

<b><u>MEETING</u></b> <b>PERFORMANCE AND CONTRACT MANAGEMENT COMMITTEE</b>
<b><u>DATE AND TIME</u></b> <b>TUESDAY 27TH FEBRUARY, 2018</b> <b>AT 7.00 PM</b>
<b><u>VENUE</u></b> <b>HENDON TOWN HALL, THE BURROUGHS, LONDON NW4 4BG</b>

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	<a href="#">7</a>	John Dix	Can you explain why the Commissioning Group budget has risen from £20.2 m in 2016/17 to £35 million in 2017/18?	The 2017/18 Commissioning Group budget includes public health and parking and infrastructure. In 2016/17 these were reported in separate categories.
2	<a href="#">7</a>	John Dix	On page 42 risk AC028 identifies the lack of a fully functioning case management system. Who is responsible for managing and maintaining this system and how confident are you that the draft plan to implement remedial works is actually working?	The programme to implement the Mosaic case management system is being led by Capita, reporting into a Local Authority Senior Officer within the Adults and Communities Delivery Unit. On-going management and maintenance of the system is split, with defined roles for teams in CSG IT and Adults and Communities. Progress is being made against the draft plan and a revised plan is being presented to the Authority on 5 March 2018.
3	<a href="#">7</a>	John Dix	On page 44 reference is made to Barnet's Children's Commissioner and her report of January 2018. At 4.23.3 of her report she made specific reference to the role of the PCM Committee, raising a question over whether that Committee has the capacity or capability to scrutinise and monitor complex children's services effectively. Why was this not highlighted in the papers for this meeting and how are you going to actually address this serious concern?	The Children's Commissioner's report was considered and accepted by full Council on 30 <sup>th</sup> January 2018. Her report goes on to identify improvements that have been made in reporting performance, in particular the introduction of regular performance reports to all theme committees. Prior to the Commissioner's report the Council agreed that the Improvement Plan would be monitored through the CELS committee. Papers on the Improvement work have been discussed at all CELS meetings since the publication of the report.
4	<a href="#">7</a>	John Dix	The Children's Commissioner also noted that there is a culture in Barnet of over optimistic and over reassuring reporting to members. How confident are you that the reports you are receiving in these papers are not over optimistic and over reassuring and what steps are you taking to ensure that culture is changed?	Significant improvements have been made to the council's performance reporting framework over the last six months, to ensure that reports are both balanced and accurate. The revised report format is designed to enable Members to more effectively challenge the information that is put before them. Members continue to work with officers to ensure effective and robust governance.

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5	<a href="#">7</a>	John Dix	At page 94 there is a report regarding the performance of Cambridge Education. As part of this contract, school meals were subcontracted to ISS. School meals was a profit centre generating £240,000 of profit before it was outsourced and the business case identified it as a major source of additional income generated outside the borough to support the business case. Why is there no information on the financial performance of the ISS subcontract and will you provide an update of ISS's current financial and operational performance?	The council has a fixed-price contract with Mott Macdonald (Cambridge Education), which includes the delivery of the school meals service. This is subcontracted to ISS and the council has no direct contractual relationship with ISS. Information on the overall budget position for Cambridge Education is contained within the Education and Skills budget projection in section B13 (p 53) of the report.
6	<a href="#">7</a>	John Dix	At page 97 it notes that there will be an additional charge for Revs & Bens work from DWP. In 2016/17 Capita charged £330,000 for additional Revs & Bens work plus £98,000 for face to face support. How much is Capita likely to charge in 2017/18?	The DWP work has resulted in increased calls to the customer contact centre. There is a volumes mechanism in the CSG contract, whereby the council pays additional monies to Capita, if call volumes exceed certain thresholds. Costs are reduced, if volumes fall below certain thresholds. The volume of calls in Revs and Bens is higher than pre-contract levels. The additional cost for the current financial year has yet to be finalised.
7	<a href="#">7</a>	John Dix	At page 99 the reports states that there is a rebate from Comensura and administration charges to other services, totalling £1.986m. Please can you clarify how this rebate from Comensura is calculated, and what proportion of the £1.986m it represents?	The rebate from Comensura is calculated in accordance with the framework contract. The Council receives a rebate based on the rates achieved compared with a benchmark. The rebate represents £1.332m (67%) of the £1.986m.
8	<a href="#">7</a>	John Dix	One of the CSG contract variations identified in Table 12 is for £1,004,038 for dilapidations to NLBP Building 4 "to increase the funds to cover cost until October 2018". Given that	As part of the CSG contract, the council provides accommodation for Capita. Whilst the council has exited NLBP Building 4, Capita staff continue to occupy the building. Additional monies are being provided to cover

Public Questions – Performance and Contract Management Committee – 27 February 2018

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			Barnet should have existed NLBP 4 in October 2015 why are we still paying into a dilapidations fund and why are we paying it to Capita, not the building freeholder?	accommodation costs, until relocation to the Colindale premises.
9	<a href="#">7</a>	John Dix	At Page 103 the report states we are paying £78,908.65 to Capita to assist with Family Services recruitment. Given that we paid Capita £248,000 for the same task last financial year are you sure this further payment represents value for money?	Family Services have continuing needs for additional HR support, to enable them to recruit sufficient, high quality social workers. To ensure value for money, payments are made on the basis of outcomes, rather than inputs.
10	<a href="#">7</a>	John Dix	At page 106 the report provides details on Re's financial performance yet there is no mention of how much additional revenue they generated, a key component of the overall financial performance. Please can you tell me how Re are performing against revenue generation targets?	The benefit to the council of additional income under the RE contract is guaranteed and does not, therefore, impact on RE's budget performance. Performance against the guarantee will be reconciled and published as part of the annual accounts process. The guaranteed income for 2017/18 is £16.249m. The current forecast is that actual income will be c£15m.
11	<a href="#">8</a>	John Dix	To what extent has the contingency plan recognised that Capita provide services through a range of different service companies (for example pensions administration is operated through Capita Employee Benefits Limited) and that with such a complex operating structure some companies might continue to trade while others are placed into some form of insolvency measure?	The arrangements outlined in the report are relevant in such a scenario. In the event of a main supplier ceasing to trade, whilst a sub-contractor continues trading, then we would expect contracts to be novated (i.e. transferred directly to the council) to ensure continuity of services.
12	<a href="#">8</a>	John Dix	To what extent has the contingency plan recognised issues such as retention of title, where for example if a Barnet contractor has purchased but not fully paid for essential equipment (such as IT hardware) the original	Such issues are addressed in the main contracts, but further work would be required to ascertain the extent to which this might present a risk to service continuity.

Public Questions – Performance and Contract Management Committee – 27 February 2018

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			supplier may uplift that equipment?	
13	<a href="#">8</a>	John Dix	To what extent has the contingency plan recognised that before a company goes into some form of insolvency measure, it may experience a prolonged period where cashflow is highly restricted, preventing investment in key equipment and failing to replace staff that leave which would have a highly detrimental impact on service standards?	Officers are very aware of this risk. Service delivery is monitored through the council's contract management arrangements, which should identify any emerging issues. All contracts set out appropriate remedies to address any issues of poor performance.
14	<a href="#">8</a>	John Dix	Have you taken specific professional advice from an insolvency practitioner, for example from the external auditor BDO, to ensure the contingency plans are robust?	Initial advice has been taken from an appropriate professional. The council can take further advice, as necessary.
15	<a href="#">10</a>	John Dix	At the Audit Committee of 31 <sup>st</sup> January 2018 the Chair, Cllr Rayner, said that he was referring the issue of gainshare on the CSG contract back to this committee for a review. There is no mention of this in the forward work programme. When is it scheduled to take place?	Both referrals to PCM committee from Audit Committee (on benefits realisation and gainshare) will be formally noted at this PCM committee, and then scheduled into the forward plan.