are: increasing the proportion of 3rd party spend that is managed actively by procurement professionals, consolidation and pre-established contract arrangements for most 3rd party spend, high proportion of electronic sourcing of 3rd party spend.</p> <p>Savings are driven through level of influenceable spend - hence these are realised through the reduction in spend (financial budgets), and not through FTE or overhead reduction.</p> | 1% | 3% |

¹⁰ £250M (as identified in Tribal report 2009) less £3.5M DRS less £80M Personalised Budgets

¹¹ Please note the potential savings from a Procurement 'Gain/Share' arrangement are not included in the financial figures.

6.8 Change to income

The business case shows income reducing over the 10 year period of the contract. Cost reductions are calculated by evaluating future benefits (delivered by the provider in an outsourced environment) and deducting these from the provider part of service gross budgets. A percentage change in provider gross budget can then be calculated.

The gross budgets include services provided for Barnet Homes, pension administration, schools and the Housing Revenue Account which are either traded or ring-fenced. The amounts identified are shown in the figure 4.

| Income | £000 |
|-----------------------|--------------|
| Procurement | 11 |
| Customer Services | 78 |
| Estates | 886 |
| Finance | 1,084 |
| Human Resources | 1,978 |
| Information Systems | 1,687 |
| Revenues and Benefits | - |
| Total income | 5,723 |

Figure 5 Income from traded services

Any reduction in gross budgets through delivering benefits will have a compensating effect on the income received in each of the areas outlined above. This change in income delivers value to our customers.

Figure 7 shows an example of how the ‘change in income’ figures have been derived (proportions are fictitious). Within the model this calculation is made for each year of the analysis and reflects the variable way that benefits are delivered:

Finance Service (applicable income) £1,057,375 x

80% (provider element of gross budget) x

5% (% change in provider gross budget in delivering benefits) =

Amount by which the income will be reduced

Figure 6 Change in income example

The knock-on cumulative effects on LBB income, based on the prudent scenario, delivered through the levers identified in the table above are shown in figure 8.

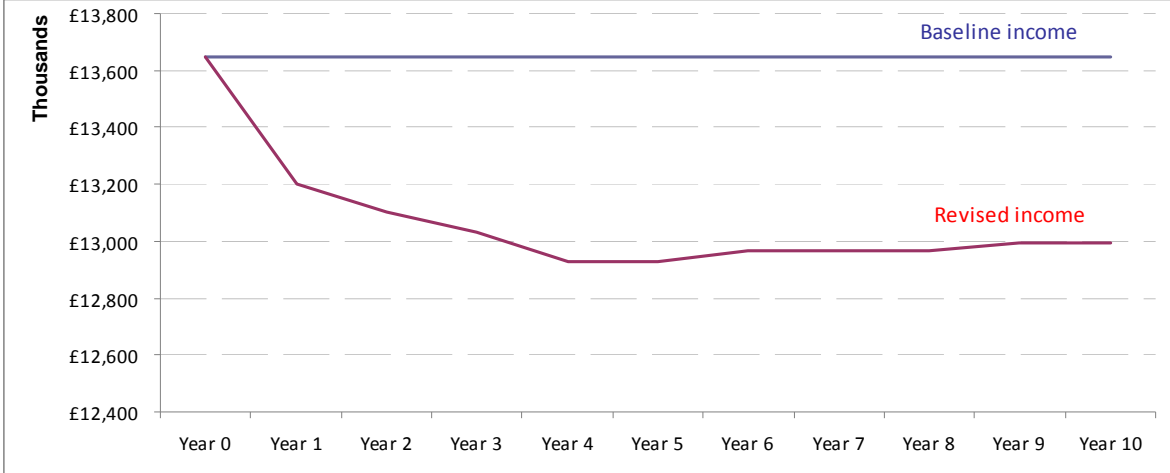


Figure 7 Income reduction

Notes

- a) The figure shows the current baseline income as static.
- b) The revised income line is the expected 'reduction' in income to the council because of the savings that a provider could deliver.
- c) The gap between the provider baseline and the revised baseline is equivalent to the 'savings' that the council could be able to pass on to its partners.

6.9 Business case overview

The following tables show the prudent and optimistic business case scenarios for the NCSCO organisation as a whole. Individual prudent and optimistic overviews are included in Appendix C.

| New Support & Customer Services Organisation - Business Case Overview (Prudent Scenario) | | | | | | | | | | | | |
|--|-----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-----------------|
| | Contract starts | | | | | | | | | | | |
| | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Total |
| | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | (cumulative) |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Projected baseline (NSCSO) | 43,408 | 41,180 | 41,006 | 40,769 | 40,449 | 40,449 | 40,449 | 40,449 | 40,449 | 40,449 | 40,449 | 449,507 |
| Less OB projects | (2,228) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (2,228) |
| Less Internal Savings | 0 | (173) | (237) | (320) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (731) |
| Sub-Total | 41,180 | 41,006 | 40,769 | 40,449 | 40,449 | 40,449 | 40,449 | 40,449 | 40,449 | 40,449 | 40,449 | 446,548 |
| Less retained client | (3,257) | (3,084) | (2,847) | (2,526) | (2,526) | (2,526) | (2,526) | (2,526) | (2,526) | (2,526) | (2,526) | (29,398) |
| Provider baseline | 37,923 | 37,923 | 37,923 | 37,923 | 37,923 | 37,923 | 37,923 | 37,923 | 37,923 | 37,923 | 37,923 | 417,150 |
| Indicative cost reduction | (527) | (2,256) | (2,889) | (3,915) | (5,264) | (5,388) | (5,310) | (5,430) | (5,492) | (5,400) | (5,408) | (47,279) |
| Revised provider baseline (Net of provider fees & costs) | 37,396 | 35,667 | 35,033 | 34,008 | 32,659 | 32,534 | 32,613 | 32,493 | 32,431 | 32,523 | 32,514 | 369,871 |
| % Change (cost reduction) | 1% | 6% | 8% | 10% | 14% | 14% | 14% | 14% | 14% | 14% | 14% | 11% |
| Income | 13,647 | 13,647 | 13,647 | 13,647 | 13,647 | 13,647 | 13,647 | 13,647 | 13,647 | 13,647 | 13,647 | 150,113 |
| Change to Income | 0 | (444) | (544) | (613) | (718) | (718) | (679) | (680) | (680) | (652) | (652) | (6,378) |
| Revised Income | 13,647 | 13,203 | 13,103 | 13,034 | 12,929 | 12,929 | 12,968 | 12,967 | 12,967 | 12,995 | 12,995 | 143,735 |
| % Change (customer value) | 0% | 3% | 4% | 4% | 5% | 5% | 5% | 5% | 5% | 5% | 5% | 4% |
| Total financial benefit | 527 | 1,812 | 2,346 | 3,302 | 4,546 | 4,670 | 4,631 | 4,750 | 4,812 | 4,748 | 4,757 | 40,901 |
| Cost of change | (1,967) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1,967) |
| Net financial benefit (annual) | (1,441) | 1,812 | 2,346 | 3,302 | 4,546 | 4,670 | 4,631 | 4,750 | 4,812 | 4,748 | 4,757 | 38,933 |

Table 4 Business case overview – Prudent scenario

| New Support & Customer Services Organisation - Business Case Overview (Optimistic Scenario) | | | | | | | | | | | | |
|---|-----------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--------------|
| | Contract starts | | | | | | | | | | | |
| | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Total |
| | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | (cumulative) |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Projected baseline (NSCSO) | 43,408 | 41,180 | 41,006 | 40,769 | 40,449 | 40,449 | 40,449 | 40,449 | 40,449 | 40,449 | 40,449 | 449,507 |
| Less OB projects | (2,228) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (2,228) |
| Less Internal Savings | 0 | (173) | (237) | (320) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (731) |
| Sub-Total | 41,180 | 41,006 | 40,769 | 40,449 | 40,449 | 40,449 | 40,449 | 40,449 | 40,449 | 40,449 | 40,449 | 446,548 |
| Less retained client | (3,257) | (3,084) | (2,847) | (2,526) | (2,526) | (2,526) | (2,526) | (2,526) | (2,526) | (2,526) | (2,526) | (29,398) |
| Provider baseline | 37,923 | 37,923 | 37,923 | 37,923 | 37,923 | 37,923 | 37,923 | 37,923 | 37,923 | 37,923 | 37,923 | 417,150 |
| Indicative cost reduction | (854) | (3,783) | (4,922) | (6,230) | (8,091) | (8,283) | (8,070) | (8,389) | (8,541) | (8,394) | (8,490) | (74,047) |
| Revised provider baseline (Net of provider fees & costs) | 37,069 | 34,139 | 33,001 | 31,693 | 29,832 | 29,639 | 29,852 | 29,534 | 29,382 | 29,528 | 29,432 | 343,103 |
| % Change (cost reduction) | 2% | 10% | 13% | 16% | 21% | 22% | 21% | 22% | 23% | 22% | 22% | 18% |
| Income | 13,647 | 13,647 | 13,647 | 13,647 | 13,647 | 13,647 | 13,647 | 13,647 | 13,647 | 13,647 | 13,647 | 150,113 |
| Change to Income | 0 | (623) | (780) | (866) | (1,000) | (1,001) | (922) | (929) | (929) | (882) | (882) | (8,814) |
| Revised Income | 13,647 | 13,024 | 12,867 | 12,781 | 12,647 | 12,646 | 12,724 | 12,718 | 12,718 | 12,765 | 12,765 | 141,300 |
| % Change (customer value) | 0% | 5% | 6% | 6% | 7% | 7% | 7% | 7% | 7% | 6% | 6% | 6% |
| Total financial benefit | 854 | 3,160 | 4,142 | 5,364 | 7,091 | 7,283 | 7,148 | 7,460 | 7,612 | 7,512 | 7,608 | 65,234 |
| Cost of change | (1,967) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1,967) |
| Net financial benefit (annual) | (1,114) | 3,160 | 4,142 | 5,364 | 7,091 | 7,283 | 7,148 | 7,460 | 7,612 | 7,512 | 7,608 | 63,266 |

Table 5 Business case overview - Optimistic scenario

6.10 A summary of the analysis

There are good opportunities for both cost efficiencies to be made and the reduction of costs for traded services (services that are available for schools and Barnet Homes to purchase from the council) across the support services.

Whilst a number of the in-scope services are performing well, others are performing at around the average compared to peers, and all are limited in their ability and / or capacity to achieve the levels of transformation required without further investment. Many of the services would benefit from the introduction of private sector expertise, procedural efficiencies, enhanced IT, and general commercial capability.

Across the services financial benefits range between 6% and 16% (13% to 24% in the optimistic scenario) from the current gross baseline figure. Over a ten year period financial benefits could equate to as much as £38m (£63m in the optimistic scenario), net of the costs of change and those associated with the retained client function(s).

In addition, efficiency savings in the support and customer services will mean these savings can be passed onto Barnet Council's partners (Schools, Barnet Homes, etc) should they continue to buy back support services. This equates to £6M in the prudent and £8M in the optimistic business case.

The prudent business case is in line with the benefits indicated in the One Barnet Framework, but is based on a more robust analysis of both current service costs, and potential future service transformation.

These figures do not reflect potential service level reductions, but it should be noted that this will always be an option for any partnership with regards to non-statutory functions and evidence-based service demand.

6.11 Critical success factors

The critical success factors for the New Support and Customer Services Organisation Project are as follows:

- to provide a truly citizen-centred customer service that is easy to access and simple to navigate, and as a result, improve customer satisfaction
- to contribute towards and remain sustainable within the council's MTFS
- to achieve the minimum service levels embedded in the Output Specifications¹² within the timescale set out in their implementation plans
- to achieve agreed delivery cost reductions in line with the benefits case
- to create successful relationships with other departments and providers supporting continuous improvement within the council

¹² These are detailed documents that will summarise the individual service requirements in terms of outcomes and outputs.

- to meet the council's legal requirements in terms of equalities and health and safety.

7 Constraints, Dependencies and Risks

7.1 Constraints

| Constraint | | Mitigating action |
|------------|---|--|
| Quality | The overall success of the procurement process will be based on the quality of output specifications. | Support and training is being delivered to all those involved in writing and approving the output specifications. External review and challenge will also be provided as part of the approval process. |
| Scope | Upon issue of the OJEU ¹³ notice the scope will be constrained to those services listed. | Ensure that scope has been agreed and signed off by senior management prior to the issue. |
| Time | Authority to proceed at any given stage rests with senior management and/or Members. | The procurement process is required to work within the council democratic framework and careful planning of the process will ensure timelines are not compromised. |
| Budget | The council has limited funds to deliver this change. | Careful resource planning and budget monitoring by the project team will reduce the risk of any increase in costs. |

Table 6 Constraints

7.2 Dependencies

| Dependencies | Mitigating action |
|---|---|
| The final scope of affected staff is dependent on the continuing internal transformation and restructures in Finance, IS, HR and Customer Services. | The staff baseline used for financial modelling of the baseline cost of the service will be updated at key points throughout the procurement to reflect the changes taking place. |
| The final scope of affected staff is dependent on the retained client unit. | The design of the retained client unit will be set out during the procurement process and accordingly the staff baseline will be adjusted and the baseline cost amended in an updated version of the business case. |

¹³ Official Journal of the European Union, a notice is required to be published for all tenders in excess of £156,000

| Dependencies | Mitigating action |
|--|---|
| The level of support and customer services required by the council from a provider is dependent on service transformation and redesigning service provision being carried out by One Barnet prior to contact signature | At key points during the procurement process the business case will be updated to reflect any changes in requirements and expected changes in the future size of the council. |
| The extent of contracts that can be novated and therefore reduce the contract management FTE in the retained client unit requires further work and assessment. | This will be investigated as part of the preparation for competitive dialogue and impact will be included in future updates of the business case. |

Table 7 Dependencies

7.3 Key Risks

| Risk | Mitigating action |
|--|---|
| A poorly designed or structured dialogue process leads to the project failing to hit its objectives due to one or more of the following: a lack of a clear strategic direction, inappropriate monitoring arrangements, weak or inappropriate contracts or failure to keep pace with legislative changes. | The dialogue process has clear award or evaluation criteria that will be effectively communicated to the market. The team will include qualified and experienced procurement professionals as well as external legal resource who will work to provide a robust and appropriate contract. |
| Inadequately designed output specifications could lead to a partner not delivering the expected service. This would leave the council open to increased costs as a result of increased change control orders to ensure all required aspects of services are delivered. It would also lead to a damaged reputation and a likely reduction in satisfaction levels. | The output specifications will be designed and owned by the individual services. To ensure consistency across the specifications service managers will be supported through training and external reviews by the implementation partner and legal partner. Additionally the customer departments will provide a review to ensure the specified service can support the requirements of remaining council departments. Specifications will continue to be refined through the procurement with formal sign off procedure by relevant director. |
| Possible dip in performance of collection rates of council tax and benefit administration over the period of staff transfer due to uncertainty caused by change. This would impact the income generated from this collection. | The council has accepted that this risk can not be reduced entirely but through the mobilisation and transition plans the level of impact will be mitigated. |

| Risk | Mitigating action |
|--|---|
| <p>The current baseline of support staff has allocated a portion of support to other One Barnet projects based on the relevant business cases. These client sizes may change during the independent procurement processes and could increase the cost of support required from this service.</p> | <p>The business case will be updated as appropriate during the procurement process to reflect any changes driven from other One Barnet projects and appropriate revised costs will be calculated and provided to potential bidders.</p> |
| <p>Changes imposed by central government, such as future government savings targets or funding reductions, or changes to legislation¹⁴ adversely affect the project's ability to deliver its benefits.</p> | <p>The allocated legal resource will monitor legislative changes on an ongoing basis. The council's internal finance department will do the same for savings targets and funding reductions. Significant impacts will be reported to the procurement board in the first instance and escalated to CDG where necessary. Should statutory changes occur during the procurement process these will form part of the dialogue discussions.</p> |
| <p>Central government funding decreases significantly during the life of the contract.</p> | <p>Any strategic partner will be required to support the council in the delivery of the Medium Term Financial Strategy. Flexibility will be built into the contract to ensure the provider meets the council requirements within the available budget. In practice this will work whereby if our funding levels change, there is an agreed mechanism in the contract for the contractor to respond to the authority with options for reviewing service levels, for example, to fit in with whatever budgetary envelope we have.</p> |

Table 8 Risks

These risks will be assessed and managed in accordance with the council's risk management methodology.

The governance arrangements and management of risks specifically relating to procurement activity will be determined during the pre-dialogue preparatory work.

The New Support and Customer Services project board and the One Barnet programme board will continue to provide appropriate escalation routes.

¹⁴ Current legislation relating to the delivery of housing benefits service is progressing through Parliament and likely to take effect in 2013

8 Procurement and Commercial Approach

This section will be updated throughout 2011, once the short-listed bidders are known. It will summarise the results of the commercial negotiations, for example the agreed payment model, gain / profit- share mechanisms, and risk transfer arrangements.

8.1 Procurement Strategy

A procurement strategy is currently being developed for those procurements taking place under the One Barnet Programme. This document will set out key requirements, strategic considerations, and the likely sequencing of concurrent One Barnet procurement activities. Core procurement roles and governance arrangements including a code of practice will also form part of this document.

It is important to note that there are risks associated with procuring and delivering services through an outsourced model (as set out in 6.3) and the council will need to initiate any procurement activity with due regard for these risks. In order to mitigate them the council will use the knowledge and experience of its implementation partner to assist in the development of output specifications that minimise these risks. It is also important that the contractual relationship between any potential provider(s) has review opportunities embedded within it, to ensure that with the passage of time, the relationship is still one that is effective for all parties. Whilst the council will clearly be entering into any long-term contractual relationship on the basis that it will run to the full term of the contract, it will need to ensure that an exit strategy is included within the contract documentation.

The council will ensure that the OJEU notice allows for both public sector and third sector partners to utilise the agreed service delivery model and services available. The lead contracting partner will remain the council and partners will be able to access the contract through the council.

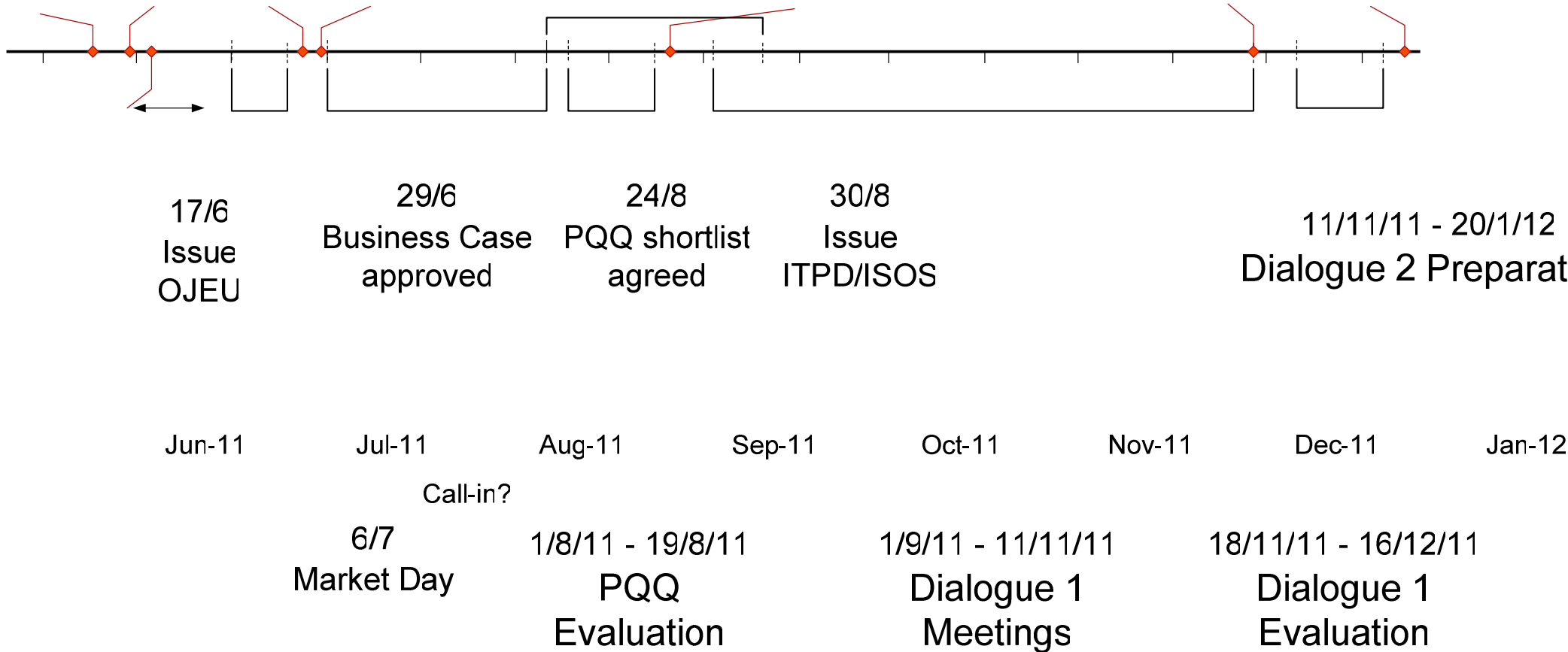
For indicative timescales associated with the New Support and Customer Services procurement activity, please see the section below.

8.2 Project Plan Summary

As indicated in the options appraisal, for a procurement of this nature, the council will need to follow normal European procurement rules – an OJEU process. In order to give the council the best opportunity to shape the final scope of services during the procurement, a competitive dialogue route is considered the most appropriate.

Assuming that the council decides to move forward as outlined in this business case, the following programme offers a realistic timetable to pursue:

New Support and Customer Service Procurement Timeline



8.3 Output Based Specifications

These detailed documents will summarise the individual service requirements in terms of outcomes and outputs. They are scheduled to be completed in quarter two of 2011, and will ultimately be provided to short-listed bidders at the point of inviting them to participate in dialogue. Typical content includes:

- service introduction
- definitions / service terminology
- scope (function list)
- detailed service requirements (including service levels and KPIs)
- a list of office sites / service provision hubs.

8.4 Payment Mechanisms

Whilst the development of these will form a key part of the competitive dialogue activity, the following elements should be considered in order to maximise the potential of the partnership:

- fixed and variable price elements
- clear links to the achievement of agreed performance indicators
- gain-share for increased level of savings
- income-share where the services are delivered to other public and third sector partners.

8.5 Risk Allocation and Transfer

The ultimate aim is to secure significant risk transfer to the provider, and where this is not possible, have a clear understanding of ownership and management arrangements (subject to achieving value-for-money).

This section of the Business Case will need to be updated at appropriate points in time, but particularly throughout the procurement phase, as it will need to reflect proposed provider arrangements.

8.6 Contract Length

Based on feedback from the providers during the soft market testing activity, and general knowledge from within the sector, it is recommended that the contract is let for a period of 10 years, and if possible, that it incorporates a time-limited extension (subject to the satisfaction of both parties).

The specifics of this section will be subject to discussion and agreement during the competitive dialogue activity. However, taking into account the nature of the services,

and the intention to aim for transformed services that deliver tangible cost reductions and increases in income, key considerations include the following:

- ensure that the contract incorporates a risk / reward mechanism that aligns the partner’s strategic interests with those of the council
- ensure that the benefits are advantageous to each party and shared appropriately
- establish strong partnership governance structure, with sufficiently senior management involvement
- co-locate client and supplier management teams as soon as possible following contract award, and task this joint management team with transition planning.

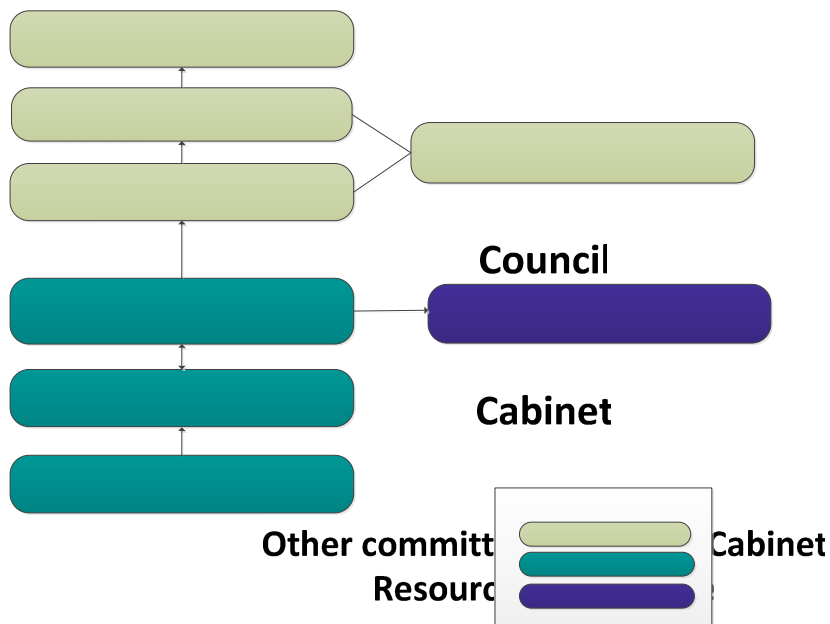
Project Roles

As outlined in the New Support and Customer Service Project Initiation Document (PID) key personnel and their roles on the project are shown below:

| Role | Resource |
|--|-------------------|
| Project Sponsor (Project Board member) | Andrew Travers |
| Service Lead (Project Board member) | Kari Manovitch |
| Programme Manager (Project Board member) | Claire Johnston |
| One Barnet Lead Director (Project Board member) | Craig Cooper |
| Project Manager | Suzanne Hope |
| Finance Lead (Project Board member) | John Hooton |
| HR Business Partner (Project Board member) | Jennifer Burt |
| Senior Service User (Project Board member) | Val White |
| Customer Service Transformation Sponsor (Project Board member) | Zina Etheridge |
| Procurement Advisor | Nasreen Tayab |
| Commercial Lead (Project Board member) | Chris Malyon |
| Communications & Engagement | Andrew McLauchlan |

Table 9 Project roles

The agreed programme governance arrangements for One Barnet are reflected below. This provides a streamlined structure for decision-making and issue escalation.



Overview & Scrutiny

Figure 8 Governance structure

8.7 Contract Management

The arrangements for contract management will not be exclusive to the New Support and Customer Services Project, and as such, need to be considered as part of wider One Barnet Programme activity. The council's intention to move to a strategic commissioning model dictates that strong performance management and governance of service deliverers and commissioners take place at different levels. Most important for New Support and Customer Service Organisation are the relationships at the interface between the "customer" and "provider" roles. Performance management will need to focus on success in delivering outcomes, and move away from current approaches where many performance indicators measure outputs as proxies for outcomes.

Legend

Further consideration will need to be given to how continuity will be ensured between those involved in developing the contract and those who will subsequently be responsible for its management. Further details will be provided in a later iteration of this business case.

Elected mem

8.8 Risk Management Strategy

As outlined in the New Support and Customer Service PID, project and procurement risks will be managed in line with the council's Corporate Risk Management Strategy and Project Management Toolkit.

8.9 Personnel Issues

As a result of these proposals, regardless of the agreed final scope, a number of Council employees would transfer to an external strategic partner under these proposals. The Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) apply to what are known as "relevant transfers" which may occur in a

wide range of situations. The two broad categories are business transfers and service provisions changes, and the New Support and Customer Service project falls into the latter category.

Indicative tasks and activities associated with TUPE arrangements have been provided by the One Barnet HR Business Partner as shown below. These will need to be revisited at appropriate points in time, in line with wider One Barnet requirements.

| Component | Activities |
|---------------------|--|
| HR Business Partner | <ul style="list-style-type: none"> • Management support • Consultation with TU & employees • Staff briefings • Project planning • Project meetings • Reporting & subsequent analysis of data • Pensions road-shows • Provider liaison |
| HR Administration | <ul style="list-style-type: none"> • Administrative support • Report extraction & queries • Letter to employees -supplier award and pre-transfer • Confirmation of pensions & payroll transfer • Interaction with payroll • Follow full leavers process • Data cleanse |
| Payroll | <ul style="list-style-type: none"> • Administration support • Report extraction • P45 initiation & exchange with supplier • Provision of tax codes • Interaction with new supplier & exchange of data |
| Communication | <ul style="list-style-type: none"> • Meeting with & supporting line & project managers • Drafting, copying, printing, & distributing materials • Intranet changes • Advising on presentation content |
| Management time | <ul style="list-style-type: none"> • Consulting with employees, TU, groups & 1:1, • Preparing for transfers (structures, timesheets & role analysis) • Presentation writing for consultations, • Consultations with groups & 1:1, • Supporting meetings with HR / PM's, (employee & TU) |
| Employee time | <ul style="list-style-type: none"> • Consultations (group & 1:1) • TU meetings |
| Project Manager | <ul style="list-style-type: none"> • Report, presentation and authorisation writing |
| Legal | <ul style="list-style-type: none"> • Advice on contract wording |

| Component | Activities |
|---------------------------------|---|
| | <ul style="list-style-type: none"> • Ad-hoc queries on specific issues |
| Pension notification | <ul style="list-style-type: none"> • Actuaries to quote & complete estimations for all transferring employees on pensions including transfer information for new provider |
| Internal Pensions support | <ul style="list-style-type: none"> • Conversing with actuaries and external provider • Contributing to letters to employees • Partaking in pension road-shows during consultation period |
| Authorisation & committee costs | <ul style="list-style-type: none"> • Facilitation of DPR , GFC, CDG, Cabinet & Scrutiny processes |
| Employee support | <ul style="list-style-type: none"> • Hosting of “Managing Stress” workshops |

Table 10 HR activities

TUPE is a complex area so it is recommended that appropriate legal advice is specifically sought for the New Support and Customer Service project. Where a business, or part of one, is being transferred, both parties (that is the transferor and the transferee) should seek such advice at the earliest possible stage. It is not possible to prevent TUPE applying, as the law prevents employers and employees from “contracting out of” the effects of TUPE. However, it is common practice for old and new employers to negotiate on how to divide any liabilities which arise by including indemnities in the agreement. The key to successful TUPE transfers lies in good planning, and this will include identifying key risks at an early stage and holding a genuine dialogue with employees.

Trade Union discussions have been, and will be, conducted in line with wider One Barnet programme activity.

8.10 Equalities

The council has a strong commitment to making equalities and diversity integral to everything it does. It has adopted a model that recognises that people are often disabled by their environment and other people’s attitudes.

It is recognised that such a significant transformation of the services within scope is likely to have an impact upon staff and other stakeholders. It will be necessary to assess the equalities impact of the project on the different groups of people within the borough, as outlined in the 2011-12 Corporate Plan and work will be undertaken towards this end.

As part of the council’s commitment to promoting equalities, the New Support and Customer Service project will carry out equalities impact assessments on both staff and customers which will gather information about any differential impacts, potential or perceived impacts on different groups, including all of those groups covered by the Equality Act 2010. Members will be able to use this information to support them in having due regard to their duties under the Act. These considerations will provide fact-specific information as well as assessing the impact of those facts on different groups of people including disabled people in Barnet.

The programme has been explicit in how it will support the council in meeting its statutory obligations under the Equality Act 2010 by using equality assessments to demonstrate that 'due regard' has been taken to support members in making informed decision.

The council's equalities policy will also be followed in the management of the procurement process, including evaluation of tenderers' equalities and diversity policies concerning employment practice and service delivery. Any eventual contract will include explicit requirements fully covering the council's duties under equalities legislation.

8.11 Health and Safety

Health and safety is an integral part of the council's responsibility to its citizens, employees and service users. Through the procurement of services the council will endeavour to ensure that workers and the public are properly protected. The council retains responsibility for third parties to carry out their responsibilities on their behalf. It is not possible to discharge these responsibilities in regards to section 3 of the Health & Safety at Work etc Act 1974.

The council will do this by forming a framework with the successful strategic partner to ensure compliance with all legislative requirements and standards. There is the expectation to form a common set of standards and expected activity. Prior to this and throughout the procurement process the council will be assessing all bidders to ensure they hold the required knowledge, competencies and skills to maintain and develop the council's Health & Safety strategy in relation to the contract.

The council as a commissioning body will monitor the contract, audit the provider, and work together with the provider to assess risk and review processes and procedures. The provider will be regularly assessed against key performance indicators in health and safety this is to ensure that the provider meets the appropriate standards and regulatory requirements.

Appendix A: Existing Delivery Arrangements

Procurement

Procurement represents a significant opportunity for the council to achieve cost reductions through improved management of its £250M third party expenditure.

The council currently operates a procurement service that is largely devolved within service areas. Processes are being made more robust and the council is introducing extended use of electronic means of supporting the procurement activity.

There are a number of key milestones in this transformation journey, most of which should have occurred before the service is transferred to a strategic partner.

Following this transformation the procurement activity within the council will:

- be recognised as pivotal to business success and matches the standards of the service and organisation it supports
- identify and realise significant, sustainable cost reduction opportunities
- will robustly performance and contract manage provider relationships
- actively contribute to the achievement of the council’s strategic objectives.

Updated key facts:

| Service Area | Procurement |
|---|-------------|
| 2011-12 Employees ¹⁵ | 27 |
| 2011-12 Budget – Gross | £1,721,000 |
| 2011-12 Income | £32,000 |
| 2011-12 Budget – Net (Gross budget – Income) | £1,688,000 |

Primary functions for the service are as follows:

- contract administration
- general procurement
- complex procurement
- central purchasing.

Approximate annual volumetrics for the service are as follows:

¹⁵ This reflects the number of FTE in-scope for the purposes of the New Support and Customer Services Project and include the devolved procurement staff

- influenceable spend of £250M
- approximately 5000 vendors used by the council
- approximately 66,000 invoices per annum
- 180 vendors is equivalent to 3.4% of the supplier volume and represents over 80% of the total spend
- 20 vendors account for 46% of the total spend but only 6% of the total invoice volume
- 20 producers of invoices represent 30% of the total volume but account for under 8% of the spend.

Customer Services

The customer service team currently covers initial contact of six areas of planning, building control, street scene, parking, children's information service, assisted travel, the council switchboard and two face to face customer access points at Burnt Oak and Barnet House and council reception at the North London Business Park.

The areas of contact cover planning enforcement, noise nuisance, miscellaneous environmental health queries, requests for recycling boxes and green waste bins, reporting fly-tipping and pavements damage, renewing parking permits, appealing penalty charge notices and related parking payments, enquiries related to school admissions, pre-schools, family support and tax credit and blue badges and freedom pass applications.

A transformation of customer services will be carried out throughout the life of the procurement of a strategic partner. The aim of the transformation is to promote channel shift and to widen the scope of customer services to become the first point of contact for all service areas. As the transformation progresses it is likely to result in an increase in the scope of services covered and as such the budget figures will change. Other One Barnet projects may also impact on the scope of services. As these changes occur the business case will be updated accordingly.

It is expected that through further service developments that a provider can bring that they will deliver an element of customer insight to the council. This insight will be supplementary to an insight team that will remain part of the council commissioning body.

Updated key facts:

| Service Area | Customer Services |
|---|-------------------|
| 2011-12 Employees ¹⁶ | 58 |
| 2011-12 Budget – Gross | £2,554,000 |
| 2011-12 Income | £170,000 |
| 2011-12 Budget – Net (Gross budget – Income) | £2,384,000 |

Primary functions for the service are as follows:

- face to face customer contact
- customer complaints
- management of the web
- telephony customer contact
- information capture of all customer contact.

¹⁶ This reflects the number of FTE in-scope for the purposes of the New Support and Customer Services Project

Approximate annual volumetrics for the service are as follows:

- 2,574,070 telephony contacts
- 282,985 email contacts
- 353,462 postal contacts
- 145,931 web contacts
- 50,975 face to face contacts across two locations
- 16% average call abandoned rate
- 10% line busy rate across all services.

Further information regarding the service can be found in the Options Appraisal. The full set of functions undertaken by the service are considered in-scope for the purposes of this project.

Estates

The Estates Service was formed in May 2010 by amalgamating three service areas (facilities, property and building services) which had operated independently of each other within different services in the council.

The main focus of the Estates team is the management of assets owned and controlled by the council for the benefit of the citizens of Barnet. The activities carried out to deliver this are grouped into four main areas: Property valuation and management, Facilities management (public offices and civic buildings), Building Services, Print management and distribution all carried out within statutory requirements and aligned with corporate priorities.

The service aims to deliver excellent customer service in the provision of advice to our internal and external stakeholders, professional property management and support in the care and maintenance of the built estate. The service aims to meet and exceed expectations in the provision of suitable and efficient places to work which are both compliant and secure.

The service aims to continuously drive down the costs of managing and maintaining the estate and ensure that assets are utilised fully and opportunities taken to release surplus assets.

Updated key facts:

| Service Area | Estates |
|---|----------------|
| 2011-12 Employees ¹⁷ | 74 |
| 2011-12 Budget – Gross | £13,016,000 |
| 2011-12 Income | £5,941,000 |
| 2011-12 Budget – Net (Gross budget – Income) | £5,704,710 |

Primary functions broken down across the three service areas as follows:

Facilities, Print and Document Management

- contract performance
- security services and protection
- facilities management support
- print
- civic duties and events management
- cleaning and grounds maintenance
- mail room.

¹⁷ This reflects the number of FTE in-scope for the purposes of the New Support and Customer Services Project

Building Services

- Asset management
 - compliance
 - cyclical management
 - data management
 - support and advice.
- Capital programmes
 - develop capital maintenance programme
 - project management
 - implement improvement projects
 - procure projects
 - monitor project delivery and performance.
- Energy management
 - monitoring and targeting
 - energy procurement
 - support, advice and investigate
 - compliance
 - BEMS
 - energy certification.

Functions within Building Services that are traded to schools:

- cyclical maintenance
- responsive maintenance
- general advice
- building projects
- energy and sustainability.

Property Services

- commercial portfolio
- corporate portfolio
- disposals
- regeneration
- asset register
- valuations
- preparation of plans
- instructions for 3rd parties
- budget monitoring.

Approximate volumetrics for the service are as follows:

- 800 live cases at any one point covering requests for advice, new lettings, acquisitions, disposals, rent reviews, licences, and valuations

- 573 operational, community and commercial properties (excluding parks and open spaces, council housing, leased in and other associated assets)
- 155 operational buildings have either electrical, legionella, fire protection or mechanical tests annually
- 5 new wiring systems , 5 new boiler systems, 8 new roofs and 4 new kitchen upgrades on average for schools
- 8,752,044 prints across all print machines (excluding internal units)
- 46,000 sq metres of administrative buildings and libraries cleaned and serviced across the year
- 750 public and governance meetings managed, serviced and supported by facilities linked to the democratic process.

The full set of functions undertaken by the service are considered in-scope for the purposes of this project.

Finance

The Finance service as it now exists was formed during 2009/10 when roles devolved within services were consolidated into the centralised service. In parallel with this the service went through a restructure. There are still small elements of finance being delivered by devolved units within services. It is expected that prior to transfer to a strategic provider these teams will have become part of the centralised service.

The service seeks to provide a strong finance function that is innovative, proactive, flexible and responsive and is an enabler for the rest of the organisation to deliver its strategic priorities. The service aims to continuously provide high quality assurance and facilitate dynamic risk management arrangements.

The service, under the direction of the S151 Officer, has responsibility for corporate delivery of the financial and business planning process together with the Strategic Finance Services. The service works with all service areas to improve the quality of financial information for decision making and the delivery of the Medium Term Financial Strategy (MTFS).

Updated key facts:

| Service Area | Finance |
|---|------------|
| 2011-12 Employees ¹⁸ | 145 |
| 2011-12 Budget – Gross | £5,949,000 |
| 2011-12 Income | £1,121,000 |
| 2011-12 Budget – Net (Gross budget – Income) | £4,828,000 |

Primary functions for the service are as follows:

- financial planning & strategy
- strategic projects
- budget setting
- budget monitoring
- costing / modelling / options appraisal
- financial advice
- corporate reporting
- accounts closure
- risk management
- financial administration
- VAT accounting

¹⁸ This reflects the number of FTE in-scope for the purposes of the New Support and Customer Services Project

- treasury management
- invoice processing
- Pension Fund Investment and Accounting
- cashiers
- income (Accounts Receivable)
- payments (Accounts Payable)
- security collections
- systems accounting

Functions within Finance that are traded to schools:

- helpdesk and finance training
- basic accounts
- accountancy service
- budget review and monitoring
- school business manager service
- financial administration
- finance support visits
- budget preparation/monitoring
- setting up financial systems and other services
- recruitment and selection for finance-related posts
- school based induction training and workshops
- attendance at meetings of governors
- budget preparation workshops.

Approximate volumetrics for the service are as follows:

- 51.7% of professionally qualified staff
- 42 days to submission of Final Accounts to External Auditors
- cost of Accounts Payable per accounts payable invoice processed - £1.44
- savings of £53.4m to be delivered over 3 years 2011/12- 2013/14
- capital Financing Requirement 2011/12 of £271.3m rising to 2013/14 of £388.6m
- over 95% payments made within 10 days
- over 95% payments made within 30 days.

Further information regarding the service can be found in the Options Appraisal.

With the exception of internal audit all functions undertaken by the service are considered in-scope for the purposes of this project, but, as a result of the competitive dialogue, may not be included in the final scope of the services included in any agreement.

Human Resources

Human Resources supports over 20,000 employees and pensioners as well as providing assistance to a number of primary and secondary schools in the borough who chose to purchase services through the traded services offer. Human Resources also includes the delivery of health and safety across the council, including all community schools.

The service was restructured in early 2010 to a new operating model based on a service centred approach, aiming to deal with 75% of enquiries at the first-level and directing the more complex and specialist enquiries to specialist teams. All staff have been centralised into this new service.

Human Resources aim to provide a professional HR service for the council and its employees, and develop human resource strategies which are attractive in recruiting and developing a high quality workforce.

The service also operates on a commercial basis offering HR services; to schools, an Arms Length Organisation, and also acts as an umbrella body for the Criminal Records Bureau.

The function provides a full range of professional HR services; customer contact centre for first level queries, administration, payroll, pension administration, recruitment and resourcing, employee relationships, industrial relations, strategic account management (business partner model), health & safety including occupational health, strategic lead and implementer for reward, employee performance management, and employment policies.

Updated key facts:

| Service Area | Human Resources |
|---|-----------------|
| 2011-12 Employees ¹⁹ | 81 |
| 2011-12 Budget – Gross | £4,121,000 |
| 2011-12 Income | £2,371,000 |
| 2011-12 Budget – Net (Gross budget – Income) | £1,750,000 |

Primary functions for the service are as follows:

- contact centre
- recruitment and compliance
- employee services
- pay and reward
- pay and data

¹⁹ This reflects the number of FTE in-scope for the purposes of the New Support and Customer Services Project

- pensions
- recruitment and resourcing
- service development
- safety, health and wellbeing
- employee relations
- business partners and employee engagement
- reward
- policy
- strategic data
- performance management
- equalities.

Functions within Human Resources that are traded to schools:

- recruitment, pre-employment checks, issuing of contracts of employment and contractual changes
- payroll processing service
- comprehensive change management advice
- comprehensive employment relations advice and support
- teacher's pensions administration service.

Approximate volumetrics for the service are as follows:

- 52,893 payroll transactions processed per annum
- 42,927 contact calls and cases managed by HR Connect
- 1,999 new starters processed per annum
- 2,538 leavers processed per annum
- 14,651 changes processed per annum
- 7,220 pensioners managed per annum
- 13,570 employees paid and payrolls managed
- 860 vacancies advertised internally and externally
- 227 schools employee relations cases per annum
- 227 schools long term sickness absence cases handled per annum
- 504 non schools employee relations cases handled per annum
- 254 non schools long term sickness absence cases handled per annum
- 480 health and safety monitoring inspections carried out per annum (includes audits, inspections, accident/incident/WR ill health investigations)
- 552 mediation and counselling sessions per annum
- 60 sickness support cases per annum

Further information regarding the service can be found in the Options Appraisal.

The full set of functions undertaken by the service are considered in-scope for the purposes of this project, but, as a result of the competitive dialogue, may not be included in the final scope of the services included in any agreement.

Information Systems

Information Systems (IS) provides a range of infrastructure, support and development services across the council, in addition to providing support to all capital projects with a technology component.

The strategic aims of the service are

- to transform and refresh IT infrastructure to the latest versions of hardware and software, to enhance functionality and management of information which will ultimately provide better service to the residents of Barnet
- move IT services, where practical, to a modern cloud-based service, to reduce total cost of ownership and improve efficiency and provide business continuity
- further improve mobility, flexibility and collaborative working between officers, partner organisations and their customers
- provide IT systems and integration to deliver citizens with a secure web-based one-stop shop for accessing their council services.

There are three main components to the service:

Infrastructure – supporting the council's network of data centres, computers, telephones and printers. Over recent years this has been extended to enable staff to work more flexibly and efficiently using wireless networks in the main council offices and secure remote access from non-council locations. The infrastructure function is also responsible for security measures such as anti-virus software and internet filtering, testing to ensure that network cannot be compromised, and ensuring that the network is compliant with Government standards that allow the council to securely share data with other public sector bodies.

Business Systems - the council's core business system is SAP, a single integrated system supporting financial accounting, procurement, human resources, asset maintenance and customer relationship management. The SAP system is provided through a contract with Logica who host and maintain the service, together with IS staff who provide user support and administration.

There are a number of other systems that support specific council services where IS provides support and in most cases manages system maintenance and administration in conjunction with external software suppliers and service providers.

Service Desk and Systems Support - The service desk is the first point of contact for all staff who require support with IT equipment or business systems. The service desk works closely with systems support engineers who handle the more complex requests and faults. Systems Support staff are also responsible for ensuring that equipment provided to staff conforms to the council's information security policies.

Updated key facts:

| Service Area | Information Systems |
|---|----------------------------|
| 2011-12 Employees ²⁰ | 76 |
| 2011-12 Budget – Gross | £9,718,000 |
| 2011-12 Income | £2,314,000 |
| 2011-12 Budget – Net (Gross budget – Income) | £7,404,000 |

Primary functions for the service are as follows:

- network
- infrastructure
- printing and file services
- telephony
- application support
- communication
- supported desktop applications
- account management
- desktop support
- supported client equipment
- member support
- service desk
- account maintenance
- master data setup
- training
- process support
- IS procurement
- commissioning
- service management
- vendor management
- project management (plus project support on implementations)
- web services
- out-of-hours support
- reporting
- library it provision

²⁰ This reflects the number of FTE in-scope for the purposes of the New Support and Customer Services Project

- disaster recovery.

Functions within Information Services that are traded to schools:

- essential repair and maintenance service for school ICT hardware
- support for the RM School Management Solutions administrative environments
- portable electrical appliance testing
- an essential repair and maintenance service for school ICT hardware
- support for RM school management solutions administrative environments
- support for curriculum networks
- MLE (managed learning environment)
- repair and maintenance of AV equipment
- portable electrical appliance testing
- procurement advice and guidance.

Approximate volumetrics for the service are as follows:

- 4500 service users (this includes non council staff such as Barnet Homes)
- 179 service applications registered in the service catalogue
- 300 servers supported
- 76 council sites supported (including libraries)
- 3505 items of hardware attached to the council network at any one point
- 5000 service desk contacts per month

Further information regarding the service can be found in the Options Appraisal. The full set of functions undertaken by the service are considered in-scope for the purposes of this project.

Revenues and Benefits

The Revenues and Benefits service is responsible for all Barnet properties and residents to:

- collect council tax
- collect National Non-Domestic Rates (NNDR)
- administer housing benefit
- administer council tax benefit.

The average processing time for new Benefits claimants is very low (5th lowest in London, CIPFA), which is a very good performance and this is improving year on year.

Performance regarding timely payment of Rent Allowance is, according to CIPFA data, lower than comparators; however this is a conscious level of performance that is viewed as acceptable.

The management of write-offs is inefficient as constitutionally only very small sums can be written off by officers and therefore a lot of time is wasted either pursuing small sums (which cost more to collect than they are worth) or in lengthy bureaucratic processes.

Revenues and Benefits are statutory functions and include collecting/processing Council Tax, Business Rates and administering all aspects of Housing and Council Tax Benefit. The next major challenge will be to successfully transition the Housing and Council Tax Benefit functions as required by the evolving Welfare Reform legislation.

The revenues service (council tax) is a medium performer in London. The collection rate is 12th out of 33 boroughs in London.
(<http://www.communities.gov.uk/publications/corporate/statistics/1620336>)

Updated key facts:

| Service Area | Registration & Nationality |
|---|----------------------------|
| 2011-12 Employees ²¹ | 162 |
| 2011-12 Budget – Gross | £6,882,000 |
| 2011-12 Income | £1,697,000 |
| 2011-12 Budget – Net (Gross budget – Income) | £5,185,000 |

Primary functions for the service are as follows:

- council tax administration

²¹ This reflects the number of FTE in-scope for the purposes of the New Support and Customer Services Project

- council tax collection
- council tax recovery
- National Non-Domestic Rates (NNDR) administration
- National Non-Domestic Rates (NNDR) collection
- National Non-Domestic Rates (NNDR) recovery
- housing benefit administration
- council tax benefit administration
- housing benefit overpayment administration and recovery

Approximate annual volumetrics for the service are as follows:

- 138,000 properties registered on the Council Tax database
- 8,000 NNDR registered properties
- 33,000 live benefit claims in payment
- £250,000,000 pa (gross) raised through Council Tax collection
- £100,000,000 pa (gross) raised through NNDR collection
- £230,000,000 pa paid out in benefits
- 1000 customer refunds per month

Further information regarding the service can be found in the Options Appraisal. The full set of functions undertaken by the service are considered in-scope for the purposes of this project, however, this is currently subject to legal advice. The outcome of this legal review may result in certain functions having to remain within the council

Appendix B: Improvement potential

Human Resources

Savings in HR are expected to come from economies of scale brought by a provider. The HR service has identified the following areas where a provider will choose to consolidate roles:

- HR customer contact
- Employee services
- Recruitment and compliance
- Pay and reward
- Pensions
- Pay and data
- Employee relations

The roles identified equate to £300,540 which equates to approximately 8FTE.

HR - Prudent

The prudent business case assumes these savings are taken from the start of contract and shows 3 months worth of these savings in Year 0. Full year savings are taken from year 2 onwards.

In addition, the provider is expected to deliver an additional 2% saving on the baseline between years 2 and 8.

HR - Optimistic

The optimistic business case assumes the savings shown in the prudent case in year 0 can be increased by 25%.

In addition the provider is expected to deliver an additional 10% (over the prudent case) saving on the baseline between years 2 and 8.

Finance

Available levers for procurement savings:

- Target savings in cost of processing functions such as purchase to pay; management reporting and income/cashiers functions
- Process efficiencies
- Consolidation of finance functions/roles across the council

Areas that a provider will improve include:

- a) purchase to pay cycle – the ideal process for this is to have all invoices scanned at point of receipt (centrally) rather than going round different departments for approval. These can then be automatically matched to purchase orders (which need to be enforced by the procurement team) which means the paper trail of invoices going round the organisation for approval doesn't need to happen. Even if manager approval is needed (if there is no purchase order) this can be done online rather than on paper. This cuts out the need for a lot of the admin/finance resources that currently sit in departments.
- b) automation of production of monitoring reports (this is the development of something like the BPC module in SAP) – there are currently 20/25 (including trainees and rotational staff) people in departmental finance teams (excl. schools) involved in the budget monitoring process. The majority of this department are involved in modelling, analysing and challenging the information to ensure that it is robust, accurate and realistic. However by automating this process savings could be achieved in the services directorates (devolved Finance functions that are yet to be centralised) . This would leave less finance resource in service directorate finance teams.
- c) income team (cashiers and income collection). Providers would look to consolidate these teams – certainly the income collection staff – into revenues and benefits – and make savings on the basis that there would only be one income collection process. This would probably also capture departmental staff who currently chase debts – these would need to be consolidated to make savings.

In addition to these savings a provider will be expected to remove additional savings from the baseline cost. These savings are not shown in the business case in years 9 and 10 to take into account the costs that the council will incur extending/re-procuring the contract. Summary of savings used in business case:

| Savings area | FTE | Avg cost | Prudent | Optimistic | Time frame |
|---------------------------------|-----|----------|---------|------------|-------------|
| Purchase to pay | 35 | 36,000 | 10% | 20% | From year 2 |
| Automation of report production | 25 | 45,000 | 10% | 20% | From year 1 |
| Income team | 14 | 35,000 | 5 FTE | 10 FTE | From year 1 |
| Additonal baseline saving | | | 3% | 5% | Years 2-8 |

Figure 9 Finance savings

Customer Services

The savings for customer services are shown only in the optimistic business case. The savings shown in the table below fall into 2 areas:

- staff costs (10% in years 2, 4 and 7); and
- supplies (3% annually between years 1 and 7).

| Customer Services - Optimistic savings potential | | | | | | | | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------------|
| | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Total (cumulative) |
| | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | £000 |
| Optimistic | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Staff | 1,654 | 1,654 | 1,654 | 1,654 | 1,654 | 1,654 | 1,654 | 1,654 | 1,654 | 1,654 | 1,654 | 18,197 |
| Supplies | 780 | 780 | 780 | 780 | 780 | 780 | 780 | 780 | 780 | 780 | 780 | 8,581 |
| Total base | 2,434 | 2,434 | 2,434 | 2,434 | 2,434 | 2,434 | 2,434 | 2,434 | 2,434 | 2,434 | 2,434 | 26,778 |
| Supplies Savings | 0% | 0% | 10% | 0% | 10% | 0% | 0% | 10% | 0% | 0% | 0% | |
| Staff revised | 1,654 | 1,654 | 1,489 | 1,489 | 1,340 | 1,340 | 1,340 | 1,206 | 1,206 | 1,206 | 1,206 | 15,130 |
| Supplies revised | 780 | 757 | 757 | 734 | 712 | 691 | 670 | 650 | 650 | 650 | 650 | 7,699 |
| Total revised | 2,434 | 2,411 | 2,246 | 2,223 | 2,052 | 2,031 | 2,010 | 1,856 | 1,856 | 1,856 | 1,856 | 22,829 |
| Staff savings | - | - | 165 | 165 | 314 | 314 | 314 | 448 | 448 | 448 | 448 | 3,067 |
| Supplies savings | - | 23 | 23 | 46 | 68 | 89 | 110 | 130 | 130 | 130 | 130 | 882 |
| Total savings | - | 23 | 189 | 212 | 382 | 404 | 425 | 579 | 579 | 579 | 579 | 3,949 |
| Annual reduction | - | - | 5.5 | - | 4.9 | - | - | 4.4 | - | - | - | 14.8 |
| Total FTE | 54.8 | 54.8 | 49.3 | 49.3 | 44.3 | 44.3 | 44.3 | 39.9 | 39.9 | 39.9 | 39.9 | |

Figure 10 Customer service optimistic savings potential

The resultant FTE reduction is shown based on the average loaded cost calculation below

| | |
|-------------------------------|--------------------|
| Gross expenditure | 2,554 |
| Less supplies retained client | (20) |
| Less supplies provider | (780) |
| Staff cost | 1,754 |
| FTE | 58 |
| Avg. Loaded cost | £ 30,214.84 |

Figure 11 Customer Services average loaded cost

There are broader ‘customer contact’ savings to be made across the council. These savings are categorised as follows:

- savings from channel transfer
- savings from consolidation of customer service teams
- savings from back office efficiencies
- contact centre operational improvement

These savings will be considered as part of the Customer Services Transformation project.

Information Systems

The levers for savings in IS come from the following areas:

| IS Area | Potential for saving |
|--------------------------|--|
| ICT Procurement | <ul style="list-style-type: none"> • 5% annual savings on 3rd party contracts based on 2011 spending • Target £100k a year on hardware spend as per the IS transformation plan through improved framework agreements |
| IS Organisation | <ul style="list-style-type: none"> • As per the IS transformation plan based on 2011 spending • 10% of people savings based on 2011 spending |
| IS Infrastructure | <ul style="list-style-type: none"> • It is envisaged that significant savings will be realised once an infrastructure review is carried out e.g. further reduction of 2e2 contract. |
| IS Licensing | <ul style="list-style-type: none"> • As with the Message Labs contract (reduction by 50%) there are savings to make in licensing areas such as Microsoft, Oracle and Citrix. |

The effects of these savings over 3 years are shown in the figure below:

| Savings area | 2012/13 | 2013/14 | 2014/15 | Total |
|----------------|------------|--------------|--------------|--------------|
| IS Procurement | 340 | 340 | 340 | 1,020 |
| Organisation | - | 726 | 726 | 1,452 |
| Infrastructure | - | 200 | 200 | 400 |
| Licensing | 30 | 30 | 30 | 90 |
| Total | 370 | 1,296 | 1,296 | 2,962 |

Figure 12 IS Savings

This business case has used the 75% of the 2012 value (£277K) as the prudent estimate of how much the baseline cost of the service can be reduced before the service goes out to market. From 2013 onwards it used 75% of the 2013 value (£972,000).

The optimistic case uses 100% of this value (£370K) in 2012. It then uses £1,296K from 2013/14.

From year 2 (2014/15) the optimistic business case assumes the provider will deliver a further 2% reduction on baseline costs. The prudent case assumes 75% of this figure each year.

Both scenarios assume that there will be an IT refresh cost during the contract. The savings are reduced by £400K annually between years 6 and 10 – 2018/19 onwards. This equates to £2M over the 5 years.

Revenues & Benefits

No savings are shown in year 0 and year 1 in either scenario. This reflects the fact that as the service is transferred the council will want the provider to assess, transfer and stabilise any areas as necessary before realising any efficiencies.

The council will also want to ensure the provider does not negatively impact the performance of the service by removing cost too early. The provider will also use this time to make any required investments before beginning any transformation.

Savings are expected to come from:

- economies of scale and virtualisation of teams – a provider will run services for multiple local authorities and be able to better cope with demand peaks and troughs. Officers will not have to be physically located in the authority for which they are processing work
- automation of processes
- stream lining of customer contact

Automation and customer contact improvements could include channel transfer of transactions/customer contact to the internet – thereby reducing officer intervention in standard processes.

The savings used in the business case for Revenues & Benefits all into 2 areas:

- staff costs
- supplies – the savings here can be more aggressive than on staff costs

The resultant FTE reductions are based on the average loaded cost calculation shown in figure 14.

| | |
|-------------------------------|------------|
| Gross expenditure | 6,882 |
| Less supplies retained client | (29) |
| Less supplies provider | (557) |
| Staff cost | 6,296 |
| FTE | 162 |
| Avg. Loaded cost | £38,779.65 |

Figure 13 Revenues & Benefits average loaded cost

| Revenues & Benefits - Prudent savings potential | | | | | | | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Total |
| | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | (cumulative) |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Prudent | | | | | | | | | | | | |
| Staff base | 5,753 | 5,753 | 5,753 | 5,753 | 5,753 | 5,753 | 5,753 | 5,753 | 5,753 | 5,753 | 5,753 | 63,287 |
| Supplies base | 557 | 557 | 557 | 557 | 557 | 557 | 557 | 557 | 557 | 557 | 557 | 6,129 |
| Total base | 6,311 | 6,311 | 6,311 | 6,311 | 6,311 | 6,311 | 6,311 | 6,311 | 6,311 | 6,311 | 6,311 | 69,416 |
| Staff efficiency | 0% | 0% | 3% | 3% | 3% | 2% | 2% | 2% | 1% | 1% | 0% | |
| Supplies efficiency | 0% | 0% | 5% | 5% | 4% | 4% | 4% | 3% | 3% | 2% | 2% | |
| Staff revised | 5,753 | 5,753 | 5,581 | 5,413 | 5,251 | 5,146 | 5,043 | 4,942 | 4,893 | 4,844 | 4,844 | 57,463 |
| Supplies revised | 557 | 557 | 529 | 503 | 483 | 463 | 445 | 432 | 419 | 410 | 402 | 5,200 |
| Total revised | 6,311 | 6,311 | 6,110 | 5,916 | 5,734 | 5,609 | 5,488 | 5,374 | 5,311 | 5,254 | 5,246 | 62,663 |
| Staff savings | - | - | 173 | 340 | 502 | 607 | 710 | 811 | 861 | 910 | 910 | 5,824 |
| Supplies savings | - | - | 28 | 54 | 74 | 94 | 112 | 126 | 139 | 147 | 155 | 929 |
| Total savings | - | - | 200 | 394 | 577 | 701 | 823 | 937 | 999 | 1,057 | 1,065 | 6,753 |
| Annual reduction | | - | 4.5 | 4.3 | 4.2 | 2.7 | 2.7 | 2.6 | 1.3 | 1.3 | - | 23.5 |
| Total FTE | 148.4 | 148.4 | 143.9 | 139.6 | 135.4 | 132.7 | 130.0 | 127.4 | 126.2 | 124.9 | 124.9 | |

Figure 14 Prudent savings potential

| Revenues & Benefits - Optimistic savings potential | | | | | | | | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Total |
| | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | (cumulative) |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Optimistic | | | | | | | | | | | | |
| Staff | 5,753 | 5,753 | 5,753 | 5,753 | 5,753 | 5,753 | 5,753 | 5,753 | 5,753 | 5,753 | 5,753 | 63,287 |
| Supplies | 557 | 557 | 557 | 557 | 557 | 557 | 557 | 557 | 557 | 557 | 557 | 6,129 |
| Total base | 6,311 | 6,311 | 6,311 | 6,311 | 6,311 | 6,311 | 6,311 | 6,311 | 6,311 | 6,311 | 6,311 | 69,416 |
| Staff efficiency | 0% | 0% | 4% | 4% | 4% | 3% | 3% | 3% | 3% | 2% | 2% | |
| Supplies efficiency | 0% | 0% | 8% | 5% | 4% | 4% | 4% | 3% | 3% | 3% | 2% | |
| Staff revised | 5,753 | 5,753 | 5,523 | 5,302 | 5,090 | 4,937 | 4,789 | 4,646 | 4,506 | 4,416 | 4,328 | 55,045 |
| Supplies revised | 557 | 557 | 513 | 487 | 467 | 449 | 431 | 418 | 405 | 393 | 385 | 5,063 |
| Total revised | 6,311 | 6,311 | 6,036 | 5,789 | 5,558 | 5,386 | 5,220 | 5,064 | 4,912 | 4,809 | 4,713 | 60,108 |
| Staff savings | - | - | 230 | 451 | 663 | 816 | 964 | 1,108 | 1,247 | 1,337 | 1,425 | 8,242 |
| Supplies savings | - | - | 45 | 70 | 90 | 108 | 126 | 139 | 152 | 164 | 172 | 1,066 |
| Total savings | - | - | 275 | 521 | 753 | 924 | 1,090 | 1,247 | 1,399 | 1,501 | 1,597 | 9,308 |
| Annual reduction | | - | 5.9 | 5.7 | 5.5 | 3.9 | 3.8 | 3.7 | 3.6 | 2.3 | 2.3 | 36.8 |
| Total FTE | 148.4 | 148.4 | 142.4 | 136.7 | 131.3 | 127.3 | 123.5 | 119.8 | 116.2 | 113.9 | 111.6 | |

Figure 15 Optimistic savings potential

Estates

Savings are expected to come from improvements in processes and standardisation, which in turn will improve the ratio of cost of function as a percentage of organisational running costs.

This business case has estimated a 5% saving on organisation running costs as the driver for savings in the prudent case.

For the optimistic case the figure used is 10% as the saving achievable.

The model assumes the council will exercise its break clause on North London Business Park (NLBP) Building 4 in October 2015. The cost of NLBP is £4.5M per annum.

There will be a cost to relocate and reconfigure existing/new buildings to accommodate the remaining workforce – which may include the strategic partners for the One Barnet DRS and NSCSO projects.

The prudent business case assumes that after costs the saving will be approximately £830K (5 months of £2M) in year 3 (2015/16) and £2M per annum from year 4 (2016/17).

The optimistic business case assumes that after costs the saving will be approximately £1M (5 months of £2.5M) in year 3 (2015/16) and £2.5M per annum from year 4 (2016/17).

Procurement Service

Available levers for procurement savings:

- target savings in influenceable spend
- savings in 3rd party spend by managing it actively by procurement professionals and through consolidation and pre-established contract arrangements
- electronic sourcing of 3rd party spend
- savings components - overall cost made up of staff cost savings and process/transactional cost savings - making up the overall figure of potential savings to arrive at average performance

| Baseline indicators | Barnet | Average | Lower Quartile | Median | Upper Quartile |
|--|-----------------|-------------------|-------------------|-------------------|-------------------|
| Cost of Procurement function | £1,721,339 | | | | |
| % 3rd party spend committed against pre-established contract arrangements | 60% | | | | |
| % 3rd party spend committed actively managed by procurement professionals | 66% | | | | |
| Total annual influenceable spend | £166,500,000 | | | | |
| Cost of Procurement function | £1,721,339 | | | | |
| Cost of Procurement function as a % of Org running costs | 0.25% | 0.23% | 0.12% | 0.19% | 0.29% |
| <i>Potential savings at performance level</i> | | <i>£113,135</i> | <i>£882,276</i> | <i>£392,823</i> | |
| Actual spend through pre-established contract arrangements as a % of third-party spend | 59.8% | 68.3% | 55.3% | 73.3% | 86.0% |
| Total 3rd party spend that is sourced electronically | 0.0% | 25.4% | 0.3% | 10.7% | 40.4% |
| Gain/Share | 0.5% | 1% | 1.5% | 2.5% | 3% |
| <i>Potential savings due to reduction in influenceable spend</i> | <i>£832,500</i> | <i>£1,665,000</i> | <i>£2,497,500</i> | <i>£4,162,500</i> | <i>£4,995,000</i> |

Figure 16 Procurement benchmarking

The business case has used the 'Cost of the procurement function as a percentage of organisational running costs' as the driver for savings.

Procurement – Prudent

By achieving the average performance level the potential savings are £113,135 per annum. This has been used as the indicative cost reduction figure in the prudent scenario.

Procurement – Optimistic

By achieving the median performance level the potential savings are £392,823 per annum. This has been used as the indicative cost reduction figure in the optimistic scenario.

LBB should also be able to enter a Gain/Share agreement with a strategic partner to split savings that the provider makes on the council's influenceable spend. For the

purposes of the business case the influenceable spend figure has been calculated at £166M (£250M identified in 2009 less £3.5M spend transferring to DRS strategic partner less £80M removed for personalised budgets).

In the prudent scenario a provider would deliver 1% savings on this reducing figure year on year.

In the optimistic scenario a provider would deliver 3% savings on this reducing figure.

The figure below shows the potential savings that could be delivered. These savings are not included in the overall business case and shown for information only.

| | | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Cumulative |
|-------------------|------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|------------|
| Gain/Share | Prudent | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Saving | 1% | 833 | 1,657 | 1,640 | 1,624 | 1,607 | 1,591 | 1,575 | 1,560 | 1,544 | 1,529 | 15,160 |
| Inflencable spend | | 166,500 | 165,668 | 164,011 | 162,371 | 160,747 | 159,140 | 157,548 | 155,973 | 154,413 | 152,869 | 151,340 |
| Gain/Share | Optimistic | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Saving | 3% | 2,498 | 4,920 | 4,772 | 4,629 | 4,490 | 4,356 | 4,225 | 4,098 | 3,975 | 3,856 | 41,820 |
| Inflencable spend | | 166,500 | 164,003 | 159,082 | 154,310 | 149,681 | 145,190 | 140,835 | 136,609 | 132,511 | 128,536 | 124,680 |

Figure 17 Gain/Share potential

Year 1 assumes 6 months of savings.

Appendix C: Service business case overviews

Human Resources – Prudent overview

| New Support & Customer Services Organisation - Prudent Business Case Overview | | | | | | | | | | | | |
|---|-----------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------------|
| Human Resource Service | | | | | | | | | | | | |
| | Contract starts | | | | | | | | | | | |
| | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Total |
| | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | (cumulative) |
| | £001 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Projected baseline (NSCSO) | 4,048 | 3,881 | 3,881 | 3,732 | 3,412 | 3,412 | 3,412 | 3,412 | 3,412 | 3,412 | 3,412 | 39,425 |
| Less OB projects | (167) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (167) |
| Less Internal Savings | | 0 | (149) | (320) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (470) |
| Sub-Total | 3,881 | 3,881 | 3,732 | 3,412 | 3,412 | 3,412 | 3,412 | 3,412 | 3,412 | 3,412 | 3,412 | 38,788 |
| Less retained client | (1,086) | (1,086) | (937) | (617) | (617) | (617) | (617) | (617) | (617) | (617) | (617) | (8,041) |
| Provider baseline | 2,795 | 2,795 | 2,795 | 2,795 | 2,795 | 2,795 | 2,795 | 2,795 | 2,795 | 2,795 | 2,795 | 30,747 |
| Indicative cost reduction | (75) | (301) | (356) | (356) | (356) | (356) | (356) | (356) | (356) | (356) | (356) | (3,584) |
| Revised provider baseline (Net of provider fees & costs) | 2,720 | 2,495 | 2,439 | 2,439 | 2,439 | 2,439 | 2,439 | 2,439 | 2,439 | 2,439 | 2,439 | 27,164 |
| % Change (cost reduction) | 3% | 11% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 12% |
| Income | 2,371 | 2,371 | 2,371 | 2,371 | 2,371 | 2,371 | 2,371 | 2,371 | 2,371 | 2,371 | 2,371 | 26,083 |
| Change to Income | | (153) | (182) | (189) | (207) | (207) | (207) | (207) | (207) | (207) | (207) | (1,970) |
| Revised Income | 2,371 | 2,218 | 2,190 | 2,182 | 2,165 | 2,165 | 2,165 | 2,165 | 2,165 | 2,165 | 2,165 | 24,113 |
| % Change (customer value) | 0% | 6% | 8% | 8% | 9% | 9% | 9% | 9% | 9% | 9% | 9% | 8% |
| Total financial benefit | 75 | 147 | 175 | 168 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 1,613 |

Human Resources – Optimistic overview

| New Support & Customer Services Organisation - Optimistic Business Case Overview | | | | | | | | | | | | |
|--|-----------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------------|
| Human Resource Service | | | | | | | | | | | | |
| | Contract starts | | | | | | | | | | | |
| | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Total |
| | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | (cumulative) |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Projected baseline (NSCSO) | 4,048 | 3,881 | 3,881 | 3,732 | 3,412 | 3,412 | 3,412 | 3,412 | 3,412 | 3,412 | 3,412 | 39,425 |
| Less OB projects | (167) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (167) |
| Less Internal Savings | | 0 | (149) | (320) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (470) |
| Sub-Total | 3,881 | 3,881 | 3,732 | 3,412 | 3,412 | 3,412 | 3,412 | 3,412 | 3,412 | 3,412 | 3,412 | 38,788 |
| Less retained client | (1,086) | (1,086) | (937) | (617) | (617) | (617) | (617) | (617) | (617) | (617) | (617) | (8,041) |
| Provider baseline | 2,795 | 2,795 | 2,795 | 2,795 | 2,795 | 2,795 | 2,795 | 2,795 | 2,795 | 2,795 | 2,795 | 30,747 |
| Indicative cost reduction | (94) | (331) | (392) | (392) | (392) | (392) | (392) | (392) | (392) | (392) | (392) | (3,953) |
| Revised provider baseline (Net of provider fees & costs) | 2,701 | 2,465 | 2,403 | 2,403 | 2,403 | 2,403 | 2,403 | 2,403 | 2,403 | 2,403 | 2,403 | 26,794 |
| % Change (cost reduction) | 3% | 12% | 14% | 14% | 14% | 14% | 14% | 14% | 14% | 14% | 14% | 13% |
| Income | 2,371 | 2,371 | 2,371 | 2,371 | 2,371 | 2,371 | 2,371 | 2,371 | 2,371 | 2,371 | 2,371 | 26,083 |
| Change to Income | | (168) | (200) | (208) | (227) | (227) | (227) | (227) | (227) | (227) | (227) | (2,167) |
| Revised Income | 2,371 | 2,203 | 2,171 | 2,163 | 2,144 | 2,144 | 2,144 | 2,144 | 2,144 | 2,144 | 2,144 | 23,916 |
| % Change (customer value) | 0% | 7% | 8% | 9% | 10% | 10% | 10% | 10% | 10% | 10% | 10% | 8% |
| Total financial benefit | 94 | 162 | 192 | 184 | 165 | 165 | 165 | 165 | 165 | 165 | 165 | 1,786 |

Finance – Prudent overview

| New Support & Customer Services Organisation - Prudent Business Case Overview | | | | | | | | | | | | |
|---|-----------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------------|
| Finance Service | | | | | | | | | | | | |
| | Contract starts | | | | | | | | | | | |
| | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Total |
| | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | (cumulative) |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Projected baseline (NSCSO) | 5,912 | 5,796 | 5,796 | 5,796 | 5,796 | 5,796 | 5,796 | 5,796 | 5,796 | 5,796 | 5,796 | 63,869 |
| Less OB projects | (116) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (116) |
| Less Internal Savings | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-Total | 5,796 | 5,796 | 5,796 | 5,796 | 5,796 | 5,796 | 5,796 | 5,796 | 5,796 | 5,796 | 5,796 | 63,753 |
| Less retained client | (820) | (820) | (820) | (820) | (820) | (820) | (820) | (820) | (820) | (820) | (820) | (9,022) |
| Provider baseline | 4,976 | 4,976 | 4,976 | 4,976 | 4,976 | 4,976 | 4,976 | 4,976 | 4,976 | 4,976 | 4,976 | 54,731 |
| Indicative cost reduction | 0 | (288) | (563) | (563) | (563) | (563) | (563) | (563) | (563) | (414) | (414) | (5,054) |
| Revised provider baseline (Net of provider fees & costs) | 4,976 | 4,688 | 4,413 | 4,413 | 4,413 | 4,413 | 4,413 | 4,413 | 4,413 | 4,562 | 4,562 | 49,677 |
| % Change (cost reduction) | 0% | 6% | 11% | 11% | 11% | 11% | 11% | 11% | 11% | 8% | 8% | 9% |
| Income | 1,121 | 1,121 | 1,121 | 1,121 | 1,121 | 1,121 | 1,121 | 1,121 | 1,121 | 1,121 | 1,121 | 12,332 |
| Change to Income | | (54) | (105) | (105) | (105) | (105) | (105) | (105) | (105) | (77) | (77) | (945) |
| Revised Income | 1,121 | 1,067 | 1,016 | 1,016 | 1,016 | 1,016 | 1,016 | 1,016 | 1,016 | 1,044 | 1,044 | 11,386 |
| % Change (customer value) | 0% | 5% | 9% | 9% | 9% | 9% | 9% | 9% | 9% | 7% | 7% | 8% |
| Total financial benefit | 0 | 234 | 458 | 458 | 458 | 458 | 458 | 458 | 458 | 336 | 336 | 4,109 |

Finance – Optimistic overview

| New Support & Customer Services Organisation - Optimistic Business Case Overview | | | | | | | | | | | | |
|--|-----------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------------|
| Finance Service | | | | | | | | | | | | |
| | Contract starts | | | | | | | | | | | |
| | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Total |
| | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | (cumulative) |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Projected baseline (NSCSO) | 5,912 | 5,796 | 5,796 | 5,796 | 5,796 | 5,796 | 5,796 | 5,796 | 5,796 | 5,796 | 5,796 | 63,869 |
| Less OB projects | (116) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (116) |
| Less Internal Savings | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-Total | 5,796 | 5,796 | 5,796 | 5,796 | 5,796 | 5,796 | 5,796 | 5,796 | 5,796 | 5,796 | 5,796 | 63,753 |
| Less retained client | (820) | (820) | (820) | (820) | (820) | (820) | (820) | (820) | (820) | (820) | (820) | (9,022) |
| Provider baseline | 4,976 | 4,976 | 4,976 | 4,976 | 4,976 | 4,976 | 4,976 | 4,976 | 4,976 | 4,976 | 4,976 | 54,731 |
| Indicative cost reduction | 0 | (575) | (1,076) | (1,076) | (1,076) | (1,076) | (1,076) | (1,076) | (1,076) | (827) | (827) | (9,759) |
| Revised provider baseline (Net of provider fees & costs) | 4,976 | 4,401 | 3,900 | 3,900 | 3,900 | 3,900 | 3,900 | 3,900 | 3,900 | 4,149 | 4,149 | 44,972 |
| % Change (cost reduction) | 0% | 12% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 17% | 17% | 18% |
| Income | 1,121 | 1,121 | 1,121 | 1,121 | 1,121 | 1,121 | 1,121 | 1,121 | 1,121 | 1,121 | 1,121 | 12,332 |
| Change to Income | | (108) | (201) | (201) | (201) | (201) | (201) | (201) | (201) | (155) | (155) | (1,825) |
| Revised Income | 1,121 | 1,014 | 920 | 920 | 920 | 920 | 920 | 920 | 920 | 966 | 966 | 10,506 |
| % Change (customer value) | 0% | 10% | 18% | 18% | 18% | 18% | 18% | 18% | 18% | 14% | 14% | 15% |
| Total financial benefit | 0 | 467 | 875 | 875 | 875 | 875 | 875 | 875 | 875 | 672 | 672 | 7,934 |

Customer Services – Prudent overview

| New Support & Customer Services Organisation - Prudent Business Case Overview | | | | | | | | | | | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------------------|
| Customer Services | | | | | | | | | | | | |
| | Contract starts | | | | | | | | | | | Total (cumulative) £000 |
| | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | |
| | 2012/13 £001 | 2013/14 £000 | 2014/15 £000 | 2015/16 £000 | 2016/17 £000 | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 | 2020/21 £000 | 2021/22 £000 | 2022/23 £000 | |
| Projected baseline (NSCSO) | 2,554 | 2,554 | 2,513 | 2,513 | 2,513 | 2,513 | 2,513 | 2,513 | 2,513 | 2,513 | 2,513 | 27,724 |
| Less OB projects | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Less Internal Savings | | (42) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (42) |
| Sub-Total | 2,554 | 2,513 | 2,513 | 2,513 | 2,513 | 2,513 | 2,513 | 2,513 | 2,513 | 2,513 | 2,513 | 27,682 |
| Less retained client | (120) | (78) | (78) | (78) | (78) | (78) | (78) | (78) | (78) | (78) | (78) | (904) |
| Provider baseline | 2,434 | 2,434 | 2,434 | 2,434 | 2,434 | 2,434 | 2,434 | 2,434 | 2,434 | 2,434 | 2,434 | 26,778 |
| Indicative cost reduction | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Revised provider baseline (Net of provider fees & costs) | 2,434 | 2,434 | 2,434 | 2,434 | 2,434 | 2,434 | 2,434 | 2,434 | 2,434 | 2,434 | 2,434 | 26,778 |
| % Change (cost reduction) | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Income | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 1,871 |
| Change to Income | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Revised Income | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 1,871 |
| % Change (customer value) | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Total financial benefit | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Customer Services – Optimistic overview

| New Support & Customer Services Organisation - Optimistic Business Case Overview | | | | | | | | | | | | |
|--|-----------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--------------|
| Customer Services | | | | | | | | | | | | |
| | Contract starts | | | | | | | | | | | |
| | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Total |
| | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | (cumulative) |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Projected baseline (NSCSO) | 2,554 | 2,554 | 2,513 | 2,513 | 2,513 | 2,513 | 2,513 | 2,513 | 2,513 | 2,513 | 2,513 | 27,724 |
| Less OB projects | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Less Internal Savings | | (42) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (42) |
| Sub-Total | 2,554 | 2,513 | 2,513 | 2,513 | 2,513 | 2,513 | 2,513 | 2,513 | 2,513 | 2,513 | 2,513 | 27,682 |
| Less retained client | (120) | (78) | (78) | (78) | (78) | (78) | (78) | (78) | (78) | (78) | (78) | (904) |
| Provider baseline | 2,434 | 2,434 | 2,434 | 2,434 | 2,434 | 2,434 | 2,434 | 2,434 | 2,434 | 2,434 | 2,434 | 26,778 |
| Indicative cost reduction | 0 | (23) | (189) | (212) | (382) | (404) | (425) | (579) | (579) | (579) | (579) | (3,949) |
| Revised provider baseline (Net of provider fees & costs) | 2,434 | 2,411 | 2,246 | 2,223 | 2,052 | 2,031 | 2,010 | 1,856 | 1,856 | 1,856 | 1,856 | 22,829 |
| % Change (cost reduction) | 0% | 1% | 8% | 9% | 16% | 17% | 17% | 24% | 24% | 24% | 24% | 15% |
| Income | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 170 | 1,871 |
| Change to Income | | (1) | (6) | (7) | (12) | (12) | (13) | (18) | (18) | (18) | (18) | (122) |
| Revised Income | 170 | 169 | 164 | 164 | 158 | 158 | 157 | 152 | 152 | 152 | 152 | 1,749 |
| % Change (customer value) | 0% | 0% | 3% | 4% | 7% | 7% | 8% | 11% | 11% | 11% | 11% | 7% |
| Total financial benefit | 0 | 23 | 183 | 205 | 371 | 391 | 411 | 561 | 561 | 561 | 561 | 3,827 |

Information Systems – Prudent overview

| New Support & Customer Services Organisation - Prudent Business Case Overview | | | | | | | | | | | | |
|---|-----------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------------|
| Information Systems Service | | | | | | | | | | | | |
| | Contract starts | | | | | | | | | | | |
| | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Total |
| | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | (cumulative) |
| | £001 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Projected baseline (NSCSO) | 9,277 | 8,528 | 8,528 | 8,528 | 8,528 | 8,528 | 8,528 | 8,528 | 8,528 | 8,528 | 8,528 | 94,560 |
| Less OB projects | (749) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (749) |
| Less Internal Savings | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-Total | 8,528 | 8,528 | 8,528 | 8,528 | 8,528 | 8,528 | 8,528 | 8,528 | 8,528 | 8,528 | 8,528 | 93,811 |
| Less retained client | (439) | (439) | (439) | (439) | (439) | (439) | (439) | (439) | (439) | (439) | (439) | (4,833) |
| Provider baseline | 8,089 | 8,089 | 8,089 | 8,089 | 8,089 | 8,089 | 8,089 | 8,089 | 8,089 | 8,089 | 8,089 | 88,978 |
| Indicative cost reduction | (278) | (972) | (1,074) | (1,072) | (1,072) | (1,072) | (872) | (878) | (878) | (878) | (878) | (9,922) |
| Revised provider baseline (Net of provider fees & costs) | 7,811 | 7,117 | 7,015 | 7,017 | 7,017 | 7,017 | 7,217 | 7,211 | 7,211 | 7,211 | 7,211 | 79,056 |
| % Change (cost reduction) | 3% | 12% | 13% | 13% | 13% | 13% | 11% | 11% | 11% | 11% | 11% | 11% |
| Income | 2,314 | 2,314 | 2,314 | 2,314 | 2,314 | 2,314 | 2,314 | 2,314 | 2,314 | 2,314 | 2,314 | 25,458 |
| Change to Income | | (192) | (212) | (212) | (212) | (212) | (172) | (174) | (174) | (174) | (174) | (1,908) |
| Revised Income | 2,314 | 2,122 | 2,102 | 2,102 | 2,102 | 2,102 | 2,142 | 2,141 | 2,141 | 2,141 | 2,141 | 23,549 |
| % Change (customer value) | 0% | 8% | 9% | 9% | 9% | 9% | 7% | 8% | 8% | 8% | 8% | 7% |
| Total financial benefit | 278 | 780 | 861 | 860 | 860 | 860 | 699 | 704 | 704 | 704 | 704 | 8,014 |

Information Systems – Optimistic overview

| New Support & Customer Services Organisation - Optimistic Business Case Overview | | | | | | | | | | | | |
|--|-----------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----------------|
| Information Systems Service | | | | | | | | | | | | |
| | Contract starts | | | | | | | | | | | |
| | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Total |
| | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | (cumulative) |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Projected baseline (NSCSO) | 9,277 | 8,528 | 8,528 | 8,528 | 8,528 | 8,528 | 8,528 | 8,528 | 8,528 | 8,528 | 8,528 | 94,560 |
| Less OB projects | (749) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (749) |
| Less Internal Savings | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-Total | 8,528 | 8,528 | 8,528 | 8,528 | 8,528 | 8,528 | 8,528 | 8,528 | 8,528 | 8,528 | 8,528 | 93,811 |
| Less retained client | (439) | (439) | (439) | (439) | (439) | (439) | (439) | (439) | (439) | (439) | (439) | (4,833) |
| Provider baseline | 8,089 | 8,089 | 8,089 | 8,089 | 8,089 | 8,089 | 8,089 | 8,089 | 8,089 | 8,089 | 8,089 | 88,978 |
| Indicative cost reduction | (370) | (1,296) | (1,432) | (1,429) | (1,429) | (1,429) | (1,029) | (1,037) | (1,037) | (1,037) | (1,037) | (12,563) |
| Revised provider baseline (Net of provider fees & costs) | 7,719 | 6,793 | 6,657 | 6,660 | 6,660 | 6,660 | 7,060 | 7,052 | 7,052 | 7,052 | 7,052 | 76,416 |
| % Change (cost reduction) | 5% | 16% | 18% | 18% | 18% | 18% | 13% | 13% | 13% | 13% | 13% | 14% |
| Income | 2,314 | 2,314 | 2,314 | 2,314 | 2,314 | 2,314 | 2,314 | 2,314 | 2,314 | 2,314 | 2,314 | 25,458 |
| Change to Income | | (256) | (283) | (283) | (283) | (283) | (204) | (205) | (205) | (205) | (205) | (2,412) |
| Revised Income | 2,314 | 2,058 | 2,031 | 2,032 | 2,032 | 2,032 | 2,111 | 2,109 | 2,109 | 2,109 | 2,109 | 23,045 |
| % Change (customer value) | 0% | 11% | 12% | 12% | 12% | 12% | 9% | 9% | 9% | 9% | 9% | 9% |
| Total financial benefit | 370 | 1,040 | 1,149 | 1,146 | 1,146 | 1,146 | 826 | 832 | 832 | 832 | 832 | 10,151 |

Revenues & Benefits– Prudent overview

| New Support & Customer Services Organisation - Prudent Business Case Overview | | | | | | | | | | | | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------------------|----------------|
| Revenues and Benefits Service | | | | | | | | | | | | | |
| | Contract starts | | | | | | | | | | | Total (cumulative) £000 | |
| | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | | |
| | 2012/13 £001 | 2013/14 £000 | 2014/15 £000 | 2015/16 £000 | 2016/17 £000 | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 | 2020/21 £000 | 2021/22 £000 | 2022/23 £000 | | |
| Projected baseline (NSCSO) | 6,882 | 6,882 | 6,750 | 6,662 | 6,662 | 6,662 | 6,662 | 6,662 | 6,662 | 6,662 | 6,662 | 6,662 | 73,810 |
| Less OB projects | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Less Internal Savings | | (132) | (88) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (220) |
| Sub-Total | 6,882 | 6,750 | 6,662 | 6,662 | 6,662 | 6,662 | 6,662 | 6,662 | 6,662 | 6,662 | 6,662 | 6,662 | 73,591 |
| Less retained client | (571) | (439) | (352) | (352) | (352) | (352) | (352) | (352) | (352) | (352) | (352) | (352) | (4,175) |
| Provider baseline | 6,311 | 6,311 | 6,311 | 6,311 | 6,311 | 6,311 | 6,311 | 6,311 | 6,311 | 6,311 | 6,311 | 6,311 | 69,416 |
| Indicative cost reduction | 0 | 0 | (200) | (394) | (577) | (701) | (823) | (937) | (999) | (1,057) | (1,065) | | (6,753) |
| Revised provider baseline (Net of provider fees & costs) | 6,311 | 6,311 | 6,110 | 5,916 | 5,734 | 5,609 | 5,488 | 5,374 | 5,311 | 5,254 | 5,246 | | 62,663 |
| % Change (cost reduction) | 0% | 0% | 3% | 6% | 9% | 11% | 13% | 15% | 16% | 17% | 17% | | 10% |
| Income | 1,697 | 1,697 | 1,697 | 1,697 | 1,697 | 1,697 | 1,697 | 1,697 | 1,697 | 1,697 | 1,697 | 1,697 | 18,664 |
| Change to Income | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Revised Income | 1,697 | 1,697 | 1,697 | 1,697 | 1,697 | 1,697 | 1,697 | 1,697 | 1,697 | 1,697 | 1,697 | 1,697 | 18,664 |
| % Change (customer value) | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Total financial benefit | 0 | 0 | 200 | 394 | 577 | 701 | 823 | 937 | 999 | 1,057 | 1,065 | | 6,753 |

Revenues & Benefits– Optimistic overview

| New Support & Customer Services Organisation - Optimistic Business Case Overview | | | | | | | | | | | | |
|--|-----------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------------|
| Revenues and Benefits Service | | | | | | | | | | | | |
| | Contract starts | | | | | | | | | | | |
| | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Total |
| | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | (cumulative) |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Projected baseline (NSCSO) | 6,882 | 6,882 | 6,750 | 6,662 | 6,662 | 6,662 | 6,662 | 6,662 | 6,662 | 6,662 | 6,662 | 73,810 |
| Less OB projects | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Less Internal Savings | | (132) | (88) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (220) |
| Sub-Total | 6,882 | 6,750 | 6,662 | 6,662 | 6,662 | 6,662 | 6,662 | 6,662 | 6,662 | 6,662 | 6,662 | 73,591 |
| Less retained client | (571) | (439) | (352) | (352) | (352) | (352) | (352) | (352) | (352) | (352) | (352) | (4,175) |
| Provider baseline | 6,311 | 6,311 | 6,311 | 6,311 | 6,311 | 6,311 | 6,311 | 6,311 | 6,311 | 6,311 | 6,311 | 69,416 |
| Indicative cost reduction | 0 | 0 | (275) | (521) | (753) | (924) | (1,090) | (1,247) | (1,399) | (1,501) | (1,597) | (9,308) |
| Revised provider baseline (Net of provider fees & costs) | 6,311 | 6,311 | 6,036 | 5,789 | 5,558 | 5,386 | 5,220 | 5,064 | 4,912 | 4,809 | 4,713 | 60,108 |
| % Change (cost reduction) | 0% | 0% | 4% | 8% | 12% | 15% | 17% | 20% | 22% | 24% | 25% | 13% |
| Income | 1,697 | 1,697 | 1,697 | 1,697 | 1,697 | 1,697 | 1,697 | 1,697 | 1,697 | 1,697 | 1,697 | 18,664 |
| Change to Income | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Revised Income | 1,697 | 1,697 | 1,697 | 1,697 | 1,697 | 1,697 | 1,697 | 1,697 | 1,697 | 1,697 | 1,697 | 18,664 |
| % Change (customer value) | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Total financial benefit | 0 | 0 | 275 | 521 | 753 | 924 | 1,090 | 1,247 | 1,399 | 1,501 | 1,597 | 9,308 |

Estates – Prudent overview

| New Support & Customer Services Organisation - Prudent Business Case Overview | | | | | | | | | | | | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------------------|-----------------|
| Estates Service | | | | | | | | | | | | | |
| | Contract starts | | | | | | | | | | | Total (cumulative) £000 | |
| | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | | |
| | 2012/13 £001 | 2013/14 £000 | 2014/15 £000 | 2015/16 £000 | 2016/17 £000 | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 | 2020/21 £000 | 2021/22 £000 | 2022/23 £000 | | |
| Projected baseline (NSCSO) | 13,016 | 11,826 | 11,826 | 11,826 | 11,826 | 11,826 | 11,826 | 11,826 | 11,826 | 11,826 | 11,826 | 11,826 | 131,279 |
| Less OB projects | (1,189) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1,189) |
| Less Internal Savings | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-Total | 11,826 | 11,826 | 11,826 | 11,826 | 11,826 | 11,826 | 11,826 | 11,826 | 11,826 | 11,826 | 11,826 | 11,826 | 130,089 |
| Less retained client | (171) | (171) | (171) | (171) | (171) | (171) | (171) | (171) | (171) | (171) | (171) | (171) | (1,878) |
| Provider baseline | 11,656 | 11,656 | 11,656 | 11,656 | 11,656 | 11,656 | 11,656 | 11,656 | 11,656 | 11,656 | 11,656 | 11,656 | 128,212 |
| Indicative cost reduction | (146) | (583) | (583) | (1,416) | (2,583) | (2,583) | (2,583) | (2,583) | (2,583) | (2,583) | (2,583) | (2,583) | (20,807) |
| Revised provider baseline (Net of provider fees & costs) | 11,510 | 11,073 | 11,073 | 10,239 | 9,073 | 9,073 | 9,073 | 9,073 | 9,073 | 9,073 | 9,073 | 9,073 | 107,405 |
| % Change (cost reduction) | 1% | 5% | 5% | 12% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 16% |
| Income | 5,941 | 5,941 | 5,941 | 5,941 | 5,941 | 5,941 | 5,941 | 5,941 | 5,941 | 5,941 | 5,941 | 5,941 | 65,352 |
| Change to Income | | (44) | (44) | (106) | (193) | (193) | (193) | (193) | (193) | (193) | (193) | (193) | (1,547) |
| Revised Income | 5,941 | 5,897 | 5,897 | 5,835 | 5,748 | 5,748 | 5,748 | 5,748 | 5,748 | 5,748 | 5,748 | 5,748 | 63,804 |
| % Change (customer value) | 0% | 1% | 1% | 2% | 3% | 3% | 3% | 3% | 3% | 3% | 3% | 3% | 2% |
| Total financial benefit | 146 | 539 | 539 | 1,310 | 2,389 | 2,389 | 2,389 | 2,389 | 2,389 | 2,389 | 2,389 | 2,389 | 19,259 |

Estates – Optimistic overview

| New Support & Customer Services Organisation - Optimistic Business Case Overview | | | | | | | | | | | | |
|--|-----------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--------------|
| Estates Service | | | | | | | | | | | | |
| | Contract starts | | | | | | | | | | | |
| | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Total |
| | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | (cumulative) |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Projected baseline (NSCSO) | 13,016 | 11,826 | 11,826 | 11,826 | 11,826 | 11,826 | 11,826 | 11,826 | 11,826 | 11,826 | 11,826 | 131,279 |
| Less OB projects | (1,189) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1,189) |
| Less Internal Savings | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-Total | 11,826 | 11,826 | 11,826 | 11,826 | 11,826 | 11,826 | 11,826 | 11,826 | 11,826 | 11,826 | 11,826 | 130,089 |
| Less retained client | (171) | (171) | (171) | (171) | (171) | (171) | (171) | (171) | (171) | (171) | (171) | (1,878) |
| Provider baseline | 11,656 | 11,656 | 11,656 | 11,656 | 11,656 | 11,656 | 11,656 | 11,656 | 11,656 | 11,656 | 11,656 | 128,212 |
| Indicative cost reduction | (291) | (1,166) | (1,166) | (2,207) | (3,666) | (3,666) | (3,666) | (3,666) | (3,666) | (3,666) | (3,666) | (30,489) |
| Revised provider baseline (Net of provider fees & costs) | 11,364 | 10,490 | 10,490 | 9,448 | 7,990 | 7,990 | 7,990 | 7,990 | 7,990 | 7,990 | 7,990 | 97,723 |
| % Change (cost reduction) | 3% | 10% | 10% | 19% | 31% | 31% | 31% | 31% | 31% | 31% | 31% | 24% |
| Income | 5,941 | 5,941 | 5,941 | 5,941 | 5,941 | 5,941 | 5,941 | 5,941 | 5,941 | 5,941 | 5,941 | 65,352 |
| Change to Income | | (87) | (87) | (165) | (275) | (275) | (275) | (275) | (275) | (275) | (275) | (2,262) |
| Revised Income | 5,941 | 5,854 | 5,854 | 5,776 | 5,667 | 5,667 | 5,667 | 5,667 | 5,667 | 5,667 | 5,667 | 63,090 |
| % Change (customer value) | 0% | 1% | 1% | 3% | 5% | 5% | 5% | 5% | 5% | 5% | 5% | 3% |
| Total financial benefit | 291 | 1,078 | 1,078 | 2,042 | 3,391 | 3,391 | 3,391 | 3,391 | 3,391 | 3,391 | 3,391 | 28,227 |

Procurement – Prudent overview

| New Support & Customer Services Organisation - Prudent Business Case Overview | | | | | | | | | | | | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------------------|----------------|
| Procurement Service | | | | | | | | | | | | | |
| | Contract starts | | | | | | | | | | | Total (cumulative) £000 | |
| | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | | |
| | 2012/13 £001 | 2013/14 £000 | 2014/15 £000 | 2015/16 £000 | 2016/17 £000 | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 | 2020/21 £000 | 2021/22 £000 | 2022/23 £000 | | |
| Projected baseline (NSCSO) | 1,719 | 1,712 | 1,712 | 1,712 | 1,712 | 1,712 | 1,712 | 1,712 | 1,712 | 1,712 | 1,712 | 1,712 | 18,840 |
| Less OB projects | (7) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (7) |
| Less Internal Savings | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-Total | 1,712 | 1,712 | 1,712 | 1,712 | 1,712 | 1,712 | 1,712 | 1,712 | 1,712 | 1,712 | 1,712 | 1,712 | 18,833 |
| Less retained client | (50) | (50) | (50) | (50) | (50) | (50) | (50) | (50) | (50) | (50) | (50) | (50) | (546) |
| Provider baseline | 1,663 | 1,663 | 1,663 | 1,663 | 1,663 | 1,663 | 1,663 | 1,663 | 1,663 | 1,663 | 1,663 | 1,663 | 18,288 |
| Indicative cost reduction | (28) | (113) | (113) | (113) | (113) | (113) | (113) | (113) | (113) | (113) | (113) | (113) | (1,160) |
| Revised provider baseline (Net of provider fees & costs) | 1,634 | 1,549 | 1,549 | 1,549 | 1,549 | 1,549 | 1,549 | 1,549 | 1,549 | 1,549 | 1,549 | 1,549 | 17,128 |
| % Change (cost reduction) | 2% | 7% | 7% | 7% | 7% | 7% | 7% | 7% | 7% | 7% | 7% | 7% | 6% |
| Income | 32 | 32 | 32 | 32 | 32 | 32 | 32 | 32 | 32 | 32 | 32 | 32 | 354 |
| Change to Income | | (1) | (1) | (1) | (1) | (1) | (1) | (1) | (1) | (1) | (1) | (1) | (7) |
| Revised Income | 32 | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 347 |
| % Change (customer value) | 0% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% |
| Total financial benefit | 28 | 112 | 112 | 112 | 112 | 112 | 112 | 112 | 112 | 112 | 112 | 112 | 1,152 |

Procurement – Optimistic overview

| New Support & Customer Services Organisation - Optimistic Business Case Overview | | | | | | | | | | | | |
|--|-----------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--------------|
| Procurement Service | | | | | | | | | | | | |
| | Contract starts | | | | | | | | | | | |
| | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Total |
| | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | (cumulative) |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Projected baseline (NSCSO) | 1,719 | 1,712 | 1,712 | 1,712 | 1,712 | 1,712 | 1,712 | 1,712 | 1,712 | 1,712 | 1,712 | 18,840 |
| Less OB projects | (7) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (7) |
| Less Internal Savings | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-Total | 1,712 | 1,712 | 1,712 | 1,712 | 1,712 | 1,712 | 1,712 | 1,712 | 1,712 | 1,712 | 1,712 | 18,833 |
| Less retained client | (50) | (50) | (50) | (50) | (50) | (50) | (50) | (50) | (50) | (50) | (50) | (546) |
| Provider baseline | 1,663 | 1,663 | 1,663 | 1,663 | 1,663 | 1,663 | 1,663 | 1,663 | 1,663 | 1,663 | 1,663 | 18,288 |
| Indicative cost reduction | (98) | (393) | (393) | (393) | (393) | (393) | (393) | (393) | (393) | (393) | (393) | (4,026) |
| Revised provider baseline (Net of provider fees & costs) | 1,564 | 1,270 | 1,270 | 1,270 | 1,270 | 1,270 | 1,270 | 1,270 | 1,270 | 1,270 | 1,270 | 14,261 |
| % Change (cost reduction) | 6% | 24% | 24% | 24% | 24% | 24% | 24% | 24% | 24% | 24% | 24% | 22% |
| Income | 32 | 32 | 32 | 32 | 32 | 32 | 32 | 32 | 32 | 32 | 32 | 354 |
| Change to Income | | (2) | (2) | (2) | (2) | (2) | (2) | (2) | (2) | (2) | (2) | (25) |
| Revised Income | 32 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 329 |
| % Change (customer value) | 0% | 8% | 8% | 8% | 8% | 8% | 8% | 8% | 8% | 8% | 8% | 7% |
| Total financial benefit | 98 | 390 | 390 | 390 | 390 | 390 | 390 | 390 | 390 | 390 | 390 | 4,002 |

Appendix D: Information Sources

| Source | Description |
|--|---|
| NSO/CSO Options Appraisal Report | CRC report seeking approval to initiate procurement based on the options analysis of original NSO/CSO service areas |
| SAP data | HR and Finance data associated with historic and current service delivery, as well as committed savings |
| NSO/CSO function templates | Key business case data provided by service managers |
| One Barnet Business Case | Framework outlining costs and benefits across the One Barnet Programme |
| One Barnet Business Case Cabinet cover report | Cabinet report seeking approval of programme activities, investment and benefits |
| NSO / CSO soft market assessment report | Stand-alone report investigating market appetite for a private sector operator for the original service areas |
| Chartered Institute Of Personnel & Development | TUPE guidelines |
| CIPFA stats | Financial benchmarking data |
| Audit Commission | Performance benchmarking data, and retained client function assumptions |

One Barnet Programmes – Employee Equality Impact Assessment

One Barnet Programme Name: New Support and Customer Services Organisation

[This document remains live with information being added at each critical milestone]

EIA Contents

- 1 Introduction
2. Any Anticipated Equalities Issues at each milestone and identified mitigation
3. Monitoring Summary
4. Project Milestone Outcomes, Analysis and Actions
5. Briefing, Sharing and Learning

1. Introduction

1.1 Aims and objectives of the OB programme

The project's aim is to enable the council's support and customer services to be delivered differently to:

- provide improved services for their (internal) customers
- make savings to benefit the taxpayer
- enable them to adapt to a changing and evolving customer base in the light of any One Barnet developments and are therefore sustainable

The proposals approved in the Customer Services Organisation and New Support Organisation options appraisal fit within the One Barnet principles. In line with the One Barnet principles listed below all services should:

A new relationship with citizens

- be designed and delivered around customers' needs
- provide the best possible customer experience
- enable customers to help themselves by providing accurate and accessible information and enabling self-service wherever possible.

A one public sector approach

- be in a position to support the requirements of all public sector partners and drive better multi-agency working
- be flexible and therefore able to rapidly respond to changing demands.

A relentless drive for efficiency

- operate as efficiently as possible to both minimise the cost of the service and minimise the cost to customers of accessing the service
- be innovative and take advantage of evolving technology, thinking and practice
- maximise the value the council achieves from all its assets (capital and revenue)
- safeguard the council's position to maintain its reputation and comply with legal responsibilities.

1.2 Description of the critical milestones

- Identification of services in scope via the options appraisal:
 - Corporate procurement
 - Customer Services
 - Estates (including corporate programmes team)
 - Finance
 - Human Resources
 - Information Services
 - Revenues and Benefits
- End of dialogue one to reflect any changes to the scope of services included (December 2011)
- Re-organisation to reflect the new size and scope of the re-defined activities at April 2012

- TUPE transfer of the activity to a third party

1.3 Key Stakeholders

- In scope staff – represented by the staff group and service lead group
- Council customers – represented by the members of the advisory group, these are the service areas that use the services in scope
- Politicians – decisions regarding the progress of the project will be taken by Cabinet Resources Committee and Cabinet
- Senior council officers – the project is sponsored by the Deputy Chief Executive and the board comprises of senior council officers
- Trade Unions – represented by trade union staff who attend monthly meetings with the project manager, HR and project sponsor
- Partners – schools and Barnet Homes are able to use a number of services in scope. Barnet Homes are part of the advisory group and schools have created a working group that meets with the project team to represent their interests.

2. Any Anticipated Equalities Issues at each milestone and identified mitigation

2.1 Identification of services in scope – EIA Iteration 12/05/11

This is not expected to have any impact on staff as it is purely a paper exercise to establish the size of all the services in scope.

2.2 End of dialogue one

This is not expected to have an impact on equalities. Following the first round of dialogue it may become clear that some services will no longer go forward as part of the final set of services. In which case the staff baseline will need to be re-profiled and updated within the EIA to reflect the new collection.

2.3 Council re-organisation

It is expected that further re-organisations of the services in scope will be carried across 2011/12. At this stage the nature and extent of these re-organisations is unknown and as such it is not possible to assess whether there will be an equalities impact.

2.4 Staff transfer

If the business case approves the continuation of procurement to competitive dialogue there will be a TUPE transfer of employees to the new provider. There is not currently perceived to be any specific activities that will directly impact any one group with protected characteristics over the employee group as a whole.

Possible activities that may have implications at this stage of the process could be:

- Perceived possible effects of outsourcing on employees
- TUPE (the Transfer of Undertaking (Protection of Employment) Regulations 2006) transfer
- Change of pay date
- Location

- Measures

Impact

There will be clarity on actual impacts on employees of any procurement process at the stage of contract award, following competitive dialogue. Until that point the current iteration of this document is based around possibility. The in-scope employees whose data is detailed above will change over time as decisions are made on the shape of the retained client function and through staff turnover.

3. Monitoring Summary

Table 1- Employee EIA Profile of the One Barnet Project (this profile is in accordance with the requirements of the Equality Act 2010 and the Council will collect this information so far as we hold it)

All numbers replaced by an 'X' have been aggregated to project personal identification

Critical Milestones

| | | In-scope Profile at Outset date | | End of dialogue 1 date | | Re-org date | | Transfer date | |
|--------------------------------|-------------------------|---------------------------------|----------|------------------------|----------|-------------|----------|---------------|----------|
| | | No. | % change | No. | % change | No. | % change | No. | % change |
| Number of employees | | 538 | N/A | | | | | | |
| Gender | Female | 321 | N/A | | | | | | |
| | Male | 217 | N/A | | | | | | |
| Date of Birth (age) | 1992-1986 | 19 | N/A | | | | | | |
| | 1965-1976 | 123 | N/A | | | | | | |
| | 1975-1966 | 163 | N/A | | | | | | |
| | 1965-1951 | 210 | N/A | | | | | | |
| | 1950-1941 | 22 | N/A | | | | | | |
| | 1940 and earlier | X | N/A | | | | | | |
| Ethnic Group | White | | N/A | | | | | | |
| | British | 284 | | | | | | | |
| | Irish | X | | | | | | | |
| | Other White | 28 | | | | | | | |
| Mixed | | N/A | | | | | | | |
| White and Black Caribbean | | | | | | | | | |
| White and Black African | | | | | | | | | |
| White and Asian | X | | | | | | | | |
| Other Mixed | 10 | | | | | | | | |
| Asian and Asian British | | N/A | | | | | | | |

| | | | | | | | | | |
|--------------------------------|---|-----|-----|--|--|--|--|--|--|
| | Indian | 57 | | | | | | | |
| | Pakistani | X | | | | | | | |
| | Bangladeshi | X | | | | | | | |
| | Other Asian | 13 | | | | | | | |
| | Black or Black British | | N/A | | | | | | |
| | Caribbean | 37 | | | | | | | |
| | African | 21 | | | | | | | |
| | Other Black | X | | | | | | | |
| | Chinese or Other Ethnic Group | | N/A | | | | | | |
| | Chinese | X | | | | | | | |
| | Other Ethnic Group | 10 | | | | | | | |
| Disability | | | | | | | | | |
| | Physical co-ordination (such as manual dexterity, muscular control, cerebral palsy) | | N/A | | | | | | |
| | Hearing (such as: deaf, partially deaf or hard of hearing) | X | N/A | | | | | | |
| | Vision (such as blind or fractional/partial sight. Does not include people whose visual problems can be corrected by glasses/contact lenses) | | N/A | | | | | | |
| | Speech (such as impairments that can cause communication problems) | | N/A | | | | | | |
| | Reduced physical capacity (such as inability to lift, carry or otherwise move everyday objects, debilitating pain and lack of strength, breath, energy or stamina, asthma, angina or diabetes) | | N/A | | | | | | |
| | Severe disfigurement | | N/A | | | | | | |
| | Learning difficulties (such as dyslexia) | X | N/A | | | | | | |
| | Mental illness (substantial and lasting more than a year) | X | N/A | | | | | | |
| | Mobility (such as wheelchair user, artificial lower limb(s), walking aids, rheumatism or arthritis) | | N/A | | | | | | |
| Gender Identity | | | | | | | | | |
| | Transsexual/Transgender (people whose gender identity is different from the gender they were assigned at birth) | | N/A | | | | | | |
| Pregnancy and Maternity | | | | | | | | | |
| | Pregnant | | N/A | | | | | | |
| | Maternity Leave (current) | | N/A | | | | | | |
| | Maternity Leave (in last 12 months) | | N/A | | | | | | |
| Religion or Belief | | | | | | | | | |
| | Christian | 264 | N/A | | | | | | |
| | Buddhist | | N/A | | | | | | |
| | Hindu | 52 | N/A | | | | | | |

| | | | | | | | | | |
|--|----------------------|-----|-----|--|--|--|--|--|--|
| | Jewish | 12 | N/A | | | | | | |
| | Muslim | 30 | N/A | | | | | | |
| | Sikh | X | N/A | | | | | | |
| | Other religions | 18 | N/A | | | | | | |
| | No religion | 69 | N/A | | | | | | |
| | Not stated | 66 | N/A | | | | | | |
| Sexual Orientation | Heterosexual | 390 | N/A | | | | | | |
| | Bisexual | | N/A | | | | | | |
| | Lesbian | | N/A | | | | | | |
| | Gay | X | N/A | | | | | | |
| Marriage and civil partnership | Married | 195 | N/A | | | | | | |
| | Single | 121 | N/A | | | | | | |
| | Widowed | X | N/A | | | | | | |
| | Divorced | 25 | N/A | | | | | | |
| | In Civil partnership | X | N/A | | | | | | |
| Relevant and related grievances | Formal | | N/A | | | | | | |
| | Upheld | | N/A | | | | | | |
| | Dismissed | | N/A | | | | | | |

Data Gaps

The business case shows full time equivalent (FTE) in the financial model, the EIA shows data described by headcount.

The above figures have been taken from the SAP HR system on employees known to be in-scope by name. Devolved staff have not yet been identified by name and therefore their data will be included in the next iteration of the EIA, this is also the case for the Corporate Programmes Team who have come in to scope this week.

4. Project Milestone Outcomes, Analysis and Actions

4.1 Summary of the outcomes at each milestone

4.1.1 Identification of services in scope - EIA Iteration 12/05/11

The detail is set out at Table 1. Issues that the data raises are the need for clear understandable employee briefings at all stages throughout the process with avenues for one to one communication available to all employees if required. There will be a requirement on the Service Leads to ensure any employee support needed during these briefings for instance a signer supplied if appropriate. It will also be the Service Leads responsibility to ensure all employees within their service understand the key messages and have the opportunity to ask questions.

There have been a variety of communication channels set up to support employees through this process and enable employees to have their questions answered. There have been and will continue to be employee briefings at key stages throughout the Project. There is a One Barnet email address for employees to ask more adhoc questions, Q&A documents are posted on the

intranet and circulated to management following all briefings. The staff group has had their initial meeting and these will continue for the life of the Project. This group has been designed as an information sharing forum and have been requested to make themselves available for their colleagues to ask questions about the Project.

These communication channels will continue to shape and change depending on the needs of employees.

4.1.2 End of dialogue one

The detail is set out at Table 1. Issues that the data raises is that x group of employees has changed by x possible reasons are – consider positive and negative impacts

4.1.3 Council re-organisation

4.1.4 Transfer Date

The detail is set out at Table 1. *Issues that the data raises is that x group of employees has changed by x possible reasons are – consider positive and negative impacts*

4.2 Actions proposed

4.2.1 Identification of services in scope - EIA Iteration 12/05/11

Please see section 4.1.1

4.2.2 End of dialogue one

4.2.3 Council re-organisation

4.2.4 Transfer date

5. Briefing, Sharing and Learning

This table summarises the briefing activities. This EIA forms the primary briefing tool and has been shared as detailed below.

Table 2

| Milestone Description | CDG | CRC | Overview and Scrutiny | Programme Office | People & Culture Workstream | | |
|-------------------------------------|-------|----------|-----------------------|------------------|-----------------------------|--|--|
| Identification of services in scope | 06/11 | 29/06/11 | | | | | |
| End of dialogue one | | | | | | | |
| Council re-organisation | | | | | | | |
| Transfer Date | | | | | | | |



GMB Interim Response to New Support and Customer Services Business Case

The following report contains the key concerns of the GMB with the Business case for NSO/ CSO. In addition to the comments below we continue to have concerns over the issues raised in the Joint Trade Union response to the Options Appraisal for this project.

1. There is an assumption throughout the report that where we are more expensive or performing worse than average, we can improve to that level with some investment. In the main this all seems to be planned to be completed before the outsource, so why can the council not spend half as much time/money investing/improving the in-house service and then fully benefitting from this rather than spending it on outside organisations and letting them benefit. The whole idea that we can match and improve on the average scores in all areas is also flawed in that it assumes that one council can be best at everything – it is good to have this as a goal but in reality different councils prioritise in different areas and therefore where they excel in some areas, they may do slightly less well in others.
2. If the financial predictions are correct then there must be some knowledge of how to make these savings and the process of getting there. This could be done in-house as opposed to generating profit for the private sector. Although the per annum saving looks big at around £3 million the prudent savings identified in table 6 and 7 overall only equate to a 7 – 8% saving over 10 years and the optimistic is still only 13%. Barnet has continued to make savings above this level year on year with the current in-house model so this is proven to work, whereas the suggested model of outsourcing is not guaranteed as cases of outsourced services throughout the country and indeed in Barnet being taken back in-house (post CCT) has shown. Yet other examples of where it has cost far more than anticipated exist in Barnet with Catalyst/ Freemantle and Connaught/ Barnet Homes. Also many of these savings will come about through an in-house transformation prior to transfer.
3. The section which outlines some of the '*potential*' benefits for staff (pps 14/15) has no mention of staff Terms and Conditions or pensions.
4. There are two further examples given of drivers for the need to seek a partnership with the private sector. The first of these is to realise economies of scale. First some of these economies of scale could be achieved in-house through a central procurement vehicle. This report suggests that this is being developed now but the savings from this will

never be realised as there will be no services left for it to carry out bulk procurement. Second economies of scale in Local Government could be achieved in a number of ways through Public/ Public partnerships. This could involve joint procurement of IT, fleet, stationary and other such consumables or to a further extreme through shared services. These options have not been explored fully. Although there may not be an appetite for this now if Barnet transforms internally with this goal in mind in the future this may be an option. This potential is identified in the report but rather than council tax payers benefiting from the rewards this will go to the private sector.

Another assumption for the Customer Services Organisation is that residents will want to shift to more self help and online services. Now this may be true for some transactions such as Council Tax payments and parking permits but it is unlikely to be a quick shift when it comes to enquiring about services or making a complaint. The recent survey of Barnet residents rated internet and email as very low in their choice of preferred option for this kind of contact while telephone was by far the highest. Now this may change over time but it is likely to take longer than the length of this contract. It could also be encouraged without the need to outsource.

5. There are two further issues within the report. The first is regarding the NSO and the fact that this will be a shrinking service as other One Barnet projects develop. This means that again the cost of this service will be driven down before outsourcing, thus reducing the need to do so.

The second is related to a key driver for the need to outsource in that the current spending review means we cannot continue to make savings as we are. However this is rightly identified as the last point in the table of Key Risks on p9. This identifies the need for flexibility in the contract to respond to a change in the funding level throughout the contract. There are two concerns over this GMB wish to identify, the first is that if we do not get the contract right we will end up paying far more than we can afford, the second is that this has no benefit over how things are at present!



**Interim Analysis of the Business Case
New Support & Customer
Services Project**
London Borough of Barnet

Introduction

The following are the five main headline comments on the Business Case for the New Support & Customer Services Project.

The comments are set in the context of our critical analysis of the CSO/NSO Options Appraisal, which we consider to be fundamentally flawed. It contained no in-depth analysis of the options other than subjective strengths and weaknesses; no assessment of costs and benefits and thus no value for money; no analysis of current trends and developments or a vision for the two organisations and how this fits into the future shape and functioning of the Council and public services in Barnet; no forecast of affordability; and equalities issues were not addressed. Risks were not fully identified and the appraisal did not address democratic accountability and transparency.

1. No organisational or operational vision

The Business Case does not contain an organisational and operational concept of the Customer Services Organisation or the New Support Organisation. There is no citizen needs perspective other than a desire to change citizen behaviour and achieve financial savings. There is no attempt to identify how consolidation of customer services across the Council (although no attempt is made to do so on a One Barnet basis) can be achieved at the same time as achieving 24%-30% financial savings. The level of demand for customer services, determined by a number of factors such as national and local economic conditions, the performance of services, accessibility of customer service channels and the quality of response, is not taken into account.

The effect of outsourcing is only partially taken into account with regard to the impact on the delivery of support services. This is a very serious omission. The effect of outsourcing the bulk of Council services will radically reduce its responsibility for support services over the next few years. Private contractors responsible for core council services are unlikely to be willing to subcontract their Barnet contract support services to another contractor on both operational and financial grounds. There is a strong case can be made that a web or layers of contracts, sub-contracts

Long lists of objectives are not a substitute for identifiable benefits and genuine evidence-based forecasts.

2. Failure to identify significant operational risks

The exclusive focus on procurement risks results in the Business Case failing to identify and address the operational risks that the project will encounter. These are real and significant risks that affect the Council, staff and service users. The purpose of a business case is not only to provide a detailed risk register but to identify and assess the full range of risks that the project will encounter both in procurement *and* operational stages.

3. Calculation of financial savings

The business case does not identify, even in general terms, what investment is likely to be required or how it will be financed. It assumes that that private sector will make “significant investment” (Strategic Fit, page 8). However, no private company is going to provide free investment to a local authority, so capital investment by the private sector will be ultimately financed by the Council.

The financial savings are reportedly based on benchmarking but no details are provided regarding data sources, authorities, services and comparability issues. Financial savings, calculated on the basis of ‘prudent’ and ‘optimistic’ improvement, are then used to identify service cost reductions. This approach is crude, based on assumptions about private sector performance and does not constitute acceptable

provision of the financial, economic and commercial content required of a business case.

4. Lack of evidence and understanding of experience of similar contracts

There is basic lack of evidence throughout the business case. It also fails to draw on the experience of over 45 strategic partnerships in local government in the past decade.

5. Lack of impact on council staff

The business case contains no profile of the potential impact of the new CSO/NSO organisation on staffing levels, nor of the effects of different levels of savings. The inevitable significant reduction in Council responsibility for support services could lead to compulsory redundancies in these services at the point of transfer and during the contract (simultaneous with 28% - 48% financial savings in Human Resources). The knock-on effects could include a further loss of jobs in the local economy as Council is work is relocated elsewhere and employment in support services is reduced.

References

Barnet UNISON (2011) Critique CSO/NSO Options Appraisal, February, London.

London Borough of Barnet (2011) Options Appraisal for Customer Service Organisation and New Support Organisation, Version 6.00, February, London.

London Borough of Barnet (2011) New Support & Customer Services Project: Business Case, May, London.

New Support and Customer Services Organisation

Response to Trade Union comments 31st May 2011

An embargoed copy of the draft business case was provided to trade unions on 19 May. A meeting between the trade unions and the project manager and sponsor took place on 18 May. On 20 May the council received two responses to the draft business case for the New Support and Customer Service Organisation, submitted individually by GMB and Unison. The trade unions limited their comments to their top five concerns as agreed in the People and Culture Group. The information below contains the comments made by both trade unions and the respective council responses.

Comment

There is an assumption throughout the report that where we are more expensive or performing worse than average, we can improve to that level with some investment. In the main this all seems to be planned to be completed before the outsource, so why can the council not spend half as much time/money investing/improving the in-house service and then fully benefiting from this rather than spending it on outside organisations and letting them benefit. The whole idea that we can match and improve on the average scores in all areas is also flawed in that it assumes that one council can be best at everything – it is good to have this as a goal but in reality different councils prioritise in different areas and therefore where they excel in some areas, they may do slightly less well in others.

Response

The aim of the council should be and is to provide the best value for money service. When considered against benchmarking data e.g. CIPFA and *best value* it identifies that there is scope to improve service in all areas. The business case states that investment is required across the support services and in the current financial climate, the council has to prioritise where it invests. The priority for investment is the core council services, e.g. Adult Social Services and Children's Service rather than support services.

By working with a specialist provider, the council will benefit from the increased expertise, experience and financial investment that a private provider is available to deliver. Staff that transfer, will be able to develop their skills by learning from this expertise, have access to greater job opportunities, and the potential to move roles geographically. Employees were briefed at the options appraisal stage, will have further briefings at the business case stage, and through the life of the procurement. These briefings provide staff with an opportunity to ask questions and have these questions answered.

Comment

If the financial predictions are correct then there must be some knowledge of how to make these savings and the process of getting there. This could

be done in-house as opposed to generating profit for the private sector. Although the per annum saving looks big at around £3 million the prudent savings identified in table 6 and 7 overall only equate to a 7 – 8% saving over 10 years and the optimistic is still only 13%. Barnet has continued to make savings above this level year on year with the current in-house model so this is proven to work, whereas the suggested model of outsourcing is not guaranteed as cases of outsourced services throughout the country and indeed in Barnet being taken back in-house (post CCT) has shown. Yet other examples of where it has cost far more than anticipated exist in Barnet with Catalyst/ Freemantle and Connaught/ Barnet Homes. Also many of these savings will come about through an in-house transformation prior to transfer.

Response

The savings within the business case are based on a number of levers including the economies of scale a larger provider could provide, process automation, reduced customer contact and service consolidation. Savings have been produced in conjunction with relevant heads of service using their detailed input based on both knowledge of the council and understanding of their service. The business case sets out the broad expectation of the council in regard to achievable savings and an element of judgement is used in doing so. The business case will be updated during the procurement process and it is expected that competitive pressures on bidders will deliver the best outcome for the council. This outcome will be reflected in the final version of the business case at the close of the procurement.

To ensure a successful fit for purpose contract is achieved, the heads of service and senior managers are developing the output specifications to be used in the procurement. It is through the dialogue in procurement that the service leads will ensure the contract is appropriate. The service leads will update their direct reports on the progress of these output specifications in team meetings.

Comment

The section which outlines some of the 'potential' benefits for staff (pps 14/15) has no mention of staff Terms and Conditions or pensions.

Response

Any procurement exercise that involved an employee transfer would follow TUPE, the Transfer of Undertakings (Protection of Employment) Regulations 2006. This is the legislation surrounding the transfer of employees to a new employer. This is known as a TUPE transfer and occurs when a business, or roles within a business, are transferred to another organisation. There is no option to opt out of TUPE for the employer or employee. TUPE relates to protection of employment, and ensures employees are informed about the transfer, are employed by the new employer and have employment treated as continuous, transfer on existing terms and conditions of employment, and are consulted about any

'measures' (significant or contractual changes) that the incoming employer intends to take at the time of the transfer.

Comment

There are two further examples given of drivers for the need to seek a partnership with the private sector. The first of these is to realise economies of scale. First some of these economies of scale could be achieved in-house through a central procurement vehicle. This report suggests that this is being developed now but the savings from this will never be realised as there will be no services left for it to carry out bulk procurement. Second economies of scale in Local Government could be achieved in a number of ways through Public/ Public partnerships. This could involve joint procurement of IT, fleet, stationary and other such consumables or to a further extreme through shared services. These options have not been explored fully. Although there may not be an appetite for this now if Barnet transforms internally with this goal in mind in the future this may be an option. This potential is identified in the report but rather than council tax payers benefiting from the rewards this will go to the private sector.

Another assumption for the Customer Services Organisation is that residents will want to shift to more self help and online services. Now this may be true for some transactions such as Council Tax payments and parking permits but it is unlikely to be a quick shift when it comes to enquiring about services or making a complaint. The recent survey of Barnet residents rated internet and email as very low in their choice of preferred option for this kind of contact while telephone was by far the highest. Now this may change over time but it is likely to take longer than the length of this contract. It could also be encouraged without the need to outsource.

Response

The procurement service is in the process of consolidating staff that carry out procurement activities. This will provide those staff with professional development and greater experience and exposure to different types of procurement. The council will then transfer a centralised service to a provider to drive further improvements and efficiencies through a gain share mechanism based on third party spend.

The Chief Executive wrote to all London Councils in 2010 about this project, to assess the appetite for a joint procurement process, this did not yield any other interested boroughs. The council expects a provider to utilise current and emerging frameworks to benefit from further economies of scale. The procurement savings are now reflected in the new tables in appendix B of the business case which identifies the gain share savings from third party spend.

The council is not currently able to provide a website which has sufficient functionality to allow residents to deal with their requirements at a time of their choosing (i.e. outside of core operating hours). It is expected that an

improved website would increase the channel shift and residents perception of the council. However, this is not something that staff have previously highlighted in any of their briefings.

Comment

There are two further issues within the report. The first is regarding the NSO and the fact that this will be a shrinking service as other One Barnet projects develop. This means that again the cost of this service will be driven down before outsourcing, thus reducing the need to do so.

The second is related to a key driver for the need to outsource in that the current spending review means we cannot continue to make savings as we are. However this is rightly identified as the last point in the table of Key Risks on p9. This identifies the need for flexibility in the contract to respond to a change in the funding level throughout the contract. There are two concerns over this GMB wish to identify, the first is that if we do not get the contract right we will end up paying far more than we can afford, the second is that this has no benefit over how things are at present!

Response

The business case includes a description and representation of the changing make up of the council in section 5.6. This takes into account the changes as a result of current One Barnet projects and the Medium Term Financial Strategy. The service delivered by a provider will be designed with the flexibility to mould to the changing shape of the council over the coming years. If the support services remained in house then the result of a reducing council requiring support would mean that redundancies would likely have been unavoidable. Transferring the services to a specialist provider will provide greater development opportunities for staff and given the size of these organisations, potentially provide opportunities to work across contracts and offer more job opportunities than the council would be able to offer. Should redundancies become unavoidable then there would a larger redeployment pool and the council would strongly encourage this path prior to any compulsory redundancies being made.

To ensure we deliver a fit for purpose contract, the heads of service and senior managers are developing the output specifications to be used in the procurement. These output specifications will also be reviewed by key members of staff from customer departments such as Adult Social Services and the Children's Service to ensure they are fit for purpose. It is through the dialogue in procurement that the service leads will ensure the contract is appropriate. The service leads will update their direct reports on the progress of these output specifications in team meetings. This should provide employees with some comfort that the future operating model has been designed appropriately by those who understand the service.

Comment

The Business Case does not contain an organisational and operational concept of the Customer Services Organisation or the New Support

Organisation. There is no citizen needs perspective other than a desire to change citizen behaviour and achieve financial savings. There is no attempt to identify how consolidation of customer services across the Council (although no attempt is made to do so on a One Barnet basis) can be achieved at the same time as achieving 24%-30% financial savings. The level of demand for customer services, determined by a number of factors such as national and local economic conditions, the performance of services, accessibility of customer service channels and the quality of response, is not taken into account.

The effect of outsourcing is only partially taken into account with regard to the impact on the delivery of support services. This is a very serious omission. The effect of outsourcing the bulk of Council services will radically reduce its responsibility for support services over the next few years. Private contractors responsible for core council services are unlikely to be willing to subcontract their Barnet contract support services to another contractor on both operational and financial grounds. There is a strong case can be made that a web or layers of contracts, sub-contracts

Long lists of objectives are not a substitute for identifiable benefits and genuine evidence-based forecasts.

Response

It has been noted that business case requires further work on the strategic aim of the council, work continues on this and it will be present in the final version. The consolidation and transformation of customer services is being undertaken by the Customer Services Transformation Programme. This project will be delivering a separate business case for this work. It is a separate project although it has close interdependencies to this one.

The business case includes a description and representation of the changing make up of the council in section 5.6. This takes into account the changes as a result of current One Barnet projects and the Medium Term Financial Strategy. The service delivered by a provider will be designed with the flexibility to mould to the changing shape of the council over the coming years.

Comment

The exclusive focus on procurement risks results in the Business Case failing to identify and address the operational risks that the project will encounter. These are real and significant risks that affect the Council, staff and service users. The purpose of a business case is not only to provide a detailed risk register but to identify and assess the full range of risks that the project will encounter both in procurement and operational stages.

Response

A risk register is held by the project team and the One Barnet programme office, only the key risks are highlighted in the business case. As the purpose of the business case is to identify the case to carry out procurement process, the risks associated with this process are

highlighted. The transformation and mobilisation of the new contract will work to ensure the smooth transfer of staff and service provision. This will be set up as an individual project that will hold standard project documents including a project risk register.

Comment

The business case does not identify, even in general terms, what investment is likely to be required or how it will be financed. It assumes that that private sector will make “significant investment” (Strategic Fit, page 8). However, no private company is going to provide free investment to a local authority, so capital investment by the private sector will be ultimately financed by the Council.

The financial savings are reportedly based on benchmarking but no details are provided regarding data sources, authorities, services and comparability issues. Financial savings, calculated on the basis of ‘prudent’ and optimistic’ improvement, are then used to identify service cost reductions. This approach is crude, based on assumptions about private sector performance and does not constitute acceptable provision of the financial, economic and commercial content required of a business case.

Response

The business case provides the figure associated with the cost of change to the council during the procurement process. This includes service transformation costs, with the exception of Customer Service Transformation which will be included in the appropriate business case. The council understands that capital investment is not free but it needs to be recognised that the council does not have the available capital to invest in these services in the coming years. The expectation is that budgets will be reduced further by central government given the current financial climate. The council expects a provider to invest in the services and the cost to the council of this investment will be something that is negotiated in the competitive dialogue discussions.

The savings within the business case are based on a number of levers including the economies of scale a larger provider could provide, process automation, reduced customer contact and service consolidation. Savings have been produced in conjunction with relevant heads of service using their detailed input, based on both knowledge of the council and understanding of their service. The business case sets out the broad expectation of the council in regard to achievable savings and an element of judgement is used in doing so. The business case will be updated during the procurement process and it is expected that competitive pressures on bidders will deliver the best outcome for the council. This outcome will be reflected in the final version of the business case at the close of the procurement.

Comment

There is basic lack of evidence throughout the business case. It also fails to draw on the experience of over 45 strategic partnerships in local government in the past decade.

Response

The business case has two key aims:

- to identify the non-financial benefits for the council staff and customers
- to demonstrate the financial savings against each service area involved and how the combined savings are then profiled over a ten year contract.

The development of the output specifications is the appropriate place to consider learnings from other outsourced services. To ensure a successful fit for purpose contract is achieved, the heads of service and senior managers are developing the output specifications to be used in the procurement. These output specifications will also be reviewed by key members of staff from customer departments such as Adult Social Services and the Children's Service to ensure they are fit for purpose. It is through the dialogue in procurement that the service leads will ensure the contract is appropriate. The service leads will update their direct reports on progress of these output specifications in team meetings. This should provide employees with some comfort that the future operating model has been designed appropriately by those who understand the service.

Comment

The business case contains no profile of the potential impact of the new CSO/NSO organisation on staffing levels, nor of the effects of different levels of savings. The inevitable significant reduction in Council responsibility for support services could lead to compulsory redundancies in these services at the point of transfer and during the contract (simultaneous with 28% - 48% financial savings in Human Resources). The knock-on effects could include a further loss of jobs in the local economy as Council work is relocated elsewhere and employment in support services is reduced.

Response

The business case includes a description and representation of the changing make up of the council in section 5.6. This takes into account the changes as a result of current One Barnet projects and the Medium Term Financial Strategy. The service delivered by a provider will be designed with the flexibility to mould to the changing shape of the council over the coming years. If the support services remained in house then the result of a reducing council requiring support would mean that redundancies would likely have been unavoidable. By transferring the services to a specialist provider, it will provide greater development opportunities for staff and given the size of these organisations potentially provide opportunities to work across contracts and offer more job opportunities than the council would be able to offer. Should redundancies become unavoidable then

there would a larger redeployment pool and the council would strongly encourage this path prior to any compulsory redundancies being made.

The Spending Review announced reductions in government support to local authorities of 26 per cent over the next four years. The council has consulted on savings proposals to reduce the funding gap of £53m affecting Barnet Council over the next three years. Any future provider will be expected to present their proposals to continue to meet the reductions committed to during this period.

AGENDA ITEM: 12 Pages: 115 – 118

Meeting Budget and Performance Overview and Scrutiny Committee

Date 21 June 2011

Subject One Barnet Programme Highlight Report

Report of Commercial Director, Commercial Services

Summary Appendix 1 provides a summary of the programme status of the One Barnet Programme for the period of 12 February 2011 to 1 June 2011

Officer Contributors Craig Cooper, Commercial Director;
Claire Johnston One Barnet Programme Manager

Status (public or exempt) Public

Wards affected All

Enclosures Appendix 1: –
One Barnet Programme Highlight Report

For decision by Budget and Performance Overview and Scrutiny Committee

Contact for further information:

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1. RECOMMENDATIONS

- 1.1 That the Budget and Performance Overview and Scrutiny Committee note the progress of the One Barnet work streams, as set out in the One Barnet Programme Board Highlight Report attached at Appendix 1.**

2. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 2.1 The Overview and Scrutiny Committees, Sub-Committees, Panels and Task and Finish Groups must ensure that the work of Scrutiny is reflective of the Council's priorities.**
- 2.2 The three priority outcomes set out in the 2010/13 Corporate Plan are: –**
- Better services with less money**
 - Sharing opportunities, sharing responsibilities**
 - A successful London suburb**
- 2.3 One Barnet has three overarching aims: –**
- A new relationship with citizens**
 - A one public sector approach**
 - A relentless drive for efficiency**

3. RELEVANT PREVIOUS DECISIONS

- 3.1 Future Shape Overview and Scrutiny Panel, 8 June 2010, Agenda Item 11 (Highlight Report).**
- 3.2 One Barnet Overview and Scrutiny Panel, 21 September 2010, Agenda item 6 (Highlight Report).**
- 3.3 One Barnet Overview and Scrutiny Panel, 10 November 2010, Agenda item 6 (Highlight Report).**
- 3.4 One Barnet Overview and Scrutiny Panel, 23 February 2011, Agenda item 6 (Highlight Report).**
- 3.4 One Barnet Overview and Scrutiny Panel, 23 March 2011, Agenda item 6 (Highlight Report).**

4. RISK MANAGEMENT ISSUES

- 4.1 Risks are considered on project by project and programme level basis. The One Barnet Programme Office has revised its risk registers to ensure they are aligned to new corporate risk management processes.**

5. EQUALITIES AND DIVERSITY ISSUES

5.1 In addition to the Terms of Reference of the Panel, and in so far as relating to matters within its remit, the role of the Panel is to perform the Overview and Scrutiny responsibilities in relation to:

- The Council's leadership role in relation to diversity and inclusiveness; and
- The fulfilment of the Council's duties as employer including recruitment and retention, personnel, pensions and payroll services, staff development, equalities and health and safety.

5.2 It is recognised that such a significant transformation of services is likely to have an impact on staff and service users in some, if not all cases. An evaluation of impact will be carried out at the point of developing a business case for each project.

5.3 Completed Equalities Impact Assessments will be updated periodically throughout the project lifecycle, as appropriate, to assess the impact of service transformation.

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

6.1 Resource implications for each work stream will be addressed at the appropriate stage of the projects

6.2 The financial information in Appendix 1 reflects the final outturn for 2010/11 which was £2,521,753. At the end of 2010/11 £466,517 was not required to be drawn down from the Transformation Reserve.

6.3 The 2011/12 budget is currently under review – initial work indicates that expenditure will not exceed original estimates

7. LEGAL ISSUES

7.1 Legal issues, in respect of each work stream will be addressed at the appropriate stage of the projects.

8. CONSTITUTIONAL POWERS

8.1 The scope of the Overview & Scrutiny Committees is contained within Part 2, Article 6 of the Council's Constitution.

8.2 The Overview and Scrutiny Procedure Rules are set out in Part 4 of the Constitution.

8.3 The Terms of Reference of the Budget and Performance Overview Scrutiny Committee are contained within Part 4 of the Constitution (Overview and Scrutiny Procedure Rules). The Committee has the following responsibilities:

“To perform the overview and scrutiny role in relation to the One Barnet transformation programme, particularly performance and financial issues;

To receive and consider options appraisals, business cases and closure report for the One Barnet projects; and

To monitor the implementation of the One Barnet programme throughout the programme lifecycle.”

9. BACKGROUND INFORMATION

9.1 **Appendix 1** provides a summary of the current programme status of the One Barnet Programme

10. LIST OF BACKGROUND PAPERS

10.1 None.

Legal: MM

Finance: MC/JH

One Barnet Programme Report 1st June 2011

| | | | |
|---------------------------|--|----------------------|----------|
| Programme Sponsor: | Nick Walkley, Chief Executive, LB Barnet | Programme RAG | A |
| Programme Manager: | Claire Johnston | | |
| Report Date: | 01/06/2011 | | |
| Last Updated By: | Claire Johnston / Bal Assra | | |

| Category | RED | AMBER | GREEN |
|--|--|--|-----------------------------------|
| Schedule: Current status of project delivery timescales. | Insufficient or no plan. Major slippage likely on proposed end delivery date. Immediate action required to construct realistic project plan | Possible slippage on end project delivery date however mitigation in place to get back on schedule | Running to plan; no issues |
| Budget: Current status of actual project expenditure against base lined forecast and Budget related issues | Current trends of expenditure show project will be over budget. No signed off project budget. Immediate action required to resolve | Current trends of expenditure show project may be over budget however mitigation actions to resolve identified and agreed | Running to plan; no issues |
| HR: Current status of HR engagement and HR related project issues. This may include: TUPE, Pensions status, Agreement of staff within scope, Trade Union engagement, Staff engagement issues | Outstanding HR issues exist that require immediate action to resolve | HR issues exist which require resolution however mitigation actions to resolve identified and agreed | Running to plan; no issues |
| Comms: Current status of Comms plan and Comms related issues. This may include: Staff engagement issues, Lack of coordination with regards to messages, Negative feedback on comms. | Insufficient or no Comms plan requiring immediate action to resolve. Outstanding Comms issue that required immediate action to resolve | Comms issues exist which require resolution however mitigation actions to resolve identified and agreed | Running to plan; no issues |
| Resources: Current status of project resource availability and Resourcing related issues. This may include: Status of Resource plan, availability of required resources, availability and access to non-human resources | Insufficient resources available to deliver project to agreed timescales. Sign off required to free up or recruit resource | Current resource issues however mitigation plan in place to resolve | Running to plan; no issues |

One Barnet Programme Report 1st June 2011

| <u>Project Name</u> | <u>Overall RAG*</u> | <u>Schedule</u> | <u>Budget</u> | <u>HR</u> | <u>Comms</u> | <u>Resources</u> |
|---|---------------------|-----------------|---------------|-----------|--------------|------------------|
| Development and Regulatory Services | A | G | A | G | G | A |
| New Support and Customer Services Procurement | A | G | G | R | A | G |
| Customer Service Transformation | R | R | R | A | A | A |
| Future of Parking | G | G | G | G | G | G |
| Transport | A | A | G | A | A | A |
| AdSS In-House Service Review | A | G | A | A | A | A |
| SAP Optimisation | A | A | A | G | G | A |
| Right to Control | G | G | G | n/a | G | G |
| Rapid Improvement | A | A | G | G | G | A |
| Youth Offer | G | G | G | G | G | G |
| Children's Centre review | G | G | G | G | G | G |
| New Relationship with Schools | G | G | G | G | G | G |
| LSP Governance | G | G | G | n/a | G | G |
| E-Recruitment & Advertising | G | A | G | G | G | G |

* verified by Project Sponsors

| | |
|------------------------------------|---|
| <p>Programme Commentary</p> | <ul style="list-style-type: none"> • Business Case for LATC approved by CRC in May • Additional resource recruited to support the Programme • Excellent response to both DRS and Parking OJEU notices; all expected potential participants have submitted PQQ's. • Positive engagement has begun with services on the customer services transformation • Staff groups have been established for three more One Barnet projects: New Support and Customer Service Organisation; Development and Regulatory Services; and Future of the Parking Service. The first meetings have taken place and each group has suggested ways to improve project communication and staff engagement • Weekly project update emails are now being sent to staff impacted by the Development and Regulatory Services and the Future of Parking projects and have been well received. Similar updates will begin for the Customer Service Transformation projects on Friday 3 June • Briefings for staff affected by the New Support and Customer Service Organisation project will take place between 13 and 17 June to explain the contents of the business case |
| <p>HR Activity</p> | <p>TUPE: Following the successful provision of TUPE workshops to CLG, the HRBP's and OB Project Managers at the end of last year, the phase two of this roll out has now commenced. This exercise initially is to ensure those involved are coming from a position of mutual understanding of the terminology used during a staff transfer under TUPE (The Transfer of Undertakings (Protection of Employment) Regulations 2006). The second phase is an 18 month exercise with a well attended session with the Trade Unions kick starting the process on 19/05/11. Targeted managers are being invited to a number of sessions on TUPE starting with Parking and Adults as the first two project's to transfer staff out of the organisation. 40 minute lunchtime sessions are being designed for employees to attend for information, starting 11/07/11, and latterly a number of drop-in surgeries for individual queries. Sessions will be communicated to appropriate groups taking into account the timing of the transfer individuals are in-scope for.</p> <p>Procurement Competitive Dialogue and Restricted: Pre Qualifying Questionnaires (PQQ) for DRS and Parking have been received, DRS documents have been evaluated and Parking PQQ's were received on 23/05/11 and are currently going through initial procurement scrutiny before the subject matter specific questions are evaluated. HR submissions for evaluation criteria, the questions for competitive dialogue and invitation to submit outline solutions have been submitted for assessment to Trowers. Work has been taking place in raising the profile of Health and Safety within the procurement projects. The team is now heavily involved in each of these projects with regard to the assessment of delegated responsibility, contract monitoring, and the procurement exercises in full.</p> |

Project Status

| Project and Project Manager | Project Start | Project End | Lifecycle Stage | Previous RAG | Progress made this period | Milestones due in next period | Current RAG (commentary when Red or Amber) |
|---|---------------|-------------|----------------------------------|--------------|--|---|--|
| Future of Parking Tahir Mahmood | Oct 2010 | Apr 2012 | Project Initiation / Procurement | G | The OJEU pre-qualification period has closed as planned with 7 PQOs returned following 27 expressions of interest Business Case approved at CDG 26 April | Parking Specification approved – 3 June 2011 PQOs evaluated – 20 June 2011 | G |
| Customer Service Transformation Andrew Cox | Feb 2011 | Dec 2012 | Project Initiation / Procurement | A | CMS - Requirements Gathering workshops completed with good attendance from all services. Agreed deadline of 27 May for any follow up work by services CMS – PID and project plan agreed | CST Vision and Design principles finalised June 11 Draft Programme Plan and Business Case – June 11 Draft Programme Framework June 11 CMS - Finalise Contract 1 - CMS, Hosting, Forms, Support – June 11 | R Programme Board on 9 May agreed that overall status of the Programme should be Red due to lack of delivery of expected benefits and progress over the past 18 months and the size, scale and resource challenge of the programme |
| Development & Regulatory Services Linda Spiers | Feb 2010 | Jan 2013 | Implementation | A | PQO Evaluation report produced Dialogue 1 long list recommendation paper produced | Output specifications signed off – June 2011 Long list for Dialogue 1 agreed – June 2011 | A The budget is under review and the eventual total is likely to be higher than originally predicted. |

One Barnet Programme Report 1st June 2011

| Project and Project Manager | Project Start | Project End | Lifecycle Stage | Previous RAG | Progress made this period | Milestones due in next period | Current RAG (commentary when Red or Amber) |
|-----------------------------|---------------|-------------|----------------------------------|--------------|---|--|--|
| | | | | | | Data room established and populated – June 2011 ITPD / ISOS – June 2011 | |
| Transport Tahir Mahmood | Autumn 2010 | Sept 2011 | Project Initiation / Procurement | A | <p>The WLA Transport Bureau project has now progressed to the implementation phase with Barnet committing to take part in the working groups without prejudice, and proceed to the next stage, in principal, subject to the Business Case being signed off by CRC.</p> <p>The project team has concerns about the viability of the solution proposed by the WLA as the savings estimates have reduced by approx 50% and the cost is expected to rise with only 4 of the original 6 boroughs proceeding to the implementation stage. However, there are some areas where the WLA solution can generate savings and produce other non-financial benefits for that reason we continue to participate in the working groups.</p> <p>The project team is producing an internal business case outlining the benefits against the savings proposed in the Nov 10 cabinet meeting as agreed in the project board.</p> | Project Board approval of Business Case – June 2011 | A Unclear as to which staff are in scope |

One Barnet Programme Report 1st June 2011

| Project and Project Manager | Project Start | Project End | Lifecycle Stage | Previous RAG | Progress made this period | Milestones due in next period | Current RAG (commentary when Red or Amber) |
|---|---------------|-------------|----------------------------------|--------------|---|---|---|
| New Support and Customer Services Procurement Suzanne Hope | May 2010 | Jan 2013 | Project Initiation / Procurement | A | <p>Business Case drafted. Business case responses have now been received from Unison and GMB, these comments and responses will be attached to the CDG paper.</p> <p>Business case meetings are continuing with all heads of service and Finance to achieve sign off before submission to CRC.</p> <p>Business case briefing invites have been sent to all staff affected</p> <p>A trade dispute with the Revenues and Benefits service has been registered by Unison, ballot has taken place and result is expected 1 June.</p> <p>Market event is 5 or 8 July – this will be a half day, waiting on availability from Cllr Thomas</p> | <p>Business Case briefing meetings 13-17 June</p> <p>Business Case sign off by CDG – June 2011</p> <p>Market Brochure developed – June 2011</p> <p>OJEU notice issued – June 2011</p> | <p>A</p> <p>Trade dispute with Revs & Bens, notification of ballot outcome due 1 June</p> <p>Concern that the Revs & Bens managers are not passing on messages</p> |
| AdSS In-house service review Richard Harrison | Feb 2010 | Autumn 2011 | Concept | A | <p>The business case was approved by the Barnet Homes Board on 23 May (subject to considerations) and at May 24 CRC where Cllrs expressed concern regarding Corporation Tax and VAT for Barnet Homes.</p> <p>A jointly commissioned taxation query by LBB and BH has been submitted to HRMC to determine the status of Barnet Homes in the proposed new LATC structure.</p> <p>It has been agreed with Corporate Governance that the board for the LATC holding company needs to be put in place. Consequently a paper will be presented to CRC in July to confirm the</p> | <p>Pensions Fund Committee – June 2011</p> <p>General Functions Committee – June 2011</p> | <p>A</p> <p>Tax and VAT issues</p> |

One Barnet Programme Report 1st June 2011

| Project and Project Manager | Project Start | Project End | Lifecycle Stage | Previous RAG | Progress made this period | Milestones due in next period | Current RAG (commentary when Red or Amber) |
|------------------------------|---------------|-------------|-----------------|--------------|--|--|---|
| | | | | | formation and business plan for the holding company (Barnet Trading LTD) enabling the LATC to take decisions relating the project including the due diligence process. The project plan continues to be developed for the next project phase | | |
| SAP optimisation | Feb 2010 | Sep 2011 | Implementation | A | The project has delivered three major items over the last two months: Pension Fund Separation go-live; Procurement go-live and Performance Management go-live. Procurement and HR work streams have one work item each to complete. Finance requires significant effort between now and project close: three high priority items – Expenditure / Capital Ambition report; GR/IR, Note 21 are targeted as first items to be completed. Loss of Project momentum, change note issues and resource provision has been an issue on both sides. Changes in PM personnel for both LBB and Logica; impact of change notes; demands of other projects; financial year end (Finance and Property Services). | HR workstream: target end of June 2011 | A Commitment required to deliver project on time. |
| Right to Control Ed Gowan | Mar 2010 | Dec 2012 | Implementation | G | Centre for Independent Living Peer Support Brokerage service contracted and gone live Initial Management Information returns submitted to the Office for Disability Issues | Review of project and options appraisal for 'mainstreaming' Right to Control across all social work practice to occur in June 2011 | G |

One Barnet Programme Report 1st June 2011

| Project and Project Manager | Project Start | Project End | Lifecycle Stage | Previous RAG | Progress made this period | Milestones due in next period | Current RAG (commentary when Red or Amber) |
|--|---------------|-------------|-----------------|--------------|---|--|---|
| | | | | | Specification for Right to Control Innovation fund agreed Equalities Impact Assessment approved | | |
| Rapid Improvement | Sep 2010 | June 2011 | Project Closure | | Action plans are in place across the three remaining RIP work streams – IT helpdesk, DPRs and the starters and leavers process There have been slight delays due to service restructures and lack of resource but these have mostly now been picked up | Project Closure | A Effort required to close last remaining RI projects |
| Youth Offer (Phase 1) Nandu Valji | Aug 2010 | June 2011 | Project Closure | G | Draft end of project report produced | End of project report signed off – June 2011 | G |
| Children's Centre review (Phase 1) Stav Yiannou | Aug 2010 | June 2011 | Implementation | G | Rationalised children's centres from 21 to 13 Commissioned specialist services within a reduced resource base Developed an outcomes-focused performance management framework for service level agreements during 2011/12 Embedding the new ways of working | Resource Allocation (development of funding formula to ensure resources are targeted to those most in need) Detailed plan to be produced from activities identified in the Business Plan Draft SLA's consultations | G |
| New Relationship with School | Oct 2010 | June 2011 | Implementation | G | Revised structure for schools and learning that continues to meet statutory duties and addresses national and local priorities | Embedding work to date | G |

One Barnet Programme Report 1st June 2011

| Project and Project Manager | Project Start | Project End | Lifecycle Stage | Previous RAG | Progress made this period | Milestones due in next period | Current RAG (commentary when Red or Amber) |
|---|---------------|-------------|-----------------|--------------|--|---|--|
| (Phase 1) Mick Quigley | | | | | <p>Created Barnet Partnership for Schools Improvement as a solid base for school lead rather than LA led improvement</p> <p>Create a fully traded improvement package - 33 schools already signed up</p> <p>Absorbed LBB reductions and Grant reductions</p> | <p>Quality assurance in the short / medium term. New restructured team – priority around working through a period of rapid change between schools and LA (White Paper and new education act) - Still going through parliament - TBC</p> | |
| LSP Governance Andrew Nathan | Sep 2010 | June 2011 | Implementation | G | | Proposal paper to Cabinet | G |
| E-Recruitment & Advertising Jason Wheatley | Apr 2010 | June 2011 | Implementation | G | <p>A demonstration day was held May 18. Technical limitations around the versions of Internet Explorer used have delayed the rollout into June 2011</p> | Launch of new portal – June 2011 | G |

Major Risks (These are extracted from the One Barnet Programme Risk register and are those which score 15 or above)

| Risk No. | Risk Description | Consequences of Risk | Assessment of Risk where VH=5,VL=1 | | Risk Score | Owner | Mitigation Action |
|----------|--|--|------------------------------------|--------|------------|--|---|
| | | | Likelihood | Impact | | | |
| CP0011 | Potential increased negativity to Outsourcing CAUSE: Abolition of Workforce Code of Practice and Two tier workforce | Possible increased Trade Union activity. Low Morale. Dip in productivity. | 4 | 4 | 16 | Programme Board / Programme Manager /HR Business Partner | Communications through Staff Groups, Management Groups, and wider corporate methods on the content of the code and how this may affect employees |
| CP0012 | Loss of skilled employees CAUSE: Lengthy procurement processes and uncertainty | Uncertainty may cause employees to look outside organisation for what are perceived as more secure roles | 3 | 5 | 15 | Programme Board / Programme Manager /HR Business Partner | Communication to encourage greater understanding of procurement time lines and stages. Aim to bring contractor in to speak to staff as soon as possible after contract award TUPE workshops Pensions Roadshow Retention Add to HR indicators for next year |

One Barnet Programme Report 1st June 2011

| Risk No. | Risk Description | Consequences of Risk | Assessment of Risk where VH=5,VL=1 | | Risk Score | Owner | Mitigation Action |
|----------|--|---|------------------------------------|--------|------------|---|---|
| | | | Likelihood | Impact | | | |
| CP0010 | <p>The negative affect on the Pension Fund due to loss of payees</p> <p>CAUSE: Use of GAD over ABS and abolition of workforce code of practice</p> | Potentially reduced pension fund thus raising the necessity to find finances from elsewhere | 3 | 5 | 15 | <p>Programme Board / Programme Manager /HR Business Partner</p> | <p>Meeting with Actuaries to greater understand the effect</p> <p>Meeting was held with the actuaries (Barnett Waddingham) to discuss the implications of the transfer of employees with either Admitted Body Status (ABS) or use of a Government Actuaries Department (GAD) Passport. Early discussions were held on the potential impact on both employee's pensions and the affect on the Pension Fund. Key points discussed included the current Government consultation on the Fair Deal Policy; treatment of pensions on compulsory transfer of staff from the public sector, current trends by providers is to opt for ABS over GAD due to cost, the detail of ABS including the provision of a bond, related risks and open and closed schemes. A paper will be going to the September Pensions Fund Committee on the position of the procurement Projects within the One Barnet Project, requesting approval for an 'in principle' decision on the corporate approach to managing the pension implications. Individual projects will still need to present their in individual specifications to the Pension Committee</p> |

One Barnet Programme Report 1st June 2011

| Risk No. | Risk Description | Consequences of Risk | Assessment of Risk where VH=5,VL=1 | | Risk Score | Owner | Mitigation Action |
|----------|---|---|------------------------------------|--------|------------|-------------------------------------|---|
| | | | Likelihood | Impact | | | |
| CP0022 | Customers will not transfer to different channels when they are developed | Benefits will not be realised and investment will be wasted | 3 | 5 | 15 | Programme Board / Programme Manager | <ol style="list-style-type: none"> 1. All projects to be initiated with valid business cases and high-level design for benefits to be realised 2. All projects to include benefits realisation activity within plans 3. Programme level Benefits Realisation Plan to be completed and monitored through Customer Services Transformation Programme Board |

Major Issues (These are extracted from the One Barnet Programme Issue register not specific to one deliverable)

- None

Programme Finance

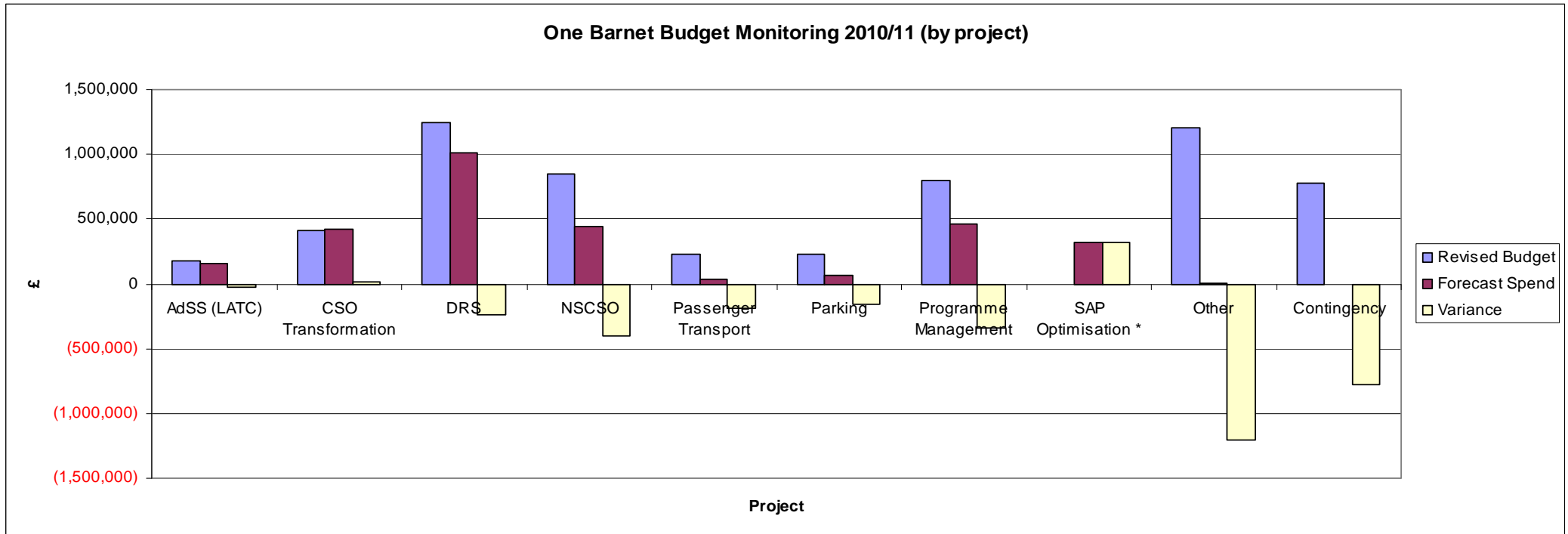
| Original Budget | | | | | |
|-----------------------------|-------------|--------------------|--------------------|--------------------|-------------------------|
| | | Budget | | | |
| Project | Note | 2010/11 (£) | 2011/12 (£) | 2012/13 (£) | Total Budget (£) |
| AdSS (LATC) | | 161,853 | 182,648 | 14,412 | 358,913 |
| CSO Transformation | | 383,098 | 410,818 | 13,200 | 807,116 |
| DRS | | 380,647 | 1,249,800 | 4,233 | 1,634,681 |
| E-Recruitment | | 40,000 | - | - | 40,000 |
| CSSP | | 311,735 | 848,444 | - | 1,160,179 |
| Passenger Transport | | 55,466 | 226,247 | - | 281,713 |
| Parking | | 31,814 | 226,247 | 16,022 | 274,083 |
| Programme Management | | 380,278 | 802,990 | 449,163 | 1,632,431 |
| Prototyping Project | | 85,000 | - | - | 85,000 |
| RIO | | 210,000 | - | - | 210,000 |
| Rapid Improvement Project | | - | - | - | - |
| (Early) Procurement Project | | 70,058 | - | - | 70,058 |
| Right to Control | | - | - | - | - |
| SAP Optimisation | | 304,300 | - | - | 304,300 |
| Other | | 134,020 | 1,208,448 | 114,412 | 1,456,880 |
| Contingency | | - | 773,346 | 91,716 | 865,062 |
| | | 2,548,269 | 5,928,988 | 703,159 | 9,180,416 |
| Analysis of 'Other' | | | | | |
| Childrens | | 74,020 | 1,057,648 | 114,412 | |
| Libraries | | 60,000 | 150,800 | - | |
| | | 134,020 | 1,208,448 | 114,412 | |

One Barnet Programme Report 1st June 2011

Financial Year 2010/11 Expenditure

| Project | Budget (£) | Indicative Spend (Month 12) (£) | Projected 2010/11 Spend (£) | Indicative Outturn 2010/11 (£) | Variance (£) (under)/over | Note |
|-----------------------------|------------------|---------------------------------|-----------------------------|--------------------------------|---------------------------|---|
| | a | b | c | d=b+c | e=d-a | |
| AdSS (LATC) | 161,853 | 163,279 | 0 | 163,279 | 1,426 | £5k slipped to 2011/12 |
| CSO Transformation | 383,098 | 236,379 | 0 | 236,379 | (146,719) | £9k slipped to 2011/12. Budget not re-profiled since change in project. |
| DRS | 380,647 | 319,493 | 0 | 319,493 | (61,155) | Legal costs in dispute - slipped to 2011/12 |
| E-Recruitment | 40,000 | 40,000 | 0 | 40,000 | 0 | Project Finished |
| NSCSO | 311,735 | 307,446 | 0 | 307,446 | (4,289) | Minor underspend (<1%) |
| Passenger Transport | 55,466 | 57,966 | 0 | 57,966 | 2,500 | Budget not re-profiled since change in direction of the project. |
| Parking | 31,814 | 29,159 | 0 | 29,159 | (2,655) | Procurement support has been slipped slightly |
| Programme Management | 380,278 | 350,919 | 0 | 350,919 | (29,359) | Costs lower than anticipated - some resource costs absorbed elsewhere |
| Prototyping Project | 85,000 | 77,129 | 0 | 77,129 | (7,871) | Project Finished - grant income causing underspend |
| RIO | 210,000 | 197,662 | 0 | 197,662 | (12,338) | Project Finished |
| Rapid Improvement Project | 0 | 18,500 | 0 | 18,500 | 18,500 | Project Finished - No budget was assigned to this project |
| (Early) Procurement Project | 70,058 | 70,058 | 0 | 70,058 | 0 | Project Finished |
| Right to Control | 0 | 0 | 0 | 0 | 0 | Managed by Adult Social Services |
| SAP Optimisation * | 744,300 | 614,375 | 0 | 614,375 | (129,925) | £175k slipped to 2011/12 |
| Other | 134,020 | 39,386 | 0 | 39,386 | (94,634) | Incorporates spend on Children's Projects |
| Contingency | - | - | - | - | - | N/A |
| Totals | 2,988,269 | 2,521,753 | 0 | 2,521,753 | (466,517) | |

- SAP Optimisation budget increased by £440k from the x reserve



One Barnet Programme Report 1st June 2011

Financial Year 2011/12 Expenditure

| Project | Budget (£) | Indicative Spend (Month 2) (£) | Note |
|----------------------|-------------------|---------------------------------------|---|
| | a | b | |
| AdSS (LATC) | 182,648 | 29,123 | Project budget still to be agreed by Project Board |
| CSO Transformation | 410,818 | 83,719 | Project budget still to be agreed by Project Board |
| DRS | 1,249,800 | 34,168 | Project budget still to be agreed by Project Board |
| NSCSO | 848,444 | 55,741 | Project budget still to be agreed by Project Board |
| Passenger Transport | 226,247 | 4,924 | Project budget still to be agreed by Project Board |
| Parking | 226,247 | 5,423 | Project budget still to be agreed by Project Board |
| Programme Management | 802,990 | 40,802 | Project budget still to be agreed by Project Board |
| SAP Optimisation * | 0 | 17,683 | Project budget still to be agreed by Project Board |
| Other | 1,208,448 | 4,618 | Includes spend on Children's and Libraries Projects |
| Contingency | 773,346 | 0 | |
| Totals | 5,928,988 | 276,201 | |

AGENDA ITEM: 13

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| | |
|----------------|--|
| Meeting | Budget and Performance Overview & Scrutiny Committee |
| Date | 21 st June 2011 |
| Subject | Cabinet Forward Plan |
| Report of | Scrutiny Office |
| Summary | This report provides Members with the current published Cabinet Forward Plan. The Committee is asked to comment on and consider the Cabinet Forward Plan when identifying future areas of scrutiny work. |

| | |
|----------------------------------|--|
| Officer Contributors | None |
| Status (public or exempt) | Public |
| Wards Affected | All |
| Enclosures | Appendix A – Cabinet Forward Plan of Key Decisions |
| Contact for Further Information: | Andrew Charlwood Overview & Scrutiny Manager ☎ 020-8359-2014 andrew.charlwood@barnet.gov.uk |

1. RECOMMENDATIONS

- 1.1 That the Committee comment on and consider the Cabinet Forward Plan when identifying areas of future Scrutiny work.**

2 CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

2.1 The Overview and Scrutiny Committees must ensure that the work of Scrutiny is reflective of the Council's priorities.

2.2 The three priority outcomes set out in the 2010-2013 Corporate Plan are: –

- **Better services with less money**
- **Sharing opportunities, sharing responsibilities**
- **A successful London suburb**

3. RELEVANT PREVIOUS DECISIONS

3.1 None.

4. RISK MANAGEMENT ISSUES

4.1 None in the context of this report.

5. EQUALITIES AND DIVERSITY ISSUES

5.1 In addition to the Terms of Reference of the Committee, and in so far as relating to matters within its remit, the role of the Committee is to perform the Overview and Scrutiny role in relation to:

- The Council's leadership role in relation to diversity and inclusiveness; and
- The fulfilment of the Council's duties as employer including recruitment and retention, personnel, pensions and payroll services, staff development, equalities and health and safety.

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

6.1 None.

7. LEGAL ISSUES

7.1 None.

8 CONSTITUTIONAL POWERS

- 8.1 The scope of the Overview and Scrutiny Committees/Sub-Committees is contained within Part 2, Article 6 of the Council's Constitution; the Terms of Reference of the Scrutiny Committees are included in the Overview and Scrutiny Procedure Rules (Part 4 of the Council's Constitution).

9. BACKGROUND INFORMATION

- 9.1 Under the current overview and scrutiny arrangements, the Budget and Performance Overview & Scrutiny Committee will ensure that the work of Scrutiny is reflective of Council priorities, as evidenced by the Corporate Plan and the programme being followed by the Executive.
- 9.2 The Cabinet Forward Plan will be included on the agenda at each meeting of the Budget and Performance Overview & Scrutiny Committee as a standing item.
- 9.3 The Committee is encouraged to comment on the Forward Plan.
- 9.4 The Committee is asked to consider items contained within the Forward Plan to assist in identifying areas of future scrutiny work, particularly focussing on areas where scrutiny can add value in the decision making process (pre-decision scrutiny).

10. LIST OF BACKGROUND PAPERS

- 10.1 None.

London Borough of Barnet
Forward Plan of Key Decisions
16 May 2011

Contact: Jeremy Williams, Business Governance Team, 020 8359 2042

jeremy.williams@barnet.gov.uk

| Subject | Decision requested | Cabinet Member/ author | Consultation | Last date for reps | Documents to be considered |
|--|--|---|---------------------|---------------------------|-----------------------------------|
| Cabinet Resources Committee 24 May 2011 (subject to confirmation of calendar of meetings at Annual Council) | | | | | |
| Adults In House Services | To approve the business case. | Customer Access and Partnerships Richard Harrison | | | Full report |
| Stonegrove and Spur Road Estates Regeneration. | To seek approval for additional expenditure in support of the successful regeneration of Stonegrove estate. | Housing, Planning and Regeneration Susan Botcherby | | | Full report |
| Grahame Park Regeneration Project | Deferral of historic costs owed to the Council in relation to the regeneration and redevelopment of the Grahame Park Estate. | Housing, Planning and Regeneration Noreen Twomey | | | Full report |
| The Procurement Plan | Authorisation to enter into contractual negotiations and award for a range of 2011/12 procurement opportunities | Resources and Performance Chris Malyon | | | Full report |
| Estates Strategy | Approval to the strategic principles, action plan and objectives for the long term management of the Council's estate. | Resources and Performance Mark Armstrong | | | Full report |
| Land at East Road, Burnt Oak | To approve the disposal of land at East Road. | Resources and Performance Simon Shaer | | | Full report |
| Children and Young | To extend existing contracts for | Education, Children | | | Full report |

| Subject | Decision requested | Cabinet Member/ author | Consultation | Last date for reps | Documents to be considered |
|---|---|--|---------------------|---------------------------|-----------------------------------|
| People Short Break – Extension of Contracts | children and young people Short Break provision. | & Families Sue Reeve | | | |
| Option and Procurement Approach for Adult Social Services | | Adults Kate Kennally | | | Full report |
| Security Service Provision in Council Properties | | Resources and Performance Colin Atree | | | Full report |
| 231a Colney Hatch Lane | To approve the sale of the Council's freehold interest. | Resources and Performance Philip Stanbridge | | | Full report |
| Cabinet 15 June 2011 (subject to confirmation of calendar of meetings at Annual Council) | | | | | |
| Corporate Plan | Approve latest version of Plan | Leader Julie Pal | | | Full report |
| Safer Communities Strategy | Recommend Council to approve Strategy | Community Safety & Cohesion Andrew Nathan | | | Full report |
| Future of Housing Services in Barnet | Consider future of Service and Barnet Homes | Housing, Planning & Regeneration Paul Shipway | | | Full report |
| Safeguarding | Consider joint report of Children and | Adults | | | Full report |

| Subject | Decision requested | Cabinet Member/ author | Consultation | Last date for reps | Documents to be considered |
|---|---|--|---------------------|---------------------------|-----------------------------------|
| | Adults on Safeguarding activity. | Education, Children & Families Community Safety & Cohesion Health Elaine Tuck | | | |
| Cabinet Resources Committee 29 June 2011 (subject to confirmation of calendar of meetings at Annual Council) | | | | | |
| Passenger Transport | To approve the business case. | Customer Access and Partnerships Tahir Mahmood | | | Full report |
| Reform of Council Housing Finances | | Housing, Planning & Regeneration Paul Shipway | | | Full report |
| Capital Investment in Hendon Cemetery & Crematorium | To report on the Environmental Health Capital Investment in Hendon Cemetery & Crematorium | Housing, Planning and Regeneration Rick Mason | | | Full report |
| Disabled Facilities Grant Programme | To report on the Disabled Facilities Grant Programme. | Housing, Planning and Regeneration Rick Mason | | | Full report |
| Hendon Football Club Ground, Claremont Road, Hendon | To consider the options for the future of this asset including a possible disposal. | Resources and Performance Philip Stanbridge | | | Full report |

| Subject | Decision requested | Cabinet Member/ author | Consultation | Last date for reps | Documents to be considered |
|---|---|---|--|---------------------------|-----------------------------------|
| Barnet Care and Repair Service | To report the future delivery of the service | Housing, Planning and Regeneration Rick Mason | | | Full report |
| New Support Organisation and Customer Services Organisation | To approve the business case | Customer Access and Partnerships Bal Assra | | | Full report |
| Tax Increment Financing (TIF) / Regeneration Financing | To consider TIF and regeneration financing options. | Housing, Planning and Regeneration Stewart Murray / Lucy Shomali | | | Full report |
| IAAB Brokerage – Options and Procurement Approach | | Adults Kate Kennally | | | Full report |
| Grahame Park Regeneration Project | To approve the deferral of historic costs owed to the Council in relation to the regeneration and development of the Grahame Park Estate. | Housing, Planning & Regeneration Noreen Tworney | | | Full report |
| Cabinet 26 July 2011 (subject to confirmation of calendar of meetings at Annual Council) | | | | | |
| Libraries Strategy | Approve Strategy | Customer Access & Partnerships Tom Pike | Public consultation will close on 13 June 2011 | 13 June 2011 | Full report |
| CCTV | | Environment Paul Lamb | | | Full report |

| Subject | Decision requested | Cabinet Member/ author | Consultation | Last date for reps | Documents to be considered |
|---|--|---|---|---------------------------|-----------------------------------|
| Employment and Skills Strategy | | tbc Stewart Murray/Robert McCulloch-Graham | | | Full report |
| Finchley Church End Town Centre Strategy | Approve Strategy | Hsg, Planning & Regeneration Lucy Shomali | Consultation carried out February/March 2010 http://www.barnet.gov.uk/index/council-democracy/consultations/planning-consultations/finchley-church-end-issues-opportunities.htm | | Full report |
| Edgware Town Centre Strategy | Approve Strategy | Hsg, Planning & Regeneration Lucy Shomali | | | Full report |
| One Barnet Strategic Partnership Governance | Address position of LSP in One Barnet Governance | Customer Access & Partnerships Andrew Nathan | | | Full report |

Cabinet Resources Committee 28 July 2011 (subject to confirmation of calendar of meetings at Annual Council)

AGENDA ITEM: 14

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| | |
|----------------|--|
| Meeting | Budget and Performance Overview & Scrutiny Committee |
| Date | 21 st June 2011 |
| Subject | Budget and Performance Overview & Scrutiny Committee Forward Work Programme 2011/12 |
| Report of | Scrutiny Office |
| Summary | This report outlines the Committee's work programme during 2011/12. |

| | |
|----------------------------------|--|
| Officer Contributors | None |
| Status (public or exempt) | Public |
| Wards Affected | All |
| Enclosures | Appendix A – Budget and Performance Overview & Scrutiny Committee Work Programme 2011/12 (To Follow) |
| Contact for Further Information: | Andrew Charlwood Overview & Scrutiny Manager ☎ 020-8359-2014 andrew.charlwood@barnet.gov.uk |

1. RECOMMENDATIONS

- 1.1 That the Committee consider and comment on the items included in the 2011/12 work programme of the Budget and Performance Overview & Scrutiny Committee (Appendix A).**
- 1.2 That the Committee identify items to be taken forward for the 2011/12 Overview & Scrutiny Work Programme.**

2 CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 2.1 The Overview and Scrutiny Committees must ensure that the work of Scrutiny is reflective of the Council's priorities.**
- 2.2 The three priority outcomes set out in the 2010-2013 Corporate Plan are: –**
- Better services with less money**
 - Sharing opportunities, sharing responsibilities**
 - A successful London suburb**

3. RELEVANT PREVIOUS DECISIONS

- 3.1 None.

4. RISK MANAGEMENT ISSUES

- 4.1 None in the context of this report.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 In addition to the Terms of Reference of the Committee, and in so far as relating to matters within its remit, the role of the Committee is to perform the Overview and Scrutiny role in relation to:
- The Council's leadership role in relation to diversity and inclusiveness; and**
 - The fulfilment of the Council's duties as employer including recruitment and retention, personnel, pensions and payroll services, staff development, equalities and health and safety.**

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

- 6.1 None in the context of this report.

7. LEGAL ISSUES

- 7.1 None in the context of this report.

8 CONSTITUTIONAL POWERS

- 8.1 The scope of the Overview and Scrutiny Committees/Sub-Committees is contained within Part 2, Article 6 of the Council's Constitution; the Terms of Reference of the Scrutiny Committees / Sub-Committees are included in the Overview and Scrutiny Procedure Rules (Part 4 of the Council's Constitution).

9. BACKGROUND INFORMATION

- 9.1 The Budget and Performance Overview & Scrutiny Committee's Work Programme 2011/12 indicates forthcoming items of business for consideration by the Committee.
- 9.2 The work programme of this Committee is intended to be a responsive tool, which will be updated on a rolling basis following each meeting, for the inclusion of areas which may arise through the course of the year.
- 9.3 The Committee is empowered to agree its priorities and determine its own schedule of work within the programme.

10. LIST OF BACKGROUND PAPERS

- 10.1 None.