

<b><u>MEETING</u></b> <b>POLICY AND RESOURCES COMMITTEE</b>
<b><u>DATE AND TIME</u></b> <b>THURSDAY 19TH JULY, 2018</b> <b>AT 7.30 PM</b>
<b><u>VENUE</u></b> <b>HENDON TOWN HALL, THE BURROUGHS, LONDON NW4 4BQ</b>

Dear Councillors,

Please find enclosed additional papers relating to the following items for the above mentioned meeting which were not available at the time of collation of the agenda.

Item No	Title of Report	Pages
1.	PUBLIC QUESTIONS AND COMMENTS (IF ANY)	3 - 20

Andrew Charlwood 020 8359 2014 [andrew.charlwood@barnet.gov.uk](mailto:andrew.charlwood@barnet.gov.uk)

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## POLICY & RESOURCES COMMITTEE

Thursday, 19 July 2018

### ITEM 5 – PUBLIC QUESTIONS AND COMMENTS

**Note** – At the meeting a total of 30 minutes is available for public questions and comments. The questioner may ask one supplementary question at the meeting which will be answered without discussion. The supplementary question must be relevant to the original question put to the Chairman.

Public Comment (up to 3 minutes per comment)

Agenda Item No	Public Comment Request
Item 8 – Review of Capita Contracts – Strategic Outline Case	Mr Nick Dixon
Item 10 – Saracens Loan Agreement	Ms Mary O’Connor
Item 8 – Review of Capita Contracts – Strategic Outline Case	Mr Keith Martin
Item 8 – Review of Capita Contracts – Strategic Outline Case	Ms Barbara Jacobsen
Item 8 – Review of Capita Contracts – Strategic Outline Case	Mr John Dix
Item 10 – Saracens Loan Agreement	Mr David Bedford

*Written Comment from Mr Keith Martin – Item 8 (Review of Capita Contracts – Strategic Outline Case)*

“At the head of page 13 of the documents before the committee – the review of Capita contracts – is the Barnet Council mantra  
PUTTING THE COMMUNITY FIRST.

This phrase encapsulates Barnet Council policy. It is the principal criterion for a local authority to bear in mind when awarding contracts to outsource. It

AGENDA ITEM 5

applies equally to road sweepers, librarians, councillors and members of the public. It is the overriding aim which governs all aspects of Council policy.

Therefore, where on page 16 Aims are listed as:

- a) High quality services
- b) Value for money
- c) Strategic control

The overriding aim remains Putting the Community First.

Thus the Officer Recommendation 2 on page 14 should begin before all else with the aim to put the community first.

Council officers and councillors are public servants and should act as such. Too often this is forgotten in a misplaced zeal to cut costs irrespective of effects on the community.

*Written Comment from Mr David Bedford – Item 10 (Saracens Loan Agreement)*

I am the former World Record Holder at 10,000m and the recently retired Race Director of the London Marathon. I am a past President, Council Member and Life Member of Shaftesbury Barnet Harriers. I represent the Club and Barnet & District AC in meetings with the CEO of Saracens Rugby Club regarding Athletics at Allianz Park. I am also a Director of UK Athletics (the National Governing Body for athletics in the UK) and a long-time resident of the LBB.

I intend to be present and wish to speak at the Policy and Resources Committee to be held on Thursday 19 July on the matter of the proposed loan to Saracens for the much needed redevelopment of the West Stand at Allianz Park. For the avoidance of doubt, both SBH and BADAC are totally supportive of the proposed loan from the LBB to Saracens. I have spoken to my LBB Councillor Gabriel Rozenberg who is copied in to this email. I have also copied Councillors John Hart and Val Duschinsky who are members of the Copthall Community Sports Group for information.

Qn No	Agenda Item No	Raised By	Question Raised	Answer
1.	Agenda Item 1 (Minutes of the last meeting)	Ms Janet Leifer	In relation to minute item 14 (Contract Variations and Extensions) please advise what steps has the Council taken to recoup the cost of the financial review work undertaken by Grant Thornton from the contractor?	The Grant Thornton Review has cost £225,654.26 excluding VAT to the end of June 2018.  The council has agreed with Capita that, subject to verification by Capita of costs incurred, LBB will recover the full costs of the GT work to date from Capita.

2.	Item 8 (Review of Capita Contracts – Strategic Outline Case)	Mr Keith Martin	<p>Does the committee agree that the primary reason why the report is needed is to assess whether councillors and council officers are as their first priority considering how best they can all serve the community?</p> <p>If they find that their priority is less than is expected of public servants, do they realize the need to reassess these priorities, number one being to put the community first rather than, for example, property developers?</p>	The three strategic aims set out in the report are designed to ensure that the needs of the community are put first.
3.	Item 8 (Review of Capita Contracts – Strategic Outline Case)	Ms Barbara Jacobson	1.2 For how many of the services that were awarded to Capita were there in-house bids/tenders/business cases, and which ones were they?	This was addressed at the time of the decision to award the contracts.
4.	Item 8 (Review of Capita Contracts – Strategic Outline Case)	Mr John Dix	Why were the service areas set out in Table 6 not assessed using the same criteria as used in Table 5? i.e. Scope to improve service performance; Scope to improve value for money; Scope to improve strategic control?	Table 6 simply lists the remaining services not identified through the analysis. The same criteria were applied in testing all services.

5.	Item 8 (Review of Capita Contracts – Strategic Outline Case)	Ms Jenny Brown	<p>Ahead of that meeting I would like to ask the following question regarding, <b>Pensions</b>. I supply information from the house of commons library.</p> <p>This is to show that far from being alarmist about the financial stability of Capita, we do need to be cautious.</p> <p>I think officers of Barnet will agree with residents that we need to address Pensions and bring Pensions in -house via the opportunity that now faces Barnet Council.</p> <p>Despite the best efforts and intentions of all on the Capita Board and especially Jon Lewis who is a new addition to the Board and has experience of turning round companies that are in financial difficulty, nevertheless we must remove public money from risk. Surely this is especially true of <b>Pensions</b>. The Pension fund for teachers, local government employees and other pensions could be included within Option 2 under Agenda item 7 of the above meeting.</p> <ul style="list-style-type: none"> <li>• Since <b>Finance</b> is identified in the Agenda Report Pack for inclusion under Option 2, why would it not be possible to bring Pensions "In - House", in a similar way to that of Finance?</li> <li>• Has this been discussed with Capita? What was the Council's position regarding PENSIONS and what was that of Capita?</li> <li>• What are the barriers to achieving the safest possible outcome for Pensions, using Option 2 and bringing Pensions In-house?</li> </ul>	Under option 2, the initial proposal that Finance and Accounting should be considered for insourcing includes all matters relating to Pension Fund investment and management.
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6.	Item 10 (Saracens Loan Agreement)	Mr David Bedford	I note in the internal report regarding the proposed loan that LBB holds the value of athletics, Shaftesbury Barnet Harriers and Saracens in high esteem. Does the LBB continue to see athletics as a key part of the developing strategy for Allianz Park?	Yes, the council believes that athletics is an important part of the Copthall sporting offer.
7.	Item 10 (Saracens Loan Agreement)	Ms Mary O'Connor	Barnet Council claimed that they could not afford to build the deep water pool with diving boards at Barnet Copthall Leisure Centre. This would have permitted its use for three Olympic Sports and many other activities for residents and the community, for health and well-being. The loss of the deep water pool will not permit many of these sporting and healthy activities in Barnet, which have been available in the present Barnet Copthall Leisure Centre when it is demolished. You are proposing a £22.9 million loan to Saracens – a professional rugby club. As you are not prepared to build a deep water pool at Barnet Copthall, will you be prepared to offer North London Aquatics a £4 million loan for 30 years to build a deep water pool and associated infrastructure?	North London Aquatics have not approached the Council for a loan. If they did, we would consider whether the organisation's business plan could support the loan repayments at an interest rate that at least covered the council's costs and was consistent with our legal obligations; and whether they were able to offer appropriate security.
8.	Item 8 (Review of Capita Contracts – Strategic Outline Case)	Mr Keith Martin	Recommendation 2 on page 14 sets out the aims underpinning the Full Business Case. They apply, incidentally, equally to the public library service. Has the committee considered that a full business case ought to include the public library service? If not, why not?	The report relates to services that are provided by Capita, through the CSG and DRS contracts. Capita do not provide the council's public library service.
9.	Item 8 (Review of Capita Contracts – Strategic Outline Case)	Ms Barbara Jacobson	1.2 If there were no in-house bids for any of the services that were subsequently awarded to Capita, why was that the case?	This was addressed at the time of the decision to award the contracts.

10.	Item 8 (Review of Capita Contracts – Strategic Outline Case)	Mr John Dix	Who decided that the starting point for the full business case should exclude those services set out in Table 6 and how was that decision supported in terms of documentary evidence?	The Committee will decide which if any services should be insured. Paragraph 2.9 of the report states that “...more detailed analysis may suggest a different mix of services...”.
11.	Item 7 (Business Planning)	Ms Jenny Brown	<p><b>Appendix A (point 1.2.4)</b> Please calculate the amount of Reserves that Barnet Council will have remaining as Reserves, after drawing from Reserves in the sum of £4.4 Million as per Officer Recommendations and £7.7 Million to support the current forecast of revenue overspend for 2018/19. Please include any other known amounts that are needed from our Reserves in order to ascertain the Total required from Reserves to the end of 2018/19. What is the Total Remaining Reserves of Barnet Council once these amounts have been drawn down?</p> <p>Additionally, please inform me of the Total Reserves retained by Barnet Council for the year ending 2011/12?</p>	The council is currently forecasting that its reserves will total £62.5m at the end of 2018/19. The council’s reserves totalled £62.7m at the end of 2011/12.
12.	Item 10 (Saracens Loan Agreement)	Mr David Bedford	Are the LBB Councillors aware of the imminent decision of the RFU to extend the Rugby season, which is currently from the beginning of September to mid-May to September to the end of June which would leave only 2 months for the Stadium to be in full “Athletics Mode”? If this RFU proposal to extend the season to the end of June is agreed, it would have a devastating impact on athletics at Allianz Park, particularly schools athletics.	We are aware of the RFU’s proposals, and are committed to working with both Saracens and Shaftesbury Barnet Harriers through the development of the Cophall Masterplan, to ensure that both athletics and rugby can continue to thrive.

13.	Item 10 (Saracens Loan Agreement)	Ms Mary O'Connor	<p>"2 Reasons for Recommendations" do not establish why a new West Stand is required. The East Stand and pitch permit the activities mentioned in 2.1 without replacing the West Stand. What is the justification of a £22.9 million loan to Saracens when they can continue to function without a new West Stand?</p>	<p>The justification for building the new stand was established through the planning process when planning consent was granted.</p>
14.	Item 8 (Review of Capita Contracts – Strategic Outline Case)	Mr Keith Martin	<p>There are examples of waste, extravagance and fraud in the performance of some outsourcers. Two examples are as follows:</p> <ol style="list-style-type: none"> <li>1. On July 31 at Harrow Crown Court a former council employee on a contract with Capita is charged in a £2 million fraud case.</li> <li>2. In the accounts of Barnet Borough Arts Council, of which I am Hon Treasurer, appears the cost of street closure at the Barnet Christmas Fayre 2017 £1,767.</li> </ol> <p>In 2016 the cost was £1,358 for an identical service.</p> <p>Was the increase of £409 – 30% - caused to enable Barnet Council to recover from BBAC the overhead charged by Capita or Re, whereas in 2016 the service was organised in house by a council officer?</p> <p>Does the committee agree that these two examples are typical of one malaise of outsourcing, and that the only decision that councillors can responsibly make on Recommendation number 4 is to choose option 3, to bring all council services back in house?</p>	<p>The costs of street closures are covered by the council's published schedule of fees and charges, which are approved annually. RE has been providing street closure services since 2013.</p> <p>The fee includes a 30% on-cost to cover officer time, design fees etc. Unfortunately this 30% was omitted from the published fee in 2015 and 2016, but was included in 2017.</p> <p>Members will consider all three options as part of the full business case.</p>

15.	Item 8 (Review of Capita Contracts – Strategic Outline Case)	Ms Barbara Jacobson	1.4 What is the total amount of savings Capita has made since the beginning of the contract until the latest financial report, and what is the total amount of money Capita has received from LBB, including gainshare payments and payment for items apparently not covered in the initial contract?	<p>As identified in the contract review reports, the CSG contract has delivered savings in the annual cost of delivering the core services that are provided under the contract of £6m per annum. Savings to date are £42.5m. Over the 10-year term of the contract, savings on the provision of core services, together with procurement savings and increases in income, are anticipated to be in the region of £125m. Savings to date are £18.8m. The RE contract is on track to deliver savings to the council in the order of £39m over the 10-year term, in accordance with the original business case.</p> <p>Details of all payments made by the council, including those to Capita, are published on its website on a monthly basis.</p>
16.	Item 8 (Review of Capita Contracts – Strategic Outline Case)	Mr John Dix	The report states that an initial assessment of each service provided under the two contracts has been carried out. Has this initial assessment been provided to all members of this committee and please may I have a copy of that assessment?	The initial assessment is included in the report.
17.	Item 7 (Business Planning)	Ms Jenny Brown	<p><b>Appendix B.</b></p> <ol style="list-style-type: none"> <li>1. Please explain how the two fully selective girls schools of Barnet will be financed in order to expand the number of selective places in Barnet.</li> <li>2. Please state the level of loan from the Council, since the item only gives the amount as "up to a max of £1 Million".</li> </ol>	This will be funded through borrowing in the Councils capital programme.

18.	Item 10 (Saracens Loan Agreement)	Ms Mary O'Connor	It is claimed that building the new West Stand will enhance the biodiversity of the site by the establishment of a community garden. Why does the establishment of the community garden to the rear of the East Stand require the building of the West Stand? The building of the West Stand will require the cutting down of 9 category B trees and 12 category C trees and 4+ groups of Category C trees in the Green Belt. Where is the assessment of the environmental impact of building the new West Stand that demonstrates that it will enhance the biodiversity?	Elements of the community garden require planning consent, and this was sought and granted as part of the planning application to build the West Stand. The summary ecology assessment can be found here: <a href="https://publicaccess.barnet.gov.uk/online-applications/files/1D8F66C475E3E56CBA218C037E2A3A13/pdf/16_8173_FUL-APPENDIX_9.4_-_ECOLOGY_ASSESSMENT_SUMMARY-3584621.pdf">https://publicaccess.barnet.gov.uk/online-applications/files/1D8F66C475E3E56CBA218C037E2A3A13/pdf/16_8173_FUL-APPENDIX_9.4_-_ECOLOGY_ASSESSMENT_SUMMARY-3584621.pdf</a> ; and the full planning application can be found here: <a href="https://publicaccess.barnet.gov.uk/online-applications/applicationDetails.do?activeTab=documents&amp;keyVal=OIMTUNJIKYZ00">https://publicaccess.barnet.gov.uk/online-applications/applicationDetails.do?activeTab=documents&amp;keyVal=OIMTUNJIKYZ00</a>
19.	Item 8 (Review of Capita Contracts – Strategic Outline Case)	Ms Barbara Jacobson	1.4 Bearing in mind the list of services with which dissatisfaction has been expressed, please itemize the services in which 'significant improvements in resident satisfaction' have been made and the level of improvement, stating the period of measurement and what the rate was and what it is now.	This information is set out in the reports on the year three review of the CSG contract and the year four review of the RE contract, both of which are provided as background papers to this report. For example satisfaction with customer services satisfaction from 2013 to 2018 improved from 59% to 76.3%. From April 2016 the customer satisfaction measurement changed (separate call centre and web) and improved from 88.5% to 90% in June 2018.
20.	Item 8 (Review of Capita Contracts – Strategic Outline Case)	Mr John Dix	Which firm of consultants will be used to carry out the business case?	The full business case will be developed by council officers, taking external advice as appropriate.
21.	Item 7 (Business Planning)	Ms Jenny Brown	<p>The schools stated to be bidding for selective schooling expansion are Henrietta Barnet and St Michael's.</p> <p>What impact assessments have been carried out to gauge the effect on traffic, pupils travelling on public transport from outside the Borough, on gender balance of places offered in Barnet and on the higher ability intake for the other secondary schools of Barnet?</p>	This would need to be determined through the planning process.

22.	Item 7 (Business Planning)	Ms Mary O'Connor	<p>Is the item "Victoria Park Infrastructure" money gained from the sale of The Lodge? If so, as this belongs in a trust account and not in Barnet Council Accounts, why is it in these accounts as this money does not belong to Barnet Council? The value now is £611,000. Can I please have an explanation as to why it has been reduced to this amount from £623,000? Has any additional money also been spent so far in the 2018-19 year and if so how much and details of to whom and for what?</p>	<p>The Lodge at Victoria Park was sold in 2015. The ring-fenced capital receipt raised from the sale of The Lodge, which is £623,000, can only be spent on Victoria Park. At the meeting of the Environment Committee in July 2017 it was agreed that external support could be procured to develop a master plan for the site. Following a procurement exercise the Council appointed Groundwork London (GWL). The first payment to GWL was made in 2017/18, and the value was £11,817.75.</p> <p>GWL consulted with the local community to get a better understanding of the priorities and improvements they would like to see. GWL used this information and other data they collected to draft a Master Plan with design options. The Council is currently undertaking a public consultation on the draft master plan with design options, and the questionnaire is available at <a href="http://www.engage.barnet.gov.uk">www.engage.barnet.gov.uk</a> The Council is also running a series of 8 roadshows in Victoria Park, and the details are on <a href="http://www.engage.barnet.gov.uk">www.engage.barnet.gov.uk</a> The public consultation will close on 13 August. GWL will then use the outcomes of the public consultation to produce a final Master Plan which will be reported to a meeting of the Environment Committee. No payments have been made to date in 2018/19.</p>
23.	Item 8 (Review of Capita Contracts – Strategic Outline Case)	Ms Barbara Jacobson	<p>1.4 What are the specific types or aspects of technology invested in, how much has been invested in each and when the investment was made? What proportion of this investment was made from the £16m paid by LLB at the start of the contracts?</p>	<p>This information is set out in the business cases for the two contracts, both of which are provided as background papers to this report.</p>
24.	Item 8 (Review of Capita Contracts – Strategic Outline Case)	Mr John Dix	<p>As part of the business case process will there be any public consultations or public evidence sessions?</p>	<p>Yes.</p>

25.	Item 7 (Business Planning)	Ms Jenny Brown	Will the Council be providing similar loans to support the primary schools and secondary schools of Barnet that are still facing restrictions to school support services, to address the needs of pupils with SEND, as a result of reduced budgets and to provide places for all Barnet pupils covering the full range of Special Needs. Please explain Council plans to provide more places for children across the range of SEND and to address the needs of children in mainstream schools, especially in those schools where Teaching Assistants and Learning Support Assistants have not had their contracts renewed.	The loan is for capital expenditure not revenue. The Council has a wide range of capital investments for SEND pupils. We are redeveloping the Pupil Referral Unit, developing Oak Lodge school through the Government's free school programme, establishing some additionally resource provision in mainstream schools for SEND pupils.
26.	Item 7 (Business Planning)	Ms Mary O'Connor	Under the heading "Capital receipts" is the statement, "Officers are strategically reviewing the council's options in relation to surplus assets to maximise their commercial potential and will report back to the Committee in Autumn." Can you please list these "surplus assets"? Are any of them classed as part of or all of a Park or Open Space? How do you intend to "maximise their commercial potential"?	The council is in the process of identifying which assets would be classed in this regard. Approval would then be sought from the Assets, Regeneration and Growth Committee.
27.	Item 8 (Review of Capita Contracts – Strategic Outline Case)	Ms Barbara Jacobson	1.4 Which revenue collection rates have been improved, by how much and over what period of time?	This information is set out in the report on the year three review of the CSG contract, which is provided as a background paper to this report. For example, Council tax collection rate has increased from 98.15% in 2013 to 98.5 in 2017/18.

28.	Item 8 (Review of Capita Contracts – Strategic Outline Case)	Mr John Dix	At para 2.11 the report acknowledges current performance issues but states that these services should stay with Capita “because Capita is believed to have both the capability and capacity to resolve these issues to the council’s satisfaction. Given that after 5 years of this contract they haven’t demonstrated that capability so far, who made that assessment and what evidence was provided to support that assertion?	The initial assessment was undertaken by officers, and will be further tested through development of the full business case, if commissioned.
29.	Item 7 (Business Planning)	Ms Jenny Brown	Section 1.3.5 – Capital Receipts States that the current shortfall that remains for the year is £26 Million. The same item states "Surplus Council Assets" are identified as an option to raise money to reduce the shortfall. What assets of the Council are being identified as surplus, in this regard?	The council is in the process of identifying which assets would be classed in this regard. Approval would then be sought from the Assets, Regeneration and Growth Committee.
30.	Item 8 (Review of Capita Contracts – Strategic Outline Case)	Ms Barbara Jacobson	1.4 Bearing in mind that negative comments about Capita and Barnet have appeared in the national press, to what does this ‘national recognition’ refer?	National recognition refers to national awards, the most recent of which was for the Planning Enforcement Team.
31.	Item 7 (Business Planning)	Mr John Dix	Experience suggest that the children who are most successful in gaining places at selective schools have been privately tutored for the entrance exams. In addition, the most recent KPI’s indicate that disadvantaged children, looked after children and children with an Education, Health and Care Plan or statement of special educational needs are not achieving the required standards. On that basis, why is it appropriate for Barnet to give up to £1 million in support to these two selective schools when there are clearly other priorities for that funding.	This £1m contribution will enable significant external investment and will contribute to much needed additional school places in the borough.

32.	Item 8 (Review of Capita Contracts – Strategic Outline Case)	Ms Barbara Jacobson	1.5, 1.6 As ‘a number of these performance concerns were also highlighted in the contract reviews that were carried out in 2016 and 2017’, what was done to improve them at that time and since, and why are they still concerns?	<p>The CSG contract review, which was considered by the Performance and Contract Management Committee on 15<sup>th</sup> November 2016, highlighted particular performance issues with the ICT and Estates services. It also highlighted that internal customer satisfaction was a key area of concern. In respect of ICT services, performance issues have been resolved and the service is now performing satisfactorily. On Estates, improvements have been made in leadership and service planning, but overall performance remains an issue. On internal customer satisfaction, CSG again failed to meet the KPI targets in the 2017 survey, despite the implementation of a broad range of service improvements that were identified in the report.</p> <p>The RE contract review, which was considered by the Performance and Contract Management Committee on 28<sup>th</sup> November 2017, highlighted particular performance issues with Planning Enforcement and Highways. In respect of Planning Enforcement, these issues have now been resolved. In respect of Highways, the report identified that the issues were due in part to the complexity of the arrangements between RE, Conways and the Highways DLO. Whilst the service improvement plan did deliver improvements on some aspects, performance issues persist.</p> <p>Ongoing performance issues are being managed through the normal contractual mechanisms, including the application of service credits, issuing of remedy notices and service improvement plans.</p>
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<b>33.</b>	Item 7 (Business Planning)	Mr John Dix	How confident are you that the £16.3 million of savings and mitigation will be achieved and is that borne out by evidence from the monthly management accounts?	Council officers regularly review the delivery of savings and mitigations and reconcile this to the monthly management accounts. Any anticipated variance against the planned amounts will be reported at the earliest opportunity to the Financial Performance and Contracts Committee. The initial figures from month 3 monitoring look to be in line with the figures in the report.
<b>34.</b>	Item 8 (Review of Capita Contracts – Strategic Outline Case)	Ms Barbara Jacobson	1.7 Which, of any, of the services that have raised performance concerns are technology-enabled? For example, does this apply to financial controls and reporting, pensions administration, estates, and back-office services?	Technology-enabled services tend to include customer services and transactional functions. The details of those services with performance concerns are set out in reports to Financial Performance and Contracts Committee.
<b>35.</b>	Item 9 (Adults & Communities Case Management System)	Mr John Dix	Capita have clearly demonstrated their inability to deliver a service critical IT system that has necessitated bringing in a third party. How much will Barnet seek to recover in consultancy/project management fees charged by Capita or service credits payments as a result of this failure.	As set out in the published report, there are negotiations in progress between the council and Capita's commercial teams about the funding of the additional work required. There are differences in views on who should pay for the £4.2m costs.  The council cannot comment further on this as commercial discussions are in progress.
<b>36.</b>	Item 8 (Review of Capita Contracts – Strategic Outline Case)	Ms Barbara Jacobson	1.8 In what ways has the outsourcing market changed in the last four years, what are the changes in the 'external environment' that have 'accentuated the need for the council to increase the level of direct control it exercises over the levers that affect its strategic direction'?	The world changes, the economy changes and we need to change the way we work with Capita to ensure a successful future partnership. Government continues to outsource an increasing amount of its work and the sector has become and more mature market.
<b>37.</b>	Item 10 (Saracens Loan Agreement)	Mr John Dix	Will you retain an external professional advisor to carry out the funding due diligence ensuring they understand the specific issues impacting sports stadia?	Yes. We propose to retain Grant Thornton to undertake due diligence and Anthony Collins solicitors to provide legal advice.

38.	Item 8 (Review of Capita Contracts – Strategic Outline Case)	Ms Barbara Jacobson	2.3 How is it possible to make thorough assessments and informed decisions without Appendix 1 to the Audit report, which is not due to be published for an indefinite period?	<p>The decision to commission a full business case is a decision to assemble detailed information and undertake a thorough assessment.</p> <p>The exempt report has been circulated to members of the Policy and Resources Committee for information.</p>
39.	Item 11 (Award of Contract to Community Sector Development Partner)	Mr John Dix	Will this procurement create a gainshare liability and if so how much will we have to pay to Capita?	Gainshare does not apply to this contract
40.	Item 8 (Review of Capita Contracts – Strategic Outline Case)	Ms Barbara Jacobson	2.4 Table 1, option: Why were these issues not foreseen and properly assessed before the original contracts were signed? Were such assessments made at the 3- and 4-year reviews, and, if so, did they raise the same concerns, and, if not, why not?	It is not surprising that a realignment is appropriate after five years. The assessments made in the 3 and 4 year reviews have informed the decision to recommend that the Committee commission this review.
41.	Item 8 (Review of Capita Contracts – Strategic Outline Case)	Ms Barbara Jacobson	2.5 Having said that ‘the contractual structure does not lend itself easily to changing priorities or performance standards’, what is the sense in re-shaping the contracts ‘within the context of the original procurement and the existing contractual framework’? What does this re-shaping consist of?	The precise nature of the re-shaping will be determined through the full business case if commissioned.
42.	Item 8 (Review of Capita Contracts – Strategic Outline Case)	Ms Barbara Jacobson	Table 2, option 2: <i>High-quality services</i> How will council plan to minimize the risks of ‘distraction’ and the loss of staff?	The Council will continue to communicate and engage with staff and managers to ensure everyone is supported through any change.
43.	Item 8 (Review of Capita Contracts – Strategic Outline Case)	Ms Barbara Jacobson	<i>Value for money</i> How will the council ensure an ‘appropriate commercial agreement’ when it seems clear that it failed to do so in the original contracts?	The council will seek the necessary specialist advice to secure the most appropriate commercial agreement. The external auditor has noted an improvement in the strength of the internal commercial function and this is important for this process

44.	Item 8 (Review of Capita Contracts – Strategic Outline Case)	Ms Barbara Jacobson	2.6 Table 3 option 3: <i>High-quality services</i> If the risk has been identified, why is the council unable to plan to minimize the perceived problems? To what extent is the loss of staff in this option different from the loss of staff in option 2? How has the council assessed the extent to which the replacement of staff far removed from the local area with people in the area might improve the <i>quality</i> of the service?	These matters will be considered in more depth as part of the development of the full business case.
45.	Item 8 (Review of Capita Contracts – Strategic Outline Case)	Ms Barbara Jacobson	<i>Value for money</i> How much money would the council save if it no longer had to make gainshare payments and payments for ‘special projects’ to Capita?	The future of gainshare payments will be considered.
46.	Item 8 (Review of Capita Contracts – Strategic Outline Case)	Ms Barbara Jacobson	2.7 This paragraph says that ‘the full business case will test this finding by further assessing all three options’ but 2.8 and 2.9 refer only to a further assessment to support Option 2, and 2.10 states that Option 2 is the starting point for the full business case. Please clarify whether the full business case will exam the potential for Option 3 in the same way, with the same degree of thoroughness and fairness.	In accordance with the guidance, the business case will test whether the initial conclusion remains correct – this includes an assessment of all three options.
47.	Item 8 (Review of Capita Contracts – Strategic Outline Case)	Ms Barbara Jacobson	5.1.1 ‘The preliminary assessment of services summarised in tables 5 and 6 is intended to maintain the council’s ongoing approach of commissioning services from most effective available provider.’ Since the proposition is to take at least some services back in-house because they have not performed well and the evidence is that outsourcing is costing more than it is saving, what reasons can you give for not considering in-house suppliers ‘the most effective available providers’?	Options 2 and 3 clearly include consideration of whether in-house provision would prove to be the most effective available option.

<b>48.</b>	Item 8 (Review of Capita Contracts – Strategic Outline Case)	Ms Barbara Jacobson	5.2.2 What is the breakdown of expenditure of the £300,000 ‘required’ to develop the full business case? What percentage of the development of the business case is done in house, and if none, why not?	The majority of the development of the full business case will be carried out by council officers. The figure of £300k represents an estimate of the likely additional cost. Within that, it is anticipated that additional resources, costing up to approximately £150k may be required. In addition, there will need to be specialist legal advice, costing up to approximately £100k, and specialist external advice, costing up to approximately £50k.
<b>49.</b>	Item 8 (Review of Capita Contracts – Strategic Outline Case)	Ms Barbara Jacobson	5.2.2 What was the level of reserves in Dec 2012 and what is the level of reserves now?	The Council’s reserves at the end of 2011/12 totalled £62.7m. The Council’s reserves at the end of 2017/18 totalled £75.8m.
<b>50.</b>	Item 8 (Review of Capita Contracts – Strategic Outline Case)	Ms Barbara Jacobson	5.5.1 How do the risks listed here differ from the risks that were faced when moving public services into Capita’s control?	The risks stated here relate to the decision to develop a full business case. The risks associated with each of the three options will be considered as part of the full business case.
<b>51.</b>	Item 8 (Review of Capita Contracts – Strategic Outline Case)	Ms Barbara Jacobson	5.8.1 ‘Council will be undertaking appropriate consultation on options and proposals’: with whom will Council be consulting?	Any member of the public will be able to comment on the public consultation.

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