

**MEETING**

**FINANCIAL PERFORMANCE AND CONTRACTS COMMITTEE**

**DATE AND TIME**

**WEDNESDAY 17TH MARCH, 2021**

**AT 6.00 PM**

**VENUE**

**VIRTUAL MEETING LINK: <https://bit.ly/3v7nven>**

**TO: MEMBERS OF FINANCIAL PERFORMANCE AND CONTRACTS COMMITTEE  
(Quorum 3)**

Chairman: Councillor Peter Zinkin ,  
Vice Chairman: Councillor Thomas Smith

**Councillors**

Anthony Finn	Barry Rawlings	Kathy Levine
Julian Teare	Arjun Mittra	Alex Prager

**Substitute Members**

John Marshall	Golnar Bokaei	Alison Moore
Lisa Rutter	Ammar Naqvi	Geof Cooke

In line with the Constitution's Public Participation and Engagement Rules, requests to submit public questions must be submitted by 10AM on the third working day before the date of the committee meeting. Therefore, the deadline for this meeting is 10AM Friday 12 March. Requests must be submitted to Salar Rida at [salar.rida@barnet.gov.uk](mailto:salar.rida@barnet.gov.uk)

**You are requested to attend the above meeting for which an agenda is attached.  
Andrew Charlwood – Head of Governance**

Governance Services contact: Salar Rida 020 8359 7113 [salar.rida@barnet.gov.uk](mailto:salar.rida@barnet.gov.uk)  
Media Relations Contact: Tristan Garrick 020 8359 2454

**ASSURANCE GROUP**

## ORDER OF BUSINESS

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14.	Motion to Exclude the Press and Public	
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# Decisions of the Financial Performance and Contracts Committee

7 December 2020

Members Present:-

AGENDA ITEM 1

Councillor Peter Zinkin (Chairman)  
Councillor Thomas Smith (Vice-Chairman)

Councillor Anthony Finn      Councillor Kathy Levine  
Councillor Alex Prager        Councillor Barry Rawlings  
Councillor Julian Teare        Councillor Arjun Mittra

## 1. MINUTES OF THE PREVIOUS MEETING

The Chairman of the Financial Performance and Contracts Committee Councillor Peter Zinkin, welcomed all attendees to the virtual meeting. Actions agreed at the previous meeting were circulated to the Committee, the Chairman apologised for the late circulation of the responses to the actions. It was agreed that the response for the action regarding Comer Homes on p.2 of the minutes would be circulated as soon as the data is available.

**It was RESOLVED that the minutes of the previous meeting of the Financial Performance and Contracts Committee held on 27<sup>th</sup> October 2020 be agreed as a correct record.**

## 2. ABSENCE OF MEMBERS

None.

## 3. DECLARATIONS OF MEMBERS DISCLOSABLE PECUNIARY INTERESTS AND OTHER INTERESTS

None.

## 4. REPORT OF THE MONITORING OFFICER (IF ANY)

None.

## 5. PUBLIC QUESTIONS AND COMMENTS (IF ANY)

None received.

## 6. MEMBERS' ITEMS (IF ANY)

There were none.

## 7. CHIEF FINANCIAL OFFICER REPORT FORECAST FINANCIAL OUTTURN AT MONTH 7 (OCTOBER 2020)

The Chairman invited Ben Jay, Assistant Director for Finance and Anisa Darr Chief Finance Officer to present the report. Mr Jay provided a summary and breakdown of each section of the Chief Financial Officer report.

The Committee noted the summary of the budget forecast for the main operations of the council as set out within the report. Members queried whether there would be any anticipated drawdown of reserves for the current financial year.

Mr Jay stated that it should be possible to manage the current financial year without any unplanned or Covid-19 related use of reserves in the general fund – subject to the detail of the recently announced government funding and future Covid-19 related costs as they materialise. He noted that whilst uncertainty remains for future years, the SR20 statement has provided support for the next financial year.

Members queried how the overall financial position of the Council compares to other boroughs taking into account Covid-19 related pressures.

Ms Darr informed Members that Covid-19 recovery and related pressures had an impact on the financial standing on the local authority sector as a whole, with some authorities (but not Barnet) requiring direct intervention.

As for Barnet, Ms Darr noted that the Covid-19 financial position is under review and continuously monitored for clearer understanding and reported for scrutiny to this Committee.

In response to the below two requests it was agreed that Officers provide the following data to Councillor Levine and the Chairman (**Action Finance**):

- a) the number of applications made by local businesses for grant funding but which were rejected
- b) the number of applications paid out but subsequently challenged as a result of concerns regarding eligibility

The Committee commended Officers for the analysis and reporting on the overall position in relation to Covid-19 related funding and costs.

Following a query about setting a target for HRA reserve contingency, Officers noted that generally HRA reserves should be positive. Furthermore, in Barnet the target figure is set around £3m which is also the case for the current financial year.

Ms Darr noted that in the absence of clear guidelines, local authorities have discretion as to risk appetite taking into consideration local factors. The Committee also heard about the ongoing work with The Barnet Group to review the appropriate target balance for the HRA general reserve, the Major Repairs Reserve and the Depreciation Policy. The outcome of which will be reported to the January Housing & Growth Committee as part of the HRA Business Plan.

Members requested that an explanatory note be added for future CFO reports in respect of Table 13 Funding the Capital Programme 2020/21, in order to clarify that the unfunded figure cannot be spent unless the associated funding bid is successful. (**Action: CFO Reporting**)

The Committee noted that the overall debtors decreased by £329k between September and October 2020 and highlighted the importance of continued vigilance in this area.

**It was RESOLVED that the Committee:**

- 1. Noted the current financial forecast outturn for 2020/21 and the level of uncertainty within that forecast;**
- 2. Noted the cost of the pandemic and the operational response to it;**
- 3. Noted the current view on use of reserves, and the outlook;**
- 4. Noted the current debtor position and related action.**

## **8. Q2 2020/21 CONTRACTS PERFORMANCE REPORT**

The Chairman welcomed the report which provides an overview of Quarter 2 (Q2) 2020/21 performance for the contracted services delivered by the Customer and Support Group (Capita), Regional Enterprise (Capita), The Barnet Group (TBG) and HB Public Law.

Tim Campbell, Head of Commercial Management presented and summarised the report.

The Chairman on behalf of the Committee thanked Tim Campbell and other Officers for their work on managing the Test and Trace self-isolation payments scheme which went live on 12 October 2020 and will run until 31 January 2021 to support residents on low income receive a Test and Trace Support Payment or discretionary support payment of £500.

The Committee expressed concerns over performance failures of Highways and noted the impact of Covid-19 and staff shortages on service performance. In relation to response to drainage and flooding issues, the Committee noted the plans to improve performance against the target. Plans have been put in place to triage complaints and an engineer has been brought in to assess and respond to drainage and flooding issues.

In respect of the pensions data remediation plan, Officers responded to concerns regarding correcting data and noted that WYPF will continue to work on correction of the remaining member records. Ms Darr also informed Members that WYPF are undertaking a review of the remediation plan which will be reported to both Pension Fund Committee and Local Pension Board in due course.

**It was RESOLVED that the Committee reviewed as set out above the Quarter 2 (Q2) 2020/21 performance for the back-office functions delivered by the Customer and Support Group (Capita); Building Control, Hendon Cemetery & Crematorium, Environmental Health, Strategic Planning, Regeneration and Highway Service delivered by Regional Enterprise (Capita); the housing services delivered by The Barnet Group; and the legal services delivered by HB Public Law.**

## **9. BRENT CROSS COSTS DEEP-DIVE**

Upon invitation of the Chairman, Karen Mercer Programme Director presented the report which updates on the financial performance of the contracts within the Brent Cross programme that are being directly delivered by the council. Ms Mercer also informed Members about the governance arrangements for monitoring delivery progress and financial performance of the elements of the Brent Cross programme that are being directly delivered by the council funded by the HM Government Grant.

The Chairman moved a motion which was seconded and agreed by the Committee to amend the wording of the recommendation to read:

*The Committee is asked to note delivery progress across the Brent Cross (BX) programme as set out in the report to the Housing and Growth Committee on 24 November 2020. ~~and the relevant extracts from the presentation to the HM Government Assurance Board on financial performance as set out in the associated exempt report.~~*

**It was therefore RESOLVED that the Committee noted delivery progress across the Brent Cross (BX) programme as set out in the report to the Housing and Growth Committee on 24 November 2020**

**10. COMMITTEE FORWARD WORK PROGRAMME**

The Committee noted the standing item on the agenda which lists the future reports to the Committee.

It was **RESOLVED** that the Committee noted the Forward Work Programme 2020-21.

**11. ANY OTHER ITEMS THAT THE CHAIRMAN DECIDES ARE URGENT**

None.

**12. MOTION TO EXCLUDE THE PRESS AND PUBLIC**

The Chairman moved a motion, which was seconded and approved, to exclude the Press and Public on the basis that the exempt item will involve discussion of confidential information. The public meeting was concluded. The Committee moved to a separate private virtual session for the exempt report item.

**13. BRENT CROSS (EXEMPT)**


It was **RESOLVED** that the Committee noted the exempt presentation and information as set out within the report.

**14. ANY OTHER EXEMPT ITEMS THAT THE CHAIRMAN DECIDES ARE URGENT**

There were none.

The meeting finished at 8.35 pm



	<b>Financial Performance and Contracts Committee</b>  <b>17 March 2021</b>
<b>Title</b>	<b>Chief Financial Officer Report Forecast Financial Outturn at Month 10 (January 2021)</b>
<b>Report of</b>	Director of Finance (Section 151 Officer)
<b>Wards</b>	All
<b>Status</b>	Public
<b>Urgent</b>	No
<b>Key</b>	No
<b>Enclosures</b>	None.
<b>Officer Contact Details</b>	Ben Jay, Assistant Director of Finance <a href="mailto:ben.jay@barnet.gov.uk">ben.jay@barnet.gov.uk</a>
<b>Summary</b>	
This report contains a summary of the Council's revenue and capital forecast outturn for the financial year 2020/21 as at Month 10 (31 January 2021). It also contains information on the level of debt and the top 10 debtors as at 31 January 2021.	
<b>Recommendations</b>	
<b>That the Committee</b> <ol style="list-style-type: none"> <li>1. <b>Notes the current financial forecast outturn for 2020/21 and the level of uncertainty within that forecast;</b></li> <li>2. <b>Notes the cost of the pandemic and the operational response to it;</b></li> <li>3. <b>Notes the current view on use of reserves, and the outlook;</b></li> <li>4. <b>Notes the current debt position and related action.</b></li> </ol>	

## 1. Summary

- 1.1 This report sets out the Council's forecast outturn position for the 2020/21 financial year as at Month 10 (31<sup>st</sup> January 2021) and the current estimate of the financial impact of the Covid 19 pandemic during 2020/21.
- 1.2 Overall, this has been a year marked by unusual uncertainty arising from the pandemic and the developing response to it. This has had a significant impact on the delivery of council services – increasing the costs directly associated with the local pandemic response (costs which have been substantially funded by government grants), as well as reducing some costs in the 'normal' activities of the council.
- 1.3 The response to the pandemic is expected to continue to have a financial and operational impact well into the new financial year. Many of the costs of recovery, especially addressing the wider community impacts, will shape council activity for some time to come. Financially, it is clear that the council will end the year well placed to address the challenges of the future, although much will depend on the nature of those longer-term impacts and the extent to which future resource allocations help the council to address them.
- 1.4 This report sets out the budget forecast for the main operations of the council as follows:
  - £309.535m – agreed budget for the year;
  - £351.187m - current forecast for net expenditure against budget. This includes the impact of the pandemic including loss of income from such areas as parking, commercial waste, leisure, etc, but does not include the £1.2m impact on the collection fund as this is now to be spread over the next three financial years.
  - £41.652m - forecast variance, entirely due to the impact of the Covid-19 pandemic which has been substantially covered by government funding.
  - The forecast outturn position leads to an estimated £7.006m contribution to usable non-covid-19 reserves.
- 1.5 Key drivers of the overall position discussed include
  - Adults –increased activity funded via NHS hospital discharge funding scheme.
  - Growth and corporate services – underspending due to GF housing underspend due to focus on pandemic response work (TA and homelessness) and reduced demand for housing changes in-year. Also CSG planned activity costs lower than anticipated to due pensions administration costs transfer to West Yorkshire fund and review of IT costs.
  - Resources – includes contribution to reserves based on overall corporate forecast and service-specific position, which is an underspend largely due to costs of capital finance being lower than expected (some programme delays and some additional accrued interest income).
- 1.6 This contribution to reserves has arisen due to the overall impact of the pandemic response on budgets. This funding will be ear-marked at year end to clear priorities, including: providing risk-cover for adults in next year against possible rapid increases in demand; provision for possible unbudgeted costs from sector suppliers (including YCB); wider community impacts of the pandemic which are anticipated to materialise across the year (including domestic violence impacts, mental health impacts, and employment support), and loss of income arising from continued reductions in parking income.
- 1.7 Other contributions to reserves reflect Covid-19 funding received in the current year and planned to be spent next year as part of the ongoing response (£7.447m) and business rates support funding also to be used of £22.467m.

## 2. Month 10 forecast outturn position

2.1 The overview as at month 10 is as follows:

- £41.652m estimated financial impact from the pandemic (in operational budgets).
- Within this forecast, savings delivery is estimated as £10.520m (60.8% of the MTFs target). Savings at risk are forecast to be £6.791m, although in this year some of this is mitigated through C19 grants from the government, however, the impact of the lost savings will be carried forward into next year.

2.2 The overall position against the budget is shown in further detail in Table 1 below.

Table 1 Forecast Revenue Outturn at Month 10

Service Areas	2020/21 Budget	Reserves (applied)/ contributed	Month 10 Forecast Outturn after reserves	Month 10 variation to revised budget after reserves use	of which: COVID Impact	Non-COVID	Month 9 non-COVID variance	In-Month change
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adults and Health	102,418	(399)	108,861	6,443	10,509	(4,066)	(3,525)	(542)
Children's Family Services	69,677	(639)	74,119	4,442	3,857	585	708	(122)
Environment	9,763	(520)	24,250	14,487	15,368	(881)	(877)	(4)
Growth and Corporate services	43,897	867	50,411	6,514	7,596	(1,082)	(30)	(1,052)
Assurance	8,158	86	9,408	1,250	1,324	(74)	(143)	69
Resources	57,702	6,956	64,914	7,212	1,755	5,457	(2,153)	7,610
Public Health	17,921	655	19,225	1,304	1,243	61	62	(0)
<b>Total at Month 10</b>	<b>309,535</b>	<b>7,006</b>	<b>351,187</b>	<b>41,652</b>	<b>41,652</b>	<b>0</b>	<b>(5,958)</b>	<b>5,958</b>

2.3 Table 2 provides a breakdown of the in-month movement between the Month 9 and Month 10 underlying budget position.

Table 2 Movement in variance Month 9 to Month 10

Service Areas	Movement Adverse / (Favourable)	Commentary
	£'000	
Adults and Health	(542)	£0.156m reduction in forecast spend on Agency staff, after contracts review. £0.386m reduction in Placements budget forecast after review of information not yet processed onto core systems (brokerage worksteps).
Children's Family Services	(122)	£0.165m increase in the UASC forecast based on revised information. Work is ongoing to further improve data flows and forecasting in this area. £0.296m increase in BAU costs predominantly in placements due to both new assessments and also to extension to existing placements at higher cost than previously forecast. £0.270m of the missed saving (attributable to COVID). £0.125m staff recruitment previously been forecast for the parenting service but now deferred the new financial year. £0.118m release of 2019/20 accruals in 18-25 services, now identified as not required.
Environment	(4)	Favourable movement due to forecast adjustments within the Street Lighting budget due to ongoing poor performance issues, offset by additional £0.300m insurance premium costs arising from Mill Corner.
Growth and Corporate services	(1,052)	£0.473m reduction in forecast for CSG managed budget due to decreased Depot related costs, war memorial costs and reduced cleaning and service charge costs in both Colindale library and the independent living centre.

		£0.281m reduction in forecast for Housing General Fund due to improved income data. £0.172m reduction in forecast for CSG Management Fee due to a decrease in variable storage IT costs combined with a change in accounting treatment for IT recharge income
Assurance	69	
Resources	7,610	£0.670m increase in contingency forecast due to Laptop for schools (2500 packages) and BELS Allowable Assumptions £0.330m overspend in Revs and Bens due to lost gainshare on court cost and reduction in court costs raised. £6.056m contribution to reserves, representing the BAU underspend (This is shown as an adverse movement to budget, despite being a benefit to the council overall).
Public Health	(0)	
<b>Total</b>	<b>5,958</b>	

### 3. Covid-19 Pandemic; financial impact

3.1 The total cost to the Council of the local response to the Covid-19 pandemic has been estimated. As new information becomes available those estimates are being revised each month. A summary of costs incurred, and funding received is set out in the tables below. To fully compare costs as shown in table 1 with the additional funding provided, some presentational adjustments are needed – principally to ‘gross up’ items shown in table 1 as net values (e.g. an estimated £9.933m of hospital discharge funding due from NCL CCG, assumed as income for the adults service in table 1, but grossed up for table 3). This enables appropriate comparison of additional pandemic-related expenditure and income.

3.2 In summary, the current year financial impact on the council arising from the pandemic is:

- estimated additional costs incurred of £81.499m (table 3);
- additional funding announced of £81.480m;

3.3 Further details on the spending of the grants is outlined in table 3. Work is in hand to ensure that all planned spending is fully aligned to the terms of the various grants.

Table 3 Summary of C19 funding application and estimated spending in 2020/21 and 2021/22

Grant	Dept	Total Amount Received 2020/21 £000	Estimated Spend 2020/21 £000	Estimated Spend 2021/22 £000	total committed against current funding £000	Commentary
Estimated reimbursement of losses from Sales, Fees and Charges (75% of 95%)	ALL	11,091	11,091	0	11,091	The main factors here are loss of parking income, commercial waste income, court costs, registrar lost income and loss of income from contracts
NHS hospital discharge funding (via NCL CCG)	Adults	9,933	9,933	0	9,933	To help cover the cost of hospital admission avoidance, post-discharge recovery and support services, rehabilitation and reablement care
Estimated Contain Outbreak Management Fund	ALL	9,105	9,205	0	9,205	Led by Public Health, there are many areas of spend here including funding provided to schools, enforcement, support for those self isolating, targeted support at specific cohorts, rough sleeper additional support and utilisation of local sector to help contain the outbreak. Within the Forecast Spend, £5.4m is anticipated to be transferred to an earmarked reserve to support interventions in mental health support, domestic violence

Grant	Dept	Total Amount Received 2020/21 £000	Estimated Spend 2020/21 £000	Estimated Spend 2021/22 £000	total committed against current funding £000	Commentary
						support, and economic support to the community next financial year.
Infection control	Adults	7,202	7,202	0	7,202	Supporting adult social care providers to reduce the rate of transmission in and between care homes and to support the wider workforce to deliver infection control
Hardship Fund	Resources	4,133	4,133	0	4,133	All council tax support residents have had their accounts credited with £150. The remaining funds have been used in line with the crisis fund or discretionary council tax hardship fund as required
SR20 collection fund losses reimbursement	Resources	3,575	3,575	0	3,575	This represents the 75% loss of council tax funding as a result of the pandemic
Test & Trace Allocation	Public Health	1,599	740	859	1,599	Predominantly spent on staffing, contract tracing, communication and asymptomatic lateral flow testing Within the forecast spend, £859k is forecast to be carried forward as a ring-fenced reserve to be spent on these activities as the continue into 2021/22.
Temporary Accommodation	Growth and Corp	1,040	1,040	1,000	2,040	Provision of temporary accommodation to reduce homelessness
Other funding less than £1m	ALL	4,445	4,341	104	4,445	other grants below £1m
Non-ringfenced funding (Grant Tranches 1-4)	ALL	29,356	22,792	5,484	28,276	To offset COVID 19 related costs and income losses as reported in monthly returns to MHCLG. Including but not limited to income losses not covered by the 75% reimbursement, supplier relief, increased demand on social care, staffing costs, cleaning costs and increased contract costs
<b>Total General Fund</b>		<b>81,480</b>	<b>74,052</b>	<b>7,447</b>	<b>81,499</b>	

### 3.4 It should be noted that the table 3 excludes two further items:

- HRA cost pressures estimated at £1.547m. These are anticipated to be charged to the HRA reserve, although councils continue to lobby government to ask that HRA costs are supported in a way similar to cost pressures in the general fund and collection fund.
- Parking income bad debt at £1m. This value is reported to MHCLG as part of the overall pressure. It is an early estimate that was required to be made for MHCLG reporting. Bad debt provisions already exist, and it is not yet clear whether these will need to be increased or not.

### 3.5 Support continues to be provided to local people and businesses. Current totals are below:

- Business Grants
  - Since the outbreak of Covid-19 LBB have been asked to deliver 13 separate business grant schemes.
  - To date we have paid out over £75m across these schemes.
    - Small Business and Retail, Hospitality and Leisure Grants = £63.3m
    - March 2020 to September 2020 Discretionary Grant = £3.3m
    - Local Covid Alert Level Grants = £8.7m
- Test and Trace Support Payments
  - Since the introduction of Local Covid Alert Levels in October 2020, 2,972 requests have been received with a 55% rejection rate.
  - To date £532k has been paid out to 1,065 Barnet residents who have been forced to self-isolate.

- Utilising funding from the Contain Outbreak Management Fund an enhanced scheme is being setup to assist: those who fall outside the government scheme and earn below Barnet Living Wage and those who are impacted by their dependant children being instructed to self-isolate by their school.
- Council Tax
  - £3.3m in hardship payments has been distributed to over 22k of our poorest council tax payers to reduce their tax liability.
  - Alternative payment plans have been agreed with over 5k of our tax base to help alleviate the financial impact of Covid.
- Emergency financial support for residents
  - This is in the form of Discretionary Housing Payments, Discretionary Council Tax Discounts and Crisis Fund all of which has increased significantly against last year
    - DHP 37% increase against last year
    - Discretionary Council Tax Discounts 160% increase against last year
    - Crisis Fund 49% increase against last year

3.6 At the beginning of the COVID-19 pandemic, the Council instituted support to suppliers and strategic partners through three main mechanisms, the first two were local initiatives (subsequently confirmed through PPN01/20 and PPN03/20) with the latter informed:

- Relaxation of payment terms for Accounts Payable from 10 days post-certification to immediate payment post-certification. The Council has maintained this support throughout the pandemic and will do so until at least 31 March 2021.
- Opened up the eligibility criteria for Procurement Card expenditure to enable faster payments to suppliers where it was reasonable to do so. The Council maintained this support until August 2020.
- Provided Supplier Relief – financial and performance – to contractors able to evidence cashflow difficulties on an open book basis under Procurement Policy Notice (PPN) 02/20 to 30 June 2020 and PPN 04/20 until 31 October 2020. Additional support in a similar vein to Supplier Relief has been provided for where agreed with the Director of Resources (S151).

3.7 The table below shows the agreed financial Supplier Reliefs by CMT Service Area, Suppliers to 31 October 2020.

Table 4 COVID-19 Supplier Relief agreed as at Month 10

Service Areas	Supplier	Relief Provided £'000	Commentary
Growth and Corporate Services	Re	2,249	There exists an income loss totalling £3.949m for contract year 7, of which £1.7m has been capped as Re's liability through the GI shortfall mechanism agreed in accordance with PPN02 and confirmed by letter of variation dated 19th June. The remaining £2.249m is therefore LBB's pressure and expected to be claimed through the supplier relief mechanism.
Environment	NSL Marston	1,092	Payments on account using previous 3 months' data prior to repurposing as COVID-19 enforcement. 1) Deployment. This is normally paid at a unit hourly rate. The payment based on the average was £275,319.91 per month. 2) Notice Processing This is normally paid at a unit rate per penalty. The payment based on the average was £85,300.36 per month. 3) Abandoned vehicles service

Service Areas	Supplier	Relief Provided	Commentary
			This is usually paid based on abandoned vehicle inspections. The payment based on the average was £3,869.39 per month.
Adults and Communities	GLL	866	Loss of income and cashflow support (Q1 = 720k and July = 146k)
Children's Family Services	ISS	835	Loss on school meals income
Children's Family Services	Cambridge Education	593	Loss on traded income
Growth and Corporate Services	Capita CSG	286	Capped Schools Traded Income losses. Deficit of £743k, CSG guarantee £457k. Balance of £286k.
Children's Family Services	Manuella Care	5	Loss of Homecare provision - committed hours payment
Growth and Corporate Services	Norse Group	2	Payments of committed hours during March-June lockdown 2020
<b>Total</b>		<b>5,928</b>	

- 3.8 KPI relaxations were agreed under PPN02/20 and PPN04/20 with Capita CSG and Re. There are further conversations with strategic partners regarding ongoing support following the placing of London into Tier 3, Tier 4 and National Restrictions. This support sits outside the PPN process issued by HM Government and relates to maintenance of services for residents, post-restrictions.
- 3.9 This represents the amounts provided through the supply chain under PPN02/20 and PPN04/20 and is a part of wider support to businesses as outlined earlier in this report through both business rates relief and grants and additional work from services.

#### 4. Reserves

- 4.1 The table below shows the forecast drawdowns or top-ups to reserves at Month 10.

Table 5 Forecast (drawdown) or /top-up of reserves at Month 10

Service Areas	Reserve Movements M9	Reserve Movements M10	Movement Adverse / (Favourable)	commentary
			£'000	
Adults and Safeguarding	(399)	(399)	0	Staffing to support transformation agenda.
Children's Family Services	(648)	(639)	(9)	Not material- minor changes made in line with reserve bids submitted
Environment	(520)	(520)	(0)	Forecast spend on tree programme in year
Growth and Corporate services	(240)	867	(1,106)	Now topping up the Brent Cross Retail Park reserve by £0.604m, topping up the strategic contract review reserve by an additional £0.050m, and now topping up the General Fund housing fund reserve by £0.205m whereby this was forecast to be drawn down by £0.250m previously (£0.455m change)
Assurance	92	86	6	Use of CAFT reserve to fund part of a post in Internal Audit
Resources	900	6,956	(6,056)	Includes a contribution to reserves of £6.056m which is the overall BAU general fund underspend as at month 10.
Public Health	453	655	(202)	Review of demand led contracts resulting in a reduced estimated spend position. Underspend used to top up the ring-fenced reserve.
<b>Total</b>	<b>(362)</b>	<b>7,006</b>	<b>(7,368)</b>	

- 4.2 The forecast reserves balances at year-end is shown in the table below which covers the reserves brought into the year.

Table 6a Forecast Reserves Balances at Month 10

Forecast Reserve Balances	Balance Brought Forward £000s	In-year use of reserves £000s	Increases to Reserves £000s	net change £000s	Resulting balance £000s
Revenue Reserves - non-earmarked	39,813	(1,312)	0	(1,312)	38,501
Revenue Reserves - earmarked (non-Covid-19)	9,249	655	7,663	8,317	17,567
<b>Total Revenue Reserves (non-Covid-19)</b>	<b>49,062</b>	<b>(657)</b>	<b>7,663</b>	<b>7,006</b>	<b>56,068</b>
Revenue Grant - unapplied (Covid-19, general fund)	8,772	(8,772)	7,447	(1,402)	7,370
Revenue Grant - unapplied (Covid-19, collection fund)	0	0	22,467	22,467	22,467
<b>Total Revenue Reserves &amp; Grant Unapplied</b>	<b>57,834</b>	<b>(9,429)</b>	<b>37,577</b>	<b>28,071</b>	<b>85,905</b>
Capital Reserves	9,858	0	0	0	9,858
<b>Total All</b>	<b>67,692</b>	<b>(9,429)</b>	<b>37,577</b>	<b>28,071</b>	<b>95,840</b>

Table 6b Forecast Reserves Movements at Month 10

Reserve Movements	Balance Brought Forward £000s	net change £000s	Resulting balance £000s
<b>Revenue Reserves (non-Covid-19)</b>	<b>49,062</b>	<b>7,006</b>	<b>56,068</b>
Revenue Grant - unapplied (Covid-19, general fund)	8,772	(1,402)	7,370
Revenue Grant - unapplied (Covid-19, collection fund)	0	22,467	22,467
<b>Total Covid 19 Grant Unapplied</b>	<b>8,772</b>	<b>21,065</b>	<b>29,837</b>
<b>Total Revenue Reserves &amp; Grant Unapplied</b>	<b>57,834</b>	<b>28,071</b>	<b>85,905</b>

4.3 Tables 6a and 6b show a forecast increase to reserves of £28.148m, from £67.692m to £95.840m. This increase includes

- Non-Covid-19 reserves – net contribution of £7.006m, largely due to underspending on non-Covid-19 budgets (discussed above, value of £6.056m), of which £2m is earmarked to potential demand for adults services above budget in next year and £1.2m is earmarked to potential costs of YCB in next year, with the balance being set aside to support the long-term response to the wider community impact of the pandemic).
- Revenue Grant Unapplied (Covid-19, general fund) – net use of £1.402m
  - In-year use of Covid-19 grant unapplied of £8.772m (shown in table 3b) and
  - Anticipated carry-forward of new covid-19 grants received but unapplied within the year of £7.370m (as identified in table 3c and including amounts for COMF, test and trace, high-street reopening, and general unringfenced funding).
- Revenue Grant Unapplied (Covid-19, collection fund) – contribution of £22.467m
  - This represents the LBB share of the full grant afforded by government to support lost business rates due to the pandemic. The amount is fully ringfenced to business rates relief and replaced funding the council would otherwise lose. The technical requirement of the collection fund means that this is received in 2020/21 but will be deployed in later years. (A further amount of this grant, relating to the business rates receipts payable to the GLA, will be shown as a creditor at year end.)

## 5. Savings



- 5.1 The 2020/21 budget planned for the council to deliver £17.311m of savings. Table 7 below summarises the value of savings that are expected to be achieved against that savings programme. These amounts are included in the forecast shown in table 1 (as either C19 cost impacts or as BAU costs, as appropriate). Of the £6.8m unachieved, £4.2m is anticipated to be achieved in the next financial year. The balance of £2.6m relates to increased parking income which is no longer achievable, and has been removed in the budget for 2021/22.

Table 7 Forecast Savings Delivery 2020/21

Service Area	Savings target 2020/21 £'000	Savings On Track as at 31/12/2020 £'000	(Gap)/Over to plan £'000	Service area gap %
Adults & Safeguarding	(5,317)	(2,997)	(2,320)	43.63%
Children and Family Services	(2,719)	(2,219)	(500)	18.39%
Environment	(4,150)	(1,450)	(2,700)	65.06%
Growth and Corporate Services	(3,874)	(2,683)	(1,191)	30.74%
Assurance	(247)	(247)	0	0.00%
Resources	(580)	(500)	(80)	13.79%
Public Health	(424)	(424)	0	0.00%
<b>Total</b>	<b>(17,311)</b>	<b>(10,520)</b>	<b>(6,791)</b>	
<b>Percentages</b>	<b>100.00%</b>	<b>60.77%</b>	<b>39.23%</b>	

## 6. Ringfenced funding

### Housing Revenue Account

- 6.1 The HRA budget was set following the approval of the HRA business plan in January 2020. The budget for 2020/21 was a deficit budget of £2.540m.

- A number of changes have been made to the way the HRA tables are presented as at P10, along with two accounting policy changes relating to Depreciation and RCCO (revenue contribution to capital outlay).
- It is deemed useful for presentation purposes, to split these capital adjustments out in order to objectively monitor the “controllable” change in budget variance month-on-month against the agreed HRA budget.

Table 8 HRA Forecast Outturn Month 10

2019/20 Outturn	Service Areas	Revised Budget	Forecast Outturn	Budget Variance	Change in Budget Variance
(49,799)	Dwelling Rent	(50,405)	(49,547)	858	250
(1,057)	Non-Dwelling Rent	(1,093)	(825)	268	(10)
(7,065)	Service & Other Charges	(7,414)	(6,742)	672	48
(366)	Other Income	-	(827)	(827)	(27)
18,824	Housing Management	19,024	18,724	(300)	-
642	Other Costs	1,500	1,803	303	5
3,704	Internal recharges	3,048	3,362	314	12
7,562	Repairs & Maintenance - Mgt Fee	6,941	7,704	763	-
1,232	Repairs & Maintenance - Non Core	20	(287)	(307)	(301)
333	Provision for Bad Debt	258	748	490	-

412	Regeneration	837	773	(64)	39
7,429	Debt Management Expenses	8,253	7,570	(683)	-
(3)	Interest on Balances	(80)	(80)	-	-
<b>(18,152)</b>	<b>HRA Controllable (Surplus)/Deficit</b>	<b>(19,111)</b>	<b>(17,624)</b>	<b>1,487</b>	<b>16</b>
23,045	Depreciation	21,651	12,421	(9,230)	(9,230)
-	RCCO	-	8,631	8,631	8,631
<b>23,045</b>	<b>HRA Capital Charges</b>	<b>21,651</b>	<b>21,052</b>	<b>(599)</b>	<b>(599)</b>
<b>4,893</b>	<b>HRA (Surplus)/Deficit</b>	<b>2,540</b>	<b>3,428</b>	<b>888</b>	<b>(583)</b>

- 6.2 At month 10, the forecast deficit is £3.428m, which is an overspend £0.888m compared to the agreed 2020/21 budget. This will be funded by a draw down from the HRA reserve, at the same value, as shown in Table 9.
- 6.3 This £3.428m deficit, or draw on the HRA reserve, is made up of £17.624m controllable revenue contributions and £21.052m capital charges, these are reflected in both tables 8 and 9.
- 6.4 Depreciation has been reduced to £12.421m, a £9.230m reduction from the prior accounting policy, bringing the calculation into line with best practice. In order to prevent an unbudgeted adverse impact on the Major Repairs Reserve it has been agreed to make a contribution to capital funding from revenue resources (in line with technical requirements). Therefore, a RCCO (revenue contribution to capital outlay) has been forecast at £8.631m, which effectively offsets the reduction in depreciation and enables the closing reserve balance to be carried forward at £4m with no adverse impact on in-year capital programme.
- 6.5 The net effect of these changes is an overall reduction in the HRA in-year surplus of £0.593m compared to month 9 figures. The controllable surplus has moved due to a number of offsetting factors but the net result is just £0.016m.
- 6.6 The total forecast Covid 19 costs (£1.547m) to be reported to MHCLG in February 2021 is made up of an increase in bad debt provision, lost commercial income, Mears contract extension following the delayed TUPE of 43 dedicated repairs staff and increased operational costs as a direct result of the pandemic.

Table 9 HRA Reserves

Service Area	B/Fwd	Forecast Revenue Movement	Forecast Depreciation, RCCO, and financing	C/Fwd
	£'000	£'000	£'000	£'000
HRA Reserve	(7,428)	(17,624)	21,052	(4,000)
Major Repairs Reserve	(11,460)		599	(10,861)
<b>HRA Reserves</b>	<b>(18,888)</b>	<b>(17,624)</b>	<b>21,651</b>	<b>(14,861)</b>

- 6.7 Whilst this report is focused primarily on the current year's financial position, the HRA's 30 year business plan is being revised and is expected to lead to substantial reductions to or reprofiling of to future year capital expenditure. This will help ensure the long term sustainability of the HRA. Additionally, the judgement relating to the treatment of water rate commission is being reviewed and the impact of this will be reported at outturn.

## Dedicated Schools Grant

- 6.8 The DSG budget will be updated each month as the DFE announce further updates to allocations.
- 6.9 For month 10, the forecast is showing an underspend of £1.043m which is an improvement of £0.035m from last month due. See table 10a below for the breakdown of this.

Table 10a Dedicated Schools Grant Month 10

	Budget	Month 10 Forecast Outturn after reserve movements	Month 10 variation to revised budget	Month 9 variance	In-Month change
	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b>					
<b>Schools:</b>					
- Individual Schools Budget	142,824	142,754	(70)	(70)	0
- Growth Fund	2,545	360	(2,185)	(2,185)	0
- Central schools expenditure	1,087	1,087	0	0	0
- ESG retained funding	1,054	1,054	0	0	0
<b>Sub-total</b>	<b>147,510</b>	<b>145,255</b>	<b>(2,255)</b>	<b>(2,255)</b>	<b>0</b>
Early Years Block	29,877	29,410	(467)	(467)	0
High Needs Block	49,676	51,355	1,679	1,714	(35)
<b>Sub-total</b>	<b>79,553</b>	<b>80,765</b>	<b>1,212</b>	<b>1,247</b>	<b>(35)</b>
<b>Total</b>	<b>227,063</b>	<b>226,020</b>	<b>(1,043)</b>	<b>(1,008)</b>	<b>(35)</b>
<b>Income</b>					
DSG Income	(227,064)	(227,064)	0	0	0
<b>Total Income</b>	<b>(227,064)</b>	<b>(227,064)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net DSG</b>	<b>1</b>	<b>(1,044)</b>	<b>(1,043)</b>	<b>(1,008)</b>	<b>(35)</b>

- 6.10 The overspend on high needs is mainly the result of an increasing number of pupils with Education, Health and Care Plans and increasing costs being identified as pupils are placed. This accounts for overspend of £1.679m.
- 6.11 The DSG forecast underspend would lead to an increase in the reserve as can be seen in table 10b below.

Table 10b Dedicated Schools Grant Reserve Forecast

Reserves use	Brought forward	Forecast Movement	Forecast carry forward
	£000s	£000s	£000s
DSG reserve	1,808	1,043	2,851

- 6.12 In December, an independent review of the way we manage the DSG, commissioned by the Executive Director of Children's Services was concluded. This was a significant piece of work and confirmed that the way we operate continues to be appropriate and in line with all new regulations.
- 6.13 We are consulting with early years providers regarding a temporary change to the formula for maintained nursery schools (MNS) who aren't entitled to the lump sum payments primary

schools get despite having the same infrastructure in place. We are looking to get approval for this until the end of August where we hope the DFE are going to announce supplementary funding for our MNS.

- 6.14 There is an annual review of schools in financial difficulty, which is under way. Increasing numbers of schools are facing low balances and work is in now hand with more schools to set recovery plans which will enable them to set a balanced budget in the future. We have implemented a new process this month which can be seen on the website and are conducting deep dives in several of the highest risk schools.
- 6.15 The government have funded Covid 19 impacts to schools via 2 methods; 1) Direct application for funding and 2) catchup premium based on pupil numbers with no application required. The LA's role in this is simply to passport the money through to schools. To date a total of £1.066m has been passported through (£0.440m for direct applications and £0.626m for Covid 19 catchup premium). We are anticipating a second tranche of Covid 19 catchup funding in this financial year and a third tranche in next financial year (2021/22). There is also some funding distributed to schools from the contain outbreak management fund, of around £1.3m.

## Public Health Grant

- 6.16 The public health grant (£17.477m) is forecast to underspend by £0.655m (an increase in the underspend of £0.202m on month 9) as demand led services have seen lower demand than expected as a result of the pandemic. This is mainly relating to Sexual Health services. This underspend will be carried to the Public Health ring fenced reserve at year end. It is possible that the ending of lockdown restrictions may see increased sexual health presentations (where people have not sought help due to virus restrictions) or an increase in demand for other health services funded via the public health grant, and it is intended that the unspent money from this year will help fund such demand, when it arises, during next year.
- 6.17 There is some additional spending, due to Covid-19, which is offset by additional funding received. The Directorate have also received £1.599m for Test and Trace, however it is likely that spend by outturn is c.£0.740m. Any underspend is expected to be carried forward into 21/22 to meet future planned commitments.

Table 11a Public Health Grant forecast

Service Area	2020/21 Budget	2020/21 Forecast	Covid 19 impact	2020/21 Forecast excl C19	Variance
	£000	£000	£000	£000	£000
Public Health services (PH grant funded)	17,477	16,822	0	16,822	(655)
Additional C19 services		1,243	1,243	0	0
Health and safety, Intelligence and Insight Hub, EDI	444	505	0	505	61
Test and Trace	0	1,599	1,599	0	0
<b>Public Health Services</b>	<b>17,921</b>	<b>20,169</b>	<b>2,842</b>	<b>17,327</b>	<b>(594)</b>

- 6.18 The Public Health Grant Reserve is currently £1.843m, which includes a month 10 revised 'top-up' of £0.202m.

Table 11b Public Health Grant Reserve forecast

Reserves use	brought forward	budget use	forecast use	forecast carry forward
	£000	£000	£000	£000
Public Health reserve	1,188	655	0	1,843

## Special Parking Account (SPA)

6.19 Income received from parking charges is paid into a Special Parking Account (SPA) this is in order to comply with section 55 Road Traffic Regulations Act (RTRA) 1984. Any surplus is appropriated into the General Fund at year end. The act allows any surplus which is generated to be spent on specified traffic and highways management objectives. Table 12 below illustrates the forecast outturn position for the SPA and the estimated appropriation to the general fund.

Table 12 SPA Forecast Appropriation to General Fund

SPA Accounts	2020-21 Budget	Estimated 2020-21 Outturn		
	£000	£000	£000	£000
Income	Budgeted SPA Account	M10 Forecast Excluding Covid-19	M10 Funded Covid-19 losses	M10 Forecast Outturn
Penalty Charge Notices	(15,525)	(6,746)	(8,779)	(15,525)
Residents Permits	(3,020)	(2,858)	(162)	(3,020)
Pay & Display	(3,990)	(1,865)	(1,696)	(3,561)
CCTV Bus lanes	(370)	(799)		(799)
<b>Total Income</b>	<b>(22,905)</b>	<b>(12,268)</b>	<b>(10,637)</b>	<b>(22,905)</b>
<b>Expenditure</b>				
Operating Expenditure (running costs)	6,830	6,923	0	6,923
Net Operating Surplus	(16,075)	(5,345)	(10,637)	(15,982)
<b>Appropriation to General Fund</b>	<b>(16,075)</b>	<b>5,345</b>	<b>(10,637)</b>	<b>15,982</b>

## 7. Capital Programme

7.1 The capital forecast outturn for 2020/21 capital investment programme is £379.825m, of which £317.781m relates to the General Fund programme and £62.044m relates to the HRA capital programme.

Table 13 Forecast Capital Outturn

Service Area	2020/21 Budget	Additions/ (Deletions)	(Slippage)/ Accelerated Spend	2020/21 Forecast	Variance from Approved Budget	Recorded Expenditure to date
	£000	£000	£000	£000	£000	£000
Adults and Safeguarding	6,109	(1)	(988)	5,121	(988)	3,095
Children's Family Services	14,347	0	(518)	13,829	(518)	9,406

Service Area	2020/21 Budget £000	Additions/ (Deletions) £000	(Slippage)/ Accelerated Spend £000	2020/21 Forecast £000	Variance from Approved Budget £000	Recorded Expenditure to date £000
Growth and Corporate services (1)	118,988	(125)	251	119,114	126	41,612
Environment	36,057	0	(1,984)	34,073	(1,984)	18,802
Brent Cross	140,861	0	(17,623)	123,238	(17,623)	82,928
Resources	1,419	0	0	1,419	0	381
<b>General Fund Programme Total</b>	<b>317,781</b>	<b>(126)</b>	<b>(20,862)</b>	<b>296,793</b>	<b>(20,988)</b>	<b>156,223</b>
HRA	62,044	0	(4,709)	57,335	(4,709)	43,666
<b>Grand Total</b>	<b>379,825</b>	<b>(126)</b>	<b>(25,570)</b>	<b>354,129</b>	<b>(25,696)</b>	<b>199,890</b>

Note: (1) this budget has been increased to reflect the purchase of the Brent Cross South Retail Park

7.2 The key issues and variances for each service area are summarised below. (NB Expenditure to date only reflects the payments recorded rather than the estimated costs incurred to date. Work is ongoing to ensure the accuracy of year end forecast position based on the current expenditure position.)

7.3 **Adults and Safeguarding** – The Adults and Safeguarding Capital budget for 2020-21, is currently forecasting to be £0.988m underspent as follows:

- The leisure centres project is nearing completion, the estimated underspend at month 10 has not changed from month 9 and will be continued to be closely monitored throughout the remaining part of the year.
- Mosaic IT spend is now reporting a £0.300m underspend. The full budget was expected to be spent this financial year on Better Gov delivering Phase 1 and Phase 2 as well as further third party spend to ensure Mosaic reimplementation is completed however Phase 2 will now likely be delivered in 2021-22 resulting in an estimated £0.300m underspend and movement from month 9. The underspend is proposed for slippage into next year financial year.
- Community Equipment spend is incurred in revenue initially, current levels indicate that relevant spend has reduced during this financial year. In December 2020 the BCF bulletin announced a 13.5% increase to the 2020-21 DFG grant which has now been reflected in an increase to the budget. However a reduction in activity compared to previous year particularly with restrictions around access in completing work due to COVID mean that it is now reported that some work will be delayed into 2021/22. With spend against the increase in grant coupled with a reduction in activity, this project is now reporting an underspend of £0.688m. The reported underspend is being proposed as slippage over the next three years of the programme.

7.4 **Children's and Family Service** – At Month 10, the overall position of the capital budget for the full year is an underspend of £0.518m. The main reasons for this underspend are listed below:

- £0.234m underspend on Modernisation Programme. This is mainly due to £0.300m being held for emergencies that has not been required this financial year offset by £0.066m acceleration on Hollickwood & Children's centre maintenance.
- £0.174m on the Grammar school project due to a delay in project commencement. This is not an LA managed scheme.
- £0.110m is due to various other slippages across various schemes.
- These slippages have no impact on the overall value of the individual capital programmes over the life of their schemes. It is just a phasing change.

7.5 **Growth and Corporate Services** – At Month 9, the Growth and Corporate Services capital programme is showing a £0.126m underspend forecast in 2020/21 against the agreed £118.988m revised budget for 2020/21. This is all planned to be slipped into future years of the capital programme. There have been a number of budget changes as a result of re-profiling budgets which went to P&R for approval in February. The table above shows £0.125m to be deleted from the capital scheme, however, work is ongoing that may see this reversed in the coming months.

***Housing:***

- £3m overspend in housing acquisitions open door (the project to on-let to acquire 500 temporary accommodation properties), this is due to budget slippage agreed at P&R based on a number of assumptions, which have since developed as the market has become more favourable for housing acquisitions.
- £2m underspend in the ODH loan for new-build properties, due to a general slowdown in the building programme. This may pick up again before the end of the financial year.

***Commercial and other buildings:***

- Further to the decision of the Urgency Committee (5 January 2021) the purchase of the Brent Cross South Retail Park is included in both budget and forecast spending in the value of £58.4m.
- Due to budget re-profiling approved by P&R in February, the in-year variances are minimal and largely offset one-another, however, the variances over £0.100m are presented as follows:
  - £0.169m overspend in Asset Management in 20/21, funded by accelerating the programme. A detailed analysis of actual costs was carried out on this project.
  - £0.415m underspend in Barnet House Exit works due to the profiling of expenditure and this spend is expected to be slipped into 2021/22, this scheme is likely to be largely complete by 31<sup>st</sup> March 2021.
  - £0.132m underspend in Colindale Office Accommodation, including The Way We Work (TW3) project due to spend profiling and this is expected to be slipped into 2021/22.
  - £0.155m underspend in Milesplit Cemetary costs in 20/21, due to updated budget profiling over two financial years.
  - £0.105m underspend in the Town Centre project in 20/21, and future years have also been re-profiled, including the Finchley Square project, after detailed expenditure analysis.

7.6 **Environment** – At Month 10 Environment is reporting £1.984m slippage, detailed breakdown below:

- Vehicles: £0.314m slippage due to delay in placing the order due to Covid-19 and extension to ULEZ to October 2021.
- Data Works Management system: £0.030m slippage due to the programme being delayed due to Covid-19.
- Old Court House - public toilets: £0.040m slipped to 2021-22 as programme delayed whilst planning permission is sought.
- Park Infrastructure West Hendon: £0.003m slippage a bid for additional funds has been successful and an initial £1.400m CIL funding for 2021-22 has been approved at CSB which will be used to begin the design phase.
- Park Infrastructure Barnet Playing Fields: £0.028m slippage, delays are likely as West Hendon Masterplan is prioritised following funding approval.
- Victoria Park Infrastructure: £0.200m slippage, park cafés are likely to be bought next year due to COVID-19 delays.
- Greenspaces Infrastructure Programme: £0.050m slippage due to increase in schemes likely to be started in current year due to COVID-19.
- Investment in Roads and Pavements (NRP): This programme is reporting a slippage of £0.965m. This is due to the slippage of number of footway and carriageway schemes due to

the termination of the term maintenance contract with the existing contractor and entering into a new one with Tarmac Kier from 1<sup>st</sup> April 2021.

- Colindale and Rushgrove parks: £0.354m slippage due to delays to start on site. Expected start in Q4 however possible COVID impact may result in delays.

**7.7 Brent Cross** – The current 2020/21 position for the overall scheme is c£17.6m under budget due to re-profiling of expenditure between Funding for Land Acquisitions, Thameslink Station and Critical Infrastructure. The overall programme until completion is currently shown on budget, albeit reports to Housing and Growth Committee and Finance Performance and Contracts Committee acknowledging the budget pressures facing the programme.

- Funding for Land Acquisitions is inclusive of the latest property cost estimates with a built in 5% contingency and is currently shown on budget for the scheme overall. The priority acquisitions properties forecast has been amended to reflect the emerging land acquisitions strategy. The impact of the timing has resulted in slipping £5.9m into 21/22 but where the opportunity arises any properties will be vested or purchased ahead of this timeframe. The council intends to confirm its priority acquisitions programme by end of April 2021 in relation to the land needed to deliver the scheme in line with the CPO Orders in place.
- Thameslink Station 2020/21 has reprofiled £2.7m from the current financial year into future years but the overall programme is currently forecasted to budget. The slippage of £2.7m primarily relates to land purchases which will not take place prior to the 31st March based on the latest information available.
- Critical Infrastructure 2020/21 is forecasting slippage of £9.3m into future years due to reprofiling of expenditure in the programme. The expenditure relates to Plot 53/54 £8.2m contractual payment linked to start on site, which has been delayed due to stopping up objections, £0.7m reprofile of the substation works undertaken by BXS JVLP and £0.4m within Southern Junctions due to a delay in the works start date and compensation agreements being agreed.
- BXS Land Acquisitions is forecasting a minor acceleration of £0.1m in 2020/21. To date the council has purchased three CPO Indemnity properties and a hardship case. The council has recovered the CPO Indemnity funds from our delivery partner and the hardship funds are due in transit soon. The acquisition costs are fully funded by BX JVLP therefore at year end the final adjustments for the current year's expenditure will be aligned with actual costs for completed properties.
- The overall BX programme is forecasting spending £123.2m this financial year, of this amount 4.3% (£5.3m) has been highlighted at risk of further slippage. The amount is broken down as £2m BXS third party acquisitions due to volatile property completions and £3m within the Thameslink programme based on the current profile expenditure to date versus the anticipated increased run rate.

**7.8 Resources** – The capital programme for Resources is forecast to spend to budget in 2020/21.

#### HRA Capital Investment

**7.9** The HRA has a capital expenditure budget of £62.044m in 2020/21, and the current forecast is for spend of £57.355m, which is a £4.709m underspend against the in-year budget. There are no additions or deletions currently expected.

**7.10** In year variances less than £1m are largely due to slight acceleration in miscellaneous repairs, the fire safety programme and in M&E gas,



- 7.11 Underspends in the HRA capital programme are largely attributable to four main schemes and are summarised as follows:
- 7.12 Regeneration stock additional investment is forecasting an in-year underspend of £2.167m, expected to be slipped into future years and is due to delays getting contractor on site for window/door/access control replacement.
- 7.13 Extra care pipeline Cheshire House is forecasting an in-year underspend of £2.054m, expected to be slipped into future years and is due to delays starting work on site, originally expected to sign agreement by February with onsite work by March.
- 7.14 HRA direct acquisition is forecasting an in-year underspend of £1.780m, expected to be slipped into future years and is due to slower conveyancing process due to Covid 19.
- 7.15 Major Works is forecasting an in-year underspend of £2.167m, expected to be slipped into future years due to Covid related delays during the year. This is offset by an expected acceleration in 2021/22 as more work is matched to the Green Homes Grant.

### Funding of the Capital Investment Programme

- 7.16 The composition of capital funding is detailed in the table below. The level of funding from Capital receipts, Revenue/ Major Repairs Allowance (MRA) and Community Infrastructure Levy (CIL) funding remain broadly the same as the previous period.

Table 14 Funding the Capital Programme 2020/21

Service Area	Grants/ Other contributions £000	S106 £000	Capital Receipts £000	Revenue £000	CIL £000	Borrowing £000	Total £000
Adults and Safeguarding	3,792	0	0	0	550	779	5,121
Children's Family Services	10,723	4	295	0	91	2,716	13,829
Growth and Corporate services	2,149	1,379	11,465	491	524	103,105	119,113
Environment	2,814	3,073	2,104	440	8,699	16,943	34,073
Brent Cross	121,978	0	0	0	0	1,260	123,238
Regional Enterprise (Re)	0	1,384	35	0	0	0	1,419
<b>General Fund Programme</b>	<b>141,456</b>	<b>5,840</b>	<b>13,899</b>	<b>931</b>	<b>9,864</b>	<b>124,803</b>	<b>296,793</b>
HRA	753	0	2,097	31,924	0	22,561	57,335
<b>Total Capital Programme</b>	<b>142,209</b>	<b>5,840</b>	<b>15,996</b>	<b>32,855</b>	<b>9,864</b>	<b>147,364</b>	<b>354,128</b>

- 7.17 PWLB borrowing rates decreased by 1% in M9 as result of the consultation on PWLB lending terms. Until M10 we have been able to manage borrowing using internal resources and had been able to delay taking any new external borrowing until the rates began to increase or we had a need to externalise debt.

7.18 As a result of the Bank of England forecast that the economy will begin to improve in 2021 the latest PWLB rate forecast points to rates of 1.8% throughout 2021 with gradual increases to 2% through to 2024. We will take a tranche of new borrowing in M11 at current rates of 1.8%. This will allow us to lock in borrowing costs at current rates.

## 8. Debtors

8.1 Between December 2020 and January 2021 overall debtors increased by £9.998m. An analysis of debtors as at the 31 January 2021 is provided below at Table 15 and 16. It should be noted that this information is a snapshot as at that date and the overall position varies.

8.2 Overdue debtors (up to 30 days and older) as at 31 January 2021 was £25.888m an increase of £6.312m for the same period in 2019 where the outstanding balance was £19.576m. This increase is primarily down to large invoices being raised for NHS North Central London CCG

Table 15 Aged Debt Analysis as at 31 January 2021

Debtor	Not Overdue £000	Up to 30 days £000	30 - 60 days £000	60 - 90 days £000	Over 90 days £000	Total Debt £000
Month 10	6,723	3,236	6,069	914	15,669	32,611
Month 9	2,750	1,322	1,113	2,481	14,947	22,613
<b>Movement</b>	<b>3,973</b>	<b>1,914</b>	<b>4,956</b>	<b>(1,567)</b>	<b>722</b>	<b>9,998</b>

8.3 Table 16 gives detail of the top ten individual debts by debtor, totalling £22.517m.

Table 16 Top 10 debtors as at 31 January 2021

Debtor	Total Debt £000	Not Overdue £000	Up to 30 days £000	30 - 60 days £000	60 - 90 days £000	Over 90 days £000
NHS North Central London CCG	16,574	5,929	687	4,488	532	4,938
The Fremantle Trust	1,357	0	0	0	0	1,357
NHS Barnet CCG	1,174	0	0	0	0	1,174
Comer Homes	993	0	0	0	0	993
<i>The Barnet Group</i>	<i>577</i>	<i>9</i>	<i>518</i>	<i>94</i>	<i>8</i>	<i>(52)</i>
Demetriou & English	503	0	500	0	1	2
Health Education England	488	0	0	488	0	0
Metropolitan Police Service	330	0	122	208	0	0
Middlesex University	303	0	304	(2)	0	1
Affinity Water	219	6	12	196	2	3
<b>Total</b>	<b>22,517</b>	<b>5,944</b>	<b>2,143</b>	<b>5,471</b>	<b>543</b>	<b>8,416</b>

8.4 Adult Services, along with support from Finance colleagues, are now in regular contact with Barnet/NCL CCG to discuss the outstanding debt position. There has been an upward movement in the debt position during month 10 principally due to two large invoices being recently raised which are going through the matching process with the CCG. Month 10 still reports a significant balance. Most recent updates from the CCG reported that £10.1m was awaiting immediate authorisation. The CCG have been pushed on a likely payment date for items currently awaiting manager authorisation.

8.5 There are further amounts due to be raised with the CCG which are not included in the table as the invoices have not yet been raised. These include £10.7m of adults services invoices (C19 discharge support costs, BCF costs, and s117 amounts) and also £2.4m of amounts expected to be paid to Children's services including amounts for CAMHS and for services for 18-25 year olds. Work is underway to ensure that these are presented at the earliest opportunity to ensure that the year end position is agreed and cash secured in a timely way.

- 8.6 Outside of the table above (which shows individual debtor accounts) is a significant class of debtors which relate to privately funded adults social care placements. At the time of preparing the report, this debt is recorded as being £7.203m. A dedicated project is in place to maximise recovery of this debt and to further improve its active management. Some of the debt is related to former client's property and collection depends on the conclusion of probate arrangements. The committee will receive further updates on this at future meetings.
- 8.7 Legal discussions with The Fremantle Trust are ongoing.
- 8.8 The Assistant Director of Estates continues discussion with HBPL regarding the Comer Homes debt.
- 8.9 The Barnet Group have paid £146k in month 11 and discussions are ongoing regarding the credit balance and outstanding debt. This is effectively an 'internal' debt.
- 8.10 Demetriou & English have not paid despite contact from the income team. This has been escalated to the service manager in Re.
- 8.11 The income team are in discussions with Health Education England regarding payment of the outstanding balance.
- 8.12 The income team are in discussions with Metropolitan Police and the service area to resolve Purchase Order issues. If not resolved in month 11 the matter will be escalated within the service area for resolution.
- 8.13 Payment in full is expected from Middlesex University is expected in month 11.
- 8.14 Affinity Water have paid £188k in month 11 and the remaining balance is being pursued.

## **9. REASONS FOR RECOMMENDATIONS**

- 9.1 This report contains a summary of the Council's revenue and capital outturn for the financial year 2020/21 as at Month 10 (31 January 2021).

## **10. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 10.1 None

## **11. POST DECISION IMPLEMENTATION**

- 11.1 None

## **12. IMPLICATIONS OF DECISION**

### **12.1 Corporate Priorities and Performance**

- This supports the council's corporate priorities as expressed through the

Corporate Plan for 2019-24 which sets out our vision and strategy for the next five years. This includes the outcomes we want to achieve for the borough, the priorities we will focus limited resources on, and our approach for how we will deliver this.

- Our three outcomes for the borough focus on place, people and communities:
  - a pleasant, well maintained borough that we protect and invest in
  - our residents live happy, healthy, independent lives with the most vulnerable protected
  - safe and strong communities where people get along well
- The approach for delivering on this is underpinned by four strands; ensuring residents get a fair deal, maximising on opportunities, sharing responsibilities with the community and partners, and working effectively and efficiently

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

- This report considers the financial position of the Council at the end of the financial year.

#### **12.3 Social Value**

- None applicable to this report, however the council must take into account the requirements of the Public Services (Social Value) Act 2012 to try to maximise the social and local economic value it derives from its procurement spend. The Barnet living wage is an example of where the council has considered its social value powers.

#### **12.4 Legal and Constitutional References**

- Section 151 of the Local Government Act 1972 states that: “without prejudice to section 111, every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs”. Section 111 of the Local Government Act 1972 relates to the subsidiary powers of local authorities to take actions which are calculated to facilitate, or are conducive or incidental to, the discharge of any of their functions.
- Section 28 of the Local Government Act 2003 (the Act) imposes a statutory duty on a billing or major precepting authority to monitor, during the financial year, its income and expenditure against the budget calculations. If the monitoring establishes that the budgetary situation has deteriorated, the authority must take such action as it considers necessary to deal with the situation. Definition as to whether there is deterioration in an authority’s financial position is set out in sub-section 28(4) of the Act.
- The council’s Constitution, Article 7 Committees, Forums, Working Groups and Partnerships, sets out the functions of the Financial Performance and Contracts Committee as being Responsible for the oversight and scrutiny of:

- The overall financial performance of the council
  - The performance of services other than those which are the responsibility of the: Adults & Safeguarding Committee; Assets, Regeneration & Growth Committee; Children, Education & Safeguarding Committee; Community Leadership & Libraries Committee; Environment Committee; or Housing Committee
  - The council's major strategic contracts including (but not limited to):
    - Analysis of performance
    - Contract variations
    - Undertaking deep dives to review specific issues
    - Monitoring the trading position and financial stability of external providers
    - Making recommendations to the Policy & Resources Committee and/or theme committees on issues arising from the scrutiny of external providers at the request of the Policy & Resources Committee and/or theme committees
    - consider matters relating to contract or supplier performance and other issues and making recommendations to the referring committee
  - To consider any decisions of the West London Economic Prosperity Board which have been called in, in accordance with this Article.
- 
- The council's Financial Regulations can be found at:  
<https://barnet.moderngov.co.uk/ecSDDisplay.aspx?NAME=SD349&ID=349&RPID=638294>

## 12.5 Risk Management

- Regular monitoring of financial performance is a key part of the overall risk management approach of the Council.

## 12.6 Equalities and Diversity

- Decision makers should have due regard to the public sector equality duty in making their decisions. The equalities duties are continuing duties they are not duties to secure a particular outcome. The equalities impact will be revisited on each of the proposals as they are developed. Consideration of the duties should precede the decision. It is important that policy and Resources Committee has regard to the statutory grounds in the light of all available material such as consultation responses. The statutory grounds of the public sector equality duty are found at section 149 of the Equality Act 2010 and are as follows:
- A public authority must, in the exercise of its functions, have due regard to the need to:

- **eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;**
- **(b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;**
- **(c) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.**
- Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
  - **remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;**
  - **(b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;**
  - **(c) Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.**
- The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.
- Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
  - **Tackle prejudice, and**
  - **Promote understanding.**
- Compliance with the duties in this section may involve treating some persons more favourably than others; but that is not to be taken as permitting conduct that would otherwise be prohibited by or under this Act. The relevant protected characteristics are:

- **Age**
- **Disability**
- **Gender reassignment**
- **Pregnancy and maternity**
- **Race,**
- **Religion or belief**
- **Sex**
- **Sexual orientation**
- **Marriage and Civil partnership**
- This is set out in the council's Equalities Policy together with our strategic Equalities Objective - as set out in the Corporate Plan - that citizens will be treated equally with understanding and respect; have equal opportunities and receive quality services provided to best value principles.
- Progress against the performance measures we use is published on our website at: [www.barnet.gov.uk/info/200041/equality\\_and\\_diversity/224/equality\\_and\\_diversity](http://www.barnet.gov.uk/info/200041/equality_and_diversity/224/equality_and_diversity)
- Measures undertaken as part of the Council's response to the Covid-19 pandemic have been undertaken in full awareness of the Council's commitment and responsibility to act in accordance with its own Equalities Policy and wider legislation. It is notable that the virus does appear to affect some parts of the community more than others, and the Council's actions have been informed by its commitment to mitigate impacts in all areas, and to appropriately protect or shield especially vulnerable individuals, in accordance with national guidelines.

#### **12.7 Corporate Parenting**

- In line with Children and Social Work Act 2017, the council has a duty to consider Corporate Parenting Principles in decision-making across the council. There are no implications for Corporate Parenting in relation to this report.

#### **12.8 Consultation and Engagement**

- None in the context of this report

## 12.9 Insight

- None in the context of this report

## 13. BACKGROUND PAPERS

None.



	<b>Financial Performance and Contracts Committee</b>  <b>17 March 2021</b>
<b>Title</b>	<b>Q3 2020/21 Contracts Performance Report</b>
<b>Report of</b>	Director (Commercial and Customer Services)
<b>Wards</b>	All
<b>Status</b>	Public
<b>Urgent</b>	No
<b>Key</b>	No
<b>Enclosures</b>	None
<b>Officer Contact Details</b>	Tim Campbell, Head of Commercial Management <a href="mailto:tim.campbell@barnet.gov.uk">tim.campbell@barnet.gov.uk</a>

### Summary

This report provides an overview of Quarter 3 (Q3) 2020/21 performance for the contracted services delivered by the Customer and Support Group (Capita), Regional Enterprise (Capita), The Barnet Group (TBG) and HB Public Law.

### Officers Recommendations

**The committee is asked to review the Quarter 3 (Q3) 2020/21 performance for the back-office functions delivered by the Customer and Support Group (Capita); Building Control, Hendon Cemetery & Crematorium, Environmental Health, Strategic Planning, Regeneration and Highway Service delivered by Regional Enterprise (Capita); the Housing services delivered by The Barnet Group; and the Legal services delivered by HB Public Law.**

# 1. PURPOSE OF REPORT

## Introduction

1.1 This report provides an overview of performance for the council’s contracted services for Quarter 3 (Q3) 2020/21. The report covers delivery from the Customer and Support Group (CSG) (Capita), Regional Enterprise (Re) (Capita), The Barnet Group (TBG) and HB Public Law (HBPL).

## Overview

1.2 Q3 covers the period 1<sup>st</sup> October to 31<sup>st</sup> December 2020. In this period, there was the introduction of the tier system and a second national Covid-19 lockdown. The council and its strategic partners focused their efforts and resources on providing services, whilst continuing to respond to the Covid-19 pandemic. Many services such as Finance and Customer Services continued to deliver throughout the national lockdown. Others, such as in Environmental Health, Planning and Housing have been prevented from operating in their normal way. Several services, such as Regulatory Services, were involved in additional Covid-19 responses while dealing with backlogs from earlier phases of the pandemic.

1.3 Overall performance continues to be a credit to our partners with a majority (53) of the 75 KPIs reported achieving the target in Q3. Those KPIs that did not achieve the target, as a direct result of the restrictions and demands of the pandemic are shown in lighter text in the tables below to differentiate from deficiencies that were not directly related to the pandemic response.

Service	Indicator <sup>1</sup> Description	Q3 Result	DOT
CSG - Estates	Lease Renewals	93.8% (A)	Not Comparable
Re- Building Control	Number of decisions within statutory timescales – Meet building regulation statutory timescales	98.5% (A)	↓ W
Re - Environmental Health	Conducting Food Hygiene Inspections Target, A	57.5% (R)	↓ W
Re - Environmental Health	Conducting Food Hygiene Inspections Target B	63.6% (R)	↓ W
Re - Environmental Health	Conducting Food Hygiene Inspections Target C	17.5% (R)	↓ W

<sup>1</sup> KPI RAG rating reflects the percentage variance of the result against the target as follows: On target = GREEN (G); Up to 9.9% off target = AMBER (A); 10% or more off target = RED (R). The Direction of Travel (DOT) status shows the variation in the result since last year e.g. Improving (↑ I), Worsening (↓ W) or Same (→ S). KPIs are illustrated by (q) quarter; (c) cumulative up to end quarter; (s) snapshot in time; or (r) rolling 12 months.

Service	Indicator <sup>1</sup> Description	Q3 Result	DOT
Re - Environmental Health	Food Standards Inspections (Category B) Food Standards Inspections (unrated premises)	96.8% (A)	↓ W
Re - Environmental Health	Compliance with Licensing Requirements for Houses in Multiple Occupation (HMOs) - Licenced HMOs meeting legal standards (q)	67.7% (A)	↓ W
Re - Planning	Planning Enforcement Basket	0 (R)	↓ W
Re - Highways	Category 1 Defects Rectification Timescales completed on time	88.0% (R)	↑ I
Re - Highways	Category 2 Defects Rectification Timescales completed on time	66.1% (R)	↑ I
Barnet Homes	Affordable housing delivered on council owed land	99 (A)	↑ I
Barnet Homes	Number of homes purchased for use as affordable accommodation	27 (R)	↑ I
Barnet Homes	% of scheduled fire risk assessment completed	91% (A)	↓ W
Barnet Homes	Number of Homelessness Preventions	928 (A)	↓ W
Barnet Homes	Numbers of households in Temporary Accommodation	2499 (A)	↓ W

### Service Highlights:

#### 1.4 Service highlights for CSG include:

- The IT team delivered a new 'PowerApp' within three weeks to support the council's Test and Trace team and supported the rapid deployment and set-up of devices to be utilised in Covid-19 mass testing sites.
- The Test and Trace self-isolation payments scheme announced by the Government went live on 12 October 2020. This scheme was initially until 31 January 2021 and has been extended to 31 March 2021. This scheme will see residents on low income who are self-isolating and losing income receive a Test and Trace Support Payment or discretionary support payment of £500.

- Whilst the Estates team were preparing a managed re-entry programme in October, the Government re-introduced lockdown measures, resulting in Facilities Management re-instating tighter control measures. This led to a significant reduction in the number of staff attending council premises.
- The Building Services team completed several projects under the Schools Modernisation programme despite the difficulties faced during the Covid-19 pandemic.
- Recovery on historic duplicate payments continued to be made with 57% of duplicate payments now recovered. This was an 8% increase from the previous quarter.
- The Procurement forward plan was completed and ratified by policy and Resources Committee on 18 December 2020.
- HR worked with the Organisational Development Lead at the council to support the roll out of the Learning Management System (LMS), a centralised learning resource on the intranet. Initial feedback has been positive.

#### 1.5 Service highlights for Re include:

- Regulatory Services continued to deal with backlogs as a result of Covid-19 restrictions, with a return to Business as Usual (BAU) volumes and an increase in activity to ensure businesses were compliant with Covid-19 rules and restrictions.
- Covid-19 restrictions continued to impact on the ability to deliver some services. Regulatory Services Cases for instance were triaged and non-essential site visits avoided to protect staff and ensure the virus was not unintentionally spread.
- Building Control application volumes in Q3 20/21 were higher than in previous years (Q3 19/20 and Q3 18/19).
- The Infrastructure team successfully published the council's first Instructure Funding Statement as per the statutory MHCLG<sup>2</sup> deadline.
- The council issued the second most planning decisions in London (644) behind the London Borough of Westminster.
- The Network Recovery Programme (NRP) has been successfully delivered with most carriageway schemes completed by December 2020. Footway schemes are scheduled to be completed by early March 2021. In addition, the backlog for reactive maintenance work continued to be reduced by over 85%, with an expectation of no more than 250 work in progress projects on a rolling month.
- Work on replacing the Highways maintenance contractor started in Q3 and is due to be concluded in Q4.

## 2. CSG SERVICES

### Overview

- 2.1 The Q3 20/21 period saw the Covid-19 pandemic status move from Tier 3, to Tier 4 followed by a national lockdown over a three-month period. This resulted in additional challenges for both the Revenues and Benefits and Facilities Management.

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<sup>2</sup> Ministry of Housing, Communities and Local Government

2.2 Out of the 20 KPIs reported in Q3, 19 achieved targets with one failing due to the impact of Covid-19. The cross-cutting KPI on Compliance with Authority Policy met the Q3 target<sup>3</sup>.

Indicator	Polarity	19/20 EOY	20/21 Target	Q3 20/21			Q3 19/20
				Target	Result	DOT	Result
Compliance with Authority Policy (q)	N/A	Pass	Pass	Pass	Pass (G)	→ S	Pass (G)

## Finance

2.3 There are three KPIs for Accounts Payable (AP). All three KPIs achieved the Q3 targets.

2.4 The latest AP Forum was utilised to discuss one-to-one issues that service users were experiencing. The few issues that arose are being followed up for resolution, though there was nothing highlighted in the Forum as an area of concern.

2.5 Progress on the historic duplicate payments continued to be made with 57% of duplicate payments now recovered. This is an 8% increase from the previous quarter. Work is ongoing to recover the remaining £88k. The recent volumes of Covid-19 related grant payments have impacted on the continued work in this area, but it has been agreed that dedicated time and resource will be put in against this task to get it completed.

2.6 Progress on historic invoices continued by working closely with service departments. A new report was released to show invoices that are on hold or disputed. This should allow services to work through invoices expediently and assist with clearing invoices that are overdue and not disputed.

2.7 The AP team continued to process Covid-19 grant uploads and a move to doing these out of hours allowed quicker clearance. This method meant the Covid-19 payments were not impacting core service activities.

2.8 Following the new Integra environment going live for BELS, all invoices are now being processed as BAU.

2.9 There were 63 service support calls outstanding at the beginning of October which were reduced to 28 by December, a reduction of 56%.

2.10 The Integra KPIs all met Q3 targets despite reduced resources due to annual leave and sickness.

<sup>3</sup> This KPI measures compliance with the Authority's Customer Service Standard and Complaints Policy.  
 1. Complaints responded to late i.e. outside of timescales are 'fails' against this target, and  
 2. Complaints arising from a failure to do what we promised to do are also 'fails' against this target.  
 The target is to have no higher than 30 'misses' in any given quarter.

Indicator	Polarity	19/20 EOY	20/21 Target	Q3 20/21			Q3 19/20
				Target	Result	DOT	Result
Operational availability of financial system application (Integra) to the hosted network (q)	Bigger is Better	99.2%	98%	98%	99.3% (G)	↑	99%
Invoice documents in Accounts Payable processed within agreed timescales (q)	Bigger is Better	95.5%	90%	90%	96.9% (G)	↑	95.8%
Completion of audit recommendations by Capita in relation to their provision of finance services (q)	Bigger is Better	100%	100%	100%	100% (G)	Not Comparable	New for Q4 2019/20

## Customer Services

- 2.11 There are four KPIs for Customer Services. All four KPIs achieved the Q3 targets.
- 2.12 The Contact Centre continued to see fluctuations in demand, particularly with respect to Council Tax and Housing Benefits linked to the ongoing pandemic and changes in national restrictions.
- 2.13 The Contact Centre also continued to support with the Covid-19 Community Hub and outbound calling in support of the Clinically Extremely Vulnerable.
- 2.14 All staff continued to work from home. There was continued proactive engagement with all council services to understand their ongoing needs in relation to changes in process or working practice as a result of the ongoing pandemic. These efforts enabled the team to respond to customer enquiries. Overall, there was a 25% reduction in call volumes compared with the same quarter last year as residents continued to use online services to contact the council.
- 2.15 The Customer Transformation team and Street Scene service worked to deliver a range of improvements to provide a more responsive and proactive service to residents. These changes went live in January 2021 and included data enhancements to refine bin collection services.

Indicator	Polarity	19/20 EOY	20/21 Target	Q3 20/21			Q3 19/20
				Target	Result	DOT	Result
Customer satisfaction with phone, face-to-face, email and post case closure (q)	Bigger is Better	90.8%	89%	89%	91.5% (G)	↑	90.7%
Web satisfaction (web performance and customer feedback) (q)	Bigger is Better	61.3%	55%	55%	60.1% (G)	↑	59.7%

Indicator	Polarity	19/20 EOY	20/21 Target	Q3 20/21			Q3 19/20
				Target	Result	DOT	Result
Customer Services closing cases on time (Customer Advocacy Service) (q)	Bigger is Better	100%	94% <sup>4</sup>	94%	100% (G)	→ S	100%
Cases/transactions completed via self-service channels (CSG Customer Service only) (q)	Bigger is Better	54.2%	50%	50%	65.8% (G)	↑ I	54.3%

## Information Systems

- 2.16 There are two KPIs for Information Systems. Both KPIs achieved the Q3 targets.
- 2.17 The team recorded the lowest number of incidents logged compared to the previous three years. There was a 50% reduction compared with Q3 18/19 and major incidents reduced from 20 in Q3 18/19 to six in Q3 20/21. This was a result of continuous improvements, change management, testing and continued investment into both infrastructure and processes.
- 2.18 The volume of password resets saw the biggest reduction in calls to the service desk.
- 2.19 The team delivered a new 'PowerApp' within three weeks to support the council's Test and Trace team and supported the rapid deployment and set-up of devices to be utilised in Covid-19 mass testing sites. This involved staff working over Christmas to get everything ready and available for distribution.
- 2.20 A significant investment in a software-based infrastructure platform was completed in Q3 which enables the Authority to utilise leading private cloud technology. Over 200 servers were seamlessly migrated with activities taking place out of hours in the evenings and weekends to avoid downtime and disruption to the organisation.
- 2.21 Incoming and outgoing calls were routed via new telephony gateways, bringing them up-to-date with the latest advanced technology as the previous ISDN gateways were due to have been phased out in the UK by 2024. The new solution supports HD Voice, which offers more voice clarity than before and allows calls to be redirected in cases of emergency.

Indicator	Polarity	19/20 EOY	20/21 Target	Q3 20/21			Q3 19/20
				Target	Result	DOT	Result
Incident resolution (q)	Bigger is Better	88.3%	95%	91% <sup>5</sup>	92.5% (G)	↓ W	95.6%
Critical system availability (q)	Bigger is Better	99.9%	99.5%	99.5%	99.9% (G)	→ S	99.9%

<sup>5</sup> The target has been changed to 91% from 95% on a temporary basis. This is due to essential services being prioritised.

## Procurement

- 2.22 There are two KPIs for Procurement. Both KPIs achieved the Q3 targets.
- 2.23 A new PI was added that measures client satisfaction on a procurement-by-procurement basis to create a rolling average score. (Currently sits at 98% against an agreed target of 80%).
- 2.24 Training continued to be rolled out providing valuable procurement process materials. However, there is concern that the uptake of training by services is not always as high as it should be. This will be addressed through future procurement boards to find a way increase attendance.
- 2.25 The Procurement forward plan was completed and ratified by Policy and Resources Committee on 18 December 2020.
- 2.26 Smarter use of data, including automated process management software, to drive significant efficiencies via eliminating areas of human error is being explored.
- 2.27 Although the KPI for Compliance was met this quarter, a contract from 2018 was found not to be in the contracts register following an issue with the service being provided. This was rectified during the quarter. Whilst this does not impact on this quarter's KPI results, there is a recognition that processes and procedures around contract documentation being placed on the contracts register require improvement and these improvements are being identified.

Indicator	Polarity	19/20 EOY	20/21 Target	Q3 20/21			Q3 19/20
				Target	Result	DOT	Result
Compliant with contract Procedure Rules/Code of practice (Council wide contract compliance)	Bigger is Better	100%	100% <sup>6</sup>	100%	100% (G)	→ S	100%
Effective corporate contract management (q)	Bigger is Better	99.9%	100% <sup>7</sup>	100%	100% (G)	↑ I	85.5%
Cumulative apprenticeships (c)	Bigger is Better	83	70	Monitor Only	101	↑ I	94
Cumulative work experience (c)	Bigger is Better	393	433	Monitor Only <sup>8</sup>	473	↑ I	353

<sup>6</sup> Subject to one quarter baselining period after which an improvement plan for Year 7 will be agreed to bring performance to 100% from April 2020 onwards.

<sup>7</sup> Subject to one quarter baselining period after which an improvement plan for Year 7 will be agreed to bring performance to 100% from April 2020 onwards.

<sup>8</sup> Annual Target, targets are aspirational, and results are cumulative.



## **Revenue and Benefits**

2.28 There are three KPIs for Revenue and Benefits. All three KPIs achieved the Q3 targets.

## **Council Tax/Business Rates**

2.29 The Council Tax collection rate was in line with rates achieved in the previous year. The 4-year collection end of year target of 98.50% was achieved by Q3. Direct Debit take up was 66.97% (against a target of 65%). Council Tax and Business Rates recovery re-commenced and was at the reminder stage by the end of Q3. E-billing was still in progress, with a project manager in place to work on implementation by Q4 2021.

2.30 Barnet entered Tier 2 of Covid-19 restrictions on 17 October 2020. This saw a range of business grants made available by the Government. At Q3, under the 2<sup>nd</sup> tranche, the council had paid 1,652 Business grants with a total value of £2.196m.

2.31 Discussions were ongoing with HM Courts and Tribunal Service on a Virtual Court being held for Liability Order hearings. Summonses cannot be issued until the council are notified of court dates.

2.32 Council Tax property volumes continued to increase, which resulted in charges due to a change in volumetrics as per the contractual agreement.

## **Benefits**

2.33 Housing Benefit Accuracy at 98.34% was above target (95%) Barnet allocated £4.132m in Hardship Fund in response to Covid-19. £150 was applied to live Council Tax Support claims, with the total paid at the end of December 2020 was £3,316m.

2.35 The Housing Benefit Award Accuracy Initiative (HBAAI) commenced on 5 October 2020. This is a 5-year commitment with the DWP. This is a new initiative from the DWP to ensure awards of Housing Benefit are correct, and residents that are entitled to benefits get the right amount.

2.36 The Internal Audit of Housing Benefits was completed, and all follow-up actions were signed off.

## **Covid-19**

2.37 The Test and Trace self-isolation payments scheme announced by the Government went live on 12 October 2020. This scheme was initially until 31 January 2021 but has been extended to 31 March 2021. This scheme will see residents on low income who are self-isolating and losing income receive a Test and Trace Support Payment or discretionary support payment of £500. At the end of December, the council had paid out a total sum of £181,500.00.

2.38 In response to Covid-19, Barnet suspended the Minimum Income Floor (MIF) element of the Council Tax Support Scheme in line with the DWP guidance. The new system release went live on 7 November and saw 3,068 cases re-assessed with a total sum

of £200,847 paid out to the self-employed with earnings lower than MIF and to financially support those who lost income as a result of coronavirus.

Indicator	Polarity	19/20 EOY	20/21 Target	Q3 20/21			Q3 19/20
				Target	Result	DOT	Result
Accuracy of benefit assessments (q)	Bigger is Better	95.1%	95%	95%	98.3% (G)	↑	94.5%
Speed of processing new claims (q)	Smaller is Better	22	22	22	21.4 (G)	↑	22
Speed of processing changes (q)	Smaller is Better	5	6	6	5 (G)	↑	6

## Pensions

2.39 The Pensions Administration Service successfully transferred over to West Yorkshire Pension Fund on 1 November 2020. Performance is now monitored through the Pension Board and will be reported to the Pension Fund Committee.

## HR

2.40 There are four KPIs for HR. All four KPIs achieved the Q3 targets.

2.41 The service supported the changes to Core HR due to the move of Passenger Escorts staff from Street Scene to Family Services.

2.42 Capita worked with the Organisational Development Lead at the council to support the roll out of the Learning Management System (LMS). Initial feedback has been positive.

2.43 To ensure further improvements to the HR Service, workshops are ongoing between the council's Recruitment Lead, the council's HR Business Partner and the Organisational Development lead. This includes reviews of both the HR Output Specification and Management Information (MI) data.

Indicator	Polarity	19/20 EOY	20/21 Target	Q3 20/21			Q3 19/20
				Target	Result	DOT	Result
Offer letters issued (q)	Bigger is Better	91.1%	100%	100%	100% (G)	↑	77.2%
Pre-Employment vetting (q)	Bigger is Better	92.4%	100%	100%	100% (G)	↑	77.3%
Payroll Accuracy – error rates and correct date (q)	Smaller is better	0.12%	0.1%	0.1%	0.0% (G)	↑	0.1%

Indicator	Polarity	19/20 EOY	20/21 Target	Q3 20/21			Q3 19/20
				Target	Result	DOT	Result
DBS verification audits (q)	Bigger is Better	99.8%	100%	100%	100% (G)	↑	99.5%

## Estates

2.44 There is one KPI for Estates, which did not meet its target.

- **Lease Renewals (RAG rated AMBER) - 93.8% against a target of 100%.** The target was missed due to Covid-19 related reasons. It was agreed that the council would grant Service Credit relief on this (as per the Supplier Relief agreement letter between the parties).

Indicator	Polarity	19/20 EOY	20/21 Target	Q3 20/21			Q3 19/20
				Target	Result	DOT	Result
Lease Renewals (q)	Bigger is Better	100%	100%	100%	93.8% (A)	Not Comparable	No Activity

## Building Services

2.45 CSG Building Services continued the progress on the annual work plan, completing planned works and responding to emergency works. There has been an improvement in the third party contractor's performance from the previous quarter despite the challenges around Covid-19.

2.46 CSG Estates worked on the Heritage programme for the upkeep and maintenance of heritage assets in the borough. In December 2020, CSG Estates submitted six applications for grant funding assistance to the War Memorials Trust for cleaning and conservation works to six of the boroughs war memorials. Currently, the team are awaiting the outcome of the bids which is due at the end of February 2021.

2.47 The Building Services team completed several projects under the Schools Modernisation programme despite the difficulties faced during the Covid-19 pandemic. These include structural works at Brookland Junior School, and roofing works at both Holly Park and Martin Primary Schools.

## Property Services Team

2.48 Following a recruitment drive to replace interim contractors with permanent employees, CSG Property Services established a settled team that has enabled it to re-organise the way work is allocated with a more proactive approach to assist the council in managing its estate. CSG Property Services will allocate programmes of work to defined team members, giving council service leads dedicated interface points within the team.

- 2.49 CSG Property Services achieved lettings, rent reviews and lease renewals of more than £200k per annum. This was achieved in the context of the Covid-19 pandemic and its effects on the trading activity of the council's tenants.
- 2.50 CSG Property Services assisted the council in developing and implementing a policy to provide rent-relief for tenants affected by the Covid-19 pandemic and the consequential regulations.

### Facilities Management Team

- 2.51 In response to the Covid-19 pandemic, CSG was commissioned to deliver Phase 2 of the Re-entry Programme to put in place control measures to safeguard people using council premises (Barnet House, Colindale, Hendon Town Hall, and Oakleigh Road Depot). The programme completed in December 2020.
- 2.52 Whilst the Phase 2 Programme was in delivery, the Government re-introduced tighter lockdown measures, resulting in Facilities Management (FM) re-instating Phase 1 Re-entry Programme control measures, which saw a significant reduction in the number of staff attending council premises.
- 2.53 Working with LBB Estates, FM delivered on several aspects of the Barnet House Programme. These included (but were not limited to) complete furniture removal and disposal from all floors and basement areas, internal office and storage moves to other locations on the estate and contract closures of services provided to the building (e.g. CCTV, alarms, cleaning etc.).
- 2.54 Additional safety inspections were introduced on FM managed sites following a council led audit, with the aim to improve health and safety and compliance.

## 3. RE SERVICES

- 3.1 The Q3 period has seen the Covid-19 pandemic status move from Tier 3 to Tier 4, and the re-introduction of Lockdown. This resulted in subtle but important changes in the way services were delivered, and a decrease in performance and an increase in the backlog of cases for the majority of services.
- 3.2 Out of 47 KPIs reporting in Q3, 30 achieved the Q3 targets, five reported No Activity, three were Monitor Only and nine did not meet the Q3 targets.

### Corporate

- 3.3 There is one cross-cutting KPI, which met the Q3 target.

Indicator	Polarity	19/20 EOY	20/21 Target	Q3 20/21			Q3 19/20
				Target	Result	DOT	Result
Compliance with Authority Policies (number of instances of non-compliance with Authority policies) (q)	Smaller is better	15	30	30	12 (G)	↑ I	24

## Building Control

- 3.4 There is one KPI for Building Control, which did not meet the Q3 target.
- **Number of decisions within statutory timescales – Meet building regulation statutory timescales (RAG rated AMBER) - 98.5% against a target of 100%.** Due to the Covid-19 pandemic, work processes were needed to be amended to be paperless. The change in process was mainly successful except for an isolated case where timescales were not met.
- 3.5 There was an unexpected upturn in the Barnet market for building control applications (within the borough), showing an increase of market share by 5% from November to December 2020. The council's Q3 market share was 31%.
- 3.6 The in-person inspection volume continued to be affected by Covid-19, with a decrease of approx. 30% in Q3 against the same quarter last year. The service continued to go to external inspections upon request.
- 3.7 Q3 saw the deposit of the application fee for site inspection for Westhorpe Gardens (102 residential development) and the commencement of works at Colindale Gardens (Block A) which was invoiced for further significant site inspection charges.

Indicator	Polarity	19/20 EOY	20/21 Target	Q3 2021			Q3 19/20
				Target	Result	DOT	Result
Number of decisions within statutory timescales – Meet building regulation statutory timescales (q)	Bigger is Better	99.7%	100%	100%	98.5% (A)	↓ W	100%

## Hendon Cemetery & Crematorium

- 3.8 There is one KPI for Hendon Cemetery & Crematorium, which met the Q3 target.
- 3.9 The service carried out 1,562 funerals in 2020, of which 1,236 were cremations and 326 were burials.

Cremations	April	May	June	July	August	September	October	November	December
2019	71	75	102	104	89	123	87	103	104
2020	292	248	104	85	84	107	87	105	124

Burials	April	May	June	July	August	September	October	November	December
2019	24	25	26	28	24	22	38	22	23
2020	77	66	26	29	24	30	20	23	32

- 3.10 The service continued to monitor operations as part of the council's mortality management planning and fed back through the Barnet Excess Death Management Group. Associated risk assessments and business continuity plans remained in place in the event the service was required to upscale operations to meet any further demand pressures from Covid-19.
- 3.11 Milesplit New Cemetery became available for burials. The Gatehouse Project is almost complete, but the Christmas break and the national lockdown have delayed occupation.
- 3.12 The service maintained a two-team operation, with increased cremation slots at weekends and reduced service times from 1 hour to 45 minutes to help meet demand.

Indicator	Polarity	19/20 EOY	20/21 Target	Q3 20/21			Q3 19/20
				Target	Result	DOT	Result
Meeting religious burial requests timescales (q)	Bigger is Better	100%	95%	95%	100%	→ S	100%

### Environmental Health

- 3.13 There are 24 KPIs for Environmental Health. 11 met the Q3 targets, four reported No Activity, two were Monitor Only and five did not meet the Q3 targets.
- 3.14 The food inspection KPIs did not meet the Q3 targets, due to ongoing Covid-19 restrictions and the second national lockdown. These factors impacted on the KPIs and the backlog.
- Conducting Food Hygiene Inspections - Target A. Number of completed Food Hygiene Inspections due and overdue A, B and C (Not Broadly Compliant) rated premises
  - Conducting Food Hygiene Inspections - Target B
  - Number of completed Food Hygiene Interventions due and overdue C (Broadly Compliant) rated premises within three months of Intervention due date
  - Conducting Food Hygiene Inspections - Target C
  - **Compliance with Licensing Requirements for Houses in Multiple Occupation (HMOs) - Licenced HMOs meeting legal standards (RAG rated AMBER) – 67.7% against a Q3 target of 72%.** Inspections stopped except for the highest risk cases due to Covid-19 restrictions. There remained a backlog in HMO conditions work. The situation was exacerbated by an Officer being redeployed to the Test and Trace team.
  - **Number of empty properties brought back into residential use. 27 compared to 172 last year.** Work was significantly impacted by Covid-19 restrictions.

### Commercial Premises

- 3.15 The town centre Covid-19 response team served 48 letters of warning in relation to non-compliance. This team also moved from the Commercial Premises team in Re to Community Safety in the council on 4 January 2021.

- 3.16 The Commercial Premises team worked closely with Saracens in relation to their first game back before a live crowd. A reduced capacity game was held in early December 2020 and was successfully undertaken in a Covid-19 secure environment.
- 3.17 There were a number of referrals received which led to the Licencing Team instigating a review of a nightclub in North Finchley. Licencing officers worked jointly with community safety officers and the Police to identify Licencing Act offences, nuisance to residents and non-compliance with Covid-19 regulations.
- 3.18 Due to the national lockdown, the Food Standards Agency confirmed that the period for temporary deviation from the prescribed intervention frequencies for inspections is extended until 30 June 2021.
- 3.19 The City of London Animal Health and Welfare team which provides the licensing service to all London boroughs, ceased to carry out any licence inspections due to Covid 19 restrictions.

### **Private Sector Housing (Enforcement)**

- 3.20 To improve service delivery the Noise Service (daytime response) moved to the Public Health and Nuisance Team. This should improve customer service.
- 3.21 A Prohibition Order was served to abate a working office block being used for sub-standard accommodation.
- 3.22 There were delays in the Private Sector Housing (Enforcement) service due to a reduction in staff following two secondments to the Test and Trace Team. Cases were prioritised based on risk.
- 3.23 With the move into Tier 4, care was taken to ensure that site visits were completed following a full triage on a risk basis that considered tenant vulnerability, Covid-19 symptoms, and evidence of any legal contraventions.

### **Private Sector Housing (Grants)**

- 3.24 82% residents who used the Disabled Facilities Grants (DFG) service in December 2020 rated the service overall as either good or very good. This gave the service a current year to date satisfaction score of 87%.
- 3.25 The move into Tier 4 required the Clinically Extremely Vulnerable and Vulnerable to shield again. It was also not permitted for contractors to work on new adaptations in homes of those who were shielding. Due to this the team were restricted on which cases they could visit, and the contractors were limited on the properties in which they could work. The service put processes in place to check who was shielding and ensured contractors were notified.

### **Local Land Charges**

- 3.26 There was a 20% increase in search requests due to the reduction in stamp duty (1,414 compared to 1,176 in Q2). This is expected to continue until the end of the stamp duty holiday at the end of March 2021.

## Scientific Services and Pest Control

3.27 The Team continued to provide support for the Brent Cross South ground works, with a new noise barrier on the sidings to help reduce noise to residents from idling trains and an application to make cement on the rail freight in NW2.

Indicator <sup>9</sup>	Polarity	19/20 EOY	20/21 Target	Q3 20/21			Q3 19/20
				Target	Result	DOT	Result
Conducting Food Hygiene Inspections - Target A Number of completed Food Hygiene Inspections due and overdue (q)	Bigger is Better	99.2%	100%	100%	57.5% (R)	↓ W	100%
Conducting Food Hygiene Inspections - Target B Number of completed Food Hygiene Interventions due and overdue (q)	Bigger is Better	94.9%	85%	85%	63.6% (R)	↓ W	90.4%
Conducting Food Hygiene Inspections - Target C Number of completed Food Hygiene Inspections of new unrated premises within 28 days of discovery date (q)	Bigger is Better	95.4%	90%	90%	17.5% (R)	↓ W	93.3%
Food Standards Inspections (Category B) Number of B rated interventions completed on or before the next due intervention (q)	Bigger is Better	100%	100%	100%	96.8% (A)	↓ W	100%
Food Standards Inspections (unrated premises) Unrated: Number of unrated premises inspected at the same time as the first food hygiene inspection (q)	Bigger is Better	100%	100%	100%	100% (G)	→ S	100%
Improvement in food hygiene in the highest risk premises (q)	Bigger is Better	95.2%	90%	90%	100% (G)	↑ I	93.1%
Compliance with Licensing Requirements for Houses in Multiple Occupation (HMOs) - Licenced HMOs meeting legal standards (q)	Bigger is Better	72.1%	72%	72%	67.7% (A)	↓ W	73.1%
Food Standards Inspections (Category A) Number of A rated interventions completed within 28 days of due date (q)	Bigger is Better	100%	100%	100%	No Activity	Not Compa rable	100%



Indicator <sup>9</sup>	Polarity	19/20 EOY	20/21 Target	Q3 20/21			Q3 19/20
				Target	Result	DOT	Result
Safer workplaces – A higher level of compliance with health and safety legislation in the known most unsafe workplaces (q)	Bigger is Better	83%	75%	75%	No Activity	Not Comparable	100%
Number of empty properties brought back into residential use (q)	Bigger is Better	293	125	Monitor Only	27	↓ W	172
Number of private tenanted properties with category 1 hazards (q)	Bigger is Better	287	200	Monitor Only	94	↑ I	24
Compliance with Environmental Health Service standards (Priority 1 incidents and service requests) (q)	Bigger is Better	91%	100%	100%	100% (G)	→ S	100%
LAPPC Part 2a and 2b processes intervention programme (q)	Bigger is Better	100%	100%	100%	100% (G)	→ S	100%
Implementing Health & Safety Inspection Programme Compliance with legislation, departmental, statutory, and service standards (q)	Bigger is Better	100%	100%	100%	No Activity	Not Comparable	100%
Implementing the Animal Welfare Inspection Programme Compliance with legislation, departmental, statutory, and service standards (q)	Bigger is Better	No Activity	100%	100%	No Activity	Not Comparable	No Activity
Business license applications processed in a timely manner (q)	Bigger is Better	98.4%	95%	95%	100% (G)	→ S	100%
Reduction of unit costs of disabled adaptations (q)	Smaller is Better	£8,260	£9,500	£9,500	£7,134.1 (G)	↑ I	£7,669.7
Compliance with Environmental Health Service Standards (Priority 2 incidents and service requests) (q)	Bigger is Better	96.7%	95%	95%	95.8% (G)	↓ W	97.7%
Food & Drinking Water Sampling Inspections (q)	Bigger is Better	68%	3	100%	100% (G)	↓ W	188.2%
Average time taken to process requests for full official searches (online and post in Land Charges) (q)	Smaller is better	1.9	3	3	2.4 (G)	↓ W	2.1
Effectiveness of Trading Standards department interventions undertaken within a 12-month period (bi)	Smaller is better	3.4%	10%	10%	Due Q4	Not Comparable	Not Reported

Indicator <sup>9</sup>	Polarity	19/20 EOY	20/21 Target	Q3 20/21			Q3 19/20
				Target	Result	DOT	Result
Effectiveness of Licensing department interventions undertaken within a six-month period (bi)	Smaller is better	0.2%	5%	5%	Due Q4	Not Comparable	Not Reported
Appropriate response to statutory deadlines. Ensuring that all statutory time scales are being adhered to. Within the Licensing and Gambling Act	Bigger is Better	99%	100%	100%	100% (G)	→ S	100%
Appropriate response to service requests Service requests dealt with to present standards to the satisfaction of customers	Bigger is Better	94%	90%	90%	93.8% (G)	↓ W	94.8%

## Strategic Planning

3.28 There were no KPIs for Strategic Planning due in Q3.

## Planning Obligations and the Community Infrastructure Levy

3.29 The planning team progressed major plan-making efforts on two major growth areas through the publication of draft Supplementary Planning Documents (SPDs) which were approved by Policy and Resources Committee in December 2020. A formal six-week public consultation began in January 2021.

3.30 The Infrastructure team progressed the approvals to progress with the Community Infrastructure Levy (CIL) Rate Review, increasing the rate from £200 to £300 per square metre.

3.31 The table below shows infrastructure funding from development contributions:

	Q1 20/21	Q2 20/21	Q3 20/21
<b>Barnet CIL Total</b>	£1,206,551.41	£3,866,481.04	£4,512,145.33
<b>Allocated to infrastructure projects</b>	£1,146,223.84	£3,673,156.99	£4,286,538.06
<b>Administration</b>	£60,327.57	£193,324.05	£225,607.27
<b>Mayor CIL Total</b>	£418,919.41	£1,415,758.29	£1,816,734.78
<b>Sent to Mayor</b>	£402,162.63	£1,359,127.96	£1,744,065.39
<b>Admin to LBB</b>	£16,756.77	£56,630.33	£72,669.39
<b>S106</b>	£1,678,140.61	£731,274.53	£1,125,304.44

## Planning and Development Management

3.32 There are three KPIs for Planning and Development. Two KPIs achieved the Q3 targets. One KPI did not achieve the Q3 target.

- **Planning Enforcement basket (RAG rated RED) – Planning Enforcement basket (RAG rated RED)** – The KPI basket failed due to delays in serving notices or starting prosecutions, as a result of Covid19.

## Planning – Development Management

3.33 Despite the national lockdown, the processing of planning applications continued without noticeable delay. The council issued the second most planning decisions in London (644) behind the London Borough of Westminster.

3.34 77% of applications were approved against a London average of 78%. 90% of all applications referable to MHCLG were determined in time against a London average of 85%.

3.35 The service hosted a successful live virtual Planning Agents Forum on 18 November 2020, with an unprecedented level of response. 89 people joined the event, where officers from across the Planning Service presented updates and thanked customers for their adaptability and patience during this difficult year. Participants represented a large range of developer agents from local architects and planning agents to large consultancies, with positive feedback.

## Planning - Enforcement

3.36 Following agreement the service started releasing banked enforcement notices that had been on hold due to the Covid-19 pandemic. In comparison with other Local Authorities the council served the fourth highest number of notices in the country between July and September, notwithstanding the delays in issuing notices.

3.37 Covid-19 restrictions continued to impact on the ability of officers to fully investigate breaches of planning control. At the request of the council, the enforcement team focused on the service of notices that were deferred as a result of stricter restrictions in earlier periods. In total, 73 notices were issued between October and December 2020, of which 64 were enforcement and break of condition notices and nine were for untidy land. In normal circumstances, the service would expect to issue an average of 15 notices per month.

3.38 There was a 16% increase in the calendar year between 2019 and 2020 in the number of tree applications received.

Indicator	Polarity	19/20 EOY	20/21 Target	Q3 20/21			Q3 19/20
				Target	Result	DOT	Result
Compliance with planning application statutory timescales (for major, minor, other applications) (q)	Bigger is Better	80	80%	80%	93.6% (G)	↓ W	94.9%
Application Basket (q)	Bigger is Better	5	6	6	6 (G)	→ S	6

Indicator	Polarity	19/20 EOY	20/21 Target	Q3 20/21			Q3 19/20
				Target	Result	DOT	Result
Planning Enforcement Basket (q)	Bigger is Better	5	6	6	0 (R)	↓ W	5

## Regeneration

3.39 There are two KPIs for Regeneration. Both achieved the Q3 targets.

3.40 The change from Tier 3 to Tier 4 resulted in adjustments being made to ensure business continuity, resilience, sustainability, compliance, and safety.

3.41 Covid-19 has not impacted on staffing levels, with all staff home-based. New agile ways of working were embedded, ensuring a sustainable format for reporting. Effective monitoring for all regeneration estate programme management continued in line with objectives.

3.42 Key Annual Service Plan activities took place, including:

- Regeneration Annual Report published on the council website
- Annual Performance Review of Registered Providers were approved at Housing and Growth Committee in November 2020, providing data on Regeneration Schemes on a number of items, including housing repair and customer satisfaction <sup>10</sup>
- **Delivery of affordable housing completions– 49 compared to 84 last year.** Several developments experienced delays from disruptions, closing on and off since the start of Covid-19 national lockdowns. L&Q developers were the latest to notify that completion dates of their Millbrook Phase 3 development would be delayed from March to May 2021. Due to these Covid-19 related issues advised by developers, the annual projected target has been revised down from 370 to 231.

Indicator	Polarity	19/20 EOY	20/21 Target	Q3 20/21			Q3 19/20
				Target	Result	DOT	Result
Regeneration budgetary and financial controls (% of invoices sent within timescales) (q)	Bigger is Better	100%	85%	85%	100%	→ S	100%
Delivery of Regeneration projects' deliverables and milestones to meet outcomes and achieve benefits (q)	Bigger is Better	104%	85%	90%	400%	↑ I	100%
Delivery of affordable housing completions (q)	Bigger is Better	463	231 <sup>11</sup>	Monitor Only	49	↓ W	84

## Highways

<sup>10</sup> Dollis Valley received approval from the authority for commuted highways sums to be waived for phase 4 and 5 to enable to scheme to proceed with additional financial liabilities.

<sup>11</sup> It was agreed in January 2021 for the target to change from 370 to 231.

- 3.43 There are 16 KPIs for Highways. 13 KPIs achieved the Q3 targets. One KPI had No Activity and two KPIs did not achieve the Q3 targets.
- **Highways Category 1 defects rectification timescales completed on time (48 hours) (RAG rated RED) – 88.0% against a Q3 target of 100%.** There are a number of reasons the KPI did not meet the target, including parked cars, incorrect locations, and the need for additional traffic management.
  - **Highways Category 2 defects rectification timescales completed on time (7 days) (RAG rated RED) - 66.1% against a Q3 target of 100%.** Comment as above.
  - The Environment Committee agreed at its last meeting to replace the current contractor.
- 3.44 The Covid-19 pandemic continued to present opportunities and challenges to the Highways service, especially with the change in tiers during the quarter.
- 3.45 The service is currently working towards a stable service delivery model adopting best practice in remote and field working, backed by the operational HR and Safety, Health and Environment (SHE) resources available through Capita.
- 3.46 The service continued with the twice weekly joint meetings between the Service Lead and Re Highways Senior Team. This forum ensured collaborative management, reporting, monitoring and forward planning of service delivery and impact, especially with service impact being subject to national and regional change.
- 3.47 The service progressed well with its organisational design transformation, with a focus on delivering capability, accountability, project management and growth. The period through to December 2020 saw a drive in recruiting a strong and capable operational and business management senior team, as well as critical support functions to augment the existing skills and capabilities in the team.
- 3.48 The Local Implementation Plan (LIP) programme is being reinstated as a result of TfL switching back on the funding for the remaining quarter of 20/21. The programme has been developed. LBB and Re are now moving towards implementation.
- 3.49 There were significant works on the network including the cycling schemes along the A1000; however, this scheme has been subject to challenges from the community regarding implementation.
- 3.50 Re Highways also supported the latest round of DfT bids focused on cycling, schools, and community travel initiatives; the outcome of these have been part communicated with the final elements pending notification from TfL.
- 3.51 The service progressed the procurement of the replacement Highways Asset Management System, and were in contract from November 2020, with a planned phased go live on 1 April 2021.

Indicator	Polarity	19/20 EOY	20/21 Target	Q3 20/21			Q3 19/20
				Target	Result	DOT	Result
Category 1 Defects Rectification Timescales completed on time	Bigger is Better	66.6%	100%	100%	88.0% (R)	↑ I	63.3%
Category 2 Defects Rectification Timescales completed on time	Bigger is Better	61.1%	100%	100%	66.2% (R)	↑ I	51.4%
Response to complaints relating to a drainage malfunction and/or flooding event	Bigger is Better	100%	100%	100%	100% (G)	→ S	100%
Insurance Investigations completed on time (14 days)	Bigger is Better	99%	100%	100%	100% (G)	→ S	100%
Emergency Defects Rectification Timescales completed on time	Bigger is Better	100%	100%	100%	100% (G)	→ S	100%
Response in dealing with Highway Licence applications	Bigger is Better	100%	100%	100%	100% (G)	→ S	100%
Processing of Vehicle Crossover Applications - timescale for providing quotes	Bigger is Better	100%	100%	100%	100% (G)	→ S	100%
Timely construction of Vehicle Crossovers following receipt of payment	Bigger is Better	100%	100%	100%	100% (G)	→ S	100%
Timely response to Permit requests (LoPS)	Bigger is Better	100%	100%	100%	100% (G)	→ S	100%
Appropriate conditions attached to Permits (LoPS)-	Bigger is Better	100%	100%	100%	100% (G)	→ S	100%
Appropriateness of approved and rejected extension requests (Permit Extension Requests, LoPS)	Bigger is Better	100%	100%	100%	100% (G)	→ S	100%
Level of Withdrawn Defects. Levels of passed and failed Highways works inspections	Smaller is better	0%	15%	15%	0% (G)	→ S	0%
Activity in relation to dealing with Section 50 (S50) Requests (TMA)	Bigger is Better	100%	100%	100%	100% (G)	→ S	100%
Section 74 (S74) compliance and sanctions correctly imposed for failures (NRSWA)	Bigger is Better	100%	100%	100%	100% (G)	→ S	100%
Interventions (from DfT or similar agencies) regarding Traffic Manager Duties (TMA)	Smaller is better	0	0	0	0 (G)	→ S	0

Indicator	Polarity	19/20 EOY	20/21 Target	Q3 20/21			Q3 19/20
				Target	Result	DOT	Result
Processing of Vehicle Crossover Appeals	Smaller is better	No Activity	100%	100%	No Activity <sup>12</sup>	Not Comparable	No Activity <sup>13</sup>

## 4. THE BARNET GROUP

4.1 The Barnet Group section of this report is based on the Barnet Homes annual delivery plan. The delivery plan has three priorities delivering 10 KPIs.

### Ensuring decent quality housing that buyers and renters can afford, prioritising Barnet residents

4.2 There are three KPIs for quality housing. Two KPIs did not achieve the Q3 targets.

- **Affordable housing delivered on council owned land (RAG rated AMBER–99 against a Q3 target of 107).** The building completions were delayed by three months due to the Covid-19 pandemic. There is no catch-up mitigation in place. It is estimated completions will be around 141 this financial year, despite the continued impact of Covid-19 restrictions on site productivity.
- **Number of homes purchased for use as affordable accommodation (RAG rated RED) – 27 against a Q3 target of 75.** Covid-19 continued to impact on the purchasing process, which saw a revised forecast of 75 purchases from 125 for the year.

Indicator	Polarity	19/20 EOY	20/21 Target	Q3 20/21			Q3 19/20
				Target	Result	DOT	Result
Affordable housing delivered on council owned land (q)	Bigger is Better	15	144	107	99 (A)	↑ I	23
Number of homes purchased for use as affordable accommodation (q)	Bigger is Better	15	125	75	27 (R)	↑ I	0
Increase the supply and range of housing available for care leavers for those ready to move into independent living (q)	Bigger is Better	128	48	36	36 (G)	↓ W	40

### Safe and secure homes

4.3 There are two KPIs for Safe and Secure homes. One KPI achieved the Q3 target and one KPI did not achieve the Q3 target.

- **Scheduled fire risk assessment completed (Council housing on time) (RAG rated Amber) – 91% against a Q3 target of 100%.** As the KPI is reported on a

<sup>12</sup> There were no vehicle crossover appeals in Q3 20/21.

<sup>13</sup> There were no vehicle crossover appeals in Q3 19/20.

cumulative basis, it will not meet the annual target. This was due to Service Provider Assessors needing to self-isolate in September 2020. All Fire Risk Assessments were completed in Q3.

Indicator	Polarity	19/20 EOY	20/21 Target	Q3 20/21			Q3 19/20
				Target	Result	DOT	Result
% of scheduled fire risk assessment completed (c)	Bigger is Better	98.5%	100%	100%	91% <sup>14</sup> (A)	↓W	94.8% <sup>15</sup>
Percentage of priority 0 and 1 fire safety actions completed on time (c)	Bigger is Better	76.4%	90%	90%	99.8% <sup>16</sup> (G)	↑I	74.5% <sup>17</sup>

## Tackling and preventing homelessness and rough sleeping

4.4 There are five Homelessness KPIs. Two KPIs achieved the Q3 targets, one KPI is a Monitor Only and two KPIs did not achieve the Q3 targets.

- **Number of homelessness preventions (RAG rated AMBER) – 928 against a Q3 target of 937.** There was improved performance in Q3 compared to previous quarters despite ongoing challenges during the Covid-19 pandemic. Private Rent Sector (PRS) acquisitions by Let2Barnet will continue to be utilised.
- **Overall number of households in Temporary Accommodation (TA) (RAG rated RED) – 2499 against a Q3 target of 2300.** There was a reduction of households in TA in Q3 (2,499 from 2,561 in Q2) despite sustained demand. The ability to meet this target will remain a challenge through the pandemic. This continues to affect demand and the ability to deploy some of the previous effective mitigations, including occupancy checks and cancellations for clients issued with negative decisions on their applications.

Indicator	Polarity	19/20 EOY	20/21 Target	Q3 20/21			Q3 19/20
				Target	Result	DOT	Result
Rough sleeper counts every other month (s)	Smaller is Better	24	20	20	7 (G)	↑I	24
Households placed directly into the private sector by Barnet Homes	Bigger is Better	674	610	457	495 (G)	↓W	509
Families with Children in Temporary Accommodation (q)	Smaller is Better	60%	Monitor	Monitor	53.2%	↑I	58.6%
Number of Homelessness Preventions(q)	Bigger is Better	1221	1250	937	928 (A)	↓W	935

<sup>14</sup> There was a change in methodology in 20/21. The result is now reported on a cumulative basis. Previously it was reported on a quarterly basis.

<sup>15</sup> This is a cumulative figure for Q1 to Q3 19/20.

<sup>16</sup> There was a change in methodology in 20/21. The result is now reported on a quarterly basis. Previously it was reported on a quarterly basis.

<sup>17</sup> This is a cumulative figure for Q1 to Q3 19/20.



Indicator	Polarity	19/20 EOY	20/21 Target	Q3 20/21			Q3 19/20
				Target	Result	DOT	Result
Numbers of households in Temporary Accommodation	Smaller is Better	2467	2250	2300	2499 (A)	↓ W	2466

## 5. LEGAL SERVICES

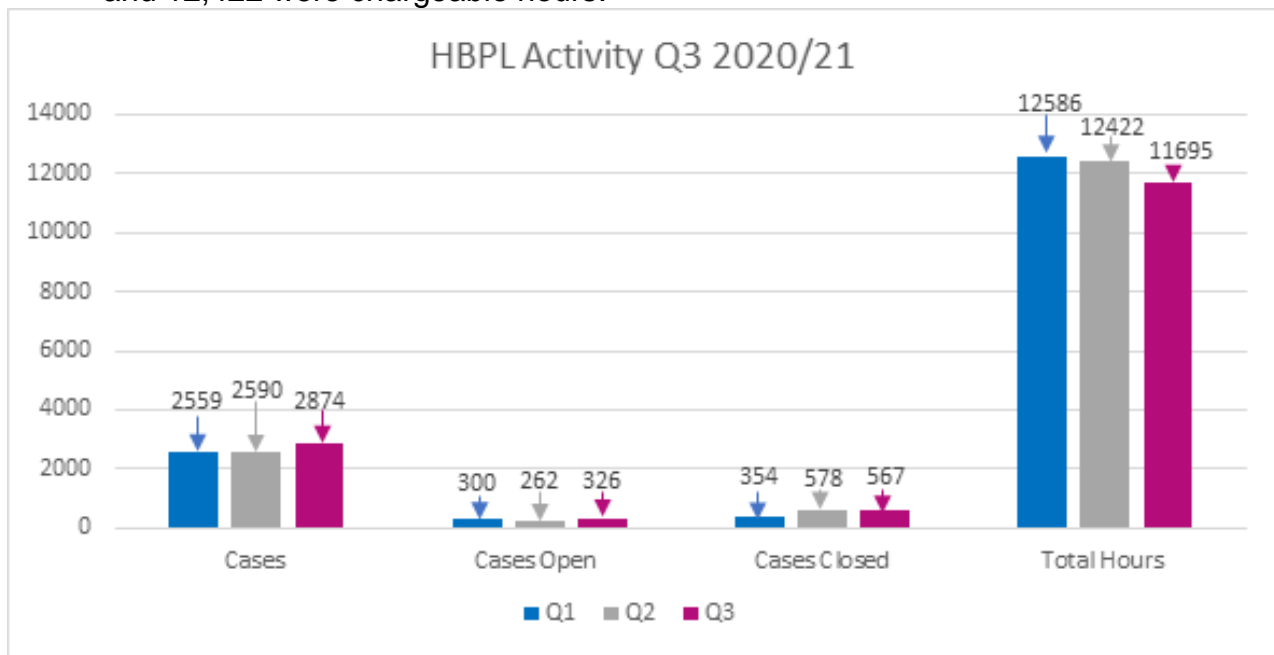
- 5.1 Like many support service areas, shared Legal Service staff moved to mainly working from home from March 2020. This meant adopting new ways of working, including utilising a remotely accessible case management system to ensure that a consistent service continued to be provided.
- 5.2 This also included supporting a shift to remote-based court hearings, whilst maintaining a high level of in-house advocacy provision. For family court hearings, lawyers attended court liaison meetings with Heads of Service to enable the council to be fully up to speed with changes and the new demands resulting from remote hearings. Delays were minimised for children who were within court proceedings by way of regular updates and ongoing liaison with the allocated judge for the council. For Civil litigation the stay on bringing possession claims was lifted in September 2020 but there is a backlog of cases. Evictions were paused during the national lockdown and over Christmas, with some exceptions such as anti-social behaviour. This led to a reduction in these cases, albeit this is likely to be temporary in nature. The service continued to advise on other housing cases, including anti-social behaviour and injunctions. The service also provided advice remotely to licensing panels and supported the move to planning committees A, B and C. The service continued to deal with Court of Protection applications by way of remote hearings.
- 5.3 The criminal courts restricted their very limited court capacity to health protection cases and custody cases, meaning that a number of existing cases were subject to adjournments. There was increased focus on supporting the council with its new enforcement functions resulting from new regulations made in response to the Covid-19 pandemic. Employment tribunal and SEND tribunal cases continued mainly with remote hearings and lawyers continue to work on these cases.
- 5.4 Covid-19 and the associated restrictions had a significant impact on many of the council's contractual arrangements. The shared Legal Service advised the council on the application of contractual relief provisions and in negotiations with suppliers regarding temporary abatements of service. Throughout recent months HBPL also supported the council with implementing the provisions of the Coronavirus Act 2020 across a number of business areas, including the introduction of virtual meetings and changes to governance arrangements. The service supported officers with advising on current and ever changing Covid-19 restrictions and its enforcement powers including giving out of hours of advice to support the front line Covid-19 enforcement efforts of the council at the point that advice was needed.
- 5.5 The service reviewed and updated the client liaison arrangements with Family Services, SEN teams and Re (Capita Services) to ensure efficient and cost-effective legal support, including identifying trends and future training requirements. The following training has been provided since October 2020:

- Property Licences, Leases, Tenancies at Will Training
- Gambling Act 2005 - Training
- Section 17/20 Training - LA duties to children in need
- Training- General Prosecution Training

## Cases Hours and Disbursement<sup>18</sup> Data

### Activity by Cases

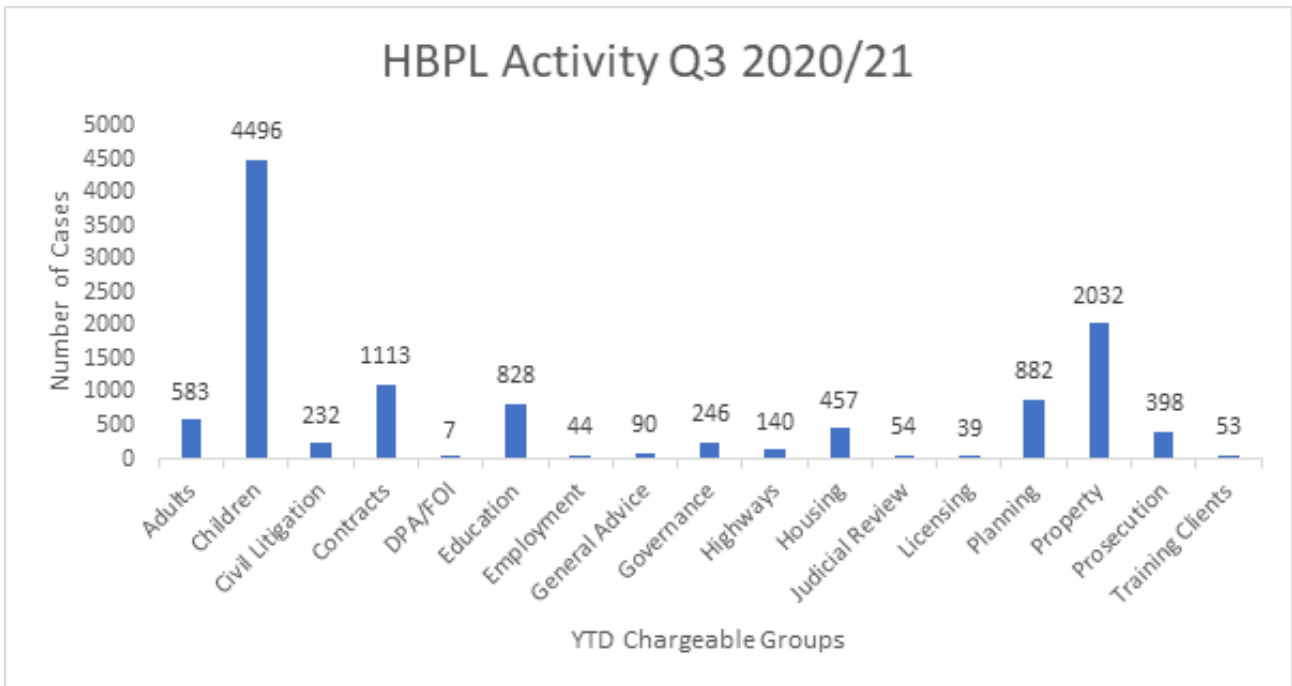
5.6 In Q3, Legal Services worked on 2,874 cases, 326 new opened cases, 567 cases were closed and there were 11,695 chargeable hours. This compares with Q2 where Legal Services worked on 2,590 cases, 262 new opened cases, 578 cases closed and 12,422 were chargeable hours.



### Chargeable hours Recorded by Work Group

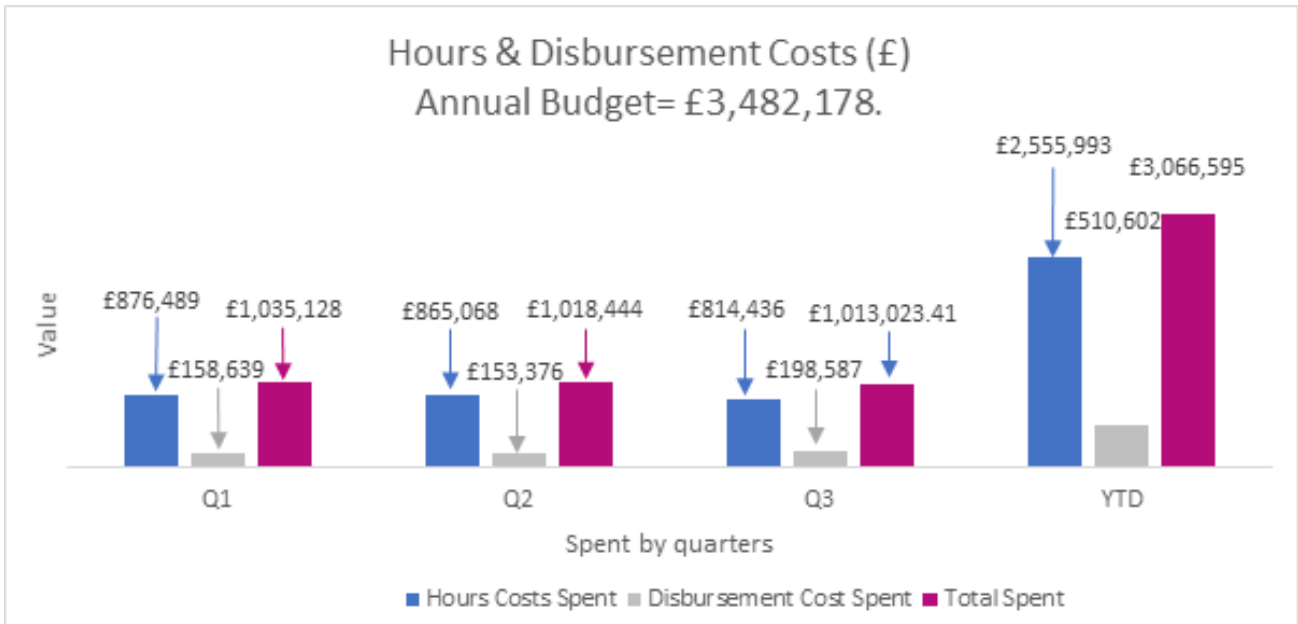
5.7 Children's services continued to have the highest number of chargeable hours at 4,496 costing £313,101. Property services are the second highest area with 2,032 hours totalling £141,508.

<sup>18</sup> Disbursement costs include barristers' time as well as postage, telephone, travel and other charges.



### Total hours and disbursements

5.8 In Q3, there were 11,695 chargeable hours at a cost of £814,439 and £198,587 disbursement costs totalling a Q3 spend of £1,013,026. There was an overall decrease of 0.13% compared to Q2.



5.9 The Legal Services budget has been devolved to services/directorates. Monthly budget monitoring is undertaken by services to ensure that any overspend on legal costs are contained within the overall budget for the service/directorate.

5.10 Legal spend in Q1 was £876,477 in hours and £158,639 in disbursements totalling £1,035,116, which represents 25.72% of the total budget (£4,023,460). Legal spend

in Q2 was £865,068 in hours and £153,375 in disbursements totalling £1,018,444 which represents 25.31% of the total budget. The cumulative spend at the end of Q2 was 58.97% of the budget. Legal spend in Q3 was £814,439 in hours and £198,587 in disbursements, totalling £1,013,026, which represents 25.17% of the total budget. The cumulative spend at the end of Q3 is £3,066,595, this represents at 88.07% of the total budget.

## **6. REASONS FOR RECOMMENDATIONS**

6.1 This report provides an overview of the council's contracted services for Quarter 3 (Q3) 2020/21. The report covers delivery from the Customer and Support Group (CSG) (Capita), Regional Enterprise (Re) (Capita) and the Barnet Group (TBG) and HB Public Law (HBPL).

## **7. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

7.1 None.

## **8. POST DECISION IMPLEMENTATION**

8.1 None.

## **9. IMPLICATIONS OF DECISION**

### **10. Corporate Performance**

10.1 Performance monitoring is essential to ensure that there are adequate and appropriately directed resources to support delivery and achievement of corporate priorities as set out in the Corporate Plan (Barnet 2024) and our strategic contracts.

10.2 Relevant council strategies and policies include the following:

- Medium Term Financial Strategy
- Corporate Plan (Barnet 2024)
- Performance and Risk Management Frameworks.

### **11. Resources (Finance and Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

11.1 Budgetary information is part of the Chief Finance Officer report.

### **12. Social Value**

12.1 The Public Services (Social Value) Act 2012 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. As set out in the council's Contract Procedure Rules, commissioners should use the Procurement Toolkit, which includes Social Value guidance. The Contract Management Toolkit should also be used to help ensure that contracts deliver the expected services to the expected quality for the agreed cost. Requirements for a

contractor to deliver activities in line with Social Value will be monitored through the contract management process.

### **13. Legal and Constitutional References**

13.1 Section 151 of the Local Government Act 1972 states that: “without prejudice to section 111, every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs”. Section 111 of the Local Government Act 1972 relates to the subsidiary powers of local authorities to take actions which are calculated to facilitate, or are conducive or incidental to, the discharge of any of their functions.

13.2 Section 28 of the Local Government Act 2003 (the Act) imposes a statutory duty on a billing or major precepting authority to monitor, during the financial year, its income and expenditure against the budget calculations. If the monitoring establishes that the budgetary situation has deteriorated, the authority must take such action as it considers necessary to deal with the situation. Definition as to whether there is deterioration in an authority’s financial position is set out in sub-section 28(4) of the Act.

13.3 The council’s Constitution, Article 7 Committees, Forums, Working Groups and Partnerships, sets out the functions of the Financial Performance and Contracts Committee as being Responsible for the oversight and scrutiny of:

- The overall financial performance of the council
- The performance of services other than those which are the responsibility of the: Adults and Safeguarding Committee; Children, Education and Safeguarding Committee; Community Leadership and Libraries Committee; Environment Committee; and Housing and Growth Committee.
- The council’s major strategic contracts including (but not limited to):
  - Analysis of performance
  - Contract variations
  - Undertaking deep dives to review specific issues
  - Monitoring the trading position and financial stability of external providers
  - Making recommendations to the Policy and Resources Committee and/or theme committees on issues arising from the scrutiny of external providers
- At the request of the Policy and Resources Committee and/or theme committees consider matters relating to contract or supplier performance and other issues and making recommendations to the referring committee
- To consider any decisions of the West London Economic Prosperity Board which have been called in, in accordance with this Article.

13.4 The council’s Financial Regulations can be found at:  
<https://barnet.moderngov.co.uk/documents/s47388/17FinancialRegulations.doc.pdf>

### **14. Risk Management**

14.1 The council has an established approach to risk management, which is set out in the Risk Management Framework. Risks are reviewed quarterly (as a minimum) and any high (15 to 25) level risks are reported to Policy and Resources Committee.

## **15. Equalities and Diversity**

15.1 The Equality Act 2010 requires organisations exercising public functions to demonstrate that due regard has been paid to equalities in:

- Elimination of unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010.
- Advancement of equality of opportunity between people from different groups.
- Fostering of good relations between people from different groups.

15.2 The Equality Act 2010 identifies the following protected characteristics: age; disability; gender reassignment; marriage and civil partnership, pregnancy, and maternity; race; religion or belief; sex and sexual orientation; marriage and civil partnership.

15.3 In order to assist in meeting the duty the council will:

- Try to understand the diversity of our customers to improve our services.
- Consider the impact of our decisions on different groups to ensure they are fair.
- Mainstream equalities into business and financial planning and integrating equalities into everything we do.
- Learn more about Barnet's diverse communities by engaging with them.

This is also what we expect of our partners.

15.4 This is set out in the council's Equalities Policy, which can be found on the website at:<https://www.barnet.gov.uk/your-council/policies-plans-and-performance/equality-and-diversity>

## **16. Corporate Parenting**

16.1 In line with Children and Social Work Act 2017, the council has a duty to consider Corporate Parenting Principles in decision-making across the council. There are no implications for Corporate Parenting in relation to this report.

## **17. Consultation and Engagement**


17.1 Obtaining customer feedback is part of the contract management process to inform service delivery, service development and service improvement.

## **18. Insight**

18.1 The report identifies performance information in relation to the council's contracted services for Quarter 2 (Q2) 2020/21. The report covers delivery from the Customer and Support Group (CSG) (Capita), Regional Enterprise (RE) (Capita), and HB Public Law.

## **19. BACKGROUND PAPERS**

19.1 None.

	<b>Financial Performance and Contracts Committee</b>  <b>17 March 2021</b>
<b>Title</b>	<b>Capital Projects</b>
<b>Report of</b>	Assistant Director, Capital Delivery
<b>Wards</b>	All
<b>Status</b>	Public
<b>Urgent</b>	No
<b>Key</b>	No
<b>Enclosures</b>	None
<b>Officer Contact Details</b>	Matthew Waters, Assistant Director Capital Delivery <a href="mailto:Matthew.waters@barnet.gov.uk">Matthew.waters@barnet.gov.uk</a>

### Summary

The Council has a broad Capital Programme which ranges across relatively small-scale initiatives to significant infrastructure projects and programmes.

The Council's approach to delivery of Capital projects aims to be proportionate to the scale and complexity of the individual schemes.

Generally, smaller schemes that do not involve a form of construction are governed separately directly within services. Those projects of a more significant value follow the Council's Project and Programme Management Methodology and are grouped by portfolio. The Brent Cross Programme, Housing and Highways are the exception to this approach as they are governed and reported separately.

This report outlines the status of project delivery across the Capital Portfolios and aims to provide visibility of the live projects between delivery and closure stages. The report is intended to identify projects where there has been a variance to the full business case in terms

of time cost and quality with a view to providing assurance on lessons learned for continued improvement in the performance of the Council's Capital Project Delivery.

It is intended that this report becomes a regular item on the Financial Performance and Contracts Committee agenda. This is the first report of this type. Therefore, it is expected that the content and format will develop through future versions.

Since the impact of Covid-19 a key focus on delivery has been to insulate the Council as far as possible from financial pressure in relation to live projects. This means that projects currently in delivery stages remain viable and deliverable within the currently allocated budgets. In this respect the impact from each wave of Covid-19 has been largely mitigated although the sensitivity within project contingency allowances has increased.

The most significant impact from Covid-19 on the Delivery of the Capital Programme has related to projects that are currently sitting in early stages and are therefore not yet established. This has delayed the initiation of future projects due to the need to reprioritise resource during the lockdown period, the need to focus on mitigating impact on live projects and the need to reassess assumptions within business cases.

Overall the Capital Delivery Programme remains on track to deliver live schemes within the defined time, cost and quality envelopes. However, it should be noted that Covid-19 has introduced new risk within both current and prospective projects within the programme. The council is working to improve its approach to the tracking of change to project cost and benefits profiles from business case stage. This report starts to provide transparency into some of the changes to progress and identifies opportunities to feed back on lessons learned and new approaches to keep benefits more aligned to the original plan.

## **Officers Recommendations**

**The Committee is asked to note the content of this report updating on the current status of the Council's Capital Projects**



## 1 PURPOSE OF REPORT

- 1.1 The Council has a broad Capital Programme which ranges across relatively small-scale initiatives to significant infrastructure projects and programmes.
- 1.2 The Council's approach to delivery of Capital projects aims to be proportionate to the scale and complexity of the individual schemes.
- 1.3 Generally, smaller schemes that typically do not involve a form of construction are reviewed by officers separately directly within services. Those projects of a more significant value follow the Councils Project and Programme Management Methodology and are grouped by portfolio. Highways and Housing and the Brent Cross Programme are the exception to this approach as they are governed and reported separately.
- 1.4 This report outlines the status of project delivery across the Capital Portfolios.
- 1.5 The value of the Capital Programme approved by Full Council on 02 March 2021 is £1,239,510,000. This figure represents projected future spend within the programme and comprises a mixture of capital budgets, some covered by this paper and some covered by the separate papers for programmes such as Housing, Highways, and the Brent Cross Programme. A large proportion relates to Housing, Highways and the Brent Cross programmes.
- 1.6 Many projects within the programme started in previous years. Therefore, the total value of individual schemes may be higher than the values contained within the approved 2021-2025 budget as this money was spent in previous years.
- 1.7 The table below sets out the breakdown of the published capital programme to show the proportion of the budget that relates to Capital Project Delivery.

<b>Budget Type</b>	<b>Total</b>
Asset Management	6,394,000
Brent Cross	383,749,000
Capital Delivery	101,214,000
Highways	75,762,000
Housing	597,811,000
ICT	3,741,000
Other - Funds, Loans, Opportunities	70,838,000
<b>Grand Total</b>	<b>1,239,509,000</b>

- 1.8 The Council splits the delivery of the Capital Programme into 6 Portfolios each internally reviewed by a officer Portfolio or Programme Board. There are 3 large infrastructure programmes that are run separately.

- 1.9 The following Programmes and Portfolios are within the scope of this report
- Greenspaces, Parks and Leisure Capital
  - Education and Families Capital
  - Depot Programme
  - Hendon Hub Programme
  - Town Centres Capital
  - Property and Operations Portfolio
- 1.10 The following Programmes and Portfolios are out of scope of this report as they are reported separately.
- Brent Cross
  - Highways Programme
  - Housing
- 1.11 The total value of all live projects within the scope of the Capital Project Delivery Portfolio is £187,036,610. The portfolio typically consists of buildings (excluding housing) such as schools, leisure centres, community centres parks and open spaces as well as corporate projects such as office accommodation and operations bases. This figure includes all costs to date from previous years and the projected costs to complete the projects. The figure also includes projects that have not yet reached full business case stage.
- 1.12 The remaining allocated budget for capital delivery projects is £101,214,000. There are projects within the programme that are well underway. Therefore, this figure only represents a proportion of the total value of the Capital Delivery programme. This is because a large volume of schemes are now approaching project closure with the majority of costs already incurred. The value is expected to grow in future periods as projects delayed due to the pandemic reach business case stage and particularly through the identification of new schemes required through the development of the Council's Infrastructure Delivery Plan.
- 1.13 The table below provides a breakdown of the total value by portfolio and captures variance from the previous reporting period. As this is the first report, of this type the reporting on variance is limited. As the programme expands and as time progresses this table should provide a greater level of measurement, insight and assurance into the status of the projects. The table covers projects that are post Full Business Case and/or have started on site works and remain live. There is a 9% total variance between current estimates and estimates made at Full Business Case stage, the variance is mainly attributed to the Leisure Centre Projects and Blessed Dominic & St James School Project. These are discussed later in this report.

Portfolio	Total Remaining Budget	Estimated Total Project Cost	Estimated Project Cost at Full Business Case Stage	% Variance (Current Estimate vs FBC Estimate)
Education & Families Capital Programme	31,177,000	66,016,492	62,520,903	6%
Greenspaces & Leisure Capital Portfolio	4,314,000	44,413,000	38,898,252	14%
<b>Grand Total</b>	<b>35,491,000</b>	<b>110,429,492</b>	<b>101,419,155</b>	<b>9%</b>

1.14 The table below sets out the overall status and direction of travel of the in-scope projects from a time, cost quality perspective.

Category	Direction of Travel	Comment	RAG
Time	→	Programme broadly on schedule.  Covid-19 introducing new risk to project timescales due to availability of materials and contractors considering impact should second wave occur.	Amber
Cost	→	Majority of live schemes remain containable within allocated budgets.  The impact of Covid19 has largely been contained within the programme although there are some examples which have placed the budget under pressure.  Covid-19 may impact the affordability of future schemes	Green
Quality	→	Urgent plant replacement has been needed at some schools earlier than expected  The Council is withholding retention payments on projects that have defects outstanding until resolution.  Covid19 has complicated the ability to register defects as in some cases restrictions have prevented the usual maintenance regimes at buildings	Amber
H&S	→	Access to sites have been restricted, H&S visits are continuing	Amber
Benefits	→	All projects in contract are on track to deliver expected benefits	Green

1.15 The section below outlines the highlights of each in scope portfolio or programme

### 1.16 Depot Programme

1.17 The Depot Programme aims to reduce the property related costs associated with running the Streetscene services. The programme is reviewing the various leasehold arrangements currently in place and is investigating opportunities to make improvements to the current use of the sites.

1.18 The project is in the assessment phase and yet to complete a full business case.

### 1.19 Education and Families Capital Programme

1.20 The Education and Families Capital Programme delivers projects relating to Children, Schools and Education. Initiatives include;

- Modernisation programme which will oversee improvements to school infrastructure;

- Additional Places programme for Primary & Secondary Schools which has been able to re-provide 60 places at a primary school level and to create an additional 60 new places at a secondary school and facilitated the building of the new 6 form entry Saracens High School
- Special Educational Need (SEN) Schemes has enabled an additional 34 SEN places to be created at 3 schools and 1 Pupil Referral Unit,
- The creation of new nursery places and a new children's home.

1.21 The table below sets out the projects that are post Full Business Case stage or that have started on site that remain live.

Project Name	Total Remaining Budget	Estimated Total Project Cost	Estimated Project Cost at Full Business Case Stage	% Variance (Current Estimate vs FBC Estimate)
	<b>31,177,000</b>	<b>66,016,492</b>	<b>62,520,903</b>	<b>6%</b>
Blessed Dominic St James Schools	526,000	29,688,916	25,999,136	14%
Claremont SEN Unit (portacabins)	60,000	60,160	60,160	0%
Modernisation Programme FY20/21	5,817,000	5,817,000	5,817,000	0%
PRU Pavilion Study Centre ('Alternative Provision')	19,200,000	21,637,811	21,867,996	-1%
Saracens Primary	2,205,000	2,240,000	2,230,243	0%
St Agnes Primary School Classroom Extension	545,000	901,628	879,000	3%
Whitefield's School ASD Unit	138,000	1,930,000	1,930,000	0%
Woodside Avenue Children's Care Home	2,686,000	3,740,977	3,737,368	0%

1.22 Within this portfolio the Blessed Dominic St James' scheme required a significant budget increase due to the discovery of underground contamination. At full business case stage the risk was identified and an allowance was made within the overall programme risk register. Once the full extent to the contamination was known, the appropriate budget was moved from programme risk into the project budget. When assessing below ground risk, the project teams calculate a figure for assumed worst case and a weighted figure which makes an assumption to the likelihood and extent of a risk occurring. In most cases sites that carry significant risk will be reconsidered through project gateways and alternative sites investigated where possible. In this case, the funding and opportunity was targeted to a specific set of schools and locations. The project enabled the future needs for pupil places within the Colindale area to be met through the expansion of two schools and also vacated a site to enable the development of a new school in the area funded by third parties rather than use of Council resources.

### 1.23 Town Centres Capital

1.24 There are no significantly sized projects within the programme that are past Full Business Case Stage. Workstream now progressing to define whole Town Centre Capital work including opportunities for acceleration as well as establishing the plan and spend profile for the longer-term initiatives.

### 1.25 Greenspaces, Parks and Leisure

- 1.26 The programme covers the capital projects that cover the investment in the Borough's Greenspaces, Parks and Leisure. Key elements of the programme include
- The delivery of the Council's Parks and Open Spaces Strategy, which has been developed to guide future investment in parks, ensuring that they are practical and are part of the well-used fabric of the local community.
  - Provision of modern facilities and enhanced outdoor space, contribution to council's strategic commitments to provide additional sports and playing pitches with increased usage by residents and users.
  - The creation of two new leisure centres at Barnet Copthall and Victoria Park in New Barnet.
  - The investment in the Council's Cemetery and Crematory infrastructure
- 1.27 The programme is reporting Green overall with no major issues or Covid impacts being reported. Most major projects in concept phase (have been added to Infrastructure Delivery Plan).
- 1.28 The table below sets out the projects that are post Full Business Case stage or that have started on site that remain live.

Project Name	Total Remaining Budget	Estimated Total Project Cost	Sum of Estimated Project Cost at Full Business Case Stage	Sum of % Variance (Current Estimate vs FBC Estimate)
	<b>4,314,000</b>	<b>44,413,000</b>	<b>38,898,252</b>	<b>14%</b>
Gaelic Football Pitch	530,000	700,000	700,000	0%
Hendon Cem and Crem (Refurbish and Regenerate)	1,314,000	1,622,000	1,622,000	0%
SPA – Leisure Centre Builds	2,090,000	41,468,000	35,953,252	15%
Victoria Park Infrastructure: Tennis Courts Improvements	380,000	623,000	623,000	0%

- 1.29 Most projects are reporting delivery in line with the original budget and benefit assumptions expected at Full Business Case stage. The Delivery of the Leisure Centres has been reported separately to FPC Committee in October 2020. Both leisure Centre projects remain live while defects remain to be closed out with the contractor. Due to the Leisure Centres being closed recently as a result of the pandemic, the closure of defects items has been challenging. The Council is currently withholding final retention payments from the contractor until defects issues have reached a satisfactory conclusion.
- 1.30 **Property and Operations Portfolio**
- 2.1 The programme is overall green with in flight projects are delivering to plan. The programme is currently in a definition phase.

### Impact of Covid-19

- 2.2 Since the impact of Covid-19 a key focus on delivery has been to insulate the Council as far as possible from financial pressure in relation to live projects. This means that projects currently in delivery stages remain viable and deliverable within the currently allocated budgets. In this respect the impact from the initial wave of Covid-19 has been largely mitigated although the sensitivity within project contingency allowances has increased.
- 2.3 The most significant impact from Covid-19 on the Delivery of the Capital Programme has related to projects that are currently sitting in early stages and are therefore not yet established. This has delayed the initiation of future projects due to the need to reprioritise resource during the lockdown period, the need to focus on mitigating impact on live projects and the need to reassess assumptions within business cases.
- 2.4 Overall the Capital Delivery Programme remains on track to deliver live schemes within the defined time, cost quality envelopes. However, it should be noted that Covid-19 has introduced new risk within both current and prospective projects within the programme.

## **2 REASONS FOR RECOMMENDATIONS**

2.5 This report provides an overview of the current position in the delivery of projects within the Council's Capital Programme.

2.6 The Committee is asked to note the contents of the report.

## **3 ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

3.1 N/A

## **4 POST DECISION IMPLEMENTATION**

4.1 N/A

## **5 IMPLICATIONS OF DECISION**

### **5.1 Corporate Priorities and Performance**

5.1.1 Robust budget, performance and risk monitoring are essential to ensure that there are adequate and appropriately directed resources to support delivery and achievement of corporate and committee priorities as set out in the Corporate Plan (Barnet 2024) and Annual Delivery Plans.

5.1.2 Relevant council strategies and policies include the following:

- Medium Term Financial Strategy
- Corporate Plan (Barnet 2021-2025)
- Performance and Risk Management Frameworks.

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

5.2.1 None

### **5.3 Social Value**

5.3.1 The Public Services (Social Value) Act 2012 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. As set out in the council's Contract Procedure Rules, commissioners should use the Procurement Toolkit, which includes Social Value guidance. The Contract Management Toolkit should also be used to help ensure that contracts deliver the expected services to the expected quality for the agreed cost. Requirements for a contractor to deliver activities in line with Social Value will be monitored through the contract management process.

### **5.4 Legal and Constitutional References**

5.4.1 Section 151 of the Local Government Act 1972 states that: "without prejudice to section 111, every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs". Section 111 of the Local Government Act 1972 relates to the subsidiary powers of local authorities to take actions which are calculated to facilitate, or are conducive or incidental to, the discharge of any of their functions.

5.4.2 The council's Constitution, Article 7 Committees, Forums, Working Groups and Partnerships, sets out the functions of the Financial Performance and Contracts Committee as being Responsible for the oversight and scrutiny of:

- The overall financial performance of the council
- The performance of services other than those which are the responsibility of the: Adults and Safeguarding Committee; Children, Education and Safeguarding Committee; Community Leadership and Libraries Committee; Environment Committee; and Housing and Growth Committee.
- The council's major strategic contracts including (but not limited to):
  - Analysis of performance
  - Contract variations
  - Undertaking deep dives to review specific issues
  - Monitoring the trading position and financial stability of external providers
  - Making recommendations to the Policy and Resources Committee and/or theme committees on issues arising from the scrutiny of external providers
- At the request of the Policy and Resources Committee and/or theme committees consider matters relating to contract or supplier performance and other issues and making recommendations to the referring committee
- To consider any decisions of the West London Economic Prosperity Board which have been called in, in accordance with this Article.

5.4.3 The council's Financial Regulations can be found at:

<https://barnet.moderngov.co.uk/documents/s47388/17FinancialRegulations.doc.pdf>

### **5.5 Risk Management**

5.5.1 Throughout the life of each project, emerging risks are recorded and managed in line with the Council's risk management methodology and project management methodology.

## **5.6 Equalities and Diversity**

5.6.1 The Equality Act 2010 requires organisations exercising public functions to demonstrate that due regard has been paid to equalities in:

- Elimination of unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010.
- Advancement of equality of opportunity between people from different groups.
- Fostering of good relations between people from different groups.

5.6.2 The Equality Act 2010 identifies the following protected characteristics: age; disability; gender reassignment; marriage and civil partnership, pregnancy and maternity; race; religion or belief; sex and sexual orientation; marriage and civil partnership.

5.6.3 In order to assist in meeting the duty the council will:

- Try to understand the diversity of our customers to improve our services.
- Consider the impact of our decisions on different groups to ensure they are fair.
- Mainstream equalities into business and financial planning and integrating equalities into everything we do.
- Learn more about Barnet's diverse communities by engaging with them.

This is also what we expect of our partners.

5.6.4 This is set out in the council's Equalities Policy, which can be found on the website at: <https://www.barnet.gov.uk/your-council/policies-plans-and-performance/equality-and-diversity>

5.6.5 The Council has had regard to the Equalities Act 2010 and has taken account of any relevant matters in the making of its decisions in respect of the relocation and options presented for the Depot.

## **5.7 Corporate Parenting**

5.7.1 In line with Children and Social Work Act 2017, the council has a duty to consider Corporate Parenting Principles in decision-making across the council. There are no implications for Corporate Parenting in relation to this report.

## **5.8 Consultation and Engagement**

5.8.1 Obtaining customer feedback is part of the contract management process to inform service delivery, service development and service improvement.

5.8.2 The nature of Capital delivery projects mean that the large majority of projects require consultation and engagement as part of the design process. Consultation and engagement forms part of the project planning process for capital delivery schemes. Projects hold gateway reviews at key points of the project's lifecycle to ensure that the planned process has been followed and to check the plan for future phases. Consultation and Engagement is a core component of the Gateway Review process.



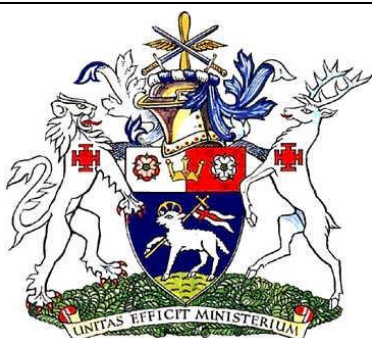
## **5.9 Insight**

5.9.1 The recommendation of future schemes within the Capital Programme will be informed through insight.

## **6 BACKGROUND PAPERS**

6.1 None

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**Financial Performance and Contracts Committee**

**17 March 2021**

<b>Title</b>	<b>Year 6/7 Review of Capita Contracts</b>
<b>Report of</b>	Chief Executive
<b>Wards</b>	All
<b>Status</b>	Public, with exception of Appendix A, which is exempt by virtue of paragraph 3 of Schedule 12A Local Government Act 1972, because it contains information relating to the financial and business affairs of the council and Capita
<b>Urgent</b>	No
<b>Key</b>	No
<b>Enclosures</b>	Appendix A – Potential Categorisation of Services with Commercial Considerations (Exempt)
<b>Officer Contact Details</b>	<p>John Hooton – Chief Executive  <a href="mailto:john.hooton@barnet.gov.uk">john.hooton@barnet.gov.uk</a> 020 8359 2460</p> <p>Deborah Hinde – Director, Commercial and Customer Services  <a href="mailto:deborah.hinde@barnet.gov.uk">deborah.hinde@barnet.gov.uk</a> 020 8359 2461</p>

<b>Summary</b>
<p>The purpose of this report is to provide an update on the Year 6/7 Review of Capita contracts.</p> <p>The report outlines the challenges and delays to the Review process and timelines that have occurred (and continue to occur) as a result of the Covid-19 pandemic and recommends a revised approach to conducting the Review, which involves carrying out a limited review to identify, in principle, those services that should be extended for a period of time and those services that should be re-procured or brought in-house at the end of the original term.</p>

## Officer Recommendations

### That the Financial Performance and Contracts Committee:

- a) Notes the challenges and delays to the Review process;
- b) Agrees the revised approach, as set out in paragraph 2.6 of the report;
- c) Agrees that an informal cross-party working group may act as a sounding board for the development of proposals;
- d) Notes the content of exempt Appendix A; and
- e) Notes that a further report recommending the future direction for each service will be brought to this Committee in June 2021.

## 1 WHY THIS REPORT IS NEEDED

1.1 At its meeting on 29<sup>th</sup> January 2020, the Financial Performance and Contracts Committee agreed terms of reference for the Year 6/7 Review of Capita contracts. Those terms of reference set out a comprehensive approach, which would take approximately 12 months to complete. Through that process, we would seek to:

1. Establish the council's long-term vision for service provision and the consequent requirements for each service;
2. Understand the current performance of each service, including special projects, in terms of service quality and value for money; and
3. Develop the future delivery strategy for each service, pre- and post-2023.

Thereby answering two key questions:

1. What needs to change between now and the end of the contracts; and
2. What should happen to these services after 2023?

With the overarching priority of ensuring that Barnet residents receive the best possible services that we can afford and at a competitive price.

- 1.2 As the Covid-19 pandemic started to take hold in March 2020, council officers were required to focus their attention on the council's pandemic response and maintaining essential services, so work on the Review was suspended, as noted by this Committee at its meeting on 15<sup>th</sup> June 2020.
- 1.3 At its meeting on 27<sup>th</sup> October 2020, the Committee considered a further report, which set out the ongoing challenges to the Review process that were caused by the continuing pandemic response. The report highlighted that work on the Review was re-commencing, but noted that this was against the backdrop of an approaching second wave of the pandemic. At that point, the

potential scale of the second wave and its impact on the council's priorities could not be assessed. The report advised that officers would continue to monitor the situation and that it might be necessary to review the agreed terms of reference and approach in light of the ongoing impact of the pandemic.

- 1.4 Shortly after that meeting, a second national lockdown was announced. This was in place throughout November and was followed by the re-application of a tiered system of restrictions. On 2<sup>nd</sup> December 2020, London was placed in tier 2. On 16<sup>th</sup> December 2020, it was moved into tier 3 and five days later it was moved into tier 4. A further national lockdown was implemented on 5<sup>th</sup> January 2021. At this time, there remains little capacity to engage effectively with the Review process, as it was originally envisaged in January 2020.
- 1.5 A key function of the Year 6/7 Review is to determine the council's position regarding extension of the CSG and RE contracts. The contracts are due to expire in September 2023 (CSG) and October 2023 (RE). Whilst this may seem to be some distance into the future, there are significant lead-in times required for the orderly implementation of whatever decisions are made in this respect. In particular, it should be noted that any re-procurement activity would require an 18-24 month lead-in. This suggests that any decisions that result in re-procurement would ideally be taken by about September 2021. In addition, the council is contractually obliged to give notice of its future intentions by April 2022 at the latest for the RE contract and by September 2022 for the CSG contract.
- 1.6 In respect of timescales, it is also necessary to consider the timing of any substantial decisions in relation to council elections in May 2022, the pre-election period for which will commence in mid-March 2022.
- 1.7 The Review process is also designed to identify any changes in service that are required during the later years of the contracts. The CSG and RE contracts are nearly a decade old now, so this is an important opportunity to step back and review. The model of delivery of transactional and technology enabled services has led in many instances to the provision of good services at a lower cost than was previously the case. However, the scale of transformation and change has slowed in recent years and the Review is needed to identify those services where there would be benefit from extending, if there was sufficient investment made available to continue to develop services. Any further delay in making these decisions will also delay the opportunities for investment and improvement.
- 1.8 Experience has also shown that the model of delivery for some services is too complex and the Review is needed to address this. Furthermore, it is acknowledged that, as the market for local government services has changed over the years, the scope for Capita to add further value to some services that remain based in Barnet is limited. There are also ongoing performance issues, notably in highways and estates, that may require a different approach in order to achieve further service improvement.

## **2 REASONS FOR RECOMMENDATIONS**

- 2.1 The ongoing impact of the pandemic means that a different approach to carrying out the Review is now required, in order to address the three key issues of:
1. Senior officer capacity;
  2. Timelines; and
  3. Service improvement.
- 2.2 Officers have identified four options for achieving the key objectives of the Review, as outlined in paragraph 1.1 above.
- 2.3 The first option is to wait until there is capacity to undertake the Review as set out in the terms of reference and process previously agreed. This approach is not recommended, as to carry out the full Review process would take approximately 12 months, which is not compatible with the timescale pressures outlined above. Any further delays would probably put the council into a position where it would have to extend the two contracts in their entirety for at least a year. Extension terms in such circumstances are unlikely to be favourable to the council. This approach would also further delay the opportunity to secure additional investment in the services.
- 2.4 The second option would be to allow both contracts to expire at the end of their 10-year term, with a view to either re-procuring or bringing services in-house. This approach would allow a degree of planning certainty and would allow resources to be focussed on implementing revised service delivery arrangements. However, this could prove to be a high-cost option and the logistics of dealing with services that are currently provided from elsewhere in the UK would be complex. Furthermore, such a decision would result in the service provider's focus changing to contract exit mode, which would severely limit the opportunities to drive any service improvement over the remaining term of the contract.
- 2.5 The third option would be to give notice to extend both contracts by up to the permitted five-year period. This would again provide a degree of planning certainty and would leverage additional investment and service improvement. However, an early commitment in this respect would probably reduce the council's negotiating strength overall. It could also be an outcome that is not the most appropriate for some services.
- 2.6 The fourth option is to undertake a limited review to identify, in principle, those services that should be extended for a period of time and those services that should be re-procured or brought in-house at the end of the original term. This would involve dealing with services in three categories:

1. Retained services – interim extension of two-three years for key technology-based services, where return in-house would be unlikely to be a viable option and a reasonable extension would generate additional investment. The agreement of any extension would be dependent upon robust investment and improvement proposals from the service provider;
2. Returning services – confirm contract will expire in 2023 for services where there is unlikely to be much scope for the service provider to add further significant value, the market for re-procurement is limited and the financial case can be made to return them to the council; and
3. Further review services – interim extension of one-two years for services where the case for returning, re-procuring or extending is unclear and a more detailed review is required to determine the best strategic option.

2.7 This approach would enable the workload to be spread over a longer period, to accommodate senior officer capacity issues. Following some initial work, it would provide a degree of planning certainty and would ensure that the depth of detailed review activity was commensurate to the needs of each service. It would also generate further investment in key services by the service provider. Whilst longer-term decisions would be deferred to beyond the May 2022 elections, it could potentially lead to extensions being undertaken in two phases. It could also delay the return or re-procurement of some services, for which that is ultimately decided to be the best strategic option.

2.8 This is the recommended option, as it is considered that this provides the most appropriate balance of benefits and risks. It also provides the maximum flexibility within the council's resource availability at this time of continued uncertainty.

### **3 ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

3.1 A further solution to the resourcing issues would be to bring in external consultancy support to carry out the Review. Whilst this would appear to address the capacity issue, it is considered that this is not compatible with the principle that the council's senior officers should "own" and be fully accountable for the services that fall within their remit. It would, in effect, outsource the key decision-making processes that will determine the future direction of these services.

### **4 POST DECISION IMPLEMENTATION**

4.1 Work on the Review will continue, with a view to confirming the proposed categorisation of individual services as quickly as possible. It is anticipated that recommendations on this will be set out in a further report to this Committee in June 2021. The recommendations will be based on the following factors:

- Overall performance
- Scope for further investment and innovation
- Scope for service provider to further add value
- Logistical considerations
- Financial viability of returning the service in-house
- Clarity of strategic direction for the service

4.2 Ahead of that options appraisal, an initial assessment of the likely categories is set out in Appendix A, which is exempt from publication due to the commercial sensitivity of its content and is subject to further work to confirm future recommendations.

4.3 It is proposed that an informal cross-party working group may provide a sounding board for the emerging proposals, ahead of formal consideration by the Committee, as the Review progresses. The Working Group will be considering commercially sensitive information, so it would meet in private. It is not intended that reports or papers would be prepared specifically for the Working Group to consider, but that it will provide a sounding board for documents that are in development, ahead of their consideration by this Committee.

## **5 IMPLICATIONS OF DECISION**

### **5.1 Corporate Priorities and Performance**

5.1.1 The aims of this Review are consistent with the council's Corporate Plan, Barnet 2024, in that it aims to ensure high quality, good value services.

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

5.2.1 The Capita contracts collectively have a value of approximately £80m per annum (including core fee, income and special projects). It was originally anticipated that around £500k, less than 1% of the value of the contracts, would be required to carry out the Year 6/7 Review. This would be required for programme management, specialist input (including procurement and legal) and additional commercial capacity.

5.2.2 Project management resources that have been employed to support the Review have been redeployed to support the delivery of critical services during the Covid-19 pandemic. There will, therefore, be additional resource implications associated with the extension to the overall timescales for delivery the Review. These are estimated to be approximately £240k for the financial year 2021/22.



5.2.3 The costs involved are justified by the scale of the contracts and the importance to the council of delivering best value going forward. The costs will be funded by a non-recurrent allocation from the contingency budget, subject to the approval of Policy and Resources Committee.

### 5.3 Social Value

5.3.1 The Public Services (Social Value) Act 2012 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. The existing contracts include Social Value provisions and the opportunity to enhance these will be considered as part of the negotiations to extend the contracts and in any re-procurement activity.

### 5.4 Legal and Constitutional References

5.4.1 Council Constitution, Article 7 (Committees, Forums, Working Groups and Partnerships) provides that Financial Performance and Contract Management Committee is responsible for the oversight and scrutiny of the council's major strategic contracts. It may 'at the request of the Policy & Resources Committee and/or theme committees consider matters relating to contract or supplier performance and other issues and make recommendations to the referring committee.' Policy and Resources Committee on 17<sup>th</sup> June 2019 agreed that terms of reference and progress on the Year 6/7 Review should be reported to the Financial Performance and Contracts Committee. Any resulting recommendations would be made in a further report to the Policy and Resources Committee.

5.4.2 Legal advice will be sought as required, including on contractual, public procurement, consultation, and employment related matters, to ensure that the council acts lawfully at all times.

5.4.3 Best Value public consultations as required by Section 3 of the Local Government Act 1999 (as amended by s137 of the Local Government & Public Involvement in Health Act 2007) will be carried out as appropriate in the context of the Review.

5.4.4 Consultation with staff will be carried out as appropriate and the council will comply with its legal obligations under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (as amended) (TUPE) in connection with the transfer of any affected staff.

## 5.5 Risk Management

### 5.5.1 Key risks associated with the Review include:

- Ongoing time and/or resource constraints lead to the Review not being carried out effectively, resulting in poor decision-making
- Relationship with Capita deteriorates during the Review, leading to poorer service delivery
- Lack of clarity on scope and deliverables from the Review results in disappointed and/or confused stakeholders
- Resource requirements and/or organisational focus on the Review leads to deterioration in service quality or seeking value for money.
- A further wave of the Covid-19 pandemic further delays work on the Review.

### 5.5.2 Risks will be monitored and mitigating actions are being put in place, including through close partnership working with Capita, ensuring appropriate resourcing (please refer to 5.2.1) and through detailed planning.

## 5.6 Equalities and Diversity

### 5.6.1 Equality and diversity issues are a mandatory consideration in the council's decision-making process. Decision makers should have due regard to the public-sector equality duty in making their decisions. The equalities duties are continuing duties they are not duties to secure a particular outcome. The equalities impact will be revisited on each of the proposals as they are developed. Consideration of the duties should precede the decision. It is important that the Committee has regard to the statutory grounds in the light of all available material such as consultation responses. The statutory grounds of the public-sector equality duty are found at section 149 of the Equality Act 2010.

### 5.6.2 A public authority must, in the exercise of its functions, have due regard to the need to:

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

### 5.6.3 Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

- (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
- (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;

(c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

5.6.4 The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

5.6.5 Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

- (a) Tackle prejudice, and
- (b) Promote understanding.

5.6.6 Compliance with the duties in this section may involve treating some persons more favourably than others; but that is not to be taken as permitting conduct that would otherwise be prohibited by or under this Act. The relevant protected characteristics are:

- Age
- Disability
- Gender reassignment
- Pregnancy and maternity
- Race,
- Religion or belief
- Sex
- Sexual orientation
- Marriage and Civil partnership

5.6.7 Equalities Impact Assessments will be undertaken on a service by service basis as detailed proposals are developed.

## 5.7 Consultation and Engagement

### *Public consultation and Best Value consultation*

5.7.1 As previously reported to this Committee, extensive consultation has taken place through the review of Capita contracts as reported to Policy and Resources Committee on 17<sup>th</sup> June 2019. The Year 6/7 Review is a continuation of the review of Capita contracts and will take into account the feedback already provided. Further engagement will take place on specific services, where further insight is required, through the use of targeted questionnaires and focus groups. Additional stakeholder engagement will also be undertaken with council staff and with Barnet Group and the Barnet Education and Learning Service (BELS) who also use Capita services, as these service users were not well represented in previous consultation.

### *Staff consultation*

5.7.2 Any proposals that involve the transfer of services from one provider to another (including transfer in-house or to alternative providers) will entail a statutory requirement to provide information and consult with staff

representatives under the Transfer of Undertakings (Protection of Employment) Regulations (TUPE). These requirements will be triggered once a decision to transfer services has taken place and prior to any transfer being effected.

- 5.7.3 However, it should be noted that it is good practice to engage with all staff from the point at which any potential for transfer of services becomes generally known, throughout the decision making and transition periods and for a period post transfer (if a transfer takes place). Early engagement with staff assists in managing the risks of staff becoming unsettled or distracted as outlined above. It also assists in preventing loss of key staff during the decision making and transition periods, as well as ensuring the council continues to attract high calibre individuals by maintaining its reputation as an employer of choice.
- 5.7.4 Likewise, early engagement and ongoing dialogue with staff representatives is also good practice, with the aim of early identification and resolution of issues, reaching agreement on processes and approach to managing the workforce aspects of transfer and addressing any issues that may arise at the earliest opportunity so that statutory consultation and the transition itself can run smoothly for affected staff.

## 5.8 **Insight**

- 5.8.1 Multiple qualitative and quantitative data and information sources will be used to derive insight during the Review.

## 5.9 **Corporate Parenting**

- 5.9.1 Capita provide a small number of services to care leavers living in Barnet, most notably in relation to the revenues and benefits service. The continued focus on high quality services through the Review process will ensure that these services continue to be provided.

## 6. **BACKGROUND PAPERS**

- 6.1. Report to Financial Performance and Contracts Committee, 29<sup>th</sup> January 2020:  
<https://barnet.moderngov.co.uk/documents/s57531/Year%206%20and%20Y7%20review%20ToR.pdf>
- 6.2. Report to Financial Performance and Contracts Committee, 18<sup>th</sup> March 2020:  
<https://barnet.moderngov.co.uk/documents/s58379/Year%2067%20Review%20of%20Capita%20Contracts.pdf>
- 6.3. Report to Financial Performance and Contracts Committee, 15<sup>th</sup> June 2020:

<https://barnet.moderngov.co.uk/documents/s58926/Yr%206-7%20Review%20FPC%20report.pdf>

- 6.4. Report to Financial Performance and Contracts Committee, 27<sup>th</sup> October 2020:

<https://barnet.moderngov.co.uk/documents/s60807/Year%206-7%20Review%20FPC%20report.pdf>

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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**London Borough of Barnet  
Financial Performance and  
Contracts Committee  
Forward Work Programme  
2021**

Contact: Salar Rida 020 8359 7113 [salar.rida@barnet.gov.uk](mailto:salar.rida@barnet.gov.uk)

Title of Report	Overview of decision	Report Of ( <i>officer</i> )	Issue Type (Non key/Key/Urgent)
17 March 2021			
Chief Finance Officer Report	To review and note the council's financial performance.	Director of Finance (S151 Officer) Assistant Director of Finance	Non key
Year 6/7 Review of Capita Contracts	To receive an update and any interim recommendations.	Director (Commercial and Customer Services)	Non key
Capital Projects	To update on the Capital Schemes within the Capital Programme.	Assistant Director Capital Strategy	Non key
Q3 2020/21 Contracts Performance Report	To review and note Quarter 3 2020/21 performance of strategic Contracts.	Director (Commercial and Customer Services)	Non key
Brent Cross	To note the update on the delivery and financial performance across the Brent Cross programme	Director of Growth	Non key
8 June 2021			
Chief Finance Officer Report	To review and note the council's financial performance.	Director of Finance (S151 Officer) Assistant Director of Finance	Non key
Year 6/7 Strategic Contracts Review	To receive an update and any interim recommendations.	Director (Commercial and Customer Services)	Non key
Capital Programme	To update on the Capital Schemes within the Capital Programme.	Assistant Director Capital Strategy	Non key
Q4 2020/21 Contracts Performance Report	To review and note Quarter 3 2020/21 performance of strategic Contracts.	Director (Commercial and Customer Services)	Non key
5 October 2021			

<b>Subject</b>	<b>Decision requested</b>	<b>Report Of</b>	<b>Type</b>
Chief Finance Officer Report	To review and note the council's financial performance.	Director of Finance (S151 Officer) Assistant Director of Finance	<b>Non key</b>
Year 6/7 Strategic Contracts Review	To receive an update and any interim recommendations.	Director (Commercial and Customer Services)	<b>Non key</b>
Capital Programme	To update on the Capital Schemes within the Capital Programme.	Assistant Director Capital Strategy	<b>Non key</b>
Q1 2021/22 Contracts Performance Report	To review and note Quarter 3 2020/21 performance of strategic Contracts.	Director (Commercial and Customer Services)	<b>Non key</b>
<b>23 November 2021</b>			
Chief Finance Officer Report	To review and note the council's financial performance.	Director of Finance (S151 Officer) Assistant Director of Finance	<b>Non key</b>
Year 6/7 Strategic Contracts Review	To receive an update and any interim recommendations.	Director (Commercial and Customer Services)	<b>Non key</b>
Capital Programme	To update on the Capital Schemes within the Capital Programme.	Assistant Director Capital Strategy	<b>Non key</b>
Q2 2021/22 Contracts Performance Report	To review and note Quarter 3 2020/21 performance of strategic Contracts.	Director (Commercial and Customer Services)	<b>Non key</b>

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