

<u>MEETING</u> PERFORMANCE AND CONTRACT MANAGEMENT COMMITTEE
<u>DATE AND TIME</u> THURSDAY 7TH JANUARY, 2016 AT 7.00 PM
<u>VENUE</u> HENDON TOWN HALL, THE BURROUGHS, LONDON NW4 4BQ

Dear Councillors,

Please find enclosed additional papers relating to the following items for the above mentioned meeting which were not available at the time of collation of the agenda.

Item No	Title of Report	Pages
1.	PUBLIC QUESTIONS AND COMMENTS (IF ANY)	1 - 8

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Public Questions (in Order Received) for Performance and Contract Management Committee on 7 January 2015

Question Number	Item Number	Raised by	Question Raised	Answer
1	Item 9	John Dix	At Appendix 3a it states that of the £14.7 million interim payment £4.06m was refunded to the council. Is that the same £4.06m that was offset against other charges or an additional £4.06m?	Credit note was received in October 2013.
2	Item 9	John Dix	What was the total cost of the services provided during the interim period?	The total cost of the services provided during the interim period which was not offset against the CSG contract was £1.174m. This related to support for Customer Services, IT infrastructure services, procurement project subject matter experts and management and project resource to oversee delivery of the interim arrangements.
3	Item 9	John Dix	Barnet made an advance payment for capital investment of £16.1 million in 2013 which was supposed to have saved the council £800,000 from the overall contract price. Where is that £800,000 reduction/saving shown in appendix?	This is accounted for within the £125m savings over the contract duration.

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Question Number	Item Number	Raised by	Question Raised	Answer
4	Item 9	John Dix	Were you as chairman or your fellow councillors aware that a £28,499,000 advance payment to Capita had been authorised and do you think officers should have sought your/councillors' approval before such a large advance payment was made?	<p>According to financial regulations in the constitution prior to authorising payments in advance, a risk assessment of the supplier or service provider defaulting must be undertaken and was completed as part of the procurement process for the contract. Payment in advance in excess of £100k must be notified to the Chief Finance Officer.</p> <p>A Member Delegated Powers Report approved £16m capital investment to be added to capital programme.</p>
5	Item 9	John Dix	In addition to the £16.1 million advance payment for capital investment, what was the remaining £12.4 million advance payment used for?	This relates to payment of 2 quarters in advance.
6	Item 9	John Dix	What is the advance payment of £1.455 million for in 2016/17?	'Accrual adjustment for payment in advance' doesn't represent any payments to Capita. This row shows the accounting adjustment for a combination of payments made, payment in advance and the unwinding of previous year's payment in advance. The £1.455m shown isn't a payment in its own right.
7	Item 9	John Dix	Can you clarify on which contracts the £7.359 million savings to date have been made?	Procurement savings are tracked against areas of spend; these are: agency labour, arboriculture services, archiving, banking, building and property maintenance, community advice, community meals, contract cleaning, dementia contracts, election form printing, facilities maintenance, high cost residential placements, mobile phones, insurance, private rented sector housing, supported accommodation.

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Question Number	Item Number	Raised by	Question Raised	Answer
8	Item 9	John Dix	Can you clarify if those savings are gross or net of gainshare payments back to Capita?	They are gross.
9	Item 9	John Dix	Once a contract has been renegotiated, for how many years are gainshare payments liable?	Until the price negotiated continues – which will be until the contract ends (and a further reduction is not negotiated) or the CSG contract ends.
10	Item 9	John Dix	Can you confirm that the gainshare payment paid on additional income (line item 5 page 2 of appendix 3b) is correct?	Yes. These relate to outperformance on print production, court income and in 2013/14 only for commercial property rent.
11	Item 9	John Dix	What is the range of gainshare percentage splits between the Capita and the Council?	This information is considered commercially confidential.
12	Item 9	John Dix	Can you clarify what “Project Spend – Capital” for Schools and Mill Hill Depot relocation comprises, for example, is it capital expenditure or does it include project management/consultancy fees?	The expenditure on these programmes includes project management and technical services including design of schemes, cost management and quantity surveying, surveys.

Question Number	Item Number	Raised by	Question Raised	Answer
13	Item 9	John Dix	Can you clarify what the £12.061 million of transformation costs have been spent on in terms of, for example, capital expenditure and management/consultancy fees?	<p>The figures referred to include expenditure on projects commissioned to deliver the transformation and capital programmes, which are reported quarterly to Performance and Contract Management Committee.</p> <p>Examples of this expenditure includes project activity:</p> <ul style="list-style-type: none"> • Delivery of a range of estates and capital programmes – from work on the new community centres, to schools builds, modernisation and improvement. As above this includes a wide range of services that were formally provided in-house by the Estates and Corporate Programmes teams, and technical services commissioned via Gardiner Theobold. As per the response. All schemes are tested for value for money with use of external Quantity Surveyor testing where required. • Implementation of IS projects, including several system changes in Family Services, a new IT system for Adult Social Care, Barnet Homes mobile working and finance system, a range of Libraries IT improvements. • Transformation projects, which include Sport and Physical Activity project (incorporating both a procurement project and large scale design and build), additional HR support to major reorganisations in several service areas, Depot programme, Unified Reward technical job evaluation, and Early Years transformation.

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				<p>Details on the scope, aims, cost and spend to date of each project is published each quarter as part of the detailed Customer and Support Group report: https://www.barnet.gov.uk/citizen-home/council-and-democracy/policy-and-performance/Council-Performance-Indicators-2015-16-Quarter-2.html</p>
14	Item 9	John Dix	<p>Can you clarify what the £2.8 million of contracts adjustments are for, why they were necessary and what is the total value of these adjustments over the entire term of the contract?</p>	<p>As detailed in appendix 3a, contractual adjustments relate to:</p> <p><i>Contractual Adjustments</i> This includes adjustments in line with those outlined in the contract. This includes:</p> <ul style="list-style-type: none"> • Annual indexation of the contract against inflation, and • True-ups relates to a correction of assumed pre-contract costs to true cost to contract signature.
15	Item 9	John Dix	<p>Constant reference is made to the satisfaction levels immediate prior to the commencement of the contract. What were the satisfaction levels in the three years prior to the commencement of the contract and would they provide a more informative context for comparison of the current satisfaction levels?</p>	<p>One of the key objectives of the Customer and Support Group contract is to improve customer experience and satisfaction, while providing savings. The data referred to in the report relates to an indicator which was introduced shortly before the commencement of the Customer and Support Group (CSG) contract. There are other sources of longer-term customer service performance comparison from before the start of the CSG contract, with two examples provided below.</p> <p style="text-align: right;">(Cont. overleaf)</p>

Public Questions (in Order Received) for Performance and Contract Management Committee on 7 January 2015

Question Number	Item Number	Raised by	Question Raised	Answer
15 (cont.)				<p>Resident Perception Survey (RPS) <i>'It is easy to access Council services'</i>: 2010/11: N/A 2012/13: 64% agree 2013/14 (Autumn): 68% agree 2015/16 (Spring): 70% agree</p> <p>Similarly, the RPS data related to <i>'the Council has staff that are friendly and polite'</i> has improved by 6% from 2012 (78%) to 84% in Spring 2015. In addition, the trend on the Council <i>'responds quickly when asked for help'</i> also improved from 49% in 2012 to 56% in Spring 2015.</p> <p>Call answering: 2010/11 (Q4): 64% (from 55% at start of 2010/11) 2011/12 (Q4): 63% 2012/13 (Q4): 65% 2013/14 (Q1, provided by LBB): 63% 2014/15 (Q4): 79%</p>

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16	Item 10	John Dix	I understand that Internal Audit will be reporting on gainshare at the Audit meeting in February. Will their findings be included in this review?	If the findings are relevant they will be used to inform the review.
17	Item 10	John Dix	<p>At 1.5 the report states that “It is proposed that the process will run like a ‘dialogue’ process that conducts a series of discussions between CSG and the council which will result in a revised set of proposals which will then be presented to Performance and Contract Management Committee in order to change the existing contract”.</p> <ul style="list-style-type: none"> a. Why are councillors not involved with this dialogue process, merely receiving proposals agreed between officers and Capita; b. How will councillors be able to represent the views of the public in a dialogue process from which they are excluded; c. How will residents be engaged as part of this process? 	<ul style="list-style-type: none"> a) Councillors have a critical role to play, setting the direction that Officers will then take into dialogue sessions. b) The report makes recommendations for how Members can set the direction for this review process. c) The review will be informed by a wide range of sources including data from the Residents Perception Survey. The review will also take into account an extensive body of customer information including complaints, service feedback, satisfaction surveys. It will also take into account findings from other resident engagement including those related to Customer Access Strategy and Community Asset Strategy. Members will also be able to feedback resident views into this process.

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18	Item 10	John Dix	Paragraph 1.5.4 appears to prescribe the work plan before councillors have had input to the process. Does this mean that the working group will simply rubber stamp a workplan that has already been determined.	The plan referred to is a suggested way forward and is subject to agreement at this meeting and further development by the working group.
19	Item 10	John Dix	Before any contract can be reviewed it is essential that those undertaking the review fully understand the contract performance to date and have all the relevant data upon which to base their review. How confident are you that working group or committee members have all the information they need before commencing the review process.	Contract performance information is reported to this Committee and we are confident that the relevant data is available.