

	<p align="center">Performance and Contract Management Committee</p> <p align="center">5th January 2017</p>
<p align="center">Title</p>	<p>Extending the remit of the Member-led Working Group for the Year Four Review of the DRS Partnering Contract</p>
<p align="center">Report of</p>	<p>Chief Operating Officer</p>
<p align="center">Wards</p>	<p>All</p>
<p align="center">Status</p>	<p>Public</p>
<p align="center">Urgent</p>	<p>No</p>
<p align="center">Key</p>	<p>No</p>
<p align="center">Enclosures</p>	<p>Appendix A – Clause 37.4 of Re Contract</p>
<p align="center">Officer Contact Details</p>	<p>Caroline Woolf – Commercial Director caroline.woolf@barnet.gov.uk</p> <p>Deborah Hinde – Contract Review Manager deborah.hinde@barnet.gov.uk</p>

<h2>Summary</h2>
<p>At its meeting on 7th January 2016, the Performance and Contract Management Committee established a Member-led Working Group (the Group) to oversee the Year Three Review of the Customer and Support Group (CSG) contract. That Group met throughout 2016 to steer the work of the Review and agree the recommendations arising from it. At its meeting on 15th November 2016, the Committee agreed that the Group should continue to meet until the end of March 2017, to oversee the completion of the Review.</p> <p>The DRS Partnering Contract (the Re Contract) provides for a similar, year four, contract review process, which is due to commence in January 2017. The purpose of this report is to seek the Committee’s agreement to extend the remit of the established Member-led Working Group to provide oversight of the Year Four Re Contract Review.</p>

Recommendations

- 1. That the Committee agrees that the remit of the established Member-led Working Group be extended to provide oversight of the Year Four Re Contract Review and that it continues to meet, as required, to fulfil that purpose.**
- 2. That the Committee agrees that the role of the Working Group will be to provide Member oversight to the Year Four Re Contract Review, including:**
 - **providing strategic direction to the Review;**
 - **agreeing the overall aims, objectives and desired outcomes of the Review;**
 - **considering and challenging the evidence; and**
 - **agreeing the recommendations to Committee.**
- 3. That the Committee nominates and appoints five Members to the Working Group, as set out under section 1.6 of the report.**

1. WHY THIS REPORT IS NEEDED

- 1.1 The Re contract commenced on the 1st October 2013 and allows for a review at the end of year four.
- 1.2 The contractual arrangements for conducting the review are set out in clause 37.4 of the contract, a copy of which is attached as Appendix A. The review process is designed to give both parties an opportunity to: consider what is working well; identify areas for improvement; and to consider the changing needs and priorities of the council. It is intended that the Review will commence in January 2017, with a view to it being substantially completed by July 2017. It is further intended that the Review will be conducted in a similar manner to the CSG Contract Review, with the collection and consideration of evidence leading to constructive dialogue with Capita Business Services Ltd, to agree any changes required to the contract.
- 1.3 At its meeting on 7th January 2016, the Performance and Contract Management Committee established a Member-led Working Group to oversee the year three review of the Customer and Support Group (CSG) contract. That Group met throughout 2016 to steer the work of the Review and agree the recommendations arising from it. At its meeting on 15th November 2016, the Committee agreed that the Group should continue to meet until the end of March 2017, to oversee the completion of the Review.
- 1.4 The purpose of this report is to seek the Committee's agreement to extend the remit of the established Member-led Working Group to provide oversight of the Year Four Re Contract Review.
- 1.5 Members of the Group to date have been:

Councillor Geoffrey Cooke

Councillor Anthony Finn (Chairman)
Councillor Sury Khatri
Councillor Kathy Levine
Councillor Peter Zinkin

- 1.6 It is proposed that the political representation on the Group should remain the same, i.e. three Conservative and two Labour Members, and that the Committee decides on whether to continue with the existing membership or to appoint new Members from the current Committee membership.
- 1.7 It is further proposed that the role of the Working Group will be to provide Member oversight to the Year Four Re Contract Review, including:
- providing strategic direction to the Review;
 - agreeing the overall aims, objectives and desired outcomes of the Review;
 - considering and challenging the evidence;
 - agreeing the recommendations to Committee.
- 1.8 Progress reports on the conduct of the Review will be brought to the Committee. It is anticipated that the key findings and recommendations from the Review will be brought to the Committee in July 2017. This will require an additional meeting to be organised, as the current schedule provides for meetings in June 2017 and November 2017.
- 1.9 Members are asked to note that the contract provides for a comprehensive benchmarking exercise, covering cost and service quality, to be carried out in conjunction with the Review.
- 1.10 As part of the early planning for the Review, a consultation and engagement plan will be drafted for consideration by the Working Group. This will set out proposals for a public call for evidence, which will include holding a meeting of the Group in public, to enable residents to present their views on the services provided under the contract.

2. REASONS FOR RECOMMENDATIONS

- 2.1 A key element of effective financial management is to plan ahead to ensure the council is well placed to meet future challenges. Conducting the Re contract review will ensure it continues to deliver savings and is aligned to the council's future strategic objectives.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 The Committee could decide not to convene a Member-led Working Group to oversee the Review and delegate this to officers to complete. This is not recommended, as it would prevent elected Members from having visibility of and input to the review of a major contract.

4. POST DECISION IMPLEMENTATION

- 4.1 Subject to the Committee's agreement, the Working Group will commence its role in January 2017 and key findings from the Review will be presented to the Committee in July 2017. The Working Group will determine arrangements for public consultation and engagement.

5. IMPLICATIONS OF DECISION

Corporate Priorities and Performance

- 5.1 The council's corporate plan for 2015-20 sets the vision and strategy for the next five years based on the core principles of **fairness, responsibility** and **opportunity**, to make sure Barnet is a place:

- Of opportunity, where people can further their quality of life;
- Where people are helped to help themselves, recognising that prevention is better than cure;
- Where responsibility is shared, fairly;
- Where services are delivered efficiently to get value for money for the taxpayer.

Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 5.2 By way of background, the core Re contract, including managed budgets, has a value of approximately £158m over the life of the contract, i.e. 10 years. As can be seen from Appendix A, the Review will be carried out by the council at its own cost. It is expected that this will be completed within existing budgets. The Benchmarking Exercises will be carried out at Re's own cost. The Review should ensure that the Re contract continues to provide value for money, and responds to changing council priorities.

Social Value

- 5.3 The potential to achieve social value will be addressed in the review process.

Legal and Constitutional References

- 5.4 The Council's Constitution, in Part 15 Annex A, Responsibility for Functions, states the functions of the Performance and Contract Management Committee include (amongst other responsibilities):

- a) Overall responsibility for quarterly budget monitoring, including monitoring trading position and financial strategy of Council Delivery Units.
- b) Monitoring of Performance against targets by Delivery Units and Support Groups including Customer Support Group; Re; the Barnet Group (Including Barnet Homes and Your Choice Barnet); HB Public Law; NSL (Parking Contractor); Adults and Communities; Family Services; Education and Skills; Streetscene; Public Health; Commissioning Group; and Assurance.
- c) Receive and Scrutinise contract variations and change requests in respect

of external delivery units.

d) To make recommendations to Policy and Resources and Theme Committees on relevant policy and commissioning implications arising from the scrutiny of performance of Delivery Units and External Providers.

e) Specific responsibility for the following function within the Council:

a. Risk Management

b. Treasury Management Performance

f) Note the Annual Report of the Barnet Group Ltd.

5.5 Regulation 72 (1) of the Public Contracts Regulations 2015 states that "Contracts...may be modified without a new procurement procedure:

(a) Where the modifications, irrespective of their monetary value, have been provided for in the initial procurement documents in clear, precise and unequivocal review clauses, which may include price revision clauses or options, provided that such clauses:

(i) State the scope and nature of possible modifications or options as well as the conditions under which they may be used; and

(ii) Do not provide for modifications or options that would alter the overall nature of the contract...'

5.6 Clause 37.4 of the Re contract expressly provides for this year four review and expressly allows for modification to the contract resulting from that review. Therefore, any agreed changes to the contract will be in line with the Public Contract Regulations 2015 as long as the changes do not alter the overall nature of the contract.

5.7 The contract changes agreed will need to be authorised by the relevant officer in line with the Council's constitution and documented in a Deed of Variation or similar legal form to ensure that they are legally binding on both parties.

Risk Management

5.8 The council has taken steps to improve its risk management processes by integrating the management of financial and other risks facing the organisation.

5.9 The council's future savings proposals as set out in its Business Planning report require a fundamental change in the way the council's services are delivered. This includes those services that are provided by partner organisations on behalf of the council. Reviewing the services provided under the Re contract will ensure that they remain aligned to the priorities of the council, continue to provide value for money and meet the needs of residents.

Equalities and Diversity

5.10 The Equality Act 2010 requires organisations exercising public functions to demonstrate that due regard has been paid to equalities in:

- Elimination of unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010.
- Advancement of equality of opportunity between people from different

groups.

- Fostering of good relations between people from different groups.

5.11 The Equality Act 2010 identifies the following protected characteristics: age; disability; gender reassignment; marriage and civil partnership, pregnancy and maternity; race; religion or belief; sex and sexual orientation.

5.12 In order to assist in meeting the duty the Council will:

- Try to understand the diversity of our customers to improve our services.
- Consider the impact of our decisions on different groups to ensure they are fair.
- Mainstream equalities into business and financial planning and integrating equalities into everything we do.
- Learn more about Barnet's diverse communities by engaging with them.

This is also what we expect of our partners.

5.13 This is set out in the Council's Equalities Policy together with our strategic Equalities Objective - as set out in the Corporate Plan - that citizens will be treated equally with understanding and respect; have equal opportunities and receive quality services provided to best value principles.

Consultation and Engagement

5.14 Consultation and engagement will take place in accordance with the arrangements agreed by the Working Group, as referenced in paragraph 1.10 of this report.

Insight

5.15 The use of benchmarking data will be considered as part of the review.

6. BACKGROUND PAPERS

6.1 Performance and Contract Management Committee, 7 January 2016 – Agenda Item 10 – Fundamental Review of Customer and Support Group (CSG) Contract

<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=693&MIId=8407&Ver=4>

6.2 Approval of preferred bidder for DRS services:

<https://barnet.moderngov.co.uk/documents/s9226/DRS%20Cabinet%20Report.pdf>