

Decisions of the Contract Monitoring Overview and Scrutiny Committee

13 January 2014

Members Present:-

Councillor John Marshall (Chairman)
Councillor Rowan Quigley Turner (Vice-Chairman)

Councillor Geof Cooke	Councillor Alison Moore
Councillor Ross Houston	Councillor Barry Rawlings
Councillor Sury Khatri	Councillor Anthony Finn
Councillor Brian Salinger	(in place of Andrew Harper)

Apologies for Absence

Councillor Andrew Harper	Maxwell Doku (Housing Co-opted Member)
	Kanu Dave (Housing Co-opted Member)

1. MINUTES OF THE PREVIOUS MEETING

Committee noted the actions and responses to resolutions since the previous meeting.

RESOLVED that the minutes of the meeting held on 9 October 2013 be approved as a correct record.

2. ABSENCE OF MEMBERS

Apologies for absence had been received from Councillor Andrew Harper (who was substituted for by Anthony Finn).

Apologies for lateness were received from Councillor Rowan Quigley-Turner

3. DECLARATION OF MEMBERS' INTERESTS

Member	Subject	Interest declared
Councillor John Marshall	Agenda Item 6 (Quarter 2 2013/14 Performance – The Barnet Group)	Non-pecuniary interest as a Council appointed representative on the Board of The Barnet Group Ltd
Councillor Ross Houston	Agenda Item 6 (Quarter 2 2013/14 Performance – The Barnet Group)	Non-pecuniary interest as a Council appointed representative on the Board of The Barnet Group Ltd

4. PUBLIC QUESTION TIME (IF ANY)

The Chairman welcomed the Vice-Chairman, Councillor Rowan Quigley-Turner to the meeting.

Details of the questions asked and the published answers were provided with the agenda papers for the meeting. Verbal responses were given to supplementary questions at the meeting. Four supplementary questions were unable to be responded to at the meeting and would be followed up in writing subsequent to the meeting.

5. MEMBERS' ITEMS

None.

6. QUARTER TWO PERFORMANCE 2013/14

The Committee received a public comment on this item from Mrs Barbara Jacobson.

The Commercial and Customer Services Director, Claire Symonds, presented the Quarter 2, 2013-14, Performance Report for four of Council's major commercial partnerships. It was noted that Quarter 2 performance for the Customer Support Group (CSG) covered two months where the service was still being provided in-house (July and August 2013) and one month when the contract transitioned on 1 September 2013. Development and Regulatory Services (DRS) transferred to the joint venture company on 1 October 2013 and would report as Re. Ltd. from Q3 onwards.

The Commercial and Customer Services Director provided Members with an additional paper which reported an early indication of Q3 performance following the quarter close in December 2013.

Members welcomed the update report. Following a discussion on the general lack of benchmarking data being reported, the Commercial and Customer Services Director confirmed that work was underway to improve benchmarking information through benchmarking groups and organisations such as the Chartered Institute of Public Finance and Accountancy (CIPFA) benchmark clubs in order that performance in Barnet be measured against national or inter-borough data.

HB Public Law

The Commercial and Customer Services Director, Claire Symonds, Contract Manager, Tim Campbell and Head of Legal for HB Public Law, Jessica Farmer, presented the performance report for HB Public Law. The Chairman moved that item 7 (HB Public Law – Full Year Performance Report) also be considered during the scrutiny of this item.

On a question from the Chairman relating to the use of block contract hours, the Head of Legal for HB Public Law clarified that the arrangement allowed for Barnet to use up any shortfall in hours used by Harrow before additional hours became chargeable, and vice-versa.

Responding to a Member's query on the methodology for projecting the number of hours required under the contract, the Head of Legal for HB Public Law outlined that this was calculated by looking back at the previous three years' actual use and taking an average. Variations to monthly allowances were based on historical seasonal fluctuations in

demand. The challenge of projecting the number of hours more accurately was attributed to the difficulty in being able to predict the level of additional work such as Child Protection cases or Judicial Reviews.

Commenting on cost-savings being realised in part as a result of an overall reduction in staffing levels, a Member enquired as to whether increased demand on the service would require work to be outsourced. The Head of Legal for HB Public Law confirmed that the work would be undertaken in-house, supported by temporary staff if necessary in the short-term. Over-use was charged at a higher hourly rate to cover such costs. If the demand on the service was seen as a long-term need this could warrant additional permanent staff being employed and trigger a review of the budget to ensure the correct level of service could be provided. It was noted that the cost of employing specialist legal staff would be shared between Harrow and Barnet, therefore costing less than if one Council alone had to fund such a provision.

Referring to business growth, Members were keen that Barnet would not be disadvantaged should other local authorities commission work from HB Public Law. The Head of Legal for HB Public Law confirmed that work commissioned from third-parties generated additional income that would result in a gain share of profits being paid to Barnet. The Committee heard that CSG and Re. Ltd were utilising HB Public Law and the early indications were that they would continue to do so although discussions were on-going to evolve the service to suit the needs of the client. Members highlighted that there would be potential conflicts of interest for HB Public Law under certain circumstances when representing both Capita and LBB. It was noted that one of the first considerations for all solicitors when taking on a case was to consider, identify and report any conflict of interest.

A Member asked how hours for individual cases were calculated, the Commercial and Customer Services Director confirmed that hours spent on cases were submitted by HB Public Law retrospectively. The Head of Legal for HB Public Law stated that further work to benchmark cases had started, some of which was being informed by the London Boroughs' Legal Alliance, though this would take a few months to complete.

The Barnet Group – Barnet Homes

The Commercial and Customer Services Director, Claire Symonds, Contract Manager, Tim Campbell and the Director of Operations for Barnet Homes, Derek Rust, presented the performance report for Barnet Homes.

In response to enquiries from Members on the outcomes of the recent 'key amnesty' the Director of Operations for Barnet Homes reported that, in partnership with the Council's Corporate Anti-Fraud Team (CAFT) there had been 17 properties returned which were in the process of being re-let. A Member asked for the number of investigations underway on homes where keys had not been returned. It was agreed that this information be supplied subsequent to the meeting.

Referring to questions on how Barnet Homes were tackling the issue of properties in the private housing sector in poor condition (p18), the Director of Operations for Barnet Homes outlined how they were working closely with the borough's private sector housing team to identify and inspect properties being put forward to assess suitability for rent.

Following Members enquiries on how tenants were being encouraged to trade down to homes of a suitable size for the household, the Director of Operations for Barnet Homes

confirmed that the policy allowed for priority to be given to tenants wishing to trade down when allocating housing. It was noted that a Discretionary Housing Payment (DHP) could be used on a conditional basis for tenants in rent arrears who were seeking to trade down and there were encouraging signs that DHP funding would continue to be available post-2014. The Director of Operations for Barnet Homes highlighted that over 100 tenants attended a recent match-making event which provided a means to generate exchanges and helped raise the profile of this option. Members' heard that the availability of properties was linked to public awareness of the opportunity for trading and further matchmaking events would be held regularly to support this aim.

On a question as to the status of plans to develop the existing ASSIST service in to a telehealth service, the Director of Operations for Barnet Homes informed Members that, whilst Barnet Homes was keen to develop this service, he was not aware of any movement from the Council in this area.

Noting that welfare reform had been rated high on the Risk Register, (p42) a Member asked for clarity on what would constitute a failure in this regard. The Director of Operations for Barnet Homes acknowledged that this was an on-going risk. However though the level of arrears as a consequence of welfare reform was high this appeared to be stabilising and despite the perennial challenge of collecting rents it was expected that targets would be achieved.

The Barnet Group – Your Choice Barnet

The Commercial and Customer Services Director, Claire Symonds, Adults and Communities Director, Dawn Wakeling, and the Interim Head of Care and Support for Your Choice Barnet, Karen Patten, presented the performance report for Your Choice Barnet.

In response to questions on the low outturn (of 2.1%) of service users placed by the Council with Your Choice Barnet using Direct Payments, the Adults and Communities Director advised Members that service users were offered support for receiving Direct Payments at each review. The Interim Head of Care and Support for Your Choice Barnet highlighted that a significant aim for Your Choice Barnet was to attract service users from outside of the borough, be they self-funded, direct payments or Council managed budgets.

Members questioned whether increased levels of self-funders or direct payments could pose a greater risk to income collection than Council managed budgets and how this would impact on the proportion of income projected to come from the Council. The Interim Head of Care and Support for Your Choice Barnet acknowledged that this was a possibility though no issues had been reported thus far. The Adults and Communities Director confirmed that an increase to the number of in-borough service users using Direct Payment would see a corresponding decrease to the proportion of income paid via the Council, but there was no national evidence that this posed a risk to providers.

Referring to the higher than targeted percentage of agency staff, a Member asked how this was being addressed. The Interim Head of Care and Support for Your Choice Barnet advised the Committee that recruitment to the finalised staff structure was underway and it was expected that posts would be filled by permanent staff over the next few weeks.

A Member enquired whether the total of eight reported safeguarding alerts had all come via staff as it was expected that some would have come via service users, their families

or elsewhere. The Interim Head of Care and Support agreed to confirm this subsequent to the meeting.

On a question regarding the use of day centres, the Adults and Communities Director advised Members that the focus was on supporting choice for the individual.

Development and Regulatory Services (DRS)

The Commercial and Customer Services Director, Claire Symonds, DRS Partnership Manager, Mark Holmes, and Operations Director (Re Ltd.), Alun Parfitt, presented the performance report for DRS.

The Committee noted that DRS delivery had transitioned to Re Ltd. at the end of Quarter 2 2013-14 and that performance data from Quarter 3 onwards would report a higher number of KPIs. Members were advised by the Commercial and Customer Services Director that the mobilisation of in-house services to Re Ltd. had been achieved with minimal disruption to service delivery.

A Member asked for an update on the status of the Regeneration and Homes for Older People Project (p53) as it had been previously reported that work required for the Business Case would be completed in Quarter 3. The Operations Director for Re Ltd. advised that work was continuing in this area with an update from Savills pending.

In consideration of the tabled report giving a summary of Q3 performance data for Re Ltd., Members expressed concern that the delivery of the Local Implementation Plan (LIP) programme funded by TfL was deemed to be at risk due to resource issues. In response to this issue, the DRS Partnership Manager acknowledged that there was a pressing need to identify the resources that would be required to deliver the programme to the end of March 2014 in order to draw down funding.

Following enquiry on whether the delay to the replacement of the two cremators at Hendon Cemetery would impact on the Business Case to increase income, the Operations Director for Re Ltd. advised that the income delivery was guaranteed under the contract.

Members questioned the nil outturn and lack of numerator/denominator being reported in Quarter 2 for Health & Safety Inspections (p56). The DRS Partnership Manager agreed that the information presented was not clear and undertook to update Members on this KPI subsequent to the meeting. The DRS Partnership Manager advised the Committee that a number of KPIs were being re-profiled under the contract to be more specific and the outcome of this would be reported at the next meeting.

Following discussion on KPI EH012(j) for the timely licensing of Houses of Multiple Occupancy (HMO) (p56) Members questioned why the target was not higher and whether the number of HMOs in the borough reported (11) was accurate as this appeared to be very low. The DRS Partnership Manager agreed to investigate this further and provide a response to Members subsequent to the meeting.

Referring to the negative direction of travel reported for KPI EH011(a), Compliance with Environmental Health Service Standards, a Member asked that the Committee be updated on the measures being taken to improve this. The Operations Director for Re Ltd. advised that the Chartered Institute of Environmental Health had been brought in to

review staff skills and resources and that training had been initiated in this area. It was agreed that a further update be provided at the next meeting.

The DRS Partnership Manager advised the Committee that a briefing for Members on performance indicators for the contract was being coordinated and information on this would be provided within the next week.

Customer Support Group (CSG)

The Commercial and Customer Services Director, Claire Symonds, CSG Partnership Manager, Marcus Hobbs, Deputy Chief Operating Officer, John Hooton and Operations & Commercial Director for Capita, Anna Earnshaw, presented the performance report for CSG.

The Commercial and Customer Services Director advised that, due to Capita contract commencing on 1 September 2013, the performance report for Quarter 2 was a composite of two months' where the service was delivered in-house and one month of service provision under contract. The Committee noted that Quarter 3 reporting would cover four months in order to detail the performance delivered by Capita since the start of the contract.

Responding to Members questions on the status of the baselining work surveying the condition of the Civic Estate, the CSG Partnership Manager advised that the agreement over baselining and conditions had now been resolved and this would inform the asset strategy being timetabled for 2015.

A Member asked for further information on the adopted policy for leasing and renewal of leases of Council owned property and it was agreed that the CSG Partnership Manager provide this subsequent to the meeting.

Referring to a Member's question on the negative direction of travel and missed target for Revenues and Benefits KPI RB023 (average speed of processing changes), the CSG Partnership Manager advised the Committee that contract discussions to continue the face-to-face service at Burnt Oak were in the final stage and would lead to an improvement in this area.

A Member queried the rationale for in-house budget saving targets being included in the CSG performance reporting. The Deputy Chief Operating Officer outlined that the target was included due to a number of CSG finance staff providing advice and support to budget managers and therefore being able to contribute to the overall budget position.

In response to a Member's question on the number of jobs lost to the borough as a result of out-sourcing the Operations & Commercial Director for Capita confirmed that, although the consultation process would conclude later in the month, it was expected that due to redeployment opportunities and retention of face-to-face staff there would be less jobs lost than as originally projected.

On a general discussion relating to contact centre performance, the Operations and Commercial Director for Capita advised the Committee that the earlier problems of calls being lost had now been eradicated, in part as a result of the decision to utilise the capacity available at the established contact centre based in Coventry. Members noted that training for telephone operators included a general induction followed by two weeks' training in specific areas – such as revenues and benefits – before staff engaged in live-

processing of calls. Thereafter, staff would be offered multi-skilled training to improve delivery across the service.

RESOLVED that:

1. **The Quarter 2, 2013-14 Performance Report be noted;**
2. **The HB Public Law – Full Year Performance Report (agenda item 7) be noted;**
3. **The Committee receive an update on benchmarking as part of the performance reports for Quarter 3;**
4. **The Barnet Homes Contract Manager provide detail on the number of investigations underway on homes where keys had been requested but not been returned;**
5. **The DRS Partnership Manager provide clarification on the Health & Safety Programme KPI, which had reported a nil outturn for Quarter 2;**
6. **The DRS Partnership Manager provide a rationale for target for the timely licensing of HMOs being set at 30% and comment on the accuracy of the reported denominator for this KPI;**
7. **The Committee receive an update on the result of measures taken to improve the direction of travel for KPI EH011(a) relating to Compliance with Environmental Health Service Standards, as part of the performance reports for Quarter 3; and,**
8. **The CSG Partnership Manager to provide Members with information on the adopted policy for leasing and renewal of leases of Council owned property.**

7. HB PUBLIC LAW - FULL YEAR PERFORMANCE REPORT

This item was considered as part of agenda item 6: Quarter Two Performance 2013/14, HB Public Law as above.

8. EXTERNAL CONTRACTS - MANAGEMENT RESOURCES

The Commercial and Customer Services Director, Claire Symonds, presented the report which detailed the dedicated staffing structure being put in place to manage key external contracts; including CSG, Re., HB Public Law and The Barnet Group.

It was noted that recruitment to the new posts was underway. The Head of Customer Strategy and Programmes had been recruited from within the Council and the aim was to have all other posts filled by the end of March.

Following a Member's comment on the value of a structure that detailed the names of personnel in these key roles, the Commercial and Customer Services Director agreed to supply this information when known.

RESOLVED that:

- 1. The report on the management structure be noted; and,**
- 2. The Commercial and Customer Services Director to provide an update to Members once all posts had been filled.**

9. ADVANCE NOTICE OF EXECUTIVE DECISIONS

RESOLVED that the Committee note the Advanced Notice of Executive Decisions.

10. CONTRACT MONITORING OVERVIEW AND SCRUTINY COMMITTEE FORWARD WORK PROGRAMME

The Committee considered the Forward Work Programme and agenda for final Contract Monitoring OSC meeting of the municipal year 2013-14.

RESOLVED that the Committee receive a performance report for the Street Lighting Contract at its meeting of 17 March 2014.

11. ANY OTHER ITEMS THE CHAIRMAN DECIDES ARE URGENT

None.

The meeting finished at 9.35 pm