

<b><u>MEETING</u></b>
<b>FINANCIAL PERFORMANCE AND CONTRACTS COMMITTEE</b>
<b><u>DATE AND TIME</u></b>
<b>WEDNESDAY 19TH JUNE, 2019</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 the Responses to the submitted Public Questions.

Item No	Title of Report	Pages
5.	PUBLIC QUESTIONS AND COMMENTS (IF ANY)	3 - 8

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Public Comment(s)	
Request for a Public Comment has been received in relation to the following Agenda Items: (3 minutes per comment) <a href="#">Item 7</a> – Chief Financial Officer Report - 2018/19 Revenue and Capital Outturn	Mr. John Dix

### Public Questions

Question	Agenda Item	Raised by	Question Raised	Answer
1	7	Mr John Dix	The report states at 2.1.7 that elections were underspent by £0.311 million. However Appendix 1 is clear that elections were overspent by £0.357 million before a movement from reserves of £0.668 million. Can you therefore clarify were elections underspent or overspent against the budget and why this misleading figure is presented in the report?	<p>The Elections service contributes to a reserve every year on the basis of having to fund local elections every 4 years. In an election year the service overspends (in this instance by £0.357m) and then draws down the funding it has 'saved up' over the intervening years.</p> <p>There are no financial management concerns within the service as this was a planned and funded budget contribution to reserves.</p>
2	7	Mr John Dix	Every year since the contract with HB Law was established it has been overspent. This year it was overspent again, this time by £713,000. Who is authorising this overspend and when will it be brought under control?	<p>The Inter Authority Agreement had an optimistic income target which it hasn't met. Therefore, council departments have attempted to manage the budget pressure by reducing demand. This has not been possible to fully eradicate the full variance.</p> <p>The council approved £600k of growth for 2019/20. This means circa £100k pressure would occur if expenditure remained at 2018/19 levels. In order to ensure that demand is managed down, P&amp;R Committee approved the</p>

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				disaggregation of budgets across all council departments accessing the service. In this way, the service areas will be expected to manage access to the service within their resource allocations.
3	7	Mr John Dix	Why is HR almost 300% overspent and what steps are being taken to bring it under control?	In 2018/19 additional costs were included in relation to project work such as work on Pay Modelling, Equal Pay Audit Review and Apprenticeship Scheme 2017. These costs are not expected to be incurred in 2019/20.
4	7	Mr John Dix	At 2.1.21 the reports states that the overspend was due to on-going structural pressures within the Estates budget. Please can you clarify more specifically what are these structural pressures on the Estates budget?	<p>The council has allocated additional funding of £0.919m to eradicate the structural pressure in 2019/20.</p> <p>The overspend was caused by a combination of structural pressures and non-recurring costs.</p> <p>The structural overspend resulted from costs associated with corporately managed buildings, the depots, additional security that was required throughout the year in response to increased risk and repair &amp; maintenance costs as a result of some high value essential repairs having to be undertaken.</p> <p>The non-recurring costs included Freemantle care home legacy repair liabilities and Property Review Programme costs.</p>
5	7	Mr John Dix	If we paid Capita £610,000 in gainshare on the Collection Fund, how much was the net gain to Barnet in Collection Fund?	The net gain to Barnet after accounting for the £610,000 gainshare paid was £1.615m.
6	7	Mr John Dix	Can you clarify if the CSG management fee was underspent due to the payment of £4.12 million in January 2019 for the settlement of	The commercial settlement monies are the primary reason for the underspend, prior to the contribution made to reserves. £3.685m of the settlement value went into

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			historic issues, or for different reasons and, if so, what?	reserves and the remaining £435k refunded the costs of the GT work and legal support.
7	7	Mr John Dix	The guaranteed income from Re was £1.35 million below budget. If the income is guaranteed why is there any shortfall, let alone £1.35 million?	Guaranteed income is an overall target across the council. Some of this income was accounted for within the HRA, however, was fully budgeted for within the General Fund. This leaves a shortfall within the Re budget whilst simultaneously achieving the guaranteed income target.
8	7	Mr John Dix	The report states at 2.1.36 states that income targets on a number of areas have not been achieved. Please can you be more specific on which areas the targets are not being achieved?	Highways is the main area where it was anticipated that higher levels of income would be generated than are currently being achieved. The other areas are Building Control and Cemetery & Crematorium.
9	7	Mr John Dix	Frontline waste was £2 million over budget. Given that in March Streetscene agency costs were running at an average of £55,000 per week and in April, £56,000 per week, what impact have agency costs had on the budget overspend?	Staffing cost make up the majority of expenditure for recycling and waste services and therefore agency costs will have contributed to the overspend. Financial analysis is being undertaken to compare the costs on a like for like basis (factoring inflation) to previous years to understand the full impact.
10	8	Mr John Dix	Please can you clarify what caused the huge increase of more than £500,000 in Barrister/Solicitor costs attributed to the commercial department?	Significant commercial activity took place in 2018/19 including in relation to issues included in the November Commercial Settlement (such as financial controls, Mosaic, and procurement gainshare) and in relation to the Strategic Contract Review (including insourcing of finance and HR). These costs were anticipated and included in financial planning: legal costs related to the financial controls work were recouped from Capita; and funding for the Strategic Contract Review, including legal costs, was agreed at Policy and Resources Committee in July 2018

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				(£300k) and December 2018 (a further £600k).
11	9	Mr John Dix	Given that one person in families is costing £170,000 per annum, more than the Strategic Director of Children & Young People, how much longer will they be required in this role?	This role is planned to cease at the end of June 2019.
12	9	Mr John Dix	Given that the HR Strategic Lead role has been in post since 2017/18 and we are now in the financial year 2019/20 and that last year they cost £179,000, what progress has the council made to recruit a permanent person to this post – for example, has the post been advertised, have candidates been interviewed; has a headhunter been appointed?	The post of Assistant Director of HR was advertised on 13/ June 2019, with the closing date for applications on 8 July 2019. It is expected that an appointment will be made by early August with an anticipated start in the role in the early autumn. The recruitment agency appointed is Gatenby Sanderson.
13	9	Mr John Dix	At 2.10 the report says that off-contract agency expenditure of £50,000 was to cover the vacant Revenue and Benefits Manager. Surely Revenues and Benefits is a Capita responsibility and as such why did Barnet fund this role?	There was a vacancy on the client side revenues and benefits manager which was covered by an agency member of staff, pending permanent appointment. Permanent recruitment has taken place and therefore no further agency spend is anticipated in this area.
14	10	Mr John Dix	Where in the report does it mention the reason why the services had to be brought back in house at great expense and staff time, namely Capita's failure to provide a satisfactory service?	The purpose of the report is to provide a summary of the lessons learned from the transition of the Finance and Strategic HR services back to the council, not to re-visit the business case for so doing. This is set out in full in the report that was considered by Policy and Resources Committee in December 2018 and is available through

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				this link: <a href="http://barnet.moderngov.co.uk/documents/s50134/Review%20of%20Capita%20Contracts.pdf">http://barnet.moderngov.co.uk/documents/s50134/Review%20of%20Capita%20Contracts.pdf</a>
15	11	Mr John Dix	Until February 2018 this report used to include a separate appendix which set out the CSG Benefits Realisation by financial year. Why is this valuable appendix not longer provided and when will it be reinstated?	Commercial discussions were taking place in relation to procurement gainshare which formed part of the benefits tracker. Consideration will be given to publishing a revised version of a benefits realisation appendix to the next Financial Performance and Contracts Management Committee
16	12	Mr John Dix	At 2.2 the report states that the Council is working closely with its lawyers to resolve the ongoing dispute with the building contractor and that the latest position on this is summarised in the exempt paper. Please can you at least give the public an indication of the timescale for settlement of this dispute, and specifically how much has been incurred in legal costs on this dispute so far?	For the contractor to submit the Statement of Final Account all disputes will need to be settled. Technically, the Final Account submission is required within three months of Practical Completion, which will be 12 July but should further adjudication be initiated, an automatic extension will be granted. Typical timescales for adjudication are 4 weeks from the appointment of an adjudicator but each disputed element could be dealt with separately so timescales could be consecutive.  In respect of legal costs, circa £31k has been incurred so far, along with circa £50k in associated costs for forensic programme and cost scrutiny.
17	12	Mr John Dix	Is there any visitor parking at the new Colindale offices?	A small additional parking area is planned at the junction of Lanacre Avenue and Hazel Close, within which 8 spaces will be available for visitors and / or staff that require parking close to the office. Additional visitor parking is available in public car parks such as Colindale Underground Station, Burnt Oak Underground Station and the Bunns Lane car park, requiring a bus connection and /

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				or a short walk to the office.