

	<p><b>Financial Performance and Contracts Committee</b></p> <p><b>19 June 2019</b></p>
<p><b>Title</b></p>	<p><b>End of Year 2018/19 Contracts Performance Report</b></p>
<p><b>Report of</b></p>	<p>Director (Commercial and IT Services)</p>
<p><b>Wards</b></p>	<p>All</p>
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<p><b>Enclosures</b></p>	<p>None</p>
<p><b>Officer Contact Details</b></p>	<p>Elaine Tuck, Head of Commercial Management  <a href="mailto:elaine.tuck@barnet.gov.uk">elaine.tuck@barnet.gov.uk</a></p> <p>Alaine Clarke, Head of Programmes, Performance and Risk  <a href="mailto:alaine.clarke@barnet.gov.uk">alaine.clarke@barnet.gov.uk</a></p>

## Summary

This report provides an overview of performance for the key strategic contracts, where information has not been reported to a Theme Committee as part of the End of Year (EOY) 2018/19 Themed Performance Reports.

## Officers Recommendations

**The Committee is asked to review the End of Year (EOY) 2018/19 performance in relation to back-office functions delivered by the Customer and Support Group (CSG) and Planning delivered by Regional Enterprise (Re) and note any recommendations to Policy and Resources Committee or Theme Committees on issues arising from this review.**



# 1. PURPOSE OF REPORT

## Introduction

- 1.1 This report provides an overview of performance for the key strategic contracts, where information has not been reported to a Theme Committee as part of the End of Year (EOY) 2018/19 Themed Performance Reports. The report covers the **back-office functions** delivered by **CSG** (except Estates, which is reported to Assets, Regeneration and Growth Committee) and **Planning (Re)**.

## Back office functions (CSG)

### Overview

- 1.2 Strategic HR and Finance services successfully transferred to the council on 1 April 2019. Transactional services such as Payroll and Accounts Payable remain with CSG and will continue to be monitored and reported on. Further work is taking place to revise indicators for the remaining services now CSG have returned parts of the services. This includes revision of the user satisfaction survey indicators.

Serious issues arose during the year in relation to financial controls and the Pensions service. In terms of financial controls, almost all improvements that formed part of the Grant Thornton action plan have been completed and assured as implemented. The improvement in controls has resulted in some delays in accounts payable and a taskforce is in place to help minimise the impact on suppliers.

In terms of Pensions, serious issues were identified by the Scheme Manager and the Actuary. Significant efforts were made during 2018/19 to improve data quality and there was a significant (88 per cent) reduction in critical data issues to 775 errors in April 2019. The focus is currently on ensuring high quality data for the triannual evaluation, the timely and accurate issuing of annual benefits statements and implementing outstanding audit actions. The Pensions Regulator continues to keep Barnet under close scrutiny.

Key achievements and developments during the year included:

- Implementing the financial controls action plan
  - Delivery of a new council website, which has received positive customer feedback
  - Moving all staff over to Office 365 and rolling out Skype telephony
  - The removal of procurement gainshare and guarantees and settlement of historic commercial issues
  - Recovery of c£0.5m more Housing Benefits Overpayments monies, supported by a gainshare arrangement that enabled CSG to invest in more resources to recover additional monies.
- 1.3 A key area of focus for the coming year will be the Year 6 contract review, which will commence during 2019/20. Alongside this a review of 'in-year' collection rates for Council Tax and Business Rates and a benchmarking exercise to review IT costs, estate, performance and user satisfaction across the council are proposed. User satisfaction has been problematic, with CSG having never met the contracted levels, and will also be a key focus during the coming year.

## Finance

- 1.4 **Contract reset** - a key element of activity in Q4 related to the contract reset and the associated TUPE transfer. In the case of finance this related to the transfer of 39 Capita staff to the council. This was achieved effectively to a tight deadline with all necessary statutory requirements met.
- 1.5 **Financial controls** - following the Grant Thornton report issued in 2018, which identified the need for significant improvements in financial controls, the vast majority of improvement actions have been implemented. This was a significant undertaking and progress has been reported to Audit Committee throughout the year. Most recently, Capita has provided a proposal for a system amendment to Integra, which will allow the implementation of recommendations relating to capital budget monitoring.
- 1.6 **Accounts Payable** – the introduction of enhanced financial controls as part of implementing the Grant Thornton action plan led to delays in suppliers getting paid. A joint task force was put in place to try to minimise the impact on suppliers, including clearing a backlog of 377 unallocated invoices. These challenges continue to be worked through and should reduce upon roll out of the ‘No PO, No Pay’ policy towards the end of Q1 2019/20.
- 1.7 **Traded Schools** – work is ongoing to remodel the Traded Schools Service post contract reset. This will include changing the reporting line of the Capita Traded Schools team to ENTRUST (the Capita Education Company) to provide a more effective service and better outcomes to residents.
- 1.8 The final **Closing of Accounts for 2018/19** took place in April/May 2019 after Finance transferred to the council.
- 1.9 An **Integra upgrade** was implemented during the year following successful user acceptance testing (UAT), with no disruption to normal operations. This improved the e-forms functionality (directly addressing internal audit recommendations) and reduced manual processes. Capita will continue to provide Integra to the council and there is a new agreement in place that clarifies performance levels.
- 1.10 There were two key indicators linked to Finance. Neither indicator met the EOY target. This service has returned to the council and new indicators were incorporated in the Annual Delivery Plan for Policy and Resources (P&R) Committee.
- **Budget forecasting - variance to budget (RAG rated AMBER) and Budget savings monitoring report produced (RAG rated AMBER)**. These indicators failed in Q4 because sufficient and robust financial forecasts and associated assumptions for Q3 were not provided accurately by the date required.

Indicator <sup>1</sup>	Polarity	2018/19 Target	2018/19 EOY Result	2017/18 EOY Result	DOT
Budget forecasting - variance to budget	N/A	Pass	Fail <sup>2</sup> (A)	Fail	→ S

<sup>1</sup> No benchmark data available for CSG KPIs.

<sup>2</sup> This is contested by CSG but the council thinks the indicators failed in Q4 based on the information provided by CSG.

Indicator <sup>1</sup>	Polarity	2018/19 Target	2018/19 EOY Result	2017/18 EOY Result	DOT
Budget savings monitoring report produced	N/A	Pass	Fail <sup>3</sup> (A)	Pass	↓ W

1.11 There was one high level (scoring 15+) risk on the joint risk register with CSG for Finance in Q4 2018/19, which is being managed in accordance with the council's risk management framework.

- **CSG07 - Quality of CSG finance support falls below required standard (residual score 15).** Inadequate resourcing and/or poor processes could lead to incomplete or misleading financial information. The CSG Management Team continued to work closely with the client team to manage the risk and ensure resources were deployed in the most effective manner. This risk will be closed in Q1.

## Pensions

1.12 There has been significant improvement in data quality issues. Critical errors, as measured by Hymans Robertson's independent portal, showed a reduction in errors by 88 per cent (between December 2018 and April 2019). As at 11 April 2019, 775 errors remained, most of which were with third party payroll providers.

1.13 A number of admission agreements and bonds remained outstanding and are being followed up. Agreement was sought at the Pension Fund Committee in March 2019 to delegate authority to the council's S151 Officer in relation to arranging and signing admission agreements.

1.14 The council remains under scrutiny from the Pensions Regulator.

1.15 There was one high level (scoring 15+) risk on the joint risk register with CSG for Pensions in Q4 2018/19, which is being managed in accordance with the council's risk management framework.

- **CSG08 - Misstatement of Pension Fund (residual score 15).** The lack of appropriate resourcing and non-escalation of issues to the appropriate manager could lead to a misstatement of pension fund statutory accounting and reporting (errors and delays) resulting in a qualified audit report. The ongoing audit issues relating to the data quality of membership information for 2017/18 have continued and a conditional data cleanse plan has been in place. The details of this have been sent to the Pensions Regulator. The HR data was submitted for an independent analysis of data conducted by Hymans Robertson who identified a significant number of critical errors that are to be addressed before the valuation. The council has requested another upload to Hymans Robertson for a second analysis.

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<sup>3</sup> This is contested by CSG but the council thinks the indicators failed in Q4 based on the information provided by CSG.

## Human Resources

1.16 The **Strategic HR** service was successfully transferred back to the council on 1 April 2019. In addition, the Senior Management restructure and TUPE payroll configuration work was completed.

1.17 Achievements in 2018/19 include:

- The successful upgrade of the Core HR system
- Implementation of a new recruitment system - Vacancy Filler
- Implementation of a new agency/temporary worker supplier contract - Matrix, which enabled an improvement in controls following an audit of the arrangements in place with the previous supplier.
- Significant progress in implementing the priority audit actions relating to DBS requirements, automation of the system, temporary worker requirements and contract management, as reported to Audit Committee on 1 May 2019.

1.18 Strategic HR reported resource constraints during Q4 and this led to concerns over the quality of support provided to the council. Work was re-prioritised by the council HR Lead to focus on completion of critical audit actions and key strategic projects such as the senior management restructure and payroll configuration for TUPE transfer.

1.19 There were four key indicators linked to HR. The service achieved the EOY target on three indicators, but failed to achieve the EOY target on one indicator.

- **Payroll accuracy - error rates (RAG rated RED)** – 0.65% against EOY target of 0.1% (536 errors out of 82048 transactions). The indicator failed in Q1 and Q2. The HR system and human errors were established as the root cause. The HR system was upgraded to improve payroll accuracy and the indicator passed in Q3 and Q4.

Indicator <sup>4</sup>	Polarity	2018/19 Target	2018/19 EOY Result	2017/18 EOY Result	DOT
Payroll Accuracy - error rates	Smaller is Better	0.1%	0.65% <sup>5</sup> (R)	0.3%	↓ W -127%
DBS verification audits	Bigger is Better	100%	100% (G)	99.7%	↑ I +0.3%
Absence projects and Interventions <sup>6</sup>	N/A	Pass <sup>6</sup>	Pass (G)	Pass	→ S
Payroll - correct pay date	Bigger is Better	100%	100% (G)	100%	→ S

1.20 There were no high level (scoring 15+) risks on the joint risk register with CSG for HR in Q4 2018/19.

<sup>4</sup> No benchmark data available for CSG KPIs.

<sup>5</sup> This has been rounded up to one decimal point. The actual result for the year was 0.34%

<sup>6</sup> This is a qualitative measure and refers to completion of projects/interventions that have been agreed in a rolling quarterly programme of work to positively reduce the council's staff sickness absence.

## Corporate Programmes

- 1.21 During the year, work continued on key programmes, notably The Way We Work (TW3), leisure centres and schools.
- **TW3 Programme** was a priority of the council during the year, with CSG delivering the different strands across the programme. The Office 365 project was completed and a large proportion of council staff attended Skype training sessions. CSG delivered the Staff Development Programme training and provided continuous support around the TW3 scheme in Q4, with model offices set up and information sessions at both NLBP and Barnet House. Core audio-visual equipment and desk accessories were procured for the new office, ready for the council to start moving staff across to the new office from May 2019.
  - **Investment in leisure centres** – the two new leisure centres at New Barnet and Copthall are due for practical completion in July and August 2019. CSG provided project management for the two builds, with the construction period taking up most of the financial year.
  - **Blessed Dominic and St James' school expansion** - CSG provided project management and other technical advice on the continued delivery of this school expansion. The project is on track to deliver new pupil places for September 2019.
- 1.22 There were no key indicators or high level (scoring 15+) risks on the joint risk register with CSG for Corporate Programmes in Q4 2018/19.

## Customer Services

- 1.23 There was a focus on managing demand through reducing telephone contacts and costs by providing an enhanced web experience but recognising that some circumstances require a direct answer. The expected benefits and delivery dates of a range of demand reduction initiatives were agreed between CSG and the council. The baseline against which demand is calculated was revised to reflect the impact of these initiatives and a tracker put in place to monitor progress. These initiatives ensured no additional contract costs were incurred in Q3 and Q4. It is anticipated that this cost-neutral position will be maintained and savings generated in 2019/20.
- 1.24 A new website was launched in February 2019 with a focus on resident testing and engagement to ensure the website addressed key concerns and feedback. The new website has improved navigation and search, enabling residents to find information quicker and easier. Improvements were also made to the 'MyAccount' functionality.
- 1.25 There were five key indicators linked to Customer Services. The service achieved the EOY target on four indicators, but failed to achieve the EOY target on one indicator.
- **Cases/transactions completed via self-service channels (RAG rated AMBER)** – 47.1% against EOY target of 48% (200,822 out of 426,269 transactions). To support the bin round changes and additional calls that resulted, the automated messaging on the council's telephony system was removed so more calls were answered directly by staff and hence required manual intervention. This impacted the number of transactions completed via self-serve channels.

Indicator <sup>7</sup>	Polarity	2018/19 Target	2018/19 EOY Result	2017/18 EOY Result	DOT
Customers who rate phone calls, emails and face-to-face service as good (GovMetric)	Bigger is Better	89%	90.0% (G)	90.3%	↓ W -0.2%
Customers satisfied following case closure	Bigger is Better	65%	70.6% (G)	69.2%	↑ I +2%
Customer Services closing cases on time	Bigger is Better	94%	96.9% (G)	97.4%	↓ W -0.5%
Customer Services closing cases on time (Customer Advocacy Service)	Bigger is Better	96.9% <sup>8</sup>	100% (G)	100%	→ S
Cases/transactions completed via self-service channels	Bigger is Better	48% <sup>9</sup>	47.1% (A)	New for 18/19	New for 18/19

1.26 There were no high level (scoring 15+) risks on the joint risk register with CSG for Customer Services in Q4 2018/19.

## Information Systems

1.27 The Office 365 project was concluded during the year and transitioned to the Operations team as business as usual. Office 365 mailboxes were migrated to the cloud from on-premise servers. All staff were successfully moved over to Office 2016 and Skype for Business; and the Skype telephony roll-out was completed. A lessons learned document has been produced on the Office 365 roll-out and a strategy recommending next steps drafted. Further work is taking place to develop an Office 365 Strategy to look at other functionality available from Microsoft on this platform.

1.28 The council has engaged SOCITM (Society for IT practitioners in the public sector) to carry out a benchmarking exercise to review IT costs, estate and performance, which includes a user satisfaction survey that will be sent to all staff. This will enable the council to focus its IT investment and future improvement plan to maximise financial and customer benefit.

1.29 The introduction of a 'Pass Phrase' to help users remember their passwords more easily helped reduce the number of requests for password reset in March 2019 (200, compared with 786 in October 2018). Dedicated Wi-Fi set up to enable Members to login and connect without the requirement of re-authenticating was extended to NLBP, Barnet House and Hendon Town Hall. IT has engaged with the Elections Service to support planning for the European Elections. The roll-out of Windows 10 continues with all new laptops on this platform and with the laptop refresh due to

<sup>7</sup> No benchmark data available for CSG KPIs.

<sup>8</sup> The target for this KPI is to achieve more than the period's result for the Customer Services closing cases on time KPI.

<sup>9</sup> Target changed from 77% to 48%. The methodology previously included self-service i.e. web forms but also included 'web sessions' i.e. users browsing the website as self-service. 'Web sessions' was removed as a form of self-service and the target was revised down.

begin this summer, which will see c.1500 devices upgraded. Most incidents and requests were resolved in a timely manner.

1.30 There were two key indicators linked to Information Systems. The service achieved the EOY target on one indicator, but failed to achieve the EOY target on the other indicator.

- **Incident resolution<sup>10</sup> (RAG rated AMBER)** - 93.3% against EOY target of 95%. There was a slight drop in the indicator performance in Q2, as a result of near doubling of telephone and Skype call volumes to 6,128 (compared to 3,259 in the same period last year). Workshops were organised for staff to encourage best practice going forward and the indicator passed in Q3 and Q4.

Indicator <sup>11</sup>	Polarity	2018/19 Target	2018/19 EOY Result	2017/18 EOY Result	DOT
Incident resolution	Bigger is Better	95% <sup>12</sup>	93.3% (A)	92.8%	↑   +0.5%
Critical system availability	Bigger is Better	99.5%	99.9% (G)	99.9%	→ S

1.31 There were no high level (scoring 15+) risks on the joint risk register with CSG for Information Systems in Q4 2018/19.

## Procurement

1.32 This year saw the removal of **procurement gainshare and guarantees**, and settling of past commercial disputes around gainshare. Work was undertaken to review the procurement output specification and discuss changes to the operating model. There are currently over 60 live procurement projects.

1.33 Significant work undertaken during 2018/19 included:

- Development of a **Contract Management Toolkit**, which was formally launched to services in Q4, with training sessions commencing in Q1 2019/20
- Approval of the 2019/20 **Annual Procurement Plan** at Policy and Resources Committee on 11 December 2018, following which work was undertaken to identify procurements that are critical to services and focus resources accordingly. For example, support for the planned phased move to the new Colindale office, including office furniture, vending services and access controls
- A procurement open day providing training and information and attended by over 40 staff
- Updating the **Contracts Register** to ensure contracts information are up-to-date;
- Procuring the new **Agency Contract** and supporting its mobilisation and ongoing contract management
- Work on **Tenders**, including adults extra care, parking and traffic enforcement, short breaks, corporate cleaning and Brent Cross station

<sup>10</sup> An incident is defined as any event which is not part of the standard operation of a service and which causes, or may cause, an interruption to, or a reduction in, the quality of that service.

<sup>11</sup> No benchmark data available for CSG KPIs.

<sup>12</sup> The target was increased from 90% to 95% in 18/19 in line with the contractual provisions.

- Reviewing **Mobile Phones** to identify a more cost-effective solution
- Providing procurement input to the accounts payable improvement work.

1.34 There were five key indicators linked to Procurement. The service achieved the EOY target for all five indicators.

Indicator <sup>13</sup>	Polarity	2018/19 Target	2018/19 EOY Result	2017/18 EOY Result	DOT
Contract compliance - new contracts over £25k <sup>14</sup>	Bigger is Better	100%	100% (G)	100%	→ S
Contract compliance - legacy contracts over £25k <sup>15</sup>	Bigger is Better	98.9%	99.9% (G)	99.9%	→ S
Effective contract management - complex legacy contracts (Contract Procedure Rules)	Bigger is Better	60%	100% (G)	100%	→ S
London Procurement Pledge - cumulative apprenticeships <sup>16</sup>	Bigger is Better	60	85 (G)	65	↑   +31%
London Procurement Pledge - cumulative work experience <sup>17</sup>	Bigger is Better	240	353 (G)	258	↑   +37%

1.35 There were two high level (scoring 15+) risks on the joint risk register with CSG for Procurement, which are being managed in accordance with the council's risk management framework.

- **CSG99 - Brexit uncertainty leads to increase in the cost of goods and services (NEW) (residual score 15).** This was a new risk for Q4. The expected departure from the European Union could lead to implementation of tariffs and/or staffing shortages resulting in an increase cost of goods and services for the council. Adults and Communities, Family Services and Street Scene are managing risks associated with their major suppliers and this is being reported to the Brexit Group. Consideration is being given as to whether to extend existing contracts (where applicable) to mitigate any financial costs then pursue a procurement exercise.
- **CSG100 - Brexit uncertainty leads to delays in receiving procured goods and services (NEW) (residual score 15).** This was a new risk for Q4. The expected departure from the European Union could lead to delays in receiving procured goods and services resulting in an impact on service quality and outcomes. Areas of concerns are construction and energy/fuel sectors. The council's partners in these two sectors have been asked for an updated position on the possible impact and mitigations in place. Service areas will be encouraged to think ahead and begin procurement processes early if there is a tangible belief that there will be a significant delay between contract signing and goods being available.

<sup>13</sup> No benchmark data available for CSG KPIs.

<sup>14</sup> Percentage of the value of new contracts over £25k awarded and managed in accordance with CPR's and procurement legislation.

<sup>15</sup> Percentage of the value of legacy contracts over £25k managed in accordance with CPR's and procurement legislation.

<sup>16</sup> Cumulative refers to the start of the contract - September 2013.

<sup>17</sup> Cumulative refers to the start of the contract - September 2013.

## Revenue and Benefits

- 1.36 Four yearly collection targets for both Council Tax (98.7%) and Business Rates (99.4%) were met, as reported to P&R Committee on 17 June 2019.
- 1.37 **Housing Benefit Overpayment Recovery** increased by 46% (from £1,194,475 in 2017/18 to £1,740,286 in 2018/19), which was an additional income of £546,000. The gainshare arrangement put in place for 2018/19 enabled CSG to invest in more resources to recover additional monies.
- 1.38 Full Service Universal Credit in Barnet continues to generate increasing volumes of additional work. The change in the Council Tax Support scheme from April 2019 (approved by Full Council in December 2018) was designed in part to mitigate this additional workload so this will be monitored closely in the new financial year. The report is available online at:  
<https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=162&MId=9454&Ver=4>
- 1.39 A new suite of **Digital forms** for Council Tax went 'live' in March 2019; usage and customer feedback will be monitored to maximise take up and customer experience. Following annual billing, the council will work with Capita to introduce e-billing.
- 1.40 The 2017/18 **Annual Housing Benefit Subsidy Audit** identified a historic error in the system, which led to the claim being qualified. The additional work requested by DWP has been carried out by both CSG and BDO (external audit) and submitted to DWP for review on 1 May 2019. A final decision on any repayment of subsidy is awaited from DWP. Under the current contractual terms should the council be requested to repay any subsidy, Capita will be required to meet this cost.
- 1.41 Benefits complaints dropped to 21 in Q4 from 39 in Q3 (31 in Q2 and 36 in Q1, with **complaints upheld partially or in full** at 29% in Q4 (67% in Q3, 39% in Q2 and 53% in Q1). Benchmarking data has been requested from other London Boroughs to help understand how Barnet's Revenue and Benefits service compares against its neighbours.
- 1.42 There were three key indicators linked to Revenue and Benefits. The service achieved the EOY target on two indicators, but failed to achieve the EOY target on one indicator.
- **Accuracy of benefit assessments (RAG rated AMBER)** – 91.5% against EOY target of 95%. The methodology for this indicator was updated to improve accuracy check benefit assessments carried out by CSG Revenue and Benefits service. Using the updated methodology, the indicator failed to meet target. Appropriate measures are being put in place to achieve the required levels.

Indicator <sup>18</sup>	Polarity	2018/19 Target	2018/19 EOY Result	2017/18 EOY Result	DOT
Accuracy of benefit assessments	Bigger is Better	95%	91.5% (A)	96.4%	New for 18/19

<sup>18</sup> No benchmark data available for CSG KPIs.

Indicator <sup>18</sup>	Polarity	2018/19 Target	2018/19 EOY Result	2017/18 EOY Result	DOT
Speed of processing new claims	Smaller is Better	22	20 (G)	22	↑ I -9%
Speed of processing changes	Smaller is Better	6	5 (G)	5	→ S

1.43 There were no high level (scoring 15+) risks on the joint risk register with CSG for Revenue and Benefits in Q4 2018/19.

### Safety, Health and Wellbeing (SHaW)

1.44 The annual work plan target was met at the end of Q4. During the year, the risk profiling heat map was reviewed by the council and is being finalised. Discussions will take place to review next steps, identify risk areas and evolve service delivery around the actions required to support the business to reduce risk. The service is continuing to deliver support, guidance and advice to staff as well as carrying out monitoring activities such as audits, inspections and investigations. There was an increase in training provided to council employees and schools (from 12 classroom based training in 2017/18 to 23 in 2018/19), and positive feedback received.

1.45 A Workplace Health and Wellbeing Steering Group was re-established during the year with representation from across the council to oversee the delivery of a range of actions. The Group has met to drive the council's workplace wellbeing strategies. Health checks were made available to staff in January 2019, and a staff survey was carried out in Q3 to gain information on the type of wellbeing activities staff were keen to be made available to them. The survey had a good response with many suggestions and offers of support. Three open hours have been arranged for likeminded staff to get together and find ways of organising these activities.

1.46 There were no key indicators or high level (scoring 15+) risks on the joint risk register with CSG for SHaW in Q4 2018/19.

### User satisfaction and commissioner satisfaction

1.47 **User satisfaction and commissioner satisfaction indicators (nine RAG rated RED and one RAG rated AMBER).** Two surveys are carried out each year on internal customer satisfaction with the services provided by Capita – one for service users and one for commissioners (i.e. those who use the strategic aspects of services). The contractual target is for satisfaction to be in the upper quartile for councils using a CIPFA benchmark. User satisfaction has been problematic, as Capita have never met the contracted levels. There have been incremental improvements in some service areas since the beginning of the contract. This is in the context of significant savings being delivered through the Capita contract. Satisfaction improvement plans are in place for each service area, and Capita has been asked to evidence that feedback from the satisfaction survey and other more regular surveys are used to inform continuous service improvement activity. Satisfaction KPIs will be reviewed during 2019/20, including in light of the return of Strategic HR and Finance services.

Indicator	Polarity	Baseline	17/18 EOY <sup>19</sup>	2018/19 EOY Target	2018/19 EOY Result	DOT	Q3 17/18 <sup>20</sup> Result
User Satisfaction - IT	Bigger is Better	2.2	3.27	3.79 (Upper quartile score)	3.12 (R)	↓ W -5.2%	3.29
User satisfaction - HR	Bigger is Better	2.9	2.82	4 (Upper quartile score)	3.18 (R)	↓ W -0.9%	3.21
User satisfaction - Procurement	Bigger is Better	2.81	2.47	3.28 (Upper quartile score)	3.21 (R)	↑ I +13%	2.83
User satisfaction - Estates	Bigger is Better	3.32	3.14	4.12 (Upper quartile score)	3.43 (R)	↓ W -0.3%	3.44
User satisfaction - Finance	Bigger is Better	2.62	2.49	3.41 (Upper quartile score)	2.89 (R)	↑ I +7.0%	2.70
Commissioner Satisfaction - Corporate IS	Bigger is Better	2.02	2.75	3.45 (Upper quartile score)	2.51 (R)	↓ W -12%	2.85
Commissioner Satisfaction – HR	Bigger is Better	2.3	2.36	3.8 (Upper quartile score)	2.87 (R)	↑ I +4.4%	2.75
Commissioner Satisfaction - Procurement	Bigger is Better	3.2	2.4	3.32 (Upper quartile score)	3.01 (A)	↓ W -8.2%	3.28
Commissioner Satisfaction - Estates	Bigger is Better	2.91	1.69	3.85 (Upper quartile score)	2.38 (R)	↓ W -1.2%	2.41
Commissioner Satisfaction – Finance	Bigger is Better	2.52	2.62	3.68 (Upper quartile score)	2.03 (R)	↓ W -31%	2.96

## Cross-cutting

1.48 **Compliance with Authority Policy (RAG rated AMBER).** This indicator failed in Q1 due to repeated failures to comply with information governance policies relating to

<sup>19</sup> Result as reported in 2017/18.

<sup>20</sup> Methodology note - Users and commissioners (primarily senior management) are asked to rate services on a scale of 1 to 5 with 1 being strongly disagree and 5 being strongly agree. In 2016's survey those who responded, 'not applicable', as they did not use the service, were marked as a 0 and included in the score; this skewed the average score and therefore showed satisfaction as lower than it was. 2018's data has been calculated excluding those who responded, 'not applicable' and 2016 and 2017's data has been amended in line with this to ensure consistency. None of the KPIs have been met since contract commencement and the re-calculation does not change this.

the use of Integra. Capita has taken action to address these particular shortcomings to prevent future occurrence and the indicator passed in Q2, Q3 and Q4.

Indicator <sup>21</sup>	Polarity	2018/19 Target	2018/19 EOY Result	2017/18 EOY Result	DOT
Compliance with Authority Policy	N/A	Pass	Failed Q1 (A)	Fail	→ S

## Planning (Re)

### Overview

1.49 Re continued to deliver a good and effective planning service, accommodating high levels of activity. Despite a handful of cases where the quality of service could have been better, the overall service provided in Barnet compares very well with other council's. Re's development management teams continue to be shortlisted for industry awards and are employed by other local authorities to assist with the delivery of top-up and additional planning services. The Planning Enforcement service was recognised as a national leader in 2018 and efforts by the team this year have continued to clear through the historic backlog to secure successful prosecutions.

### Development Management

1.50 Barnet processed the 7<sup>th</sup> highest number of planning applications in England and the 2<sup>nd</sup> highest in London. It also ensured the 2<sup>nd</sup> highest number of major applications in London were processed on time, 94% within 13 weeks or agreed time, compared with the London average of 88%. Additionally, 92% of minor applications were processed within 8 weeks or agreed time, against an 88% London average.

1.51 The Planning Service was shortlisted for a Local Government Chronicle award in the Innovation category for operating a satellite office from Belfast. The service was shortlisted for a Planning Award in the Affordable Housing Category linked to its work with Barnet Homes in 2018/19; the result will be available in June 2019.

1.52 National planning statistics in Q4 continued to show the council serving the highest number of enforcement and breach of conditions notices in England; although this will begin tailing off as compliance improves and developers become more cautious about breaching planning rules or developing without permission.

1.53 There were three key indicators linked to Development Management. The service achieved the EOY target on two indicators, but failed to achieve the EOY target on one indicator. However, this level of performance was considered acceptable due to the increase in cases.

- **Prosecution and direct action within 3 or 6 months period of compliance expiring (RAG rated AMBER).** Only 17 cases out of 43 were delivered on time during 2018/19, but the total number of on time cases has increased over the past two years. The significant increase in cases taken to Court is resolving many complex historic planning breaches to the benefit of local residents. It is also sending a clear message

<sup>21</sup> No benchmark data available for CSG KPIs.

that unlawful development is unacceptable and will be pursued, including suitable financial claims against landowners where appropriate.

Indicator <sup>22</sup>	Polarity	2018/19 Target	2018/19 EOY Result	2017/18 EOY Result	DOT
Compliance with planning application statutory timescales for major, minor, other applications	Bigger is Better	75%	84.4% (G)	85.6%	↓ W -1%
Enforcement or breach of condition notices shall be service within timescales	Bigger is Better	60%	70.7% (G)	86.6%	↓ W -18%
Prosecution and direct action <sup>23</sup>	Bigger is Better	60%	39.5% (R)	34.4%	↑ I +15%

1.54 There were no high level (scoring 15+) risks on the joint risk register with Re for Development Management in Q4 2018/19.

### Building Control

1.55 The construction market appears to have stabilised in Q4, indicating a slight increase in construction activity locally, but the council continues to monitor levels of activity.

1.56 A programme to update service standards saw the schedule of fees and charges comprehensively reviewed to fairness of recharging between all types of service.

1.57 The service has continued marketing efforts to address a declining market share for the council's building control activities in the borough. 2018/19 began with a campaign to market the service to smaller local developments, with more recent efforts focused on improving partnership work with larger local developers e.g. bidding for work at Colindale Gardens, Millbrook Park and Saracens (West Stand).

1.58 Furthermore, to modernise the service, a pilot for mobile working technology also began this year. If successful it will see all building control staff move across to flexible mobile devices that enable more activities to be completed on site (such as capturing photos directly into case notes and issuing certificates to clients).

1.59 There was one key indicator linked to Building Control, which met the EOY target. Service performance showed 99.7% of building regulations cases were completed within statutory timescales during the year.

Indicator <sup>24</sup>	Polarity	2018/19 Target	2018/19 EOY Result	2017/18 EOY Result	DOT
Decisions made within building regulation statutory timescales	Bigger is Better	96%	99.7% (G)	97%	↑ I +3%

<sup>22</sup> No benchmark data available for CSG KPIs.

<sup>23</sup> The purpose of this KPI is to monitor the effectiveness of the enforcement team in protecting the environment by prosecuting or taking direct action where the requirements of an effective notice have not been complied with within 3 or 6 months period of compliance expiring.

<sup>24</sup> No benchmark data available for CSG KPIs.

1.60 There were no high level (scoring 15+) risks on the joint risk register with Re for Building Control in Q4 2018/19.

## Strategic Planning

1.61 Work to begin drafting a new Local Plan started during 2018/19. A number of meetings of the Members Advisory Group took place to review a first draft. However, the Local Plan was deferred in February 2019 when MHCLG published an updated position on the housing target for Barnet. Whilst this target is discussed with MHCLG, a Growth Strategy for the borough will be brought forward as a precursor document clarifying the council's role in growth and regeneration. This should help frame a direction of travel for the Local Plan and Transport Strategy.

1.62 During the year, the council approved the final draft of the North London Waste Plan and the Planning Committee confirmed the Brownfield Land Register (2018 update). In addition, payments totalling £4.5m of Community Infrastructure Levy (CIL) were collected from new developments. This contributes to the funding of capital projects, including the parks investment in Colindale and the re-development of the leisure centres.

1.63 Work has begun on the annual plan for 2019/20 that will build on studies produced in 2018/19. This includes the scoping reports for Supplementary Planning Documents for Edgware, Middlesex University/The Burroughs and Whetstone, alongside masterplans for Brent Cross West and Cricklewood, and a borough-wide Tall Buildings/Heights study, including detailed assessments of key road corridors. Funding secured from the GLA has provided an additional £200k that has enabled this expansion of the work programme.

1.64 Work on the Local List commitment continues. The timescale for completion of this work has been, in part, dependent on the capacity and willingness of community groups to engage. In addition, a review of Conservation Area Advisory Committees has taken place and presented options for future directions for these advisory groups to be taken forward in 2019-20.

1.65 Relating to Brent Cross, the waste transfer centre application is moving forward. Non-material amendments were submitted in February 2019 and are being considered, whilst the condition application submitted in January 2019 has been approved.

1.66 There were four key indicators linked to Strategic Planning. The service achieved the EOY target on three indicators, but failed to achieve the EOY target on one indicator.

- **Section 106 cases cleared annually (payment of Section 106 obligations by developers to the Authority) (Annual) (RAG rated AMBER).** This is a dual indicator measuring both the percentage of cases cleared and the collection of funds from the top 20 highest value cases. The target percentage of cases has been missed as service efforts during the year focused on capturing expenditure data by services following an internal audit. The target for highest value cases was also missed, but in all three cases the service had requested payment and were in the process of escalating matters with developers to ensure payment is made.

Indicator <sup>25</sup>	Polarity	2018/19 Target	2018/19 EOY Result	2017/18 EOY Result	DOT
Average time taken to process requests for Full Official Searches (online and post) in Land Charges	Smaller is Better	3 days	2.47 (G)	3 days	↑ I -20%
Strategic planning documents completed and signed off	Bigger is Better	100%	100% (G)	100%	→ S
Section 106 cases cleared annually (payment of Section 106 obligations by developers to the Authority) (Annual)	Bigger is Better	80%	74.5% (A)	88.9%	↓ W -16%
Community Infrastructure Levy (CIL) cases cleared annually (payment of overall CIL obligations by developers to the Authority)	Bigger is Better	80%	82% (G)	83.1%	↓ W -1%

### High level risks

1.67 There were no high-level (scoring 15+) risks on the joint risk register with Re for Planning in Q4 2018/19.

<sup>25</sup> No benchmark data available for CSG KPIs.

## **2 REASONS FOR RECOMMENDATIONS**

- 2.1 The report provides an overview of performance for the key strategic contracts, where information has not been reported to a Theme Committee, as part of the EOY 2018/19 Themed Performance Reports. The Committee is asked to review the EOY performance in relation to back office functions delivered by CSG and Planning delivered by Re, which are not reported to any Theme Committee.

## **3 ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 None.

## **4 POST DECISION IMPLEMENTATION**

- 4.1 None.

## **5 IMPLICATIONS OF DECISION**

### **5.1 Corporate Priorities and Performance**

- 5.1.1 Budget, performance and risk information for the key strategic contracts in relation to the priorities in the Corporate Plan have been reported to the relevant Theme Committees. One matter in relation to the Re contract has been referred to this Committee, which has been set out in a separate paper.

- 5.1.2 The EOY 2018/19 results for all KPIs are published on the Open Barnet portal at <https://open.barnet.gov.uk/dataset>

- 5.1.3 Robust budget, performance and risk monitoring are essential to ensure that there are adequate and appropriately directed resources to support delivery and achievement of council priorities and targets as set out in the Corporate Plan.

- 5.1.4 Relevant council strategies and policies include the following:

- Corporate Plan 2015-2020
- Corporate Plan - 2016/17, 2017/18 and 2018/19 Addendums
- Medium Term Financial Strategy
- Performance and Risk Management Frameworks

- 5.1.5 The priorities of the council are aligned to the delivery of the Health and Wellbeing Strategy.

### **5.2 Resources (Finance and Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

- 5.2.1 The budget forecasts for CSG are reported as part of the CFO paper to this Committee.

### **5.3 Social Value**

- 5.3.1 The Public Services (Social Value) Act 2012 requires people who commission public services to think about how they can also secure wider social, economic and

environmental benefits. Before commencing a procurement process, commissioners should think about whether the services they are going to buy, or the way they are going to buy them, could secure these benefits for their area or stakeholders. As set out in the council's Contract Procedure Rules, commissioners should use the Procurement Toolkit, which includes Social Value guidance. The Contract Management Toolkit should also be used to help ensure that contracts deliver the expected services to the expected quality for the agreed cost. Requirements for a contractor to deliver activities in line with Social Value will be monitored through the contract management process.

## **5.4 Legal and Constitutional References**

5.4.1 Section 151 of the Local Government Act 1972 states that: "without prejudice to section 111, every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs". Section 111 of the Local Government Act 1972, relates to the subsidiary powers of local authorities.

5.4.2 Section 28 of the Local Government Act 2003 (the Act) imposes a statutory duty on a billing or major precepting authority to monitor, during the financial year, its income and expenditure against the budget calculations. If the monitoring establishes that the budgetary situation has deteriorated, the authority must take such action as it considers necessary to deal with the situation. Definition as to whether there is deterioration in an authority's financial position is set out in sub-section 28(4) of the Act.

5.4.3 The council's Constitution, Article 7 Committees, Forums, Working Groups and Partnerships, sets out the functions of the Financial Performance and Contracts Committee as being Responsible for the oversight and scrutiny of:

- The overall financial performance of the council
- The performance of services other than those which are the responsibility of the: Adults & Safeguarding Committee; Assets, Regeneration & Growth Committee; Children, Education & Safeguarding Committee; Community Leadership & Libraries Committee; Environment Committee; or Housing Committee
- The council's major strategic contracts including (but not limited to):
  - Analysis of performance
  - Contract variations
  - Undertaking deep dives to review specific issues
  - Monitoring the trading position and financial stability of external providers
  - Making recommendations to the Policy & Resources Committee and/or theme committees on issues arising from the scrutiny of external providers
- At the request of the Policy & Resources Committee and/or theme committees consider matters relating to contract or supplier performance and other issues and making recommendations to the referring committee
- To consider any decisions of the West London Economic Prosperity Board which have been called in, in accordance with this Article.

5.4.4 The council's Financial Regulations can be found at:

<https://barnet.moderngov.co.uk/documents/s47388/17FinancialRegulations.doc.pdf>

## **5.5 Risk Management**

5.5.1 The council has an established approach to risk management, which is set out in the Risk Management Framework. All high level (scoring 15+) risks associated with the CSG contract and Re Planning are outlined in the report.

## **5.6 Equalities and Diversity**

5.6.1 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.

5.6.2 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.

5.6.3 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.

5.6.4 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.

5.6.5 Progress against the performance measures we use is published on our website at: [www.barnet.gov.uk/info/200041/equality\\_and\\_diversity/224/equality\\_and\\_diversity](http://www.barnet.gov.uk/info/200041/equality_and_diversity/224/equality_and_diversity)

## **5.7 Corporate Parenting**

5.7.1 In line with Children and Social Work Act 2017, the council has a duty to consider Corporate Parenting Principles in decision-making across the council. There are no implications for Corporate Parenting in relation to this report.

## **5.8 Consultation and Engagement**

5.8.1 Obtaining customer feedback is part of the contract management process to inform service delivery, service development and service improvement.

## **5.9 Insight**

5.9.1 The report identifies performance and risk information in relation to the back office functions provided by CSG.

## **6 BACKGROUND PAPERS**

6.1 None.