

<u>MEETING</u>
POLICY AND RESOURCES COMMITTEE
<u>DATE AND TIME</u>
TUESDAY 22ND MARCH, 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
9.	STREET SCENE DELIVERY UNIT MANAGEMENT CHANGES	1 - 12
14.	THE BARNET GROUP (TBG) BUSINESS PLAN	13 - 46
19.	EXEMPT-THE BARNET GROUP (TBG) BUSINESS PLAN	47 - 92

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	<p>Policy and Resources Committee</p> <p>22 March 2016</p>
<p style="text-align: right;">Title</p>	<p>Street Scene Delivery Unit Management Changes</p>
<p style="text-align: right;">Report of</p>	<p>Commissioning Director - Environment</p>
<p style="text-align: right;">Wards</p>	<p>All</p>
<p style="text-align: right;">Urgent</p>	<p>No</p>
<p style="text-align: right;">Key</p>	<p>Yes</p>
<p style="text-align: right;">Status</p>	<p>Public</p>
<p style="text-align: right;">Enclosures</p>	<p>Appendix 1 – DPR Street Scene Delivery Unit Management Changes</p>
<p style="text-align: right;">Officer Contact Details</p>	<p>Jamie Blake Jamie.Blake@barnet.gov.uk (020 8359 7609) Kitran Eastman Kitran.Eastman@barnet.gov.uk (020 8359 2803)</p>

<p>Summary</p>
<p>The council carried out a strategic review of the Street Scene Delivery Unit (DU) to ensure that it is fit for purpose to address the demands of a developing Borough, and the changing nature of public service delivery. The review identified a lack of senior management capacity within the DU. The Barnet Group has been engaged to provide senior management oversight to the DU for an interim six month period. They will use their internal management resources and utilise suitable specialist support to help develop and deliver the short to medium term financial and operational KPIs (Key Performance Indicators) and to develop and deliver the Street Services ADM (Alternative Delivery Method) project. All staff (apart from two interim managers) have remained employees of the council, and remain on council terms and condition.</p>

<p>Recommendation</p>
<p>That the Committee notes the content of this report</p>

1. WHY THIS REPORT IS NEEDED

- 1.1 The council carried out a strategic review of the Street Scene Delivery Unit (DU) to ensure that it is fit for purpose to address the demands of a developing Borough, and the changing nature of public service delivery. Whilst this has been raised previously through the various audit processes; the DU had not taken the opportunity to invest in additional senior management capacity. As a result of this lack of response, significant change had not occurred and outcomes had not been delivered against Key Performance Indicators (KPIs).
- 1.2 This report highlights the background to the review, its findings, and the action which has been taken to rectify the situation.

Background to Review

- 1.3 The Street Services Delivery Unit (DU) is responsible for delivering a wide range of front line universal services across the Borough. These services have generally been successful in keeping the Borough clean and making incremental improvements within the recycling service.
- 1.4 The changing nature of public service delivery has resulted in greater pressure being placed on the DU to “do more with less”, and the service has also had to adapt to the changing delivery model that has been adopted by Barnet Council in terms of the relationship between the Commissioning and Delivery Units.
- 1.5 Uncertainty in relation to the 2014/15 budget savings and the lack of senior management capacity and leadership led to the DU being placed in special intervention measures between November 2014 and June 2015. Whilst the service was reviewed and the intervention level reduced, questions remained as to the businesses ability to adapt to the rapidly changing environment, its overall control of its workforce, understanding of service metrics and budgetary control systems.

Findings of the Review

- 1.6 A number of areas of concern were raised in regard to service pressures. Paramount amongst these were, i) Delivery of Savings ii) Achieving Recycling Targets iii) Audit Investigations iv) Commercial Waste Services growth V) Management Capacity. These issues are expanded on below.
- 1.7 **Delivery of Savings** –The proposed savings plan approved by for Environment Committee on the 11th November 2015 contains over £5 million of savings allocated directly to street scene services. There are also a further £2.6 million of savings allocated for waste disposal which are wholly reliant on transformational changes within the service area. Whilst the DU Director had been involved in the drafting of the savings plan, and signed off the previous MTFP plan, there was significant doubt that there was capacity within the DU to deliver the savings required.
- 1.8 **Achieving Recycling Targets** – The 50% recycling target is based on regional planning and waste management strategies and has been incorporated within the Council's five year Commissioning Plan, and draft Recycling and Waste Strategy. Despite the introduction of new recycling services, performance over the past

three years, whilst improving, has failed to reach agreed targets as can be seen in the table below.

Recycling Rate (Including recycling and composting)					
	2012/13	2013/14	2014/15	2015/16 (Est. from Q3)	2019/10
Target	34%	38%	41%	43.7%	50%
Outturn	33.2%	36.3%	37.9%	37.95%	N/A
Status	Missed	Missed	Missed	Missed	N/A

The Quarter 3 monitoring report indicates an estimated recycling performance for 2015/16 for 39.75%. It is highly unlikely therefore that the service will meet the in-year target of 43%. There is also a danger that if recycling performance continues to fall; we will fail to meet last year's outturn figure of 37.9%. An improvement plan had only recently been introduced by the DU following a request from the Performance and Contract Management Committee. The original plan supplied by the DU lacked detail and any link to potential outputs.

- 1.9 **Audit Investigations** - A number of written accusations were made regarding recruitment and selection processes within the DU. Accusations were investigated under the authorities' whistleblowing procedure by Corporate Anti- Fraud Team (CAFT) officers. This issue was reviewed by Audit Committee on 28 January 2016
- 1.10 **Commercial Waste Services growth** - The Commercial Waste service was highlighted in 2014 as an area of potential growth and CSG produced a detailed report regarding potential options to deliver improved value from the service. Since that time there was no evidence that any of the proposed actions have been implemented. Accusations were also been made regarding "rogue collections" organised by senior managers (these have been investigated as part of the audit process outlined above).
- 1.11 **Management Capacity** - During 2014, following an audit of the management capacity and delivery functions of the DU, the DU was placed in special measures through a Tier 3 intervention. It was agreed in the Street Scene Management Agreement this gave Senior Managers within the DU a significant period of time to turn around processes, introduce additional capacity within the organisation and demonstrate that it could adapt to the rapidly changing landscape. The DU, however, had not taken the opportunity to invest in additional senior capacity. As a result of this lack of response, significant change had not occurred and outcomes had not been delivered against Key Performance Indicators (KPIs).
- 1.12 In light of the scale of change required, the two areas of greatest concern were linked to transformation projects, both in terms of a lack of understanding of how projects were being managed, under which systems and linked change management processes they are being monitored, and a lack of understanding by managers of benefits realisation from the project profile in terms of both financial and non-financial benefits.

Action taken to implement Change in DU Management Arrangements

- 1.13 To reduce the risk of service failure during the assessment of the Street Scene ADM project and to improve the support of the DU during this very important period, it was deemed to be preferable that the service to be placed within a successful, stable senior management environment that would be used to assist with the transformation projects whilst maintaining the staff on LBB terms and conditions.
- 1.14 The Barnet Group has been engaged for six months to act as an overarching senior management facility; essentially setting up an Environmental Services Unit which has suitable specialist support brought in to help develop and deliver the short to medium term financial and operational KPIs and the development and delivery of the Streetscene ADM project.
- 1.15 The aim of the change to the management of the DU is to ensure that DU is capable of implementing the changes needed to meet the saving targets agreed by Environment Committee. Namely £5 million of savings allocated directly to street scene services, and the further £2.6 million of savings allocated for waste disposal which are wholly reliant on transformational changes within the service area.
- 1.16 The Barnet Group have proved that they have the required organisational and strategic skills to drive improvement in a wide variety of services, recent successes including:
- Repairs Service – Performance increase from 67% to 75% between 2010 and 2013 (12% improvement)
 - Leasehold Services - Satisfaction increase of 7% between 2010 and 2013, and a 16% increase between 2008 and 2013
 - Housing Options – Performance increase with the number of households in emergency temporary accommodation decreased by approximately half from 682 in July 2013 to 342 as at the end of November 2015
 - Overall Satisfaction - Performance increase from 72% to 81% between 2010 and 2014 (12% improvement)

2. REASONS FOR RECOMMENDATION

- 2.1 **Recommendation** - It is recommended that Policy and Resources Committee notes the content of this report. Chief Officers have delegated powers to take decisions on staffing and managerial issues and to take and implement any decision required for operational effectiveness. The Chief Executive as Head of Paid Services therefore took the decision contained in this report, having consulted with the Leader of the Council and the Chair of Environment Committee, using his delegated powers. The future decision after the six month initial period will be referred the appropriate Committee for decision.

3. ALTERNATIVE OPTIONS CONSIDERED

- 3.1 **Do Nothing** - The council could have continued to operate the service with no changes. This is was not recommended as whilst the waste and recycling

collection service has always received high levels of public satisfaction, there was little evidence that the current management was capable of delivering the challenging service transformation and savings targets that are profiled for the next five year period. From the review it was clear that whilst the service can operate a valuable day to day front line operation, there are significant savings available from supervisory and back office functions that would not have been realised. Given the opportunity which had already been provided it was highly unlikely that the management culture within the business would have been able to adjust to a climate of reducing budgets and wide ranging operational change. To do nothing would have left the council open to large scale financial and reputational risk.

- 3.2 **Interim Management Team/Service Director** – Potentially a new senior management team could have been parachuted into the service, probably consisting of a Service Director and at least two additional Assistant Director Posts. This would have significantly enhanced the senior management capacity within the DU and mirrored more closely the successful DU structures that exist elsewhere within the business. It should be noted, however, that there was no guarantee that suitable senior officers were currently available and there would have been the potential to set up an “us and them” culture within the service that may fuel a view that the Council is looking to externalise the service. In addition, there is no guarantee that additional external staff will be able to break down the isolated culture within the DU and engage staff fully in the cultural change that will be required to improve services and meet future targets.
- 3.3 **Shared Services** - The council could have looked at providing a service in partnership with a neighbouring authority. Currently various discussions are underway relating to the feasibility around future shared services, both with West London Alliance (WLA) Directors and North London Waste Authority (NLWA) boroughs. These discussions are in the early stages of developing options and ideas and so the timing of some form of shared service initiative is not ideal.

4. POST DECISION IMPLEMENTATION

- 4.1 Monitoring of the six month interim arrangement with The Barnet Group, while a long term solution is considered.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

5.1.1 The Corporate Plan 2015-2020 is 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

5.1.2 The Corporate Plan 2015-2020 includes the following aims:

- We will be a Leader in London for recycling

- Over 50% of waste collected will be reused, recycled or composted in 2020

5.1.3 Changes to the DU management arrangements will help in facilitating removing any barriers or unnecessary costs to service changes. This will help ensure value for money.

5.1.4 At this stage in the development of the changes to the DU management arrangements there are no implications relating to the Health and Wellbeing Strategy and its stated priorities, or the future health and wellbeing needs of the local population as identified in Barnet's Joint Strategic Needs Assessment.

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

5.2.1 The aim of the change to the management of the DU is to ensure that DU is capable of implementing the changes needed to meet the saving targets agreed by Environment Committee. Namely £5 million of savings allocated directly to street scene services, and the further £2.6 million of savings allocated for waste disposal which are wholly reliant on transformational changes within the service area.

5.2.2 The budget for this interim arrangement is £150,000 for the period March to August. This will be provided from the £4.02m transformation budget agreed at Policy and Resources Committee on the 16th of February 2016 for the Environment Portfolio. This budget is funded from the council's transformation reserve.

5.2.3 The Barnet Group are a wholly owned local authority company which is controlled by the council as an Arm's Length Management Organisation (ALMO). As an ALMO owned and controlled by the council there would no need to be a public procurement exercise because as it would come within the "Teckal" exemption.

5.2.4 The current staff would remain in LBB employment. While secondment of the staff is legally a possibility, there is a danger that it could be found to be a TUPE transfer and would therefore result in a significant volume of work, prior to any long term agreement on the Street Scene ADM.

5.2.5 There are currently no IT, Property or suitability implications.

5.3 **Social Value**

5.3.1 Public Services (Social Value) Act 2013 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. In taking forward the ADM options due regard will be paid to the Social Value Act.

5.4 Legal and Constitutional References

- 5.4.1 Responsibility for Functions-Annex A of the Constitution sets out the terms of reference of the Policy and Resources Committee including:
- To be the principal means by which advice on strategic policy and plans is given and co-ordinated
 - To be responsible for the overall strategic direction of the Council
- 5.4.2 Chief Officers have delegated powers to take decisions on staffing and managerial issues and to take and implement any decision required for operational effectiveness. The Chief Executive as Head of Paid Services therefore took this decision using his delegated powers. In doing so he consulted the Leader and the Chair of Environment Committee and recorded his decision in a delegated powers report which was published in the usual way. The constitution states that where this will incur costs which cannot be contained within the delivery unit's annual budget but can be contained within the Council's annual budget, this must be reported through delegated powers of the Head of Paid Service.

5.5 Risk Management

- 5.5.1 Initial risk rating indicates as low/medium risk as a result appropriate monitoring procedure will be put in place as part of the project steering group's monitoring programme.

	Rating Criteria	1: Low	2: Med	3: High
1	Total investment required		X	
2	Potential benefits			X
3	Return on investment			X
4	Level of risk		X	
5	Political sensitivity			X
6	Fit with corporate objectives		X	
7	Users / DU's impacted	X		
	Total Score		16/35	

- 5.5.2 The management of risk is done on a continual basis and reported as part of the Council Quarterly Performance regime and considered as part of the Performance and Contract Management Committee quarterly monitoring report.
- 5.5.3 Risks for this project will be managed through a strategic partnership board and review and revised at its meeting.

5.6 Equalities and Diversity

- 5.6.1 The Corporate Plan 2015-2020 sets the Strategic Equalities Objective, which is: that citizens will be treated equally, with understanding and respect, and will have equal access to quality services which provide value to the tax payer. Changes to policies and services are analysed in order to assess the potential equalities impacts and risks and identify any mitigating action possible before

final decisions are made.

5.6.2 The proposed management changes has been reviewed against the protected characteristics groups under the 2010 Equality Act namely age, disability, ethnicity, gender, gender reassignment, marriage and civil partnerships religion and belief, sexual orientation and transgender. There is not believed to be a negative equalities impact based on these changes

5.7 Consultation and Engagement

5.7.1 An engagement process is being carried out providing DU staff with opportunities to understand the changes and ask questions about the process and how they may be affected. This is being done with all DU staff.

5.8 Insight

5.8.1 None in the context of this report

6. BACKGROUND PAPERS

6.1 [Audit Committee Report 28 January 2016 – Item 7](#)

Summary Delegated Powers Report

TITLE	To seek approval for the appointment of the Barnet Group to provide a six month interim management facility to the Street Scene Delivery Unit.
DATE OF DECISION	
DECISION TAKER	Andrew Travers, Chief Executive
SUMMARY OF DECISION	<p>Reason</p> <p>The Council has carried out a strategic review of the Street Scene Delivery Unit (DU) to ensure that it is fit for purpose to address the demands of a developing Borough, and the changing nature of public service delivery. The results of the review have identified a lack of senior management capacity within the DU. Whilst this has been raised previously through the various audit processes; the DU has not taken the opportunity to increase the senior management capacity within the service to enable the service to deliver against key objectives.. As a result of this lack of response, significant change has not occurred and outcomes have not been delivered against Key Performance Indicators (KPIs).</p> <p>Officers have considered the introduction of external interim managers and the potential to commission a private sector specialist team. However in both cases these option were rejected as they were seen to either not fully support the service ADM project, or give an impression that the outcome of the ADM project had already been decided</p> <p>Background</p> <p>The Street Services Delivery Unit (DU) is responsible for delivering a wide range of front line universal services across the Borough. Historically the service has delivered recycling, waste and street cleansing services that have the highest resident satisfaction rating of all services within the authority, and a well-loved parks service. These services have generally been successful in keeping the Borough clean and making incremental improvements within the recycling service.</p> <p>The changing nature of public service delivery has resulted in greater pressure being placed on the DU to “do more with less”, and the service has also had to adapt to the changing delivery model that has been adopted by Barnet Council in terms of the relationship between the Commissioning and Delivery Units.</p> <p>A number of areas of concern were raised in regard to service pressures. Paramount amongst these were, i) Delivery of Savings ii) Achieving Recycling Targets iii) Audit Investigations iv) Commercial Waste Services growth V) Management Capacity. The outcome of the five main areas of concern all achieved a RAG status of RED.</p> <p>In addition to the above other areas of concern include:</p>

- Lack of understanding of temporary roles and responsibilities, especially line management responsibilities;
- Lack of forward planning for recruitment processes for key posts;
- Lack of evidence regarding appraisal processes and training needs;
- Lack of financial benefit plans for savings projects and no detailed recovery plans for future savings targets;
- Lack of benchmarking data available to drive improvements in service delivery;
- Lack of project management governance to provide appropriate oversight.

The additional areas of concern also received a RAG status of RED.

Street Scene Capacity and Capability

The proposed savings plan approved by for Environment Committee on the 11th November 2015 contains over £5 million of savings allocated directly to street scene services. There are also a further £2.6 million of savings allocated for waste disposal which are wholly reliant on transformational changes within the service area. Critical to achieving the savings plan is the requirement to completely overhaul how the services are managed and delivered to ensure quality is maintained, key performance targets are achieved and savings obtained.

Use of Resources

To reduce the risk of service failure during the assessment of the Street Scene ADM project, and to improve the support of the DU during this very important period, it is preferable that the service be placed within a successful, stable senior management environment that would be used to assist with the transformation projects whilst keeping existing staff as LBB employees.

It is recommended that The Barnet Group is engaged for six months to act as an overarching "triage" type management facility; essentially the setting up an Environmental Services Unit which would have suitable specialist support brought in to help develop and deliver the short to medium term financial and operational KPIs and the development and delivery of the Street services ADM project.

The aim of this change to the management of the DU is to ensure that DU is capable of implementing the changes needed to meet the saving targets agreed by Environment Committee. Namely £5 million of savings allocated directly to street scene services, and the further £2.6 million of savings allocated for waste disposal which are wholly reliant on transformational changes within the service area.

The budget figure for this interim arrangement is estimated at £150,000 for the period Feb – July 2016

Equalities and Diversity

The Corporate Plan 2015-2020 sets the Strategic Equalities Objective, which is: that citizens will be treated equally, with understanding and respect, and will have equal access to quality services which provide value to the tax payer. Changes to policies and services are analysed in order to assess the potential equalities impacts and risks and identify any mitigating action possible before final decisions are made.

The proposed management changes has been reviewed against the protected characteristics groups under the 2010 Equality Act namely age, disability, ethnicity, gender, gender reassignment, marriage and civil partnerships religion and belief, sexual orientation and transgender. There is not believed to be a

negative equalities impacts based on these changes

Corporate Priorities

The Corporate Plan 2015-2020 is 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.

The Corporate Plan 2015-2020 includes the following aims:

- We will be a Leader in London for recycling;
- Over 50% of waste collected will be reused, recycled or composted in 2020.

Changes to the DU management arrangements will help in facilitating removing any barriers or unnecessary costs to service changes. This will help ensure value for money.

At this stage in the development the changes to the DU management arrangements there are no implications relating to the Health and Wellbeing Strategy and its stated priorities, or the future health and wellbeing needs of the local population as identified in Barnet's Joint Strategic Needs Assessment.

Constitutional Powers

The Responsibility for Functions section of the Constitution states that only Full Council can approve matters which represent a significant departure from any existing strategy, policy or budget previously agreed by the Council. The short term management of Street Scene DU by The Barnet Group while a long term solution is considered would not represent a significant departure, as the budget would still be spent on street scene services, and street scene would still implement the same Council policies. If, however, there were to be a significant change in the budget then a Full Council decision would be needed.

The constitution also states that only Full Council will decide on policy matters and new proposals relating to significant partnerships with external agencies and local authority companies. As The Barnet Group already provides and manages other Council services it can be argued that a short term arrangement for them to manage street scene does not fall within this.

Environment Committee have specific responsibility for commissioning street scene, street cleaning, waste and recycling etc. It is only the management which it is proposed to change. No change to the approved commissioning intentions are proposed, therefore a report to Environment Committee is not required.

Chief Officers have delegated powers to take decisions on staffing and managerial issues and to take and implement any decision required for operational effectiveness. The Chief Executive as Head of Paid Services can therefore take this decision using his delegated powers. It is suggested that he consults the Leader and the Chair of Environment Committee and records his decision and any agreed payment in a delegated powers report which is published in the usual way. The constitution states that where this will incur costs which cannot be contained within the delivery unit's annual budget but can be contained within the Council's annual budget, this must be reported through delegated powers of the Head of Paid Service.

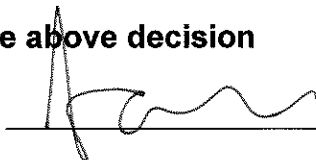
	<p>Risk Management</p> <p>Initial risk rating indicates as low/medium risk. As a result appropriate monitoring procedures will be put in place as part of the project steering group's monitoring programme.</p> <table border="1" data-bbox="437 315 1401 633"> <thead> <tr> <th></th> <th>Rating Criteria</th> <th>1: Low</th> <th>2: Med</th> <th>3: High</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Total investment required</td> <td></td> <td>X</td> <td></td> </tr> <tr> <td>2</td> <td>Potential benefits</td> <td></td> <td></td> <td>X</td> </tr> <tr> <td>3</td> <td>Return on investment</td> <td></td> <td></td> <td>X</td> </tr> <tr> <td>4</td> <td>Level of risk</td> <td></td> <td>X</td> <td></td> </tr> <tr> <td>5</td> <td>Political sensitivity</td> <td></td> <td></td> <td>X</td> </tr> <tr> <td>6</td> <td>Fit with corporate objectives</td> <td></td> <td>X</td> <td></td> </tr> <tr> <td>7</td> <td>Users / DU's impacted</td> <td>X</td> <td></td> <td></td> </tr> <tr> <td colspan="2">Total Score</td> <td colspan="3">16/35</td> </tr> </tbody> </table> <p>Legal Issues</p> <p>Procurement</p> <p>As a wholly owned council controlled company the council can lawfully award the Street Scene management contract to the Barnet Group without a competitive procurement process regulated by the Public Contracts Regulations 2015</p>		Rating Criteria	1: Low	2: Med	3: High	1	Total investment required		X		2	Potential benefits			X	3	Return on investment			X	4	Level of risk		X		5	Political sensitivity			X	6	Fit with corporate objectives		X		7	Users / DU's impacted	X			Total Score		16/35		
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<p>AUDIT TRAIL OF DECISION – RETAINED AND WHERE?</p>																																														

DECISION TAKER'S STATEMENT

I have the required powers to make the decision documented in this report. I am responsible for the report's content and am satisfied that all relevant advice has been sought in the preparation of this report and that it is compliant with the decision making framework of the organisation which includes Constitution, Scheme of Delegation, Budget and Policy Framework and Legal issues including Equalities obligations.

I authorise the above decision

Signed

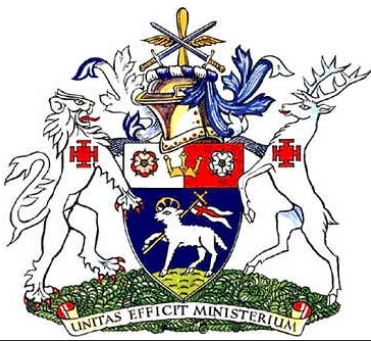


Designation

Andrew Travers

Date

5.2.16



Policy and Resources Committee
22 March 2016

Title	The Barnet Group (TBG) Business Plan
Report of	Interim Corporate Services Director, TBG
Wards	All
Status	Public with an accompanying exempt appendix
Urgent	No
Key	Yes
Enclosures	Exempt Appendix A: Barnet Group Draft Business Plan Appendix B: Barnet Homes Draft Delivery Plan
Officer Contact Details	Trudi Kleanthous, Interim Director of Corporate Services Tel: 020 8359 2141 Email: trudi.kleanthous@barnethomes.org

Summary

The business plan sets out The Barnet Group’s vision and ambitions for the next five years. Once approved, this will be used to communicate our plans to our key stakeholders and employees. The business plan is supported by the more detailed delivery plan, a draft of which is attached as appendix B.

The business and delivery plan was approved by The Barnet Group Board at its meeting of the 22nd February 2016, subject to some minor revisions which have now been included.

Recommendation

That the committee approve the business plan attached as Appendix A and note the draft delivery plan attached as Appendix B.

1 WHY THIS REPORT IS NEEDED

- 1.1 The Barnet Group has produced a five year Business Plan in order to articulate its strategy and priorities for the medium term, and to show how this will be resourced.
- 1.2 This will enable us to deliver on the commitments set out in the draft delivery plan, which is attached as an appendix.
- 1.3 As a subsidiary of the council, we require approval for this plan.

2 REASONS FOR RECOMMENDATIONS

- 2.1 This plan has been given consideration by a number of groups, including a board away day, sessions held with our employees and senior managers.
- 2.2 Feedback from our customers has been considered, along with consideration of the wider demographics within the borough. This is shown in section 6.
- 2.3 In developing the plan, we have considered a range of external and internal issues which have influenced our thinking about our priorities. These are summarised within the plan in sections 5 and 6, in order to provide some context for how we have arrived at our strategy.
- 2.4 The TBG Board received an outline of the plan in December 2015, where the strategic vision and key themes were discussed and agreed. This was followed up by a presentation of the final draft at its meeting of the 22nd February, where the plan was approved subject to some minor modifications which have now been implemented.

3 ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 The selected projects and actions listed have been identified as those which will best support our overall objectives and the desired outcomes listed in section 9 of the Business Plan, Delivering the Strategic Priorities.

4 DECISION IMPLEMENTATION

- 4.1 Once approved, we will fully launch the detail of the Business Plan to ensure that employees and key stakeholders are aware of our objectives.
- 4.2 A decision has been taken to introduce a programme management and project management approach that is based on that used by the council. As part of this, all key projects identified in the plan will be developed into a full project plan, and progress will be monitored by a programme board.
- 4.3 A simplified version of the business plan will be produced to communicate to our customers, which will be placed on the web site.

- 4.4 There is a commitment to meet with the members of the Barnet Homes Performance Advisory Group (PAG) and the Your Choice Barnet Quality Assurance Group (QUAG) to discuss our plans further.

5 IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 The Business Plan explicitly addresses the council's priorities and the areas of the Housing Strategy that TBG is able to actively support.

- 5.1.2 Section 4 of the attached draft Delivery Plan gives more detail concerning our commitments to the council and sets out how our contribution will be measured.

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

- 5.2.1 The Business Plan includes a consolidated financial plan for the Group in the body of the document, along with separate plans for each subsidiary as appendices.

- 5.2.2 The Business Plan for the Group includes TBG Open Door Limited. It is predicated on the company receiving a long-term loan of £57.7 million from the London Borough of Barnet. The loan was approved by the full Council on 1 March 2016.

5.3 Social Value

- 5.3.1 One of the identified priority projects within the plan is to develop and implement social value assessments in order to measure our positive impact on the local economy.

- 5.3.2 With this in mind, we have recently had a presentation by the Housing Associations Charitable Trust (HACT) who has developed tools for measuring the social impact of community investments. This can be overlaid by their community insight GIS mapping to help us further our understanding of the value that we can deliver. This is expected to assist us in future investment choices.

- 5.3.3 In the meantime, we continue to measure the extent to which our expenditure is kept within the local economy.

5.4 Legal and Constitutional References

- 5.4.1 The Business Plan includes an explanatory section describing our group structure and its relationship to the council.

- 5.4.2 We also acknowledge our relationship to the Homes and Communities Agency (HCA) as our regulator.

5.4.3 The Council's Constitution, Responsibility for Functions, Annex A, sets out the terms of the Policy and Resources Committee including the approval of the budget and business plan of The Barnet Group.

5.5 Risk Management

5.5.1 TBG has a risk management system, and in the business plan, we have noted the top four risks that will need to be managed and monitored:

- Funding and Finance – particularly in relation to development costs
- Homelessness – recognising the impact of an increase in homelessness on the General Fund
- The impact of the implementation of All Systems Go, our IT project
- The risk of TBG not being able to deliver on the committed HRA and General Fund efficiency savings.

5.5.2 All of our top level risks are reported regularly to the Audit and Risk Committee and the Group Board, and are supported by clear plans on how we intend to manage and mitigate our risks.

5.6 Equalities and Diversity

5.6.1 The Delivery Plan includes a commitment to fully revise our Equalities Strategy this year.

5.6.2 The Business Plan considers the profile of its customers and additional demographic information on the population in Barnet as a whole, which has been used to influence our stated priorities. It is not anticipated that the Business Plan will cause any detriment to any particular group of people.

5.7 Consultation and Engagement

5.7.1 A range of groups have been consulted in the development of this plan including: Board and Committee members, staff and managers, and some senior council officers. [

5.7.2 Further engagement with employees and customers is planned following approval of the plan in order to promote and publicise our agreed priorities.

5.8 Insight

5.8.1 As described in 5.3.2 of this report, we are currently planning the use of insight data as part of measuring our social impact.

6 BACKGROUND PAPERS

6.1 None

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Barnet Homes

2016-17 Delivery Plan

Document control	
Document description	This document sets out the actions (commitments) and measures (Performance Indicators) to delivering the relevant sections of the Housing Commissioning Plan.
Document author	<i>List who has drafted the MA</i>
Document holder	<i>Who holds the master copy?</i>

Version control	
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Clearance process	
DU approver	Date
Derek Rust, Deputy Chief Executive, The Barnet Group	<i>Date the document has been approved</i>
Commissioner approver	Date
Cath Shaw, Commissioning Director, Growth & Development	<i>Date the document has been approved</i>

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1. Introduction

This Delivery Plan is a refresh of the 2015/16 Delivery Plan and sets the framework for the delivery of Housing Management and Homelessness Services to be provided by Barnet Homes. It marks the commencement of the new ten-year Management Agreement with Barnet Homes from April 1st 2016 and the first year of the revised TBG 5 year Business Plan.

This represents an exciting new year in the history of Barnet Homes in which it will:

- Register a subsidiary Opendoor Homes with The Homes and Communities Agency
- Commence work on developing over 300 new homes and deliver on site a new 50 unit Extra Care facility
- Commence recruitment of new starters through the new TBG flex subsidiary
- Deliver the Temporary Accommodation Reduction Strategy and the homelessness mitigation plan
- Deliver both service transformation projects and the second year of the agreed efficiency plan

All of these activities will assist the Council in delivering not only its Housing Strategy but also the wider objectives of the Council.

2. Delivering the Barnet Corporate Plan

The Council's Corporate Plan sets the overall framework for each of the Committee's individual Commissioning Plans.

Barnet Council, working with local, regional and national partners, will strive to make sure that Barnet is the place:

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

2.1. Housing Committee context and priorities

The Barnet Housing Strategy 2015 – 2025 describes how a rapidly increasing population in Barnet has resulted in increased demand for housing and rising housing costs. In addition, there has been a significant shift in tenure, which has

seen owner occupation reduce and private renting increase by about 9% between 2001 and 2011. This increase is expected to continue over the next ten years.

As a result the key strategic priorities for the Housing Committee are:

- Increasing the housing supply
- Delivery of homes that people can afford
- Sustaining quality, particularly in the private rented sector
- Tackling homelessness
- Providing suitable housing to support vulnerable people
- Maximising the amount of money to invest in in delivering new homes
- Delivering efficient and effective services to residents

3. Outcomes 2016-2020

The Housing Committee has set a number of key outcomes to be achieved in the next 5 years.

Priority	Key Outcomes	Outcome measures / Targets / Activities
Increasing the Housing Supply/Delivering homes that people can afford	Additional affordable homes	500 additional homes provided by 2020
Tackling Homelessness	Homelessness preventions Number of households in Bed and Breakfast	London average by 2020 Zero annually
Sustaining quality, particularly in the private rented sector	Increase in landlords achieving the Landlord Accreditation Scheme	570 landlords will be accredited by 2020
Providing suitable housing to support vulnerable people	Increasing the numbers of extra care spaces within the borough 10% of new housing accessible (wheelchair) housing	New 50 unit extra care housing scheme at Moreton Close completed 2017/18 50 accessible homes by 2020

Priority	Key Outcomes	Outcome measures / Targets / Activities
Delivering efficient and effective services to residents	<p>Reducing further the costs of service delivery</p> <p>% of respondents very or fairly satisfied with the service provided by their housing provider</p>	<p>Delivery of £2.6m cashable savings to the HRA by 2020</p> <p>No less than 81% annually</p>

4. Commitments for 2016-20

What Barnet Homes will deliver towards our desired outcomes.

<i>Commitments allocated to Barnet Homes</i>	<i>Key Deliverables</i>	<i>Key Milestones</i>	<i>Benefit</i>
<i>Increasing the housing supply/Delivering homes that people can afford</i>			
Delivery of tranche 0 committed programme of affordable homes	40 affordable rent homes (Green Lane 3 units completed, Bedford Road 4 units due to complete March 16, Brent Place 5 units due to complete March 16)	<ul style="list-style-type: none"> • Completion on site of final 28 homes – June 2016 	Increased supply of housing and reduced homelessness costs
Delivery of tranche 3 affordable homes	320 affordable rent homes	<ul style="list-style-type: none"> • Planning applications commence - May 2016 • Opendoor Homes registered with Homes and Community Agency – July 2016 • Planning approval for 320 homes across circa 40 sites achieved – December 2016 • Phase 1 start on site - November 2016 	Increased supply of housing and reduced homelessness costs
Delivery of programme of acquisitions	50 homes acquired by March 18	<ul style="list-style-type: none"> • First acquisitions completed – December 2016 	Increased supply of housing and reduced homelessness costs
<i>Tackling Homelessness</i>			
Delivery of Temporary Accommodation Reduction Strategy and homelessness mitigation plan	£1.2m G/F homelessness cost avoidance by 2018/19	<ul style="list-style-type: none"> • Recruitment of additional staffing resources complete – June 2016 • Delivery of optimal mitigation plan commences – Sept 2016 • Increased homelessness preventions and procurement targets achieved – March 2017 • On-going review of activities to minimise homeless demand and develop new initiatives 	Increased supply of housing, tenancy sustainment and reduced homelessness costs

<i>Providing suitable housing to support vulnerable people</i>			
Delivery of tranche 0 Moreton Close Extra care scheme	Delivery of 51 unit dementia friendly extra care facility	<ul style="list-style-type: none"> • Completion of stage 2 tender and selection of contractor – May 2016 • Demolition of existing sheltered scheme – July 2016 • Start on site – Sept 2016 	Delivery of new homes to support greater independence of Adult Social Care service users whilst reducing costs to the Council
Accessible homes programme	Delivery of 10% of affordable homes as wheelchair or accessible units	<ul style="list-style-type: none"> • 3 accessible units completed – June 2016 • 32 new accessible units receive planning consent by – December 2016 	As above
Delivery of increased supported accommodation for vulnerable young people	Additional 10 shared housing “Get Real” units at single room rate LHA	<ul style="list-style-type: none"> • First 5 units ready to let - September 2016 • Second 5 units ready to let - December 2016 	Increased accommodation with floating support to young homeless people with low support needs
<i>Deliver efficient and effective services to residents</i>			
Review of the Caretaking Service	<p>Top quartile resident satisfaction levels achieved by 2018</p> <p>Efficiency Plan Savings achieved</p>	<ul style="list-style-type: none"> • Completion of the service redesign stage with residents – April 2016 • Full service implementation – July 2016 	Improved service provision, lower cost and increased satisfaction levels

Business Transformation Project	Reduction in failure demand Delivery of repairs related efficiency savings	<ul style="list-style-type: none"> • Customer Journey Mapping Complete – June 2016 • Best Practice Implementation Module 1 – July 2016 • Phase 1 Customer Portal Online – November 2016 	Improved services to residents and greater options for customer access services
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5. Governance arrangements

The governance arrangements are contained within the new 10 year management agreement schedule 2 and are as outlined below.

5.1. Contract Governance

	Attendees	Frequency	Nature	Escalation Reporting Route /
Performance and Contract Management Committee	<p>Members: http://barnet.moderngov.co.uk/mgCommitteeDetails.aspx?ID=693</p> <p>Barnet Homes: Senior representative (as requested)</p> <p>Council: Chief Operating Officer Customer Services and Commercial Director</p>	<i>Quarterly</i>	Public scrutiny of the performance of the Council with opportunity to discuss performance challenges with relevant directors (as required)	Referrals to other committees, including Housing and Policy and Resources (as required)
Challenge Session	<p>Members: Chair and Deputy Chair of committee</p> <p>Barnet Homes: Senior representative (as requested)</p>	<i>Quarterly</i>	Detailed scrutiny of Barnet Homes performance ahead of Performance and Contract Management Committee	None
Delivery Board	<p>Barnet Homes: Senior representative</p> <p>Council: Chief Operating Officer and other Delivery Unit Directors</p>	<i>Quarterly</i>	Council wide scrutiny	Intervention levels are agreed by this Board. This will include potential for special measures.

	Attendees	Frequency	Nature	Escalation Reporting Route /
Performance Review meetings	<p>Barnet Homes: Operations and Finance Managers</p> <p>Council: Contract Manager CSG Finance Manager Strategic Lead Housing</p>	<i>Monthly</i>	Scrutiny of performance against management agreement and budgets	<p>Commercial Director</p> <p>Performance and Contract Monitoring Committee</p> <p>Housing Partnership Board</p>
Housing Partnership Board	<p>Barnet Homes: Senior management</p> <p>Council: Commissioning Director Contract Manager Commissioning and Strategic Housing Leads</p> <p>Re/CSG: Finance and Housing Leads</p>	<i>Bi-monthly</i>	<p>Reviews overall objectives, priorities, outcomes and performance</p> <p>Agrees change control requests and variations</p> <p>Resolves disagreements</p>	<p>Commercial Director</p> <p>Strategic Housing Board</p>
Strategic Housing Board	<p>The Barnet Group: Chair</p> <p>Barnet Homes: Executive Officers</p> <p>Council: Chair of Housing Committee Strategic Director Commercial Director/ Partnership Relationship Manager Commissioning Directors Head of Finance</p> <p>Re/CSG: Senior management as required</p>	<i>Bi-Annually</i>	<p>Agree key objectives and strategic direction</p> <p>Considers growth and new opportunities</p> <p>Reviews progress against Five Year Business Plan</p> <p>Resolves strategic disputes</p>	<p>Housing Committee</p> <p>Strategic Commissioning Board</p>

6. Additional Governance

	Attendees	Frequency	Nature	Escalation / Reporting Route
Barnet Homes Scrutiny	The Barnet Group Board and Barnet Homes Performance Advisory Group	Monthly or as required	Internal and external scrutiny of performance and budgets.	Council nominated board members
Development Programmes	Development Pipeline Programme Board. Barnet Homes Asset Committee Barnet Homes Development Team	Monthly or as required	Performance review of individual development sites and projects	As per programme governance

6.1. Change Requests

Change control processes are outlined in full within section 12 of the new 10 year management agreement between Barnet Homes and Barnet Council. This may be summarized as follows:

12 CHANGE CONTROL AND VARIATIONS TO THE MANAGEMENT AGREEMENT

- 12.1 Either party through its Contract Manager may request a Change to the Services and/or the Fee in the following circumstances:
- 12.1.1 where a change in government policy occurs;
- 12.1.2 where a Change in Law occurs;
- 12.1.3 where a substantial change is proposed or envisaged in the delivery of the Services including any re-design of the Services including where a notice is served pursuant to clause 2.3.2 and/or where a Tenant Management Organisation is established in relation to certain Properties;
- 12.1.4 where a change to the performance standards agreed for the Services is proposed;
- 12.1.5 where a change in the scope of the Services is proposed; and/or
- 12.1.6 where pursuant to clause 11.6 the parties agree that the HRA Fee should be reduced as a result of a change in the CPI since the September of the preceding Service Year.
- 12.4 The Contract Manager shall consider each and any request for a Change it receives in accordance with Schedule 7 and in doing so will assess the anticipated impact of the requested Change on the Fee and Barnet Homes' performance of the Services. If the anticipated impact is considered by the Contract Manager to be minimal, the Contract Manager shall be entitled to consider the request for a Change. If the anticipated impact is not considered by the Contract Manager to be minimal or if the Contract Manager cannot approve a request for a Change with minimal anticipated impact within 15 working days, the Contract Manager shall refer any such request for a Change to the Housing Partnership Board to be considered at their next meeting.

7. Finances

Barnet Homes Fixed Management Fee Funding 2016-17

	Year 2015-16	Efficiency Savings	Year 2016-17
Barnet Homes Core Management Fee HRA	17,335,327		17,335,327
Repairs and Maintenance Management Fee HRA	7,550,000		7,550,000
Grahame Park Boiler House Funding	-		170,000
Capitalised Salaries	-		1,100,000
Chilvins Court Management Fees			3,000
Add Other Fees included in Management Agreement			63,680
Housing Ombudsman			13,000
less 16/17 efficiencies		- 517,000	- 517,000
less Social Fraud Team			- 152,000
Less: Assist			- 575,000
Total BH excluding Housing Options	24,885,327		24,991,007
Housing Options SLA (HRA)			151,711
Housing Options HRA Mgmt Fee	1,121,282		1,121,282
Housing Options GF Mgmt Fee	2,729,668		2,447,704
Housing Options TA GF			

	309,000		-
Total Barnet Homes Management Fee	29,045,277		28,711,704
Total Barnet Homes Management Fee excluding Housing Options	24,885,327		24,991,007
Total Housing Options including total SLA charges			4,012,242
Total Barnet Homes HRA Management Fee as in Management Agreement			26,264,000

Housing Options 2016/17 SLA Funding

			£
	HRA	GF	Total
- - - -			
Fixed SLA Accommodation	55,480	90,520	146,000
Fixed SLA Facilities Management	26,220	42,780	69,000
Fixed SLA Payroll	2,698	4,402	7,100
Fixed SLA HR	3,230	5,270	8,500
Fixed SLA Customer Care	10,850	24,150	35,000
Fixed SLA IT	53,233	118,486	171,718
Total	151,711	291,545	437,318

HRA CAPITAL PROGRAMME EXPENDITURE REPORT

Capital Programme Description	Full Year Budget	
	2015/16 @ Q3 £'000s	2016-17 £'000
Major Works (excluding Granville Road)	11,336	6,877
Granville Road	276	273
Regeneration	1,389	1,415
Misc - Repairs	1,107	2,345
M&E/GAS	14,568	8,294
Voids and Lettings	1,998	3,400
Existing Stock	30,674	22,604

New Affordable Homes	4,196	999
Advanced Acquisitions		
Moreton Close	900	7,000
New Build	5,096	7,999
Total HRA	35,770	30,603

The Barnet Group Capital	2015-16 @	2016-17
	Q3	
Hotel Refurbishment Programme		269
Alexandra Road	33	
Social Mobility Scheme	210	540
Total The Barnet Group	243	540

	Budget	2015/16	2016/17	2017/18	2018/19	2019/20	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure							
HNR Management Fee	2,729,667	2,729,667	2,729,667	2,729,667	2,729,667	2,729,667	13,648,335
TA Management Fee	309,000	309,000	309,000	309,000	309,000	309,000	1,545,000
Leaseholder Buybacks Maintenance	100,000	70,000	70,000	70,000	70,000	70,000	350,000
Third Party Payments for TA	17,910,900	22,102,907	23,588,383	24,519,527	22,269,628	17,693,189	110,173,633
Miscellaneous	651,990	651,159	828,159	828,159	828,159	828,159	3,963,795
Bad Debt Provision	879,020	1,080,320	1,147,503	1,189,586	1,078,155	861,142	5,356,705
Total	22,580,577	26,943,052	28,672,712	29,645,939	27,284,608	22,491,156	135,037,468
Income							
TA Rents	-17,020,828	-20,460,601	-21,733,010	-22,530,039	-20,419,598	-16,309,499	-101,452,747
TA Fees Childrens Svcs	0	-395,401	-395,401	-395,401	-395,401	-395,401	-1,977,005
Other	0	-289,221	0	0	0	0	-289,221
Total	-17,020,828	-21,145,223	-22,128,411	-22,925,440	-20,814,999	-16,704,900	-103,718,973
Net Expenditure	5,559,749	5,797,829	6,544,301	6,720,499	6,469,609	5,786,257	31,318,496
Budget Pressure		238,080	1,568,552	1,744,750	1,493,860	810,508	5,855,751

8. Dependencies

This section outlines the key dependencies on other Delivery Units and Partners that may affect the delivery of Commissioning outcomes.

Delivery Unit	Dependent on for:	Other DUs dependent on Barnet Homes for:
Adults and Communities	<ul style="list-style-type: none"> • ASB, MARAC, MAPPA and safeguarding • Clientside engagement for development of extra care or accessible units etc. • Administration of leaving care payments • Mental health checks 	<ul style="list-style-type: none"> • Adaptation • Support of care leavers and vulnerable adults • Delivery of Extra care and accessibility [wheelchair] homes
CSG	<ul style="list-style-type: none"> • Housing Benefit (HB) assessments (new claims & Change-of-circumstances). • HB and cash files upload to QL. • Administration of payenet and payments made through the payment telephone line. • Administration of arrears write offs. • Administration of salary and pension deductions. • Credit union and third party deductions – payroll. • BACS • Direct debit verification and up load. • Management of I.T and Hardware. Including IT network, software upgrade and Help desk • Telephones (inc report and call recording) / Blackberry provision / Telephones – out of hours support (as our provision by Mears is linked via the LBB phone network) • Facilities support for Barnet House • Accommodation for The Barnet Group 	<ul style="list-style-type: none"> • Monthly delivery of controlled accounts • Monthly provision of capital works expenditure reports • Information supporting FOI, Members Enquiries and other formal investigations and responses • Information on accidents and incidents • Joint working on health and safety

Family Services	<ul style="list-style-type: none"> • Safeguarding 	<ul style="list-style-type: none"> • Suitable accommodation for children leaving care
HB Law	<ul style="list-style-type: none"> • Rent arrears works • ASB • Regeneration secure s10a etc. • Regeneration non secure • Disrepair defence • Non access works – gas etc. • Contract advice • Right-to-buy (RTB) applications and transactions • Leasehold arrears works • Tenancy and lease management work • Alterations – associated agreements and charges • RTB Conveyancing • Development - i.e. legal packs, land registry, contracts • Attendance at court (we have no right of audience) • PCOL administration <ul style="list-style-type: none"> • Homeless advice 	<ul style="list-style-type: none"> • Performance/satisfaction feedback
Property Services	<ul style="list-style-type: none"> • RTB valuations • RTB lease plans • Alterations – planning permissions etc. • Development - i.e. site assembly briefs, liaison with statutory bodies, easements, appropriation etc 	<ul style="list-style-type: none"> • Tenancy information and advice on disposals • Assistance with managing issues with non-BH managed HRA assets
Re	<ul style="list-style-type: none"> • Environmental Health - partnership working to deal with environmental nuisance. • Planning • Building control • Regeneration team – progress of scheme, amendments to phasing plans etc (also linked to the LBB appointed development partners) • Development – Planning, Highways, Building Control, other professional services 	<ul style="list-style-type: none"> • Support for empty homes initiative landlord accreditation and HMO registration • Progressing Planning Permissions for development plans • Specialist regeneration related expertise relating to existing residents • Joint working to support development pipeline objectives

Street Scene	<ul style="list-style-type: none"> • Ground maintenance on housing land • Refuse collection and recycling on housing estates • Refuse consumables (bins) • Responsive tree works • Planned tree works including tree surveys <ul style="list-style-type: none"> • Development – i.e. lighting, trees and refuse 	<ul style="list-style-type: none"> • Support for recycling initiatives
Parking and Infrastructure	<ul style="list-style-type: none"> • Removal of abandoned vehicles on housing land <ul style="list-style-type: none"> • Street lighting on some housing estates 	
Finance	<ul style="list-style-type: none"> • HB Law – Housing Options legal costs are paid directly by the Council’s GF budgets and not funded from BH’s management fee income. • CSG – Responsibility for managing HRA Model. 	<ul style="list-style-type: none"> • Information exchange • Input into HRA business plan • Implementation of rent increases and rent policy • Implementation on fees and charges • Monthly provision of capital works expenditure reports
Other	<ul style="list-style-type: none"> • Security provision at Barnet House (esp. 2nd floor reception) • Housing benefit • LBB payments system (suggest check with rents team as not sure if this actually sits with us of LBB) • Post room services (collection and sorting of incoming mail, collecting, franking and posting outgoing mail) • HRA money for capital works • Authorisation of variations to spend • CAFT - Tenancy fraud investigations and resulting action 	<ul style="list-style-type: none"> • Tenancy fraud referrals for investigating

9. Customers and Risk

9.1. Market, contract and relationship management

The Council is putting in place a new contract methodology, distinguishing different levels of contract activity – Strategic, Critical, Operational, Transactional. In summary, the latter two categories are to be managed and overseen within Delivery Units. Strategic contracts – and the relationship management – will be managed through Commissioning Group. Where a contract is categorized as Critical (single or a group of contracts from a particular market), the Management Agreement negotiation process will identify what level of relationship management is required from Commissioning Group, and at what stage.

In addition to the table on critical contracts (below), DUs are expected to fully manage their Operational and Transactional contracts in accordance with LBB policies to procurement and contract management.

Critical contracts to be managed by DU	Provider(s)	Scope / aim of contract	Cost	Start of contract (and end date if agreed)	Monitoring arrangements
Repairs, Maintenance & Void Property Refurbishment	Mears Group plc	Delivery of the repairs and maintenance service to housing stock and refurbishment of properties when they become void	Circa £9m per annum	Start - March 2012 End – March 2022	In-house contract management team managing in- line with Term Partnering Contract 2005 (2008 amended) requirements
Gas Heating – Servicing, Repair and Installation	Robert Heath Heating Ltd.	Delivery of the annual servicing of all gas appliances, repairing heating systems and installing new systems to housing stock	Circa £2m per annum	Start – March 2014 End – March 2018	In-house contract management team managing in- line with Term Partnering Contract 2005 (2008 amended) requirements

Critical contracts to be managed by DU	Provider(s)	Scope / aim of contract	Cost	Start of contract (and end date if agreed)	Monitoring arrangements
Major Capital Refurbishment Works	Lovell Partnerships trading as – Morgan Sindall	Delivery of major replacement component to housing stock	Circa £6m per annum	Start – July 2012 End – July 2022	In-house contract management team managing in-line with Term Partnering Contract 2005 (2008 amended) requirements
Major Electrical Installation Works	Lovell Partnerships trading as – Morgan Sindall	Delivery of major electrical installation replacement works to housing stock	Circa £9m per annum	Start - March 2012 End – March 2022	In-house contract management team managing in- line with Term Partnering Contract 2005 (2008 amended) requirements
Key TA providers	London Rentals Ltd, Rent Connect Ltd	Provision of interim temporary accommodation	Both circa £1.1m per annum	On-going framework suppliers	In-house contract management
Other TA providers	Apex Housing, BTC, Elliot Leigh, London Online, Southgate Properties, Woodhouse Estates	Provision of interim temporary accommodation	Each between £0.8-1m per annum	On-going framework suppliers	In-house contract management

Critical contracts to be managed by DU	Provider(s)	Scope / aim of contract	Cost	Start of contract (and end date if agreed)	Monitoring arrangements
Voids major and minor	R..Benson	To complete Major void works	Approx.. £1.2m per annum	Jan 15 to March 2018	In-house contract management team managing in- line with Term Partnering Contract 2005 (2008 amended) requirements
Agency staff	Blue arrow	Were most temporary staff are supplied	£3m per annum	Extended to may 2016	None
Electric and Gas Supplies	LASER (via Kent County Council)	Supply of gas to sheltered/ hostels and other communal and some Electric	£1m per annum	Prior to ALMO (this is complaint route for these	None
Electric and Gas Supplies	Via Monarch (consultant) most with OPUS	Supply of electric to communal areas mostly in blocks	£700,000 per annum. Supplier renewed	June 2017 for OPUS, consultant needs review	None
ERM (electrical Rising Mains)	Vallectric and WG Wigginton and others	To complete ERM works won under individual tenders	£1.7m and £1.6m	Each scheme tendered and managed by WSP (consultant)	In-house contract management team managing in- line with Term Partnering Contract 2005 (2008 amended)

Critical contracts to be managed by DU	Provider(s)	Scope / aim of contract	Cost	Start of contract (and end date if agreed)	Monitoring arrangements
					requirements
Adaptations	TBC as in tender	To carry out works for adaptations such as level access showers, grab rails etc	£700k to £1m per annum	1 st April 2016 for 3 +1 years	In-house contract management team managing in- line with Term Partnering Contract 2005 (2008 amended) requirements

9.2. Equalities

Delivery units are required to demonstrate that they have paid due regard to equalities by:

- Working in partnership and in accordance with LBB Equalities policy at all times;
- Producing a Delivery Unit profile of data on service users and to use it in the analysis of specific and cumulative impact of their proposals;
- Mainstreaming equalities into Delivery Unit workstreams and processes;
- Ensuring fair decision making at Delivery Unit level;
- Promoting engagement;
- Supporting Commissioning Group with all aspects of implementing the Equalities policy including Action Plan, the equalities aspects of the Business planning process, the production of the annual equalities report achieving the Strategic and other Equality objectives; and,
- Demonstrating compliance with Equality Act 2010 and Public Sector Equality Duty.

The Barnet Group's Equality Strategy has four key areas of focus:

- Customer Insight – understanding the needs of our customers
- Our People – ensuring equality for our staff
- Accessibility – improving access to services
- Self-assessment – using external frameworks and in house health checks to assess effectiveness

The over arching objective of the strategy is to deliver services to customers that respond to their needs and create a working environment that is inclusive for all colleagues.

The Barnet Group’s Equalities objectives for 2016/17:

- To further refine our approaches towards data collection and to maximise the capabilities of our investment into the new QL housing management system to enable insight reporting that informs policy development and service delivery refinement
- To undertake Equality Impact Assessments of significant legislative changes and service reviews programmed for 2016/17 including but not exclusive to caretaking services, homelessness demand, temporary accommodation, customer service access, welfare reform, income collection and leasehold management
- To undertake a review and refresh of the current Group Equalities Strategy in the light of the new range of services anticipated to be delivered through the group.to be completed by December 2016

9.3. Risks and challenges

Emerging issues will be recorded by the Lead Client Relationship Manager, LBB Commercial team on an issues log. The log will be reviewed at the monthly performance review meetings, and either resolved, elevated to a change request or escalated to the Barnet Homes Strategic Review Group.

Barnet Homes operates a system of internal control including appropriate risk management processes and complies with the Council’s Risk Management Policy. Barnet Homes maintains its own risk register for risks identified within their business and management processes.

All risks will be monitored regularly through the monthly performance review meetings, as part of business as usual and escalated whenever required including new emerging risks that would score 12 or more and/or any serious risk incidents that occur.

Quarterly contract performance reporting will include joint risks and significant operational risks (both with a rating of 12 or more using LBB's scoring methodology) with the full risk register appended to the performance summary.

Appendix 1: Outcomes, KPIs and PIs

The following Indicators are reported to the Quarterly Performance and Contract Monitoring Committee

Key Performance Indicators

Each Delivery Unit should have between 10 – 30 KPIs and these will cover areas where performance impacts on the desired outcomes. Detailed information on collection, reporting and data quality will be through a more detailed data quality sheet. Targets will be profiled over 5 years, where possible.

Strategic Indicators (reported as measures of success in achieving the Barnet Corporate Plan)

Commissioning Priority	Outcome	PI Number	Current Performance & Target	2016/17 target	2017/18 target	2018/19 target	2019/20 target	Benchmarking
Preventing and Tackling Homelessness	Homelessness prevention	IH	929 (full year estimates) & 650	900	900	900	900	DCLG 14/15 Upper quartile: 1,237, median: 647
Preventing and Tackling Homelessness	Numbers in Emergency Temporary Accommodation	NL	287 (Jan 16) & 500	150	150	150	150	DCLG Q2 15/16 Upper quartile: 152, median: 392.
Deliver efficient and effective services to residents	Current arrears as a % of debit	AMI	4.00% (Jan 16) & 3.30% (yr end target & expectation)	3.00%	HM Benchmarking 2 nd Quartile	HM Benchmarking 1 st Quartile	HM Benchmarking 1 st Quartile	Housemark 14/15 Upper quartile: 2.14%, median: 3.15%.
Deliver efficient and effective services to residents	Rent arrears evictions (BV66d)	AMI	0.12% (Jan 16) & 0.15% (yr end target, out turn may be slightly higher)	0.18%	HM Benchmarking 1 st Quartile	HM Benchmarking 1 st Quartile	HM Benchmarking 1 st Quartile	Housemark 14/15 Upper quartile: 0.18%

Critical Indicators

It is expected PI's will be monitored internally by DU's, any issues should be escalated at the earliest opportunity to commissioners. A list of the key PIs that monitor service delivery are outlined below.

Commissioning Priority	Outcome	PI Number	Current Performance & Target	2016/17 target	2017/18 target	2018/19 target	2019/20 target	Benchmarking
Preventing and Tackling Homelessness	Number of families in bed and breakfast accommodation for more than 6 weeks	NL	0 (Jan 16) & 0	0	0	0	0	DCLG Q2 15/16 Upper quartile: 0
Deliver efficient and effective services to residents	Number of PRS Lettings	NL	485 (full yr est) & 485	500	500	500	500	n/a
Preventing and Tackling Homelessness	% of homeless appeals completed on time	IH	86% (Jan 16) & 100% (specific period only i.e. Mar 16)	100%	100%	100%	100%	n/a.
Deliver efficient and effective services to residents	Temporary Accommodation arrears	AMI	5.92% (Jan 16) & 5.50% (yr end target & expectation)	4.95%	Set Annually	Set Annually	Set Annually	n/a Note: unable to set future targets due to changes e.g. introduction of universal credit and benefit cap
Deliver efficient and effective services to residents	Average re-let time for routine lettings	NI	21 days (yr to end Jan 16) & 24 days	15 days by year end	HM Benchmarking 1 st Quartile	HM Benchmarking 1 st Quartile	HM Benchmarking 1 st Quartile	Housemark 14/15: Upper quartile: 21.4, median: 27.9.
Deliver efficient and effective services to residents	% of Annual service charge and arrears collected	JN	On track for 100% & 100%	100%	HM Benchmarking 1 st Quartile	HM Benchmarking 1 st Quartile	HM Benchmarking 1 st Quartile	Housemark 14/15: Upper quartile: 103.3%, median: 100.73%

Commissioning Priority	Outcome	PI Number	Current Performance & Target	2016/17 target	2017/18 target	2018/19 target	2019/20 target	Benchmarking
Deliver efficient and effective services to residents	% leaseholder satisfaction with major works consultation	JN / BH	n/a	Establish base line	To be set following year 1	To be set following year 1	To be set following year 1	n/a Note: work to be done to create and put survey into place, therefore use first year to establish baseline.
Deliver efficient and effective services to residents	Repairs Survey % Satisfied Customers	RB	99% (yr to end Jan 16) & 95%	96%	HM Benchmarking 1 st Quartile	HM Benchmarking 1 st Quartile	HM Benchmarking 1 st Quartile	Housemark 14/15 Upper Quartile: 93%, median: 91%
Deliver efficient and effective services to residents	% Reality Checks (total) Achieving a Score of 3 or 4	DS	95% (yr to end Jan 16) & 90%	95%	95%	96%	96%	n/a
Deliver efficient and effective services to residents	% Properties With Current LGSR	RB	100.0% (Jan 16) & 100%	100.0%	100.0%	100.0%	100.0%	Housemark 14/15 Upper Quartile: 100.00%, median: 99.99%

KPI / Operational & Transactional

Commissioning Priority	Outcome	PI Number	Current Performance & Target	2016/17 target	2017/18 target	2018/19 target	2019/20 target	Benchmarking
Preventing and Tackling Homelessness	Total number of households in Temporary Accommodation (including regeneration)	NL	2,911 (Jan 16) & untargetted	2,700	2,500	2,200	2,000	DCLG Q2 14/15 upper quartile: 620, median: 1,150, lower: 2,285
Preventing and Tackling Homelessness	Households in emergency temporary accommodation pending enquiries or intentionally homeless	IH	30.3% (Jan 16) & 37%	30%	25%	20%	16%	DCLG Q2 15/16 upper: 16%, median: 28%.
Preventing and Tackling	Average weeks spent by	NL	62.2 weeks (Jan 16) &	Tracking	Tracking only	Tracking only	Tracking only	n/a

Commissioning Priority	Outcome	PI Number	Current Performance & Target	2016/17 target	2017/18 target	2018/19 target	2019/20 target	Benchmarking
Homelessness	households in current emergency temporary accommodation		untargeted	only				
Preventing and Tackling Homelessness	Out of London Temporary Accommodation Acquisitions	NL	45 (yr to end of Jan 16) & untargeted	80	80	80	80	n/a
Deliver efficient and effective services to residents	Average end to end time for major adaptations	SC	20.4 days (yr to end Jan 16) & 22 days	24	22	20	20	n/a Note: new contractor from Apr 16 will impact on initial performance (3 year contract)
Deliver efficient and effective services to residents	Average re-let time for major works voids	SC	47 days (yr to end Jan 16) & 60 days	50	50	50	50	Housemark 14/15 upper quartile: 63, median: 75
Deliver efficient and effective services to residents	Satisfaction with lettings process	NI	86% (yr to end Jan 16) & 91%	91%	92%	92.5%	93%	Housemark 14/15 upper quartile: 92.5%, median: 89%
Deliver efficient and effective services to residents	Repairs first time fix	RB	91% (yr to end Dec 15) & 80%	91%	HM Benchmarking 1 st Quartile	HM Benchmarking 1 st Quartile	HM Benchmarking 1 st Quartile	Housemark 14/15 upper quartile: 94%, median: 87%
Deliver efficient and effective services to residents	Gas repairs satisfaction	RB	95% (yr to end Dec 15) & 90%	90%	91%	92%	93%	n/a Note: Existing contract ends end of 17/18 hence target remains at 91% in first year of new contract
Deliver efficient and effective services to residents	Anti-social behaviour satisfaction	DS	74% (yr to end Jan 16) & 79%	80%	81%	8%	84%	Housemark 14/15 upper quartile: 83%, median: 67%
Deliver efficient and	Major works satisfaction	BH / DH	94% (yr to end Jan 16) &	94%	94%	95%	95%	n/a

Commissioning Priority	Outcome	PI Number	Current Performance & Target	2016/17 target	2017/18 target	2018/19 target	2019/20 target	Benchmarking
effective services to residents		/ TC	94%					
Deliver efficient and effective services to residents	Staff sickness – average days sickness	TS	9 days (12 months to end Dec 15) & untargeted	8.5	8.0	7.5	7.0	Housemark 14/15: upper quartile: 6.2, median: 7.6
Deliver efficient and effective services to residents	Number of safeguarding issues identified (with sheltered services)	BM	n/a	Tracking only	Tracking only	Tracking only	Tracking only	n/a Note: putting a target against this could lead to perverse behaviour e.g. not logging safeguarding incident to hit a target. Focus instead of understanding trends.

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AGENDA ITEM 19

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