

# Re Contract Review

April 2017

# Key Points

- Transparency
- Output specifications
- Commitments
- Performance
- People
- Conflicts of interest
- Finance
- Summary
- Appendix 1 – Service Commitment Comments

# Transparency

## Council

- Contract documents still heavily redacted.
- Contract and key documents such as commitments and output specifications are still PDF'd as images making them difficult to download and almost impossible to read.
- All of the output specifications are consolidated into two documents over 600 pages which cannot be searched.
- The commitment documents are illegible.
- Commercial development plan (schedule 37) is so heavily redacted as to render it useless in terms of resident engagement.
- Performance information is very limited.
- This process is being held in secret – there is no involvement in the review, simply submission of evidence.

## Re

- Who are Re?
- No management structure is available or published.
- No named individuals or contact details.
- That makes it impossible for residents to hold individuals accountable.
- As a JV 49% owned by the Council there should be much greater openness as to what they do and who they are.

The council should review the level of redaction and publish all contract documents in an electronic format that can be searched and is legible.

Re should publish on the council website an organisational chart with heads of department and contact details. Further review meetings should be held in public.

# Output Specifications & Role Conflicts

- All output specifications are consolidated into 2 documents totalling 629 pages which are not searchable and difficult to read.
- Residents have no knowledge of what they should expect from the service.
- Key concern is that in a number of the output specifications it draws the distinction between Re employees and Authority employees. For example only, Authority employees can serve a planning enforcement notice. There is no data about how that transition is working and if that handover is causing a problem such as in planning enforcement.
- There is a concern about the conflict of interest between activities which do not generate income and activities which do. For example, if there is a large volume of planning applications, will more staff be allocated to registering and assessing applications? These have a large number of KPI's and generate income. Is this prioritised over enforcement which generates no income and has only two very weakly drawn KPI's.
- Has anyone reviewed the KPI's and assessed whether they are adequate to ensure the service is delivered appropriately? Evidence suggests that some KPI's are not aligned with the Authority's requirements, which means the Council may be paying for services they don't want or are inadequate.
- There is a very strong incentive to create more work as that generates additional fees. It is not clear who controls the budget for additional work and who challenges the activity and the fees charged.

Each department should have a readable output specification shown on the website listed under "What you should expect". That would then give residents a clear expectation of what the service does and doesn't deliver. KPI's should be reviewed as a matter of urgency and where necessary amended or updated. This process should be done in public. There should be more accountability for additional works outside the contracted sum.

# Commitments

- There are a large number of commitments but the quarterly performance reports mention only two or three.
- There are significant financial and manpower commitments but there is no evidence they have been delivered or the money invested.
- 31 of the tier 1-4 commitments are redacted in part or full so it is impossible to understand if they have been fulfilled.
- All 5 TS commitments are redacted
- 6 of the 8 EH commitments are redacted
- 6 of the 13 C&C commitments are redacted
- 4 of the 6 BC commitments are redacted
- 2 of the 3 PDM commitments are redacted
  
- I have set out comments at Appendix 1 on all 133 Tier 1-3 commitments albeit they make up less than half of all the commitments.

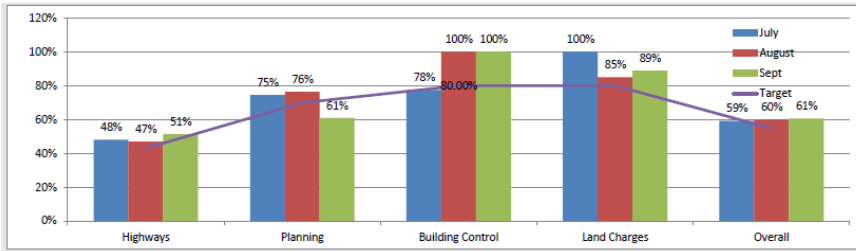
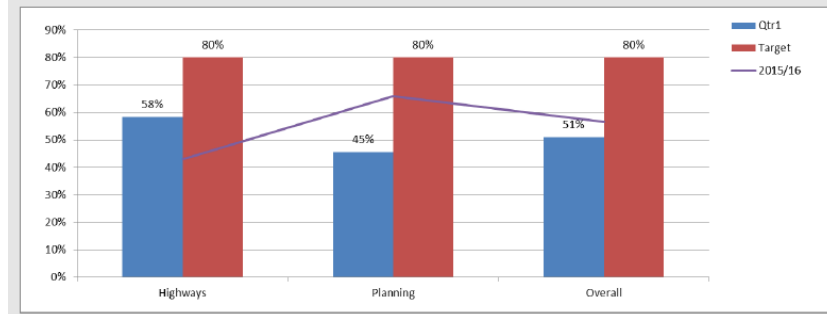
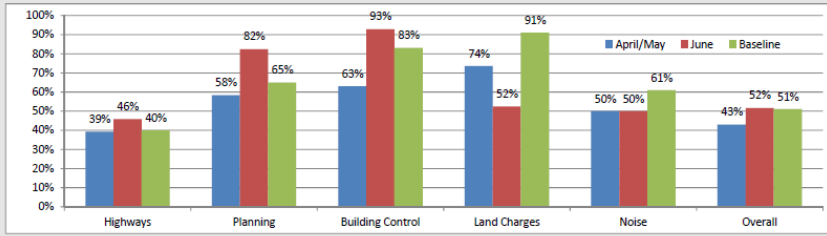
All redacted commitments should be reviewed to assess whether their redaction is still necessary. There should be a checklist to indicate which commitments have been achieved, along with the evidence source and an action plan with deadlines for commitments which are overdue. Overdue commitments should be reported in each quarterly performance report.

# Performance Measurement & Management

- Performance data is inconsistently reported, making it much harder to track trends - see the next page of customer satisfaction charts from each of the last 7 performance reports which are all different, making comparison and trend analysis almost impossible. There are also contradictions on targets. As such, it is unclear how performance can be monitored.
- There is evidence that some KPI's provided by contractors are not validated so there is no basis to judge whether the KPI has actually been achieved.
- There is evidence that, even when poor performance is identified through KPI's, no appropriate action is taken.
- KPI's are not regularly reviewed and, as such, KPI's set out in the contract may no longer be appropriate or useful.
- A large volume of work is let outside the main contract through the special projects route. It is not clear how performance of those projects is monitored and assessed.
- No action is taken when performance targets are missed. For example, customer satisfaction consistently missed targets by some margin in the last 7 quarters but no effective action has been taken to address the issue.
- Performance reports regularly state the SLA for Members Enquiries but not the actual score achieved.
- Quarterly Performance & Contract Management have such a congested agenda that the opportunity to scrutinise and evaluate all the KPI's is almost impossible. 315 KPI's were reported at the most recent meeting .

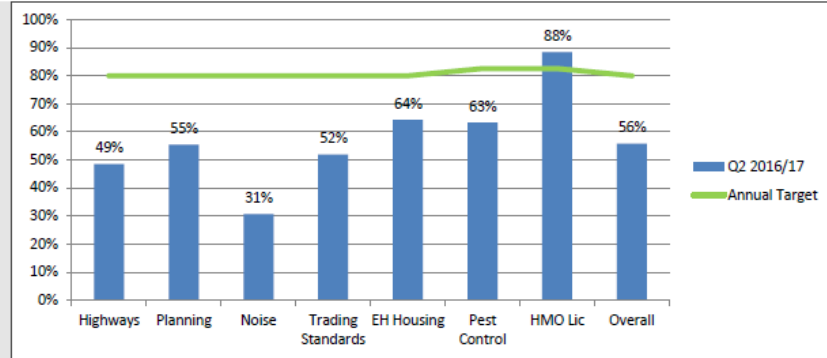
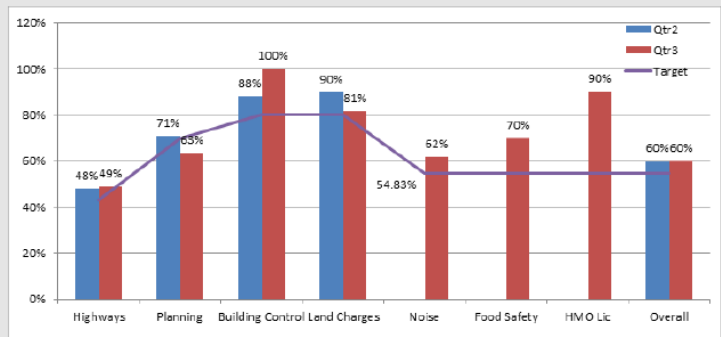
There should be a schedule of which council staff are responsible for monitoring specific contract elements and they should report at the Performance & Contract Management committee meetings. There should be a standard reporting format for performance data with trend analysis. This should include all instances of under performance with an action plan for remedy. There should be an immediate review of all KPI's to test whether they are aligned with the authority's objectives and that they are relevant. As part of the performance and contract management committee there should be a KPI working group to regularly review KPI relevance. There should be additional meetings of the Performance & Contract Management Committee to devote sufficient time to adequately reviewing Re contract performance.

Customer Satisfaction -% of customers scoring the service a 4 or 5 (on a scale of 1 to 5)



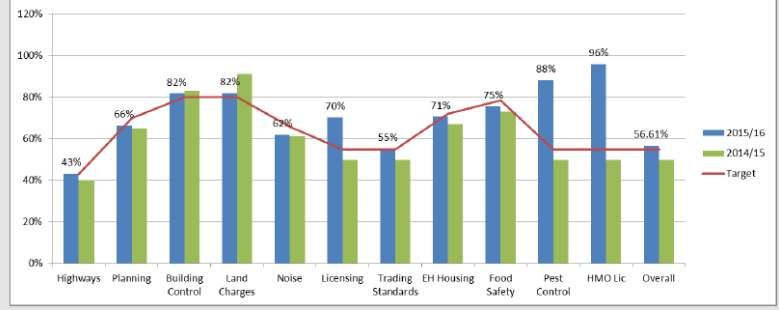
The graph above shows the data for customer satisfaction for the quarter. Quarter 2 saw a particularly pleasing uptum in overall customer satisfaction for Re

Customer Satisfaction -% of customers scoring the service a 4 or 5 (on a scale of 1 to 5)

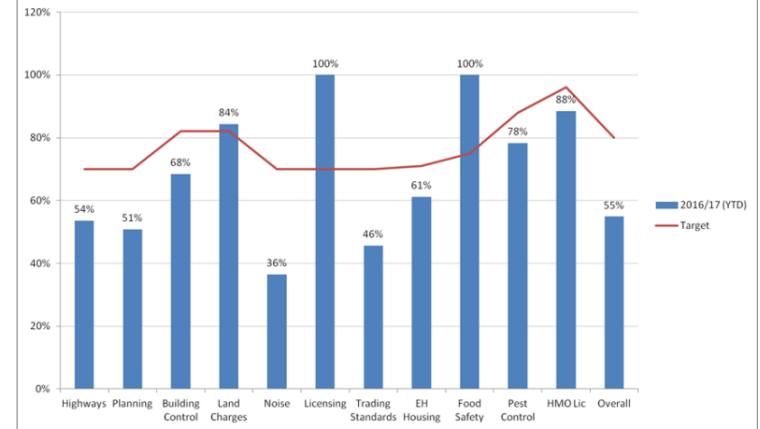


Customer Satisfaction -% of customers scoring the service a 4 or 5 (on a scale of 1 to 5)

2015/16 year - Customer Satisfaction



2016/17 year - Customer Satisfaction (YTD)



# People

- So many of the Re services are dependent on the skills of individual staff members rather than systems or technology. For example, EHO's have to go out and inspect premises, Building Control have to attend and inspect building sites, Trading Standards have to investigate and piece together information.
- As such, that makes the issue of staff morale, staff satisfaction and staff turnover, of very serious importance to the success of this contract. However, if there is no staff survey evidence, no statistics on staff turnover or staff absence or how many posts are vacant/filled by temporary staff, then how can this be assessed?
- Staff calibre/qualifications/experience needs to be measured to ensure posts are not be filled by unskilled/unqualified staff.
- Surely, with staff being so fundamental to the success of the service, these are measures that should be measured and monitored as part of this review process. It will also help to identify areas which may become problematic in the future if remedial action is not taken.

There should be an annual, Re specific, staff survey to assess morale and staff satisfaction. As part of the quarterly performance reporting, it should include staff turnover and staff absence. The number of vacant posts, agency, interim and unqualified staff should be reported.



# Conflicts of Interest

- There is significant concern regarding conflicts of interest whether real or perceived.
- NLBP – Hindale paid Re £105,364 to prepare a **site development brief** and to provide pre application advice to inform the preparation of the planning application for the site. The scheme will be assessed by planning officers who are also employed by Re. This scheme does not reflect what the community wants. While pre application advice is fine, the site development brief creates a clear perceived conflict.
- Licensing application – A recent licensing application was submitted by Re Consultancy on behalf of an applicant. However, Environmental Health, which is also part of Re, opposed the application due to previous noise complaints.
- GL Hearn have been offering property advice on the Brent Cross development but they are 100% owned by Capita whose Re staff will be assessing the scheme.
- By offering both consultancy to an applicant and then assessing the applicant's submission this will inevitably create the perception of a conflict.
- Offering consultancy advice for schemes outside the borough does not seem unreasonable and is a way of generating revenue but for schemes within the borough this represents a major potential for conflict.
- There is a blurring of responsibility of the Leader and the Chief Executive who are also Board members of Re. They have two very different sets of responsibilities which inevitably creates the potential for conflicts of interest. As such I believe there is a conflict of interest in the chairmanship of this review.

An independent person should review the potential conflicts of interest that arise by providing consultancy advice within the borough on activities that Re also enact on behalf of the council such as planning, licensing and environmental health. Bring in an independent chair person who has no direct connection with the council similar to the independent members who sit on the Audit Committee.

# Finance

- Most of the numbers in the commercial development plan have been redacted but commitment T4-1 states that that Re will deliver £33.7m of additional income for Barnet.
- There is no evidence as to whether, at year 4, that target is on track. Indeed, the evidence suggests it is significantly off track.
- Annual accounts suggest Barnet Council's share of the net profit to 31 December 2015 is £2,463,177. How does this reflect against the £33.7 million target?
- I note that the Re have paid £1.359 million in corporation tax. That means that Barnet residents have paid additional charges which simply go in tax and which would not have been the case for an in-house team.
- There is a real concern that the management charges have been significantly higher than forecast due to the amount of additional work being carried out by Capita. In quarter 3 of 2016/17 it was overspent by £510,000.
- To date the Re contract is overspent by £19.83 million so what certainty is there of achieving the £33.7 million additional income target?

Re	2013-14	2014-15	2015-16	2016-17 YTD	Total
Contracted (£m)	8.61	14.85	15.08	15.31	53.85
Actual YTD (£m)	8.61	14.76	24.45	25.86	73.68
Difference (£m)	0	-0.09	9.37	10.55	19.83

There needs to a very clear report on the current financial performance and in particular how much additional revenue has been generated and if the £33.7m target is on track. There needs to be a clear explanation of the additional £19.83 million paid to Re.

# Summary Views

Set out below is a summary of the points raised under each topic:

- The council should review the level of redaction and publish all contract documents in an electronic format that can be searched and which is legible.
- Re should publish on the website an organisational chart with heads of department and contact details
- Further review meetings should be held in public.
- Each department should have a readable output specification shown on the website listed under “What you should expect”. That would then give residents a clear expectation of what the service does and doesn’t deliver.
- KPI’s should be reviewed as a matter of urgency and where necessary amended or updated. This process should be done in public.
- There should be more accountability for additional works outside the contracted sum.
- All redacted commitments should be reviewed to assess whether their redaction is still necessary.
- There should be a checklist to indicate which commitments have been achieved along with the evidence source and an action plan with deadlines for commitments which are overdue. Overdue commitments should be reported in each quarterly performance report.
- There should be a schedule of which council staff are responsible for monitoring specific contract elements and they should report at the Performance & Contract Management committee meetings.
- There should be a standard reporting format for performance data with trend analysis. This should include all instances of under performance with an action plan for remedy.

# Summary Views

- There should be additional meetings of the Performance & Contract Management Committee to devote sufficient time to adequately reviewing Re contract performance.
- There should be an immediate review of all KPI's to test whether they are aligned with the authority's objectives and that they are relevant.
- As part of the performance and contract management committee there should be a KPI working group to regularly review KPI relevance.
- There should be an annual, Re specific, staff survey to assess morale and staff satisfaction.
- As part of the quarterly performance reporting it should include staff turnover and staff absence. The number of vacant posts, agency, interim and unqualified staff should also be reported.
- An independent person should review the potential conflicts of interest that arise by providing consultancy advice within the borough on activities that Re also enact on behalf of the council such as planning licensing and environmental health.
- Bring in an independent chairperson who has no direct connection with the council similar to the independent members who sit on the Audit Committee.
- There needs to a very clear report on the current financial performance and in particular how much additional revenue has been generated and if the £33.7m target is on track.
- There needs to be a clear explanation of the additional £19.83 million paid to Re.

# Appendix 1 - Service Commitment Comments

## Service Commitments

No.	A or C	Timescale	Comment
T1-1	A	5 yrs	What progress is being made to achieve this by end of year 5
T1-2	A	5 yrs	What progress is being made to achieve this by end of year 5
T1-3	A	2 yrs	Has this been achieved
T1-4	C	2 yrs	Who are the 4 member liaison officers Is member satisfaction 90%
T1-5	A	6 mths	Has the Barnet Observatory been delivered & who sits on the Innovations Board
T1-6	A	3 yrs	Has the take up been achieved -evidence please
T1-7	C	1 yr	Have resources and activities been coordinated and outcomes achieved
T1-8	C	Day 1	Where is the 3 year rolling plan?
T1-9	C	Day 1	How many challenges to conflicts of interest have been made
T1-10	C	1 yr	Where is the 3 year rolling plan?
T1-11	C	Day 1	what significant changes have taken place & have they been charged

T2-1	C	Day 1	Who is the service director, director of place and business development director
T2-2	C	3 mths	What is the Customer access strategy
T2-3	C	6 mths	Complaints management system is it operational
T2-4	C	1 yr	Is this ICT solution in place
T2-5	C	1 yr	Is the dedicated customer service team in place
T2-6	C	18 mths	Have the individual development plans been developed
T2-7	C	1 yr	Have 5 training and development days been delivered
T2-8	C	6 mths	Who are the two staff targeting opportunity identification
T2-9	C	6 mths	Who are the members of the Innovations Board and how many initiatives have been presented

T3-1	C	9 mths	What is this commitment?
T3-2	C	6 mths	Who are the two full time legal advisors
T3-3	C	1 yr	Permit application
T3-4	C	9 mths	What is this commitment?
T3-5	C	6 mths	Extended cemetery hours
T3-6	C	3 yrs	According to Deceased Online only archive burials listed and they were put online Oct 2013
T3-7	C	3 yrs	Achieved April 2016
T3-8	C	3 yrs	Green flag status planned for 2017 Not yet achieved?
T3-9	C	Day 1	Pre dug graves evidence
T3-10	C	6 mths	Were the proposals submitted and who reviewed them?
T3-11	C	2 yrs	Linked to 3-10 what was developed?
T3-12	C	6 mths	Some of services are redacted what were they?
T3-13	C	6 mths	Business case for what - redacted?
T3-14	C	18 mths	New greenhouse and work with local social enterprise did this take place?
T3-15	C	6 mths	New natural burial site plan
T3-16	C	18 mths	Linked to 3-15 was it developed?
T3-17	C	1 yr	Is there a Memorial stone mason business on site?
T3-18	C	1 yr	What is this commitment? Redacted
T3-19	C	Day 1	Did this training take place
T3-20	C	Day 1	Did this training take place
T3-21	C	Day 1	What were the staffing levels before contract and today?
T3-22	C	Day 1	What were the customer service functions and have they been retained?
T3-23	C	1 yr	Has BACAS been implemented - what is the underpinning detail
T3-24	C	1 yr	Seems identical to 3-23
T3-25	C	9 mths	Redacted
T3-26	C	9 mths	Redacted
T3-27	C	9 mths	Redacted
T3-28	C	6 mths	Did they provide a mentor are they continuously updating information for members
T3-29	C	1 yr	Do they provide details of commercial crime and schools data what do they mean by digitising planning records surely that already existed.
T3-30	C	6 mths	what is the take up of the premium rate service (fast track?) and how well has it been received
T3-31	C	6 mths	Where are the minutes of the twice annual meeting with developers, what were the outcomes
T3-32	C	Day 1	Evidence of 5 days training annually - training records audit trail?
T3-33	C	6 mths	Building control- Evidence of 5 days training annually - training records audit trail?
T3-34	C	6 mths	Dangerous structures regime review did it take place and what was the outcome
T3-35	C	1 mth	Mobile phone log - surely that already existed

T3-36	C	18 mths	Has each service achieved ISO9001 accreditation
T3-37	C	9 mths	Redacted
T3-37a	C	1 yr	What register and is it in electronic format?
T3-38	C	Day 1	Are they still using Ocella why was this commitment necessary
T3-39	C	3 mths	did they undertake the review, what were the findings was it reported to the board evidence in Board Minutes?
T3-40	C	6 mths	Have they adopted the competency model where is the evidence
T3-41	C	6 mths	Are EH &TS closely linked to insights team have they funded two full time analysts posts
T3-42	C	6 mths	Has the JSNA been updated since 2015? no later version showing on website.
T3-43	C	12 mths	Are fortnightly meetings taking place - evidence? Are 2 full time analysts in post?
T3-44	C	6 mths	did the customer service training take place? Are majority of queries answered first time. Where is the data supporting this.
T3-45	C	1 yr	Self service still seems very limited. What has been delivered?
T3-46	C	1 yr	Did they establish the primary authority (I think so)
T3-47	C	Day 1	Did they transfer EXOR Underpinning detail redacted
T3-48	C	6 mths	Redacted
T3-49	C	1 yr	Did they upgrade EXOR Underpinning detail redacted
T3-50	C	Day 1	Redacted
T3-51	C	Day 1	Redacted
T3-52	C	Day 1	Redacted
T3-53	C	Day 1	Redacted
T3-54	C	Day 1	Redacted
T3-55	C	Day 1	Redacted
T3-56	C	Day 1	Redacted
T3-57	C	Day 1	Redacted
T3-58	C	Day 1	Redacted
T3-59	C	6 mths	Redacted
T3-60	C	Day 1	Have they invested the £2650 per annum?
T3-61	C	Day 1	Have they invested the £2500 per annum for 5 licenses?
T3-62	C	Day 1	Have they invested the £4200 per annum for 10 licenses?
T3-63	C	Day 1	Have they invested the £1900 per annum?
T3-64	C	Day 1	Have they invested the £2380 per annum?
T3-65	C	Day 1	Have they invested the £300 per annum?
T3-66	C	Day 1	Have they invested the £420 per annum?
T3-67	C	Day 1	Have they invested the £600 per annum?
T3-68	C	Day 1	Are they still using iTrace why was this commitment necessary
T3-69	C	Day 1	Redacted
T3-70	C	1 yr	Redacted
T3-71	C	Day 1	Redacted
T3-72	C	1 yr	Redacted
T3-73	C	6 mths	Did they implement Lean practice plus street works specialist for 3 months

T3-74	C	3 mths	Part redacted
T3-75	C	6 mths	Did they provide the street works specialist for 25 days
T3-76	C	12 mths	Is Barnet a streetworks centre of excellence - no apparent evidence?
T3-77	C	12 mths	Have they market street works did they employ a BDM have they won any business
T3-78	C	6 mths	Did they provide the additional resources for 30 days?
T3-79	C	6 mths	Did they provide the additional resources for 30 days?
T3-80	C	6 mths	Did they provide the additional resources for 25 days?
T3-81	C	6 mths	Delivered
T3-82	C	6 mths	Delivered
T3-83	C	6 mths	Are they still providing 2 days a month specialist resource
T3-84	C	1 yr	Evidence of 5 days training annually - training records audit trail?
T3-85	C	1 yr	Evidence of 5 days training annually - training records audit trail?
T3-86	C	1 yr	Are they still providing 10 days per annum specialist resource
T3-87	C	1 yr	What business did they develop Green Travel plans for - evidence
T3-88	C	1 yr	Have they developed the Programme Management Tool - part redacted
T3-89	C	6 mths	Have they developed the Project Appraisal Model - part redacted
T3-90	C	3 yrs	Who was the senior project manager - have they delivered?
T3-91	C	1 yr	What did they spend the £250k on and where is the Barnet Observatory?
T3-92	C	Day 1	Do we have a consistent talent pool what is the turnover of these key staff?
T3-93	C	1 yr	Have they developed the CEI - no evidence on the website
T3-94	C	6 mths	Have they developed the Estates Review - no evidence on the website
T3-95	C	3 mths	Who is the Place Director?
T3-96	C	1 yr	Where are the integrated Baseline Reviews and what did they tell us?
T3-97	C	1 yr	How much of the £700k promised have they spent.
T3-98	C	1 yr	Is this in place
T3-99	C	1 yr	Have they set up the social enterprise?
T3-100	C	3 mths	Did they invest the £200k in developing the Barnet Fund and what is it?
T3-101	C	3 mths	Have they provided the targeted support for NEETs
T3-102	C	2 yrs	Have they run the Innovation Barnet competition Biannually/Biennially -Evidence? The contract says biannual but the letter from Middlesex Uni say biennial
T3-103	C	1 yr	Who is the private sector chair of the partnership
T3-104	C	2 yrs	Did they appoint the senior project manager
T3-105	C	1 yr	Did they appoint the senior project manager
T3-106	C	1 yr	Did they appoint the senior project manager
T3-107	C	1 yr	What have they delivered in Town Centres
T3-108	C	1 yr	Have they delivered on the Tax Incremental Reinvestment Zones
T3-109	C	6 mths	Have they established the social enterprise to perform estate maintenance
T3-110	C	1 yr	Local heritage asset list Delivered
T3-111	C	1 yr	Did they deliver the report
T3-112	C	1 yr	Proposals Map delivered?