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DECISIONS OF THE CABINET RESOURCES COMMITTEE

2 MARCH 2011

COMMITTEE:

*Councillor Daniel Thomas (Chairman)

Councillors

Brian Coleman
* Andrew Harper
* Robert Rams

* Richard Cornelius
Lynne Hillan

*Denotes Member present
\$Denotes member absent on Council business

1. **MINUTES:**

The minutes of the meeting held on 21 February 2011 were approved as a correct record.

2. **ABSENCE OF MEMBERS:**

Apologies for absence were received from Councillor Lynne Hutton and Councillor Brian Coleman.

3. **DECLARATION OF MEMBERS' PERSONAL AND PREJUDICIAL INTERESTS:**

The were no interests declared.

4. **PUBLIC QUESTIONS:**

The following questions were received from Mr JohnDix on Agenda Item 9 relating to Customer Services Organisation and New Support Organisation: Options Appraisal:

A. Are the Committee confident that the decision to press ahead with the preferred option is sufficiently robust to withstand any potential legal challenge given that there is no supporting evidence for any option other than the performance of the current in house team in any of the evaluation matrices and there is no risk assessment of any option?

Reply by the Chairman of the Cabinet Resources Committee:

Appendix B of the Options Appraisal outlines the scores attributed to each theme for each potential delivery option and the rationale behind these scores. These scores were developed through discussions between the project manager, One Barnet Implementation Partner and senior officers within the Council.

Whilst it can be acknowledged that these scores are subjective, the rationale behind them, particularly comparative scores for the same theme across different delivery options is based on an in-depth understanding of the different delivery options.

Appendix C, D and E of the Options Appraisal discuss the Strengths, Weaknesses and Impact on Staff of each potential delivery option. While not formally a risk register, this analysis is assessing and recognising the risks inherent within each of the potential delivery options, which must be taken into account through any decision-making process and future plans for the delivery of the option must be developed in order to mitigate these risks. In no cases are these risks perceived to be insurmountable and without potential mitigating action.

The weightings for each service were developed by the project manager in conjunction with the service lead(s) (senior officer(s) within each service) and implementation partner. This process involved evaluating and understanding the available data, as presented in the options appraisal, about the cost, performance and change and improvement requirements for each service. Weightings were then developed (and iteratively improved through discussions with project board) based on what was required for each service given the conclusions drawn about the data in order for the desired outcome to be achieved for each service.

Consequently for a service that is already working well (i.e. is high performing and low cost) with little change needed, the themes given the highest weighting were performance and cost, as in order to achieve the One Barnet objectives of high-performing and low-cost support services a delivery option that can best deliver against the performance and cost themes would be the preferred option (even if the services are already high-performing and low-cost, as there is still room for improvement to make them higher-performing and lower cost). Conversely, a service requiring significant transformation, again understanding that the One Barnet objective is to have high-performing and low-cost services, had a higher weighting on other themes (such as transformation and pace) as these are important to deliver the required transformation to deliver the desired outcomes for that service.

- B. Are the Committee concerned that the Finance and Revenue & Benefits functions will be included in the outsourcing scheme even though there is no evidence to support this strategy other than the appetite of the private sector?

Reply by the Chairman of the Cabinet Resources Committee:

It is entirely appropriate that the Finance and Revenues & Benefits functions are included in the cluster of services to be outsourced, as this is the option that it is believed will best deliver the desired outcomes for these services. It is true to say that they are already relatively high performing and relatively low cost, however there is potential for improvement to make these services higher performing and lower cost than they already are, and the options appraisal recommends that outsourcing these services is the option that will best enable this desired outcome to be delivered. It is important to understand that the outsourcing option is not an option that should only be recommended when services are high-cost and low performing, in fact experience from other organisations show that services should only be outsourced when their performance is at least adequate, to prevent the private sector from realising significant benefits that will not be passed back to the Council.

- C. Can the Committee confirm that they are not prepared to consider an in house option under any circumstances?

Reply by the Chairman of the Cabinet Resources Committee:

The Options Appraisal has considered the in-house option, and in fact for Legal Services has recommended that in-house delivery is the preferred option. In-house options will be considered at options appraisal throughout the One Barnet programme, and where through options appraisal the in-house option is the recommended option plans will be developed to implement this option.

- D. Are the Committee concerned that, as there is no possibility of an in house option, key members of staff will start leaving the Council in the intervening 18 months that it will take to negotiate a contract with the outsourcing company? How has this been addressed within the option appraisal risk assessment?

Reply by the Chairman of the Cabinet Resources Committee:

It is important during a period of change to ensure communication and engagement of employees is well planned and implemented. There will always be a risk to an organisation at these times and risk management is essential.

There is an entry on the One Barnet Programme risk register which relates to the potential exit of existing employees due to future uncertainty, with actions against this for managers to carry out.

As part of the communication and engagement strategy, staff groups and briefings are taking place and they offer channels for employee feedback. Line managers are required to manage their direct reports and understand where there may be a risk and support individuals through the change.

Where outsourcing is the chosen option on a project there will potentially be development opportunities from working for a different and possibly larger organisation. There are a number of employees who recognise and welcome this prospect

- E. Are the Committee concerned that this outsourcing report appears to be critical of the way the Council has been run as evidenced at Appendix F paragraphs F1.5, F2.5, F3.5, F4.5, F5.5, F6.5 and F7.5? Who is to blame, officers or councillors and who should the residents hold accountable?

Reply by the Chairman of the Cabinet Resources Committee:

The Options Appraisal gives an honest and open appraisal of the current performance of each service in scope. Any organisation at any point would expect to have areas of the organisation in need of change and improvement, and this is more likely to be the case when, as in the case of the Council currently, the organisation is undergoing significant change and facing significant pressures. The report is not being critical of the way the Council has been run, it is quite correctly identifying weaknesses and areas for improvement (which if it did not would invalidate the recommendations in the options appraisal).

The following questions were received from Mr Kevin Green on Agenda Item 19 relating to Wyevale Garden Centre, Daws Lane, Mill Hill NW7:

- A. Should the re-assignment of the lease from a garden centre to a 600 place school not take into account the historic restrictions placed on the site?

Reply by the Chairman of the Cabinet Resources Committee

There are no 'historic restrictions' to which the land was subject to on acquisition, under the 1923 Conveyance. The land was conveyed "discharged from all the Trusts powers and provisions" of a Will and Codicils. Therefore, if there were any restrictions etc in the Will, the land was discharged from them.

- B. Will any proposed new school go through the normal full planning application process or is this just a rubber stamp exercise?

Reply by the Chairman of the Cabinet Resources Committee

Planning permission for change of use to a school will be required and the application will go through the normal statutory process. The proposed school is a single form entry primary school with approximately 210 places.

- C. Is the car park that is used by existing local residents likely to be swallowed up as part of the proposed new school?

Reply by the Chairman of the Cabinet Resources Committee

The existing public car park adjoining the site does not form part of the application site or the lease, and no additional rights are being granted to the proposed school over the car park.

- D. What effect will a 600 place school have on traffic / parking in the vicinity?

Reply by the Chairman of the Cabinet Resources Committee

The traffic implications of the proposed change of use will be considered as part of the planning process.

Mr Kevin Green decided to ask a supplementary question whilst Mr John Dix was unable to attend the meeting.

5. CHILDREN'S SERVICE FEES AND CHARGES (Report of the Deputy Leader of the Council and Cabinet Member for Education, Children and Families and the Cabinet Member for Resources and Performance and the Cabinet Member for Environment – Agenda Item 5):

For the reasons set out in the Cabinet Members' report, the Committee

RESOLVED –

- (1) That the fees and charges detailed in the appendices of the Cabinet Members' report be approved to take effect from 1 April 2011.
- (2) That the proposed new fee structure for Children's Centres be approved with effect from the 19 April 2011.
- (3) That the schedule of allowances payable to foster carers and care leavers be approved with effect from 1 April 2011.
- (4) That the inclusion of Academies and Free Schools within the traded services for school be noted as outlined in paragraph 9.16 of the Cabinet Members' report.

6. CARE HOME CONTRACT – FINAL DECISION OF CATALYST HOUSING ARBITRATION (Report of the Cabinet Member for Adults and the Cabinet Member for Resources and Performance – Agenda Item 6):

For the reasons set out in the Cabinet Members' report, the Committee

RESOLVED –

- (1) That the result of the arbitration be noted.

- (2) That the increase in the amount required to cover the outcome of the arbitration be noted.
- (3) That the basis for renegotiation of the Care Home Contract be noted.
- (4) That the actions being taken in respect of outstanding issues not covered in the arbitration be noted.

7. TRANSFER OF SOCIAL CARE ALLOCATIONS FROM NHS BARNET TO BARNET COUNCIL (Report of the Cabinet Member for Adults – Agenda Item 7):

For the reasons set out in the Cabinet Member's report, the Committee

RESOLVED –

- (1) That the transfer of social care allocations from NHS Barnet to the Council as set out in paragraph 9.4 for the period 1 January 2011 to 31 March 2012 pursuant to Section 256 of the NHS 2006 Act be approved.
- (2) That the allocations be ring fenced for social care in line with national guidance to be managed by the Health and Well-Being Board (HWBB).
- (3) That it be noted that there are allocations relating to the 2010/11 financial year (£967,000) and for 2011/12 (£3.9m) and 2012/13 (£3.7m – est.).
- (4) That monies relating to the financial year 2010/11, identified specifically for the management of winter pressures, be carried forward within the Adult Social Services Directorate budget to mitigate risks relating to the Medium Term Financial Strategy that can not be delivered due to significant winter pressures experienced in 2010/11.
- (5) That the criteria proposed to prioritise investment of the social care allocations and the areas that are likely to receive investment, as set out in the appendix to the Cabinet Member's report be approved with further detailed expenditure plans to be agreed through the shadow Health and Well-Being Board by May 2011.

8. INTEGRATED COMMUNITY EQUIPMENT CONTRACT EXTENSION (Report of the Cabinet Member for Adults – Agenda Item 8):

For the reasons set out in the Cabinet Member's report, the Committee

RESOLVED –

- (1) That a two year extension to the integrated Community Equipment Service contract with Mediquip Assistive Technology Ltd be approved from 1 April 2011.
- (2) That the annual extension of the Section 75 Agreement and pooled fund arrangements led by the Council with NHS Barnet in order to continue joint commissioning of the Barnet Integrated Community Equipment Service (ICES) be approved.

9. CUSTOMER SERVICES ORGANISATION AND NEW SUPPORT ORGANISATION: OPTIONS APPRAISAL (Report of the Cabinet Member for Access and Partnerships and the Cabinet Member for Resources and Performance – Agenda Item 9):

The Committee noted the One Barnet Overview and Scrutiny Panel's recommendations tabled at the meeting. For the reasons set out in the Cabinet Members' report, the Committee

RESOLVED –

- (1) That the Director of Commercial Services be authorised to produce a business case for the following:
 - a. the procurement of a private sector partner(s) to deliver the following services – Customer Services, Estates, Finance, Human Resources, Information Systems, Procurement, Revenues and Benefits.
 - b. the interim transformation (prior to transfer to a private sector partner) of the following services – Customer Services, Information Systems

- c. change and service improvement of the following services – Estates, Procurement
- d. the options and recommendations for the in-house transformation of Legal Services.

- (2) That the details of business case (1)a be referred to and considered by a future meeting of Cabinet Resources Committee.
- (3) That the Director of Commercial Services be authorised to initiate the procurement of a private sector partner(s) to deliver the following services:
 - Customer Services, Estates, Finance, Human Resources, Information Systems, Procurement, Revenues and Benefits.
- (4) That this procurement process will only proceed into the dialogue phase once the business case identified in (1)a above be approved by Cabinet Resources Committee.

10. TEMPORARY ACCOMMODATION FEES AND CHARGES (Report of the Cabinet Member for Housing, Planning and Regeneration – Agenda Item 10):

For the reasons set out in the Cabinet Member's report, the Committee RESOLVED – That the fees and charges for temporary accommodation from 4 April 2011 be approved.

11. GENERAL DEBT, HOUSING REVENUE AND GENERAL FUND (TEMPORARY ACCOMMODATION) WRITE OFFS (Report of the Cabinet Member for Housing, Planning and Regeneration – Agenda Item 11):

For the reasons set out in the Cabinet Member's report, the Committee RESOLVED – That the temporary accommodation charges totalling £575,452.89 and detailed in the appendix to the Cabinet Member's report be written off.

12. AWARD OF THE ONE BARNET LEGAL PARTNER CONTRACT (Report of the Cabinet Member for Resources and Performance – Agenda Item 12):

For the reasons set out in the Cabinet Member's report, the Committee RESOLVED –

- (1) That the contract for the provision of legal services to the One Barnet Programme be awarded to Trowers and Hamlins for a period of three years, with effect from the date of authorisation.
- (2) That the Committee note and provide any comments on the draft protocol for the appointment of and liaison with external lawyers.

13. EXTENSION OF TERM MAINTENANCE CONTRACTS (Report of the Cabinet Member for Resources and Performance – Agenda Item 13):

For the reasons set out in the Cabinet Member's report, the Committee RESOLVED –

- (1) That the Council's Contract Procedure Rule 5.6.1.2 be waived as the initial contract had been extended before.
- (2) That, subject to 1.1 above being agreed, the Commercial Services Director be authorised to extend the existing Term Maintenance Contracts with Kirkman and Jourdain Ltd., D Long Construction Ltd., Procure Building Services Ltd., Oakray Ltd., RGE Services Ltd., T&D Barrs Ltd., Clearwater Technology Ltd., and Industrial Lifts Services Ltd., to undertake both cyclical and responsive maintenance works throughout the Council's non-housing operational buildings for a period of twelve months from 1 April 2011 until 31 March 2012.

14. TREASURY MANAGEMENT ACTIVITY FOR THE PART YEAR ENDED 31 DECEMBER 2010 (Report of the Cabinet Member for Resources and Performance – Agenda Item 14):

For the reasons set out in the Cabinet Member's report, the Committee RESOLVED – That the Treasury Management activity for the part year to 31 December 2010 be noted.

15. THIRD QUARTER MONITORING 2010/11 (Report of the Cabinet Member for Resources and Performance – Agenda Item 15):

For the reasons set out in the Cabinet Member's report, the Committee RESOLVED –

- (1) That Directors take appropriate action to ensure costs are kept within budget and income targets are met. (Paragraph 9.1.2)
- (2) That Directors take appropriate action to improve performance against those corporate performance, Human Resources (HR), project and risk measures where Quarter 3 performance has either deteriorated or remains a challenge. (Paragraphs 9.2, 9.3, 9.9 and Appendix A)
- (3) That the following virements in excess of £1m be approved:
 - The reduction of the Dedicated Schools Grant (DSG) by the Department of Education (DfE) in respect of three schools, the reduction in DSG is £5,647,450 with a compensating reduction in Individual Schools Budget (ISB) of £5,627,560 and in centrally retained budget of £19,890. (Paragraph 9.5.2)
 - The Young People's Learning Agency (YPLA) pay the grant for sixth forms directly to academies rather than via the local authority. This will cause a reduction in the YPLA grant of £1,803,240 with a reduction in the ISB of an equivalent amount. (Paragraph 9.5.3)
- (4) That the cost of agency staff procured through the Hays tempdesk be noted. (Paragraph 9.6.1)
- (5) That the following drawdown's from contingency be approved:
 - £494k for Planning, Housing and Regeneration (PHR) Services income shortfall in planning, building control and land charge fees caused by adverse housing market conditions and also, in the case of land charges, legislation revoking fees for personal searches. (Paragraph 9.7.2)
 - £800k is requested from contingency for the impact of changes in Housing Benefits regulations on the level of subsidy that can be reclaimed in respect of temporary accommodation rents. (Paragraph 9.7.3)
- (6) That the write off of debt for Temporary Accommodation £1.366m and the Private Sector Tenancy Scheme £0.762m approved under the Chief Finance Officer's authority be noted. (Paragraph 9.8.1)
- (7) That Directors ensure that those capital projects in their services are managed closely to ensure they are delivered within budget and in accordance with the agreed timeframe. (Paragraph 9.10.1)
- (8) That the proposed Capital additions/deletions of £5.863m, slippage of £24.752m as set out in Appendix D of the Cabinet Member's report and the related funding implications summarised in table 3 be approved.

16. EXTENSION OF AGENCY STAFF CONTRACT (Report of the Cabinet Member for Resources and Performance – Agenda Item 16):

For the reasons set out in the Cabinet Member's report, the Committee RESOLVED – That the Commercial Director be authorised to extend the current contract for the supply of temporary agency staff held by Hays Resource Management for a period of 12 months from 2 April 2011 to 31 March 2012.

- 17. EXTENSION OF BUILDING CLEANING CONTRACTS (Report of the Cabinet Member for Resources and Performance – Agenda Item 17):**
For the reasons set out in the Cabinet Member's report, the Committee RESOLVED – That the Commercial Director be authorised to extend the existing contracts for building cleaning for a period of 12 months from 1 April 2011 to 31 March 2012.
- 18. REGISTRATION AND NATIONALITY FEES AND CHARGES (Report of the Cabinet Member for Customer Access and Partnerships – Agenda Item 18):**
For the reasons set out in the Cabinet Member's report, the Committee RESOLVED – That the fees and charges detailed in the appendices of the Cabinet Member's report be approved to take effect from 1 April 2011.
- 19. WYEVALE GARDEN CENTRE, DAWS LANE, MILL HILL NW7 (Report of the Cabinet Member for Resources and Partnership and the Deputy Leader of the Council and Cabinet Member for Education, Children and Families – Agenda Item 19):**
The Chairman informed the Committee that the first sentence in paragraph 9.10 of the Cabinet Members' report be removed. For the reasons set out in the Cabinet Members' report, the Committee RESOLVED –
- (1) That, in exercise of the Council's powers to secure the promotion or improvement of the social well-being of the council's area, pursuant to Section 2 of the Local Government Act 2000 and all other relevant powers and taking account of its Community Strategy, authorisation be given to enter into:
 - 1.1.1 a deed of variation for the change of use and additional variations to the lease as detailed in this report and the accompanying exempt report; and
 - 1.1.2 a licence for works to enable Etz Chaim to carry out, relevant, conversion works, completion of the documents to be subject to the grant of planning permission for use of the site for educational services and subject to completion of the assignment of the lease from Wyevale Garden Centre to Etz Chaim.
 - (2) That authorisation be given for the Council to enter into a binding agreement with Etz Chaim with respect to the matters dealt with in (1) above and any other matters necessary to assist with the realisation of the proposal for the Jewish Free School.
 - (3) That, subject to the council being reimbursed for all, relevant costs, the construction works required to provide a one-form entry Primary Free School, to be known as Etz Chaim, be delivered by utilising the Council's existing Strategic Partnering Agreement with Kier London Limited on behalf of Partnerships for Schools, the Department for Education's delivery agency on school building programmes.
 - (4) That the construction related costs funded by the Department for Education be included within the council's capital programme to the sum of £2,402,264 plus irrecoverable VAT.
- 20. MOTION TO EXCLUDE THE PRESS AND PUBLIC:**
RESOLVED – That under Section 100A (4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in category 3 of Part 1 of Schedule 12A of the Act (as amended by the Local Government (Access to Information) (Variation) Order 2006):

Agenda Subject

Item

- | | |
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| X1 | Exempt information relating to item 6 in public session – Care Home Contract – Final Decision of Catalyst Housing Arbitration |
| X2 | Exempt information relating to item 12 in public session – Award of the One Barnet Legal Partner Contract |
| X3 | Exempt information relating to item 19 in public session – Wyevale Garden Centre, Daws Lane, Mill Hill NW7 |

- 21. EXEMPT INFORMATION RELATING TO ITEM 6 IN PUBLIC SESSION – CARE HOME CONTRACT – FINAL DECISION OF CATALYST HOUSING ARBITRATION (Report of the Cabinet Member for Adults and the Cabinet Member for Resources and Performance – Agenda Item X1):**

RESOLVED – That the exempt information be noted.

- 22. EXEMPT INFORMATION RELATING TO ITEM 12 IN PUBLIC SESSION – AWARD OF THE ONE BARNET LEGAL PARTNER CONTRACT (Report of the Cabinet Member for Resources and Performance – Agenda Item X2):**

RESOLVED – That the exempt information be noted.

- 23. EXEMPT INFORMATION RELATING TO ITEM 19 IN PUBLIC SESSION – WYEVALE GARDEN CENTRE, DAWS LANE, MILL HILL NW7 (Report of the Cabinet Member for Resources and Partnership and the Deputy Leader of the Council and Cabinet Member for Education, Children and Families – Agenda Item X3):**

RESOLVED – That the exempt information be noted.

The meeting finished at 7.18pm.