

<u>MEETING</u> PERFORMANCE AND CONTRACT MANAGEMENT COMMITTEE
<u>DATE AND TIME</u> TUESDAY 15TH NOVEMBER, 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)	3 - 6

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Question	Agenda Item	Raised by	Question Raised	Answer
1	8 (App. B)	John Dix	In Appendix B it states that “Monitoring of contractual commitments forms part of the regular monitoring undertaken by the Commercial team, in conjunction with the Senior Responsible Officer (SRO) for each service. Progress is recorded in a tracker spreadsheet”. Have members of this committee received a copy of this tracker spreadsheet and can a copy be made public?	Members of the Working Group received extracts from the tracker, as part of their review of evidence in respect of performance. These extracts have been published as part of the evidence pack referenced in paragraph 6.1 of the report.
2	8 (App. B)	John Dix	In Appendix B it states that the employee survey carried out is company wide rather than on a contractual basis. Does this mean that there is no staff satisfaction survey specifically for Barnet staff and if so why has this been signed off as complete when it provides Barnet with no specific information about staff satisfaction in the Barnet contract?	As stated in Appendix B, the staff satisfaction survey is conducted on a company-wide basis and results are disseminated on a divisional basis. There is no survey specific to employees deployed on the CSG contract. The SRO at the time agreed that, as the annual Capita staff satisfaction survey had been completed, the contractual commitment had been delivered to their satisfaction, in respect of Barnet staff that had transferred under TUPE arrangements.
3	8 (App. B)	John Dix	In Appendix B it acknowledges that the Leadership Panel is not delivered. Given that the role of the Leadership Panel was seen as a key component of the three year review why has this issue still not been addressed?	The Leadership Panel was cited as one example of a potential source of evidence of innovation and forward-thinking, within one of the draft key outcomes set out in Appendix A to the progress report considered by the Performance and Contract Management Committee on 6 th September 2016. The Innovation Lab and use of Insight were cited as other examples. Innovation is important to the council and this is addressed in paragraphs 1.60 and 1.61 of the report.

4	8 (App. C)	John Dix	Who prepared Appendix C, a Barnet Council employee or a CSG (Capita) employee?	The appendix was prepared by the Strategic Lead for Programmes and Performance at the Council, not a CSG employee.
5	8 (App. C)	John Dix	In Appendix C what reassurance have you received that the £25.6 million that you have paid Capita for additional services represents value for money and as stated on page 7 “paying less than we would in the open market” given that all these additional service are automatically given to Capita without any market testing?	The benchmarking analysis undertaken and summarised within Appendix C demonstrates that the council would have paid more for procuring these services from the open market. This work has compared the rates paid to CSG for capital and transformation project resources against benchmarking data showing the average rates Barnet would have expected to pay for equivalent resources. Furthermore, these rates are typically below those the council would expect to pay according to the CSG contract rate cards for these project resources, which were set through the competitive procurement process the council went through to let this contract.
6	8	John Dix	What oversight is in place to ensure that the £39 million you are going to pay to Capita for additional services over the next 4 years is value for money?	<p>All CSG proposals to deliver projects / provide project resources are scrutinised by:</p> <ul style="list-style-type: none"> • The senior officer whose budget will fund the work • The Senior Responsible Officers (SROs) in relation to the contract who provide subject matter expertise and review technical aspects of the proposals • The council’s client-side programmes team, which advises on how to commission projects from CSG, ensures that activities and milestones are clear, achievable and outcome based, and that that the right capability is in place to deliver the required results. • The council’s commercial team which advises on how proposals relate to the core contract. <p>All these different functions review the value of the proposed additional services and insist on changes to any elements that are found to be deficient.</p>

				Furthermore, for large and /or complex proposals related to vital infrastructure or IT investment, or where the proposal does not seem to provide good value, the council is able to use its technical assurance partners (FocusQS for infrastructure proposals and Leidos for IT proposals) to provide further expert scrutiny of the value provided by the proposed spend.
7	8	John Dix	Why are we paying an additional £9 million on IT when IT is part of the CSG contract and that Barnet paid Capita upfront for capital investment in IT?	The core contract covers the day to day delivery of ICT services, not the capital investment that is required to replace or update ICT systems to maintain a modern, effective ICT environment that supports delivery of the council's objectives. The initial investment related to the replacement of the council's HR and finance systems. The £9m investment referred to in Appendix C relates to the capital programme from 2016 to 2020.
8	8	John Dix	Given that we have had 4 different IT directors in 3 years how can we be reassured that this additional spend is essential and that it will not change again when another IT director is appointed?	The level of spend required is based on a comprehensive assessment of the council's investment needs and is driven by the council's commissioning and capital programme approval processes. It is not determined by one individual, so the appointment of a new IT director will not impact on the level of investment required.
9	8	John Dix	Why are comparisons quoted as a percentage of total spend when work is volume related not cost related?	Fees as a percentage of total spend is only used when comparing current spend on school building fees to spend before the CSG contract. Quoting fees for infrastructure projects as a proportion of the total spend is a common means of providing a comparison. It provides an indicator of relative value for money and should be considered alongside other indicators, such as project day rates.
10	8 (App. C)	John Dix	On Page 6 of Appendix C what is the relevance of the capital schemes comparison?	The information provided on page 6 of Appendix C is a statement of who provided support on capital schemes prior to the CSG contract and the level of expenditure incurred. It is intended to demonstrate that the council incurred significant expenditure with third parties on capital schemes prior to the contract with CSG.

11	8 (App. C)	John Dix	On Page 6 of Appendix C there is a comparison with £7.1 million paid to Impower/Agilisys. Given that Councillors authorised a spend of “circa £2 million” for this contract do you think this a suitable basis for comparison?	The information provided on page 6 of Appendix C is a statement of who provided support on transformation projects prior to the CSG contract and the level of expenditure incurred. It is intended to demonstrate that the council incurred significant expenditure with third parties on transformation projects prior to the contract with CSG.
12	8 (App. C)	John Dix	On transformation project Appendix C states that contractual rate cards are 11% below the rates that would be paid to equivalent companies. What tangible evidence supports that statement?	Comparative information on day rates has been considered by the Member-led Working Group. Information that cannot be published because it is commercially confidential is contained in the exempt Appendix F.
13	8 (App. D)	John Dix	In Appendix 4 the chart showing in year council tax collection rates appears to show rates are lower in 2015/16 than they were in 2012/13. Is this correct?	This is correct. In year collection rates in 2015/16 was 96.1% which is lower than in 2012/13 (96.6%). However it is important to note that in year collection in 2011/12 was 96.0%. In 2015/16, the council changed their Council Tax Support from 8.5% to 20%, which had an impact on in year collection. The 4 year collection guarantee is set at 98.5%, to be measured by the end of the year. This stood at 98.42% to the end of October.