

<p><u>MEETING</u></p> <p>BUDGET AND PERFORMANCE OVERVIEW AND SCRUTINY COMMITTEE</p>
<p><u>DATE AND TIME</u></p> <p>TUESDAY 11TH JUNE, 2013</p> <p>AT 7.00 PM</p>
<p><u>VENUE</u></p> <p>HENDON TOWN HALL, THE BURROUGHS, NW4 4BG</p>

Dear Councillors,

Please find enclosed the presentation delivered by Officers at the above meeting.

Item No	Title of Report	Pages
6.	Development and Regulatory Services: Recommendation for Preferred and Reserved Bidder and Full Business Case – Officer Presentation	1 - 16

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Development and Regulatory Services

Presentation to Budget and Performance Overview and Scrutiny Committee 11 June 2013

**Pam Wharfe Director for Place
Craig Cooper Commercial Director**

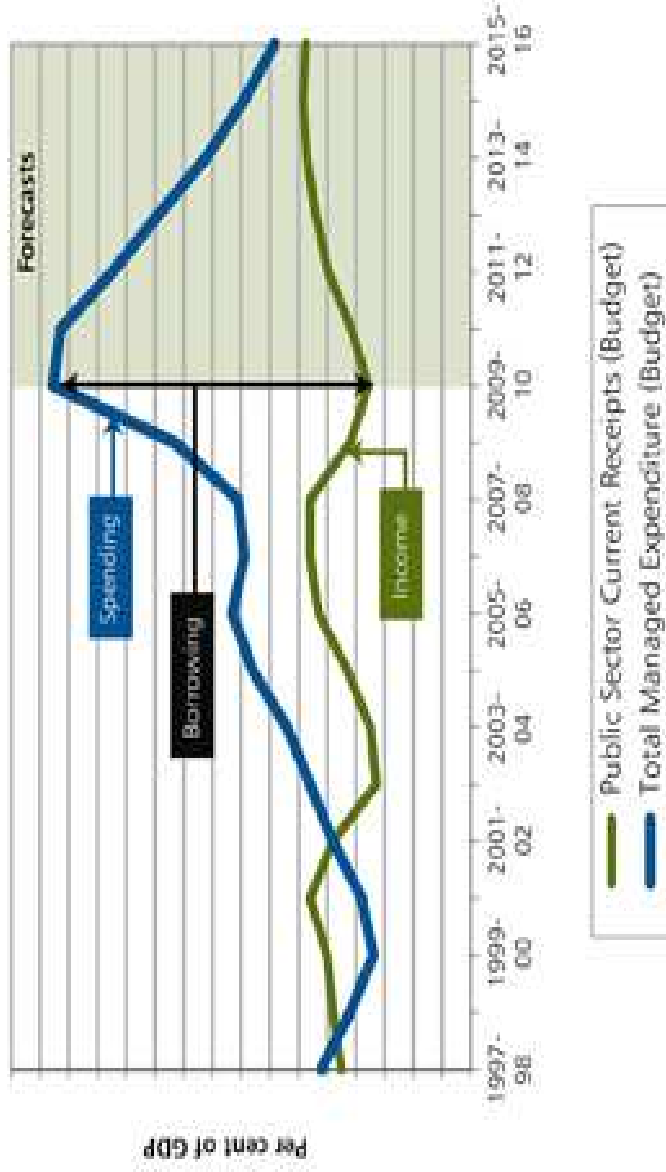
AGENDA ITEM 6

Agenda

- Context
- Development and Regulatory Services Project
 - Financial benefits
 - Service benefits and standards
 - Service improvement proposals
 - Impact on staff
- Commercial
 - How the contract will work
 - Joint Venture
- Proposed time line

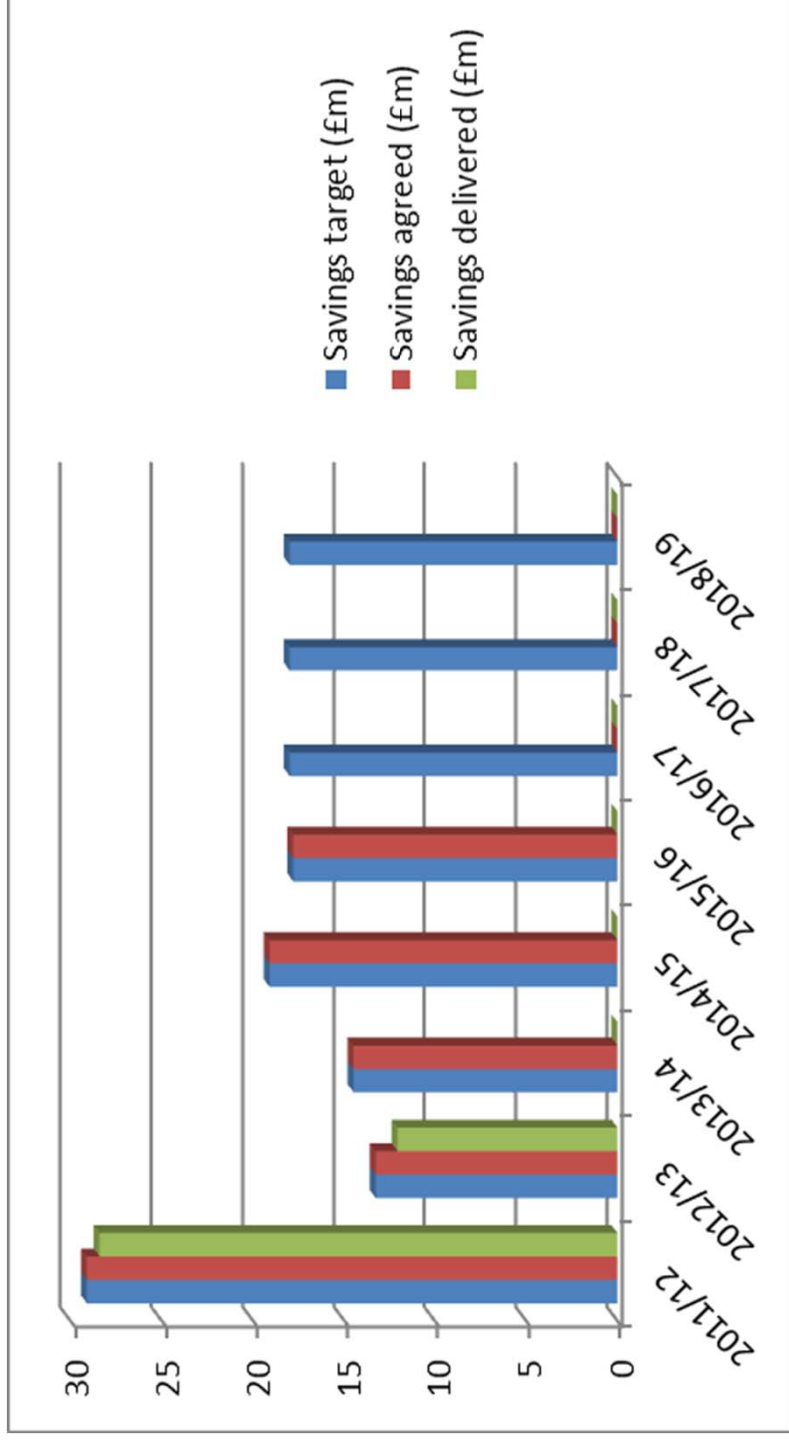
Context

Context: National Picture



Context: Barnet response

Comprehensive Spending Review 2010: Cuts of £72m by 2014-15
Next Review June 2013: Expect the same level of cuts again up to 18/19



Development and Regulatory Services Project

Financial Benefits

- £39.1m guaranteed saving over 10 years, derived from cost reductions (£5.3m) and net income growth (£33.8m) – exceeding business case requirement of £26.5m
- £8.2m of investment in services
- Medium term financial strategy met and exceeded
- Net cost of these services to the council to reduce from £45m to £6m over the 10 year contract term (£4.5m to £600k per annum)
- Potential for significant further financial benefit from trading, based on proposals set out in the final tender

Service Benefits and Standards

- The provider is committed to delivering detailed output specifications across **all** service areas and meet current service level performance.
- Any changes to output specification or services are subject to a change mechanism and member decision-making process.
- Significant investment in new technology to give customers
 - better access
 - real time information
- A single DRS customer service team providing community engagement and liaison

Service Improvement Proposals: examples from each service area

Environmental Health, Trading Standards & Licensing

- Extend service choice including assisted application process
- A series of initiatives for growth in the services such as:
 - food hygiene training, additional HMO licensing and consultancy services
 - personal licence renewal service and consultancy services

Cemetery & Crematorium

- Improvement of facilities on site including a new catering facility
- Achievement of Gold Standard of the Charter for the Bereaved within 3 years

Strategic Planning and Regeneration

- Proactive support for town centre traders and local community groups
- Bring back into active use empty shops by social enterprises or business start-ups

Planning, Building Control and Land Charges

- Improved on-line planning application and enforcement casework 'tracking'
- Enhanced and quicker pre-application advice service

Highways

- On-line and 'real-time information' on highways works and maintenance available for the public
- Improvements in the street works service ensuring utilities reinstate the highways to an excellent standard

Impact on staff

- Location – DRS contract will be delivered locally from within the Borough and transferring activities will continue to be based in Barnet for the duration of the partnership.
- Investment in staff (£500 per person per annum)
- Opportunities for career development as the services grow both in the borough and elsewhere
- All transferring staff remain part of the Local Government Pension Scheme

Joint Employment Contract for around 30% of staff

- Only relates to staff with roles which have Statutory Duties that are non-delegable
- Joint Employment contract is between provider, Council and staff member.
- **All** staff will transfer to the new provider and TUPE regulations will apply

Commercial

How the contract will work

- Role of members
 - Setting strategic direction for the partnership
 - Taking resource decisions
 - Holding the service provider to account
 - Renewing, reducing, stopping or changing the service mix with the contract
- Governance Arrangements
 - Dedicated OSC for Contract Management
- Addressing issues and performance failures
 - Partnership Manager
- Managing risk
 - KPIs
 - Risk register monitoring

Joint Venture

- The council and the Preferred Bidder would form a Joint Venture company
- Both the Council and the Preferred Bidder would be shareholders, and both will be represented on the Board of Directors.
- The council has the right to propose the Chairman of the Board.
- This approach provides the Council with a number of benefits as follows, it:
 - enables the Council to have a greater degree of control
 - provides the transparency that helps ensure the Council receives any profit due
 - enables us to trade more easily with other Authorities
 - may give some customers greater confidence than trading with a purely privately owned company
 - potentially continues to make profits after the end of the DRS contract

Proposed Timeline

Proposed Timeline and Key Governance Dates

Decision Papers/Business Case Published	20 May 2013
Pre-Decision B&P OSC	11 June 2013
Cabinet papers published	13 June 2013
Cabinet	24 June 2013
Post-Decision OSC	3 July 2013
Alcatel Period Ends	14 July 2013
Estimated DRS service starts	Mid October 2013

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