

**MEETING**

**FINANCIAL PERFORMANCE AND CONTRACTS COMMITTEE**

**DATE AND TIME**

**TUESDAY 1ST FEBRUARY, 2022**

**AT 7.00 PM**

**VENUE**

**HENDON TOWN HALL, THE BURROUGHS, LONDON NW4 4BG**

Dear Councillors,

Please find enclosed the responses to the Public Questions.

Item No	Title of Report	Pages
5	PUBLIC QUESTIONS AND COMMENTS (IF ANY)	3 - 6

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**Public Question(s)**

Question	Agenda Item	Raised by	Question Raised	Answer
1	7	Mr Roger Tichborne	<p>"In light of the statement "<i>Officers are also investigating the viability of further alternative options that could be affordable in the context of the current budget envelope, if agreement is not reached.</i>" laid out in section 2.11 of the Capita Contract review, does the council have sufficient financial resources to manage a transition from Capita, whilst maintaining the current level of services, in the event that Barnet Council cannot agree an extension to the Capita contract and what is the likely impact this will have on Council tax and existing provision of services?"</p>	<p>Notwithstanding the broader financial challenges faced by the council, as previously reported to the Policy and Resources Committee, officers are confident that an agreement can be reached that falls within the overall budget envelope for these services and that will not impact on the quality of services to residents or on Council Tax. As stated in the report, the financial and commercial elements are complex and further work is required to ensure that any recommendations are based on a sound understanding of the cost and budget position.</p>
2	7	Mr John Dix	<p>Now that Full Council has agreed not to extend those elements of the RE and CSG contracts that relate to the Procurement Service, Regulatory Services (Trading Standards, Licensing, Environmental Health), the regeneration service and highways, please will you publish the detailed financial information that supported this decision.</p>	<p>The Council decision on returning services was based on specific data and assumptions about the cost associated with those services and was subject to the conclusion of the necessary due diligence. Whilst that due diligence is underway, we have not yet finalised all the details. It is also the case that negotiations on the extension of services cannot be separated from the finances associated with returning services. Once the whole package has been agreed, we will publish all of the relevant information.</p>

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3	8	Mr John Dix	<p>One of the risks identified at 2.12 is “Further costs arising from the Brent Cross project which cannot be capitalised”. Please can you clarify the nature/type of costs to which this refers and the potential scale of these costs i.e. hundreds of thousands, millions, tens of millions?</p>	<p>This risk is included for completeness with a low likelihood. Through monthly budget monitoring all costs are scrutinised and allocated to the right area of the project, however, due to the sheer size of the total Brent Cross project, it is possible that some re-allocation of in-year costs to ensure adherence to relevant accounting standards has been missed. In addition to monthly review, this is also reviewed at year end and by external auditors through the annual audit.</p> <p>An example of the nature of revenue costs would be: fly-tipping and the scale of the costs would not be material.</p>
4	11	Mr John Dix	<p>It is clear from the presentation that the Brent Cross Station is progressing rapidly. Given that contractually Barnet are obliged to pick up the operating losses of the station until it breaks even, please can you provide an indication of when Barnet will start paying these operating losses, the scale of these operating losses and the forecast duration/maximum liability until the station breaks even.</p>	<p>The process to model the operational costs and revenue of the station is underway between LBB, DfT, GTR and NR. The council is waiting for the timetable to be confirmed by DfT / GTR in order progress this workstream and into the revenue calculation. This calculation is being undertaken by a specialist consultant. This is a live workstream and updates will be presented to the Committee in due course with a detailed paper expected in September 2022 once the impact of the recent loss of possessions has been properly assessed.</p> <p>The original business case for the station was based on an operating frequency of eight trains per hour, with the development profile for the area</p>

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				<p>demonstrating that the station should rapidly become well used and profitable. However, as a result of two years of the COVID 19 pandemic, the speed at which the network is expected to return to a full programme of service will inevitably be impacted, which is the subject of ongoing discussions with NR and government.</p>
5	8	Mr Roger Tichborne	<p>Given that the CFO's report details that corporate debt is being mismanaged, council tax collection is less than 70% and that several major infrastructure projects have millions of pounds of cash overruns, what level of confidence can we have in this administration to manage taxpayers finances?</p>	<p>Sundry debt position (which excludes council tax and business rates) is a snapshot at a point in time. The overall debt decreased from Month 7 to Month 8 with the narrative providing detail of who the top 10 debtors are and what actions are being taken. Sundry debt collection is undertaken by the Accounts Receivable team in Resources.</p> <p>Council tax collection provides information on collection to date (i.e. the end of November 2021). This information has been introduced since the onset of the pandemic to allow committee to have a more transparent and detailed view of income was being affected during the pandemic. The forecast to the end of the year remains to collect 96% of council tax income in line with prior performance. This is despite the economic impact of the Covid-19 pandemic and proactive measures the council took to reduce the burden on residents (i.e. phasing of bills, halting enforcement). Furthermore, the council has a 4 year collection guarantee on council tax of</p>

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				<p>98.5%, which Capita have met over the life of the contract since 2013.</p> <p>The infrastructure schemes have been the subject of slippage. Where there is slippage, this is where a project spends money slower than expected, it does not mean they are incurring cost or cash overruns.</p>