

MEETING

FINANCIAL PERFORMANCE AND CONTRACTS COMMITTEE

DATE AND TIME

TUESDAY 23RD NOVEMBER, 2021

AT 7.00 PM

VENUE

HENDON TOWN HALL, THE BURROUGHS, LONDON NW4 4BG

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

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

Councillors

Anthony Finn	Barry Rawlings	Alex Prager
Julian Teare	Arjun Mittra	Gabriel Rozenberg
Nick Mearing-Smith	Kathy Levine	

Substitute Members

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

In line with Article 3 of the Council's Constitution Residents and Public Participation, written public comments, 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, Thursday 18 November. Requests must be submitted to Salar Rida at 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
Media Relations Contact: Tristan Garrick 020 8359 2454

ASSURANCE GROUP

ORDER OF BUSINESS

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

7 October 2021

Members Present:-

AGENDA ITEM 1

Councillor Peter Zinkin (Chairman)

Councillor Julian Teare
Councillor Kathy Levine
Councillor Arjun Mitra

Councillor Barry Rawlings
Councillor Gabriel Rozenberg
Councillor Nick Mearing-Smith

Also in attendance:
Councillor Lisa Rutter (Substitute)

Apologies for Absence:
Councillor Alex Prager
Councillor Thomas Smith
Councillor Anthony Finn

1. MINUTES OF THE PREVIOUS MEETING

The Chairman of the Financial Performance and Contracts Committee Councillor Peter Zinkin welcomed all attendees to the meeting. The Chairman read out the Covid-secure arrangements which were in place throughout this meeting, to ensure the safety of all those in attendance.

It was RESOLVED that the minutes of the previous meeting of the Financial Performance and Contracts Committee held on 8 June 2021 be agreed as a correct record.

2. ABSENCE OF MEMBERS

Apologies were received from Councillor Alex Prager who was substituted by Councillor Lisa Rutter. Apologies were received from Councillor Anthony Finn and Councillor Thomas Smith.

3. DECLARATIONS OF MEMBERS DISCLOSABLE PECUNIARY INTERESTS AND OTHER INTERESTS

Councillor Mitra declared a disclosable pecuniary interest in relation to item 9 by virtue of being a Barnet Homes tenant.

4. REPORT OF THE MONITORING OFFICER (IF ANY)

None.

5. PUBLIC QUESTIONS AND COMMENTS (IF ANY)

The responses to the Public Questions were published and circulated to the Committee. There were no further supplementary questions.

6. MEMBERS' ITEMS (IF ANY)

None.

7. CHIEF FINANCIAL OFFICER REPORT FORECAST FINANCIAL OUTTURN AT MONTH 4 (JULY 2021)

The Chairman welcomed Anisa Darr (Director of Finance), Ben Jay (Assistant Director Finance) and Ashley Hughes (Assistant Director Finance) to present and summarise the report.

The Committee noted the report which contained a summary of the Council's revenue, capital forecast outturn for the financial year 2021/22 as at Month 4 (31 July 2021) and information on the level of debt and the top 10 debtors as at 31 July 2021.

In relation to a query about Covid-related spending, Ben Jay noted that the position continues to be reviewed due to anticipated pressure as a result of the impact of Covid. It was noted that there remains uncertainty over the costs in the remainder of the year and it is expected that these funds will become fully committed as future cost estimates are updated.

Councillor Rutter requested that where the Council is circulating confirmation of Council Tax reduction letters to residents, this should also include information with regards to other benefits they may be entitled to.

Members referred to section 3.5 of the report and noted that currently only half of eligible businesses have applied for the 66% NNDR relief available from July. The Chairman asked Officers to consider encouraging uptake where support is available for businesses.

Following a query about the level of debt, Officers provided an update on debt settlement in relation to the top 10 debtors as set out in the report, table 13.

It was also noted that in addition to the table set out in the report, there is a significant class of debtors which relate to adult social care residential placements and homecare packages. Following a query from Members, Officers noted that a dedicated project is in place to maximise recovery of this debt and to further improve its active management. The Committee requested that an update be provided on this project at its meeting on 1 February 2022. **(Action: CFO reporting February 2022)**

It was RESOLVED that the Committee noted:

- 1. the current financial forecast outturn for 2021/22;**
- 2. the impact of the pandemic;**
- 3. the current forecast of use of reserves, and the outlook;**
- 4. the current position against ringfenced grant funding;**
- 5. the current forecast for capital expenditure in the year;**

6. the current debt position and related actions.

8. REVIEW OF CAPITA CONTRACTS

The Chairman invited Deborah Hinde, Commercial and Customer Services Director to present and summarise the report.

The Committee welcomed the report and noted the workstreams which will inform the recommendations on the future delivery arrangements for each service in due course. Members also noted that the outcomes would be reported to the November Committee meeting.

It was RESOLVED that the Financial Performance and Contracts Committee:

- 1. Noted the progress that has been made across all aspects of the Review, as set out in section 2 of the report; and**
- 2. Noted the anticipated reporting timelines, as set out in section 4 of the report.**

9. Q1 2021/22 CONTRACTS PERFORMANCE REPORT

Officers presented and summarised the report which provides an overview of Quarter 1 (Q1) 2021/22 performance for the contracted services delivered by the Customer and Support Group (Capita), Regional Enterprise (Capita), Barnet Homes (The Barnet Group) and HB Public Law.

The Committee noted the correction in relation to paragraph 1.11 of the report to read:

*“The total number of households in temporary accommodation reduced from **2,399** (~~2,999~~) in Q4 2020/21 to 2,371.”*

Members referred to the tables on p.45-46 and 63 of the agenda and requested that the indicator and result measures be clarified for the next update report.

Following concerns expressed by the Committee about the KPIs for Barnet Homes, the Chairman noted that an update on Barnet Homes will be reported to the Committee and a representative from BH be invited to the meeting in the new year. (**Action:** Forward Work Programme)

It was RESOLVED that the Committee noted the Quarter 1 (Q1) 2021/22 performance for the Customer and Support Group (Capita); Regional Enterprise (Capita); Barnet Homes (The Barnet Group); and HB Public Law.

10. BRENT CROSS UPDATE

The Chairman invited Karen Mercer, Programme Director to present the item which provides an update on the delivery and financial performance across the Brent Cross programme and emerging issues across the programme. The Committee noted the presentation and commended the delivery of the various workstreams across the programme.

It was RESOLVED that the Committee noted delivery progress across the Brent

Cross (BX) programme as set out in the presentation to the HM Government Assurance Board on 22 September 2021 and that the Programme Wide Anticipated Final Cost will conclude in October 2021.

11. 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 for 2021.

12. ANY OTHER ITEMS THAT THE CHAIRMAN DECIDES ARE URGENT

None.

13. 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 gallery was cleared.

14. BRENT CROSS (EXEMPT)

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

15. ANY OTHER EXEMPT ITEMS THAT THE CHAIRMAN DECIDES ARE URGENT

None.

The meeting finished at 9.15 pm

	<p>Financial Performance and Contracts Committee</p> <p>23 November 2021</p>
<p>Title</p>	<p>Chief Financial Officer Report Forecast Financial Outturn at Month 6 (September 2021)</p>
<p>Report of</p>	<p>Director of Finance (Section 151 Officer)</p>
<p>Wards</p>	<p>All</p>
<p>Status</p>	<p>Public</p>
<p>Urgent</p>	<p>No</p>
<p>Key</p>	<p>No</p>
<p>Enclosures</p>	<p>None.</p>
<p>Officer Contact Details</p>	<p>Ben Jay, Assistant Director of Finance ben.jay@barnet.gov.uk</p>
<p>Summary</p>	
<p>This report contains a summary of the Council’s forecast outturn for revenue and capital budgets in the financial year 2021/22, as at Month 6 (30 September 2021). It also contains information on the level of debt as at 30 September 2021.</p>	
<p>Recommendations</p>	
<p>That the committee notes:</p> <ol style="list-style-type: none"> 1. the current financial forecast outturn for 2021/22 and the review of the half-year position in key budget areas; 2. the ongoing costs of the pandemic and the overall level of commitments against available funding; 3. the forecast of use of reserves; 4. the current position against ringfenced grant funding; 5. the current forecast for capital expenditure in the year; 6. the current debt position and related actions. 	

1 Summary

- 1.1 The financial position for the current year continues to be marked by uncertainty due to
 - the outlook for service demand, costs, and revenues due to the longer term impact of Covid-19
 - potential inflationary cost increases
 - supply chain and distribution difficulties.
- 1.2 As noted in previous reports, it remains challenging to separate the short term financial impacts from the longer term impacts of covid-19 as these are taking time to become clear. This report draws on the latest information from a range of council sources to provide a forecast. This report sets out the budget forecast as at month 6 and the 'most likely' outcomes based on current information.
- 1.3 The council continues to monitor all areas of spending and to adapt in order to accommodate emerging areas of concern.
- 1.4 At month 6, the financial outturn is forecast as:
 - Net use of earmarked reserves of £2.453m, made up of the planned use of earmarked reserves of £5.966m and a £3.5m contribution to reserves from contingency funding not committed at the mid-year point.
 - Spending £1.523m below budgeted levels after the application of reserves described above.
 - Anticipated C19 spending of £28.865m in the current year from funding brought forward from last year, plus additional funding received in the current year. It is anticipated that reserves of a further £9.311m will be available at the year-end which will be used to cover anticipated future costs attributable to the pandemic.

2 Forecast outturn position at month 6

Overview

- 2.1 This report sets out the Council's forecast outturn position for the 2021/22 financial year as at Month 6 (30th September 2021) and the current estimate of the financial impact of the Covid 19 pandemic during 2021/22.
- 2.2 Forecast performance to March 2022 against the budget approved by Council in March 2021 is set out in the table below. This shows that spending is currently anticipated to be less than budgeted by £1.523m. This is after the application of earmarked reserves of £2.453m. These resources were previously set aside against anticipated (but not certain) future cost pressures (£5.966m), which are offset by £3.5m of contingency funding uncommitted at month 6 and to be carried forward to next year.
- 2.3 The month 8 forecast is an approximately £3m improvement on the previous position seen by this committee, which reported the a forecast outturn at month 4 of £1.515m more than budget after application of £5.847m of reserves. The key changes from month 4 to month 6 include
 - reductions in the forecast for Children's and Family Services relating to approval of a virement for £900k approved by Policy and Resources Committee in September which removes the cost pressure in the 18-25 service;
 - improvement in the forecast for Growth and Corporate Services of £500k largely due to an improved forecast for Temporary Accommodation costs;

- an improved forecast for Assurance Services of £970k due largely to unanticipated income arising from the legal services partnership; an improvement in the forecast for Resources of £557k largely due to changed capital finance costs.

Table 1: Forecast Revenue Outturn at Month 6

Service Areas	2021/22 Budget	M6 Forecast	M6 Variance	Non C19 Reserves applied	Variance after reserves
	£'000	£'000	£'000	£'000	£'000
Adults and Health	103,032	106,500	3,467	(3,516)	(49)
Children's Family Services	73,839	74,913	1,074	(1,071)	3
Environment	11,981	13,774	1,794	(1,207)	587
Growth and Corporate services	40,212	40,741	529	(323)	205
Assurance	7,322	7,008	(314)	(35)	(350)
Resources	78,471	72,849	(5,622)	3,699	(1,923)
Public Health	18,244	18,247	3	0	3
Total at Month 6	333,102	334,032	930	(2,453)	(1,523)

Non-Covid spending

- 2.4 The current forecast for non-Covid spending is £1.523m lower than budgeted. Table 2a provides a breakdown of the movement in non-Covid variance as at Month 6 with commentary.
- 2.5 Overall, non-C19 spending remains close to planned budget levels. However, there remains significant risk in social care placement forecasts. This is due to uncertainty over the short-term impact of C19-related demand changes in adults, and to the risk of care placements arising in children's with unexpectedly high and/or complex needs, which would change the forecast. These risks are being held under review by the services concerned.
- 2.6 Car parking losses continue to be a source of concern, but current receipts have reached c82% of pre-pandemic levels. The forecast does not assume further improvement (although this may transpire) but does assume receipts are held at current levels.
- 2.7 The main change in the forecast from the previous month is the virement to the 18-25 service of £0.900m from contingency budgets, approved by policy and resources committee in September. This removes the forecast variance reported previously.
- 2.8 Elsewhere, the expected forecast cost of temporary accommodation services has been reduced by £370k in line with latest results, which have seen a lower than expected increase in costs in the first half of the year. However, this is offset by £200k of increased costs in Environment associated with retaining qualified HGV drivers.

Table 2a: Non-Covid Spending - movement in variance from month 5 – 6

Service Areas	Month 5 non-COVID variance	Change	Month 6 non-COVID variance	Commentary
	£'000	£'000	£'000	
Adults and Health	(11)	(38)	(49)	Reduction on contract cost under the Prevention service has resulted in favourable movement from month 5 (£38k)

Children's Family Services	882	(879)	3	Budget virement of £900k approved at P&R in respect of 18-25
Environment	350	237	587	Adverse movement due to the approved financial provision of £200k for the retention payment scheme in relation to the council's HGV Drivers; in addition to adverse timing differences on the recovery of costs associated to damage to public highways, £32k
Growth and Corporate services	429	(224)	205	£370k favourable movement in Housing General Fund, reflecting a reduction in Temporary Accommodation (TA) costs, with actual TA costs falling in the first half of the financial year.
Assurance	(319)	(31)	(350)	Previous £13k off-site storage and scanning pressure now funded from Transparency New Burdens grant and a reduction in officer costs of £11k Business Development and £70k in Electoral Services.
Resources	(1,888)	(36)	(1,923)	Overall forecast for Housing Benefit Administration is £643k below budget an improvement on last month's £628k. Overall forecast for Revenues and Benefits Administration is now £39k below budget (a £20k improvement on last month).
Public Health	3	0	3	
	(553)	(970)	(1,523)	

2.9 A more detailed review of the financial position in key areas has been undertaken to provide assurance that the mid-year position is properly aligned with both the forecast for the year, and projected net budget requirements for next year. This review has focused on the known areas where high planned expenditure coincides with volatility in demand or activity – adults' social care placements, children's social care placements, car parking revenues, and temporary accommodation costs. The approach was to look in detail at the financial position at the end of month 6 and to consider areas where costs and revenues had not yet been included. The resulting position was compared to the budget estimate for the mid-year to calculate a variance. This was then compared to the projected variance arising from the outturn forecast in the current month to ensure that the forecast was fully informed by the latest financial data.

2.10 Table 2b shows the outcomes of this exercise. It illustrates that current forecasts for the year end position in key budget areas is aligned to the position at mid-year, as follows:

- Adult's placements costs (excluding C19 costs) are slightly less than half the outturn forecast position at the mid-point of the year, due to anticipated increases in activity over the winter period.
- Children's external placement costs are currently higher at mid-year than expected by outturn, as it is expected that current costs will be reduced as planned cost reduction measures are implemented. However, this could be changed depending on the relative cost and complexity of any new referrals in the second half of the year.
- Car parking income losses are proportionate to the higher year end estimate. The overall forecast assumes the current position is, at a minimum, held, and the forecast will remain under monthly review.

Table 2b: Mid-year review; year to date and forecast outturn positions compared.

Service Areas	Mid-year budget variance based on YTD actuals	Forecast budget variance	Commentary
	£'000	£'000	
Adults and Health	3,028	6,406	<i>Reflects continued support post pandemic for both workforce pressures and relating placement support. Plus the impact of business disruption to the Leisure industry.</i>
<i>Of which: placements</i>	702	1,756	<i>Placements spend profiled from month 2 allowing for the first month payments in arrears to providers.</i>
Children's			
<i>Children's and Family Services External placements and Independent Fostering Arrangements</i>	303	113	<i>Overspend forecast to reduce to account for a £0.405m saving we have as forecast to be met in second half of the year. This is a risk and should it not be achieved the overspend forecast will increase. However, and for context, a £0.405m saving, whilst a significant amount is actually just one high cost client for example.</i>
Environment	-	4,682	<i>The financial pressure due to Covid-19 totals £4.095m, excluding the Covid-19 impact there is an overspend of £0.587m. The car parking position reflects a situation which is improving through the year.</i>
<i>Of which: car parking income</i>	1,561	3,089	

Application of Reserves

- 2.11 The council has reserves set aside to deal with future pressures where the value or the timing of the pressure is uncertain, or where the funding can only be spent on specific objectives (e.g. grant funding). Reserves are divided into 'earmarked' reserves, where the spending objective is known with some clarity, and 'general' reserves, intended to mitigate the impact of wholly unforeseeable costs. Earmarked reserves are often held by specific services; some earmarked reserves and all general reserves are held corporately.
- 2.12 This report sets out anticipated use £2.453m of reserves in the year. This includes £5.966m of earmarked reserves for service purposes being drawn down to fulfil previous commitments (e.g. tree planting) or to cover previously identified risks (e.g. adults demand pressures). Additionally, £3.5m of corporate contingency funding, uncommitted at month 6, is to be carried forward to next year, and this is reflected as a contribution to reserves. The table below provides further detail.

Table 3 Forecast use of or top-up of reserves at Month 6

Service Areas	Reserve Movements M6	Commentary
Adults and Health	(3,516)	£2.0m upward placements activity - earmarked reserve drawdown. £1.2m YCB loss recognition £0.316m staffing commitments to support the transformation program
Children's Family Services	(1,071)	£0.453m to support troubled families work we are delivering £0.018m safeguarding drawdown £0.595m from transformation to cover: a) AYSE Social worker recruitment (£0.28m) b) International recruitment (£0.056m) c) Remainder is various others including youth perception survey, research, specific training and insight staffing

Environment	(1,207)	Green spaces and leisure drawdown due to Trees £0.613m, Pleasant Parks programme £0.500m and Sustainability Expertise and Data Collection (Barnet Plan) £0.094m
Growth and Corporate services	(323)	£0.388m transfer to the Brent Cross Retail Park reserve. The £0.744m full surplus exceeds the planned contribution and allows £0.356m of this to be retained to support BX revenue costs. Offset by: £0.257m drawdown for the Strategic Contract Review. £0.454m drawdown for Homelessness prevention, support, and monitoring from Flexible Homelessness Support Grant (FHSG) committed in prior years.
Assurance	(35)	£0.296m top up of income from the legal gain-share received in this financial year, to fund complaints management system and service delivery. £0.154m top-up to the elections reserve to fund the local elections in May 2022. £0.015m Top up for the Mayoral Car.
Resources	3,699	£0.015m Grants Awarded (top up) £0.201m drawn down to support the Care Leaver Participation programme and £3.5m contribution to reserves from contingency, to be carried forward to next year.
Public Health	0	
Total	(2,453)	

Savings

- 2.13 The budget for 2021/22 includes planned savings of £10.590m. The forecast set out in table 1 includes the achievement of 81% of this target (£8.586m) as shown in table 4.
- 2.14 The 2020/21 budget planned for the council to deliver £17.311m of savings. Of this, £2.458m was not achieved due to the pandemic but was expected to be achieved in the new year. Current indications are that these savings will all be achieved.
- 2.15 Continued disruption to the Leisure industry, a direct consequence of the pandemic, accounts for a large proportion of the gap in savings delivery against Adults & Safeguarding. This position continues to be reviewed and mitigation plans discussed.
- 2.16 Underachievement in Growth and Corporate Services is due to planned additional income from rental of office and other accommodation no longer being possible, and in Environment to additional income relating to advertising opportunities not arising.

Table 4 Forecast Savings Delivery 2021/22

Service Area	Planned savings new in 2021/22				Savings deferred from last year (due to C19)			
	Savings target 2021/22	Savings On Track as at 30/09/2021	(Gap) /Over to plan	Service area gap	Deferred savings target 2020/21	Savings On Track as at	(Gap) /Over to plan	Service area gap
	£'000	£'000	£'000	%	£'000	£'000	£'000	%
Adults & Safeguarding	2,026	636	1,390	68.61%	1,215	1,215	0	0.00%
Children and Family Services	2,775	2,682	94	3.37%	50	50	0	0.00%
Environment	1,375	1,100	275	20.00%	100	100	0	0.00%
Growth and Corporate Services	4,136	3,891	245	5.92%	1,013	1,013	0	0.00%
Assurance	100	100	0	0.00%	(0)	(0)	0	0.00%
Resources	78	78	0	0.00%	80	80	0	0.00%
Public Health	100	100	0	0.00%	0	0	0	0.00%
Total	10,590	8,586	2,004		2,458	2,458	0	
Percentages	100.00%	81.08%	18.92%		100.00%	100.00%	0.00%	

Covid-related spending

- 2.17 Based on latest information, it is estimated that spending on activity related to Covid-19 will amount to £28.865m in the current year. £9.178m (c. 24%) of available funding is expected to be spent in future years – some of this is formally committed, and other proposed applications are under review. – although there remains uncertainty over the costs in the remainder of the year and it is expected that these funds will become fully committed as future cost estimates are updated.
- 2.18 Brought forward balances have been increased by £5.383m from the previously reported position of £8.444m to £13.827m. This is mainly due to a revised position relating to collection fund losses where previously expected losses of £5m did not transpire because bigger benefits than anticipated arose from an improved outturn on council tax collection and additional benefit from the London business rates pool. The revised brought forward value is reflected in table 5.

Table 5: Summary of Covid-19 related funds and associated spending plans at month 6

Service Areas C19 at Month 6	C19 forecast	comment
spending	£'000	
Adults and Health	12,732	Specific Grant funding for Infection Control , Rapid Testing, Clinically Extremely Vulnerable and Local Support Grant (£4.355m) Hospital discharge funding (£1.922m) Leisure disruption/SPA income (£1.843m) ASC workforce pressures (£2.088m) Placement related pressures (£2.524m)
Children's Family Services	3,694	£0.991m COVID Local Support grant, £0.500m payments to support families' needs increased due to COVID, £0.500m High quality education: language development, social, emotional and mental health needs, £0.460m mental health support teams rolled out across all schools, £0.375m Therapies, £0.455m staffing and £0.504m various others
Environment	4,095	Loss of parking income - fees and charges (£3.306m); Loss of commercial waste income (£0.372m); Refuse collection - additional vehicle cleaning (£0.128m) and PPE & Sanitisation (£0.097m)
Growth and Corporate services	3,466	Increased temporary accommodation demand (£0.541m), Re Guaranteed Income shortfall (£0.692m), Employment and skills staffing and support (£0.175m), Entrepreneurial and Training programmes (£0.300m), IT and Licencing (£0.225m), print contract reimbursement (£0.130m), staff diverted from standard duties (£0.207m), Town Centre redevelopment (£0.191m), re-opening of high streets safely (£0.492m), Strategy and Communications priorities (£0.600m) and Maximising the benefit of MS Office 365 (£0.120m)
Assurance	1,280	Enforcement team relating to COVID-19 street patrols and Fixed Penalty Notices (FPN) (£0.560m); staff diverted from standard duties, including patrol officers (£0.350m), Emergency responders (£0.030m); Anti-Fraud officers investigating COVID-19 grant and business fraud (£0.120m).
Resources	338	Discretionary Test and Trace (£0.3m)
Public Health	1,693	Test and Trace support (£0.209m) Contain Outbreak Support i.e. VCS sustainability, support for Homelessness, Bereavement services etc (£1.484m)
Schools	1,567	Covid recovery grant
Planned spending in CFY (21/22)	28,865	Of this, clear spending plans have been identified for £27m.
Earmarked for next year	9,311	<i>Mental health support in schools and supporting young people into employment (£1.8m)</i> <i>£0.5m covid recovery grant for schools</i> <i>£0.9m adults prevention support and £1m staff resourcing support</i> <i>£1.2m earmarked against future temporary accommodation pressures</i> <i>£2.9m anticipated business rates losses</i>

C19 costs as at Month 6	38,176	
funding	£'000	
funds brought forward from last year	13,827	Comprising funding provided by government in 2019/20 and 2020/21, where £13.8m was not fully spent at 31 March 2021 (the balance of £86.5m received and £78.1m spent; excludes business rates support funding).
additional funds in 21/22:		
- SFC reimbursement	1,271	Based on the extension of the 2020/21 scheme from 31 March 2021 to 30 June 2021; Actual losses
- unringfenced funding (tranche 5)	10,225	Funding announced as part of the Local Government Finance Settlement for 2021/22 – 5th tranche of unringfenced funding.
- NHS hospital discharge funding	1,922	Anticipated income arising from the NHS hospital discharge scheme, which runs to 30 September 2021.
- other government funding	10,798	Other funding available in 2021/22, including extensions on Track and Trace, COMF, CEV etc.
Known funding at Month 6	38,042	

Risks and opportunities

2.19 In preparing the report for month 6, a number of overall (corporate) and service-specific risks have been identified. These are set out below.

- Corporate
 - Inflation risks continue to be discussed in the media and have been included in the background documents to the government's spending review announcements. This is an area that is under review to inform in-year forecasting as appropriate.
 - The current forecast outturn position assumes that there is no further local or national lockdown affecting the council, and that all services will now see a progressive easing of previous pandemic-driven cost pressures.
- Adults and health
 - The level of clients discharged from hospital with more complex needs than has been the case previously, due to various C19 impacts including delays treating other conditions. There is significant uncertainty in what the demand for adult social care service will be this year.
 - Revenues, including client income due and the future NHS funding for hospital discharges. These are part of some 'one-off' funding mitigations which are likely to end this financial year.
 - Continued disruption to the leisure industry arising from the pandemic, and the financial impact of this.
 - If rising activity levels in the second half of the year match the first half then there will be a significant financial impact on the current reported outturn position (this is not currently forecast, as there is an absence of clear data to support this possibility at this stage).
- Children's and Family Services
 - UASC numbers due to inclusion within the borough boundary of a number of hotels used by the Home Office to accommodate asylum seekers, some of which may be children to whom UASC support arrangements then apply.
 - Within CFS is that there is potential for clients to present with complex needs or existing clients needs increase both within 18-25 and other children's placements. If this happens, there could be a large cost impact which would not be containable within the budget. For context, a high-cost placement could cost £10-12k per week.
 - We are now seeing an increase in referrals as a result of the re-opening of schools. This is causing an increase in cost along with placement sufficiency issues both across London and nationwide.
- Environment

- The forecast overspend includes the benefits of the rollout of the CPZ Programme as mitigation. However, the CPZ programme of £0.500m is partly negated by the timing of lifting of pandemic restrictions.
- Growth and Corporate Services
 - Further costs arising from the Brent Cross project which cannot be capitalised.
 - Potential additional homelessness prevention staff costs to meet backlog of demand in Housing Growth.
 - Possible changes in the demand for Temporary Accommodation as eviction processes get under way.
- Assurance
 - A decision has been made to use the insurance reserve to fund the £0.500m in-year insurance pressure. A wider contract review is due in October 2021, with final settlements agreed in November, which will determine the approach in future years.

Budget changes

- 2.20 As previously reported, the budget was increased by £1.084m between months 2 and 3, due to receipt of inflationary uplifts for the public health grant and housing benefit and council tax support administration (£687k together) plus the release of a provision of £397k against collection fund losses spread over 3 years included in the March budget but now funded from C19 resources brought forward.
- 2.21 A virement is included in month 6 between contingency and CFS (18-25) reflecting the decision of the Policy and Resources committee.

Reserves

- 2.22 Based on the paragraphs above, the forecast reserves balances at year-end are shown in table 6 (below).
- 2.23 Table 6 includes values for brought forward revenue grants unapplied relating to C19 of £13.824m for general fund-related allocations, and £44.274m for collection fund (business rates) related balances. These are the confirmed balance values following the audit of the 2020/21 accounts. The increase in the balance for general fund items is due to confirmation of collection fund requirements being lower than previously estimated, and the increased value of collection fund items reflects the confirmed treatment of these items, including the amount related to the s31 designated area reliefs.
- 2.24 It is expected that service reserves are to be used to the value of £5.966m and £4.513m of C19 grant unapplied will be used (this is the net position taking into account use of the £13.824m brought forward, the contribution arising from funds received but not spend in 2021/22, and the estimated use in future years – see also section 2 above).
- 2.25 Revenue grants unapplied relating to the collection fund include £31.419m of business relief grants, and £12.855m of s31 'designated area' receipts received as part of the compensation for losses. The use of the brought forward general reliefs is difficult to estimate with confidence but is currently expected to be used in this year. The designated area/safety net receipts are being retained against future fluctuations in business rates received, but also remain subject to some discussion over the council's ability to retain them.
- 2.26 Overall, reserves brought into the year amount to £143.742m. It is expected that £26.917m of this will be used in the year (chiefly in support of losses relating to business rates), leaving an estimated carry forward of £102.905m. (NB – values for s106 receipts in the year are not yet known with certainty and are not shown; the likely value will be £7m-£14m.)

Table 6 Forecast Reserves Balances at month 6

Reserve Movements	Balance Brought Forward	net change	Resulting balance
	£000s	£000s	£000s
Revenue Reserves - non-earmarked	39,433	0	39,433
Revenue Reserves - earmarked (non-Covid-19)	30,145	(2,453)	27,692
Total Revenue Reserves	69,577	(2,453)	67,125
Revenue Grant - unapplied (Covid-19, general fund)	13,824	(4,513)	9,311
Revenue Grant - unapplied (Covid-19, collection fund - general reliefs)	31,419	(31,419)	0
Revenue Grant - unapplied (Covid-19, collection fund - s31 safety net)	12,855	0	12,855
Grant unapplied	58,098	(35,932)	22,166
Total Revenue Reserves & Grant Unapplied	127,675	(38,385)	89,291
Capital Reserves	16,067	0	16,067
Total All	143,742	(40,837)	102,905

3 Ringfenced funding

Housing Revenue Account (HRA)

- 3.1 The HRA budget was realigned following the approval of the HRA business plan at June Policy and Resources committee, with an amendment approved at Housing and Growth Committee in September. No variance to budget is currently anticipated. A detailed table is included at appendix A.
- 3.2 At month 6, the HRA is forecasting a £0.020m surplus in line with the budget which is after a voluntary expenditure contribution to capital of £1.771m
- 3.3 Excluding capital charges and depreciation, the controllable element of the HRA is projected to achieve a surplus of £13.953m, against a target of £14.243m, leaving a projected deficit to the target of £0.290m. The projected movement from the last report is a favourable movement of £0.0373m. This is due to an £0.195m increase in projected Dwelling rent due to low void rates achieved, £0.143m increase in projected service charges, £0.014m increase in projected non-Dwelling rent (Garage & Commercial rents) and £0.022m reduction in other costs.
- 3.4 The current position includes £1.221m projected debt costs on the HRA. The budget assumed small incremental borrowing, but the low level of interest rates provided an opportunity to take out borrowing earlier than planned, but with a lower overall cost.
- The HRA will benefit in the long term as the recent borrowing is at much lower interest rates of c.1.8%, compared with future borrowing rates, which are expected to be over 3.5%.
- 3.5 HRA general reserves opened the year at £4.000m and are forecast to close the financial year at £4.020m. This is equivalent to circa 1 month of forecast tenant rent and reflects best practice.

Table 7 HRA Forecast Reserves Balance at month 6

HRA reserves	B/Fwd	C/Fwd
--------------	-------	-------

	£'000	£'000
HRA Reserve	(4,000)	(4,020)
Major Repairs Reserve	(6,849)	(2,000)
HRA Reserves	(10,849)	(6,020)

Dedicated Schools Grant (DSG)

- 3.6 The DSG budget will be updated as the DfE announce further updates to allocations. For month 6, the forecast position for the DSG is an underspend of £1.499m.
- 3.7 This is due to underspend within the growth fund where the latest figures provided to finance have indicated there is likely to be little call on the growth fund this year.
- 3.8 Despite a large allocation increase for the High Needs Block there is still an overspend projected of £1.242m. This is due to the estimated increase in new Education and Health Care Plans (EHCP's) of 28% compared to 20% last year and placements in independent settings. This is an early estimate of the projected overspend and more accurate figures will be known in September once latest EHCP numbers are confirmed.
- 3.9 Work will be taking place in the year to look at a 3-year forecast for high needs to identify whether the new increased funding from the DfE is sufficient for the anticipated levels of demand. This work will also include a forecast on the growth fund following potentially 2 years of large underspends.

Table 7 Forecast DSG budget position at month 6

Dedicated Schools Grant	20/21 Outturn	Budget	Month 6 Forecast Outturn	Month 6 Forecast Variance
	£000	£'000	£'000	£'000
<u>Expenditure</u>	-			
Schools:				
- Individual Schools Budget	142,772	150,222	150,222	0
- ESG retained funding	1,054	700	700	0
- Growth Fund	302	2,814	73	(2,741)
- Central schools expenditure	1,121	2,193	2,193	0
Sub-total	145,249	155,929	153,188	(2,741)
Early Years Block	29,332	30,189	30,189	0
High Needs Block	51,233	55,270	56,512	1,242
Sub-total	80,565	85,459	86,701	1,242
Total	225,814	241,388	239,889	(1,499)
<u>Income</u>				
DSG Income	(227,249)	(241,387)	(241,387)	0
Total	(227,249)	(241,387)	(241,387)	0
Net DSG 21/22	-1,436	0	-1,498	-1,499

Public Health Grant

- 3.10 The ringfenced public health grant (£17.817m) is forecast to spend to budget pending a review of demand led contracts (which underspent last financial year). Any year end underspend will be carried to the Public Health ring fenced reserve. (NB – this reflects the ringfenced grant received pre-pandemic only; targeted grants – such as ‘test and trace’ are reported in section 2 as part of the Covid-19 spending.)
- 3.11 This report is prepared using the confirmed value of the grant which includes the inflationary increase of £0.341m.

Table 8a Public Health Grant forecast

Public Health Grant	2021/22 Budget	2021/22 Forecast	Covid 19 impact	2021/22 Forecast excl C19	Variance
	£000	£000	£000	£000	£000
Public Health services (PH grant funded)	17,817	17,817	0	17,817	0
Public Health Services	17,817	17,817	0	17,817	0

- 3.12 The Public Health Grant Reserve is currently £1.901m, there is currently no forecast top-up or draw down during this financial year.

Table 8b Public Health Grant Reserve forecast

Reserves use	brought forward	forecast carry forward
	£000	£000
Public Health reserve	1,901	1,901

Special Parking Account (SPA)

- 3.13 Income received from parking charges is paid into a Special Parking Account (SPA) to comply with legislative requirements. Any surplus is appropriated into the General Fund at year end. The act requires any surplus to be spent on specified traffic and highways management objectives. Table 9 below illustrates the forecast outturn position for the SPA and the estimated appropriation to the general fund. It shows that budgeted net receipts are £16.8m, but that the current forecast is for only £13.6m of receipts to be achieved.
- 3.14 The forecast losses arising from this underachievement of income amount to £3.089m, which can be recovered from one-off C19 funding (shown elsewhere in this report). Planning is in hand to identify the likely level of future receipts and what mitigations the service can apply to reduce the projected income gap in future years. The losses of c£3m equate to an anticipated overall position whereby income from car parking receipts is c£13.6m, or approximately 82% of budget. This will continue to be reviewed as the year progresses – current indications are that there may still be some further improvement in the remainder of the year (the forecast is based on the assumption that there is no further deterioration).

Table 9 SPA Forecast

SPA Accounts	2021-22 Budget	Estimated 2021-22 Outturn		
	£'000	£'000	£'000	£'000
Income	Budgeted SPA Account	M6 Forecast Excluding Covid-19	M6 Funded Covid-19 losses	M6 Forecast Outturn
Penalty Charge Notices	(16,275)	(12,945)	(2,636)	(15,581)
Residents Permits	(3,020)	(3,232)		(3,232)
Pay & Display	(3,990)	(3,325)	(453)	(3,778)
CCTV Bus lanes	(370)	(1,064)		(1,064)
Total Income	(23,655)	(20,566)	(3,089)	(23,655)
Operating Expenditure (running costs)	6,841	7,011		7,011
Net Operating Surplus	(16,814)	(13,555)	(3,089)	(16,644)
Appropriation to General Fund	(16,814)	(13,555)	(3,089)	16,644

4 Capital Programme

4.1 The revised 5 year capital programme was approved by Policy and Resources Committee in September. The revised programme by year, and by funding source, is set out below.

Table 10a 5-year capital programme - expenditure

Theme Committee – spending	2021-22	2022-23	2023-24	2024-25	2025-26	Total
	£000	£000	£000	£000	£000	£000
Adults and Safeguarding	5,611	4,602	4,344	2,765		17,322
Housing and Growth (Brent Cross)	134,126	36,609	43,425			214,160
Housing and Growth (Other)	112,266	74,395	60,626	50,967	19,649	317,903
Children, Education & Safeguarding	16,338	19,427	5,514			41,279
Community Leadership and Libraries	708	200	200			1,108
Environment	24,315	10,961	8,060	6,383		49,719
Policy & Resources	22,884	2,476	600	600		26,560
Total - General Fund	316,247	148,671	122,770	60,715	19,649	668,051
Housing Revenue Account	71,597	73,567	42,108	55,821	45,335	288,429
Total - All Services	387,844	222,238	164,878	116,536	64,984	956,480

Table 10b 5-year capital programme - funding

Theme Committee - funding	Grants	S106	Capital Receipts	RCCO/ MRA	CIL	Borrowing	Total
	£000	£000	£000	£000	£000	£000	£000
Adults and Safeguarding	12,439	417	90		3,997	379	17,322
Housing and Growth (Brent Cross)	200,281		900			12,979	214,160
Housing and Growth (Other)	53,537	8,703	15,121	491	15,035	225,016	317,903
Children, Education & Safeguarding	38,722	2	342		406	1,805	41,279
Community Leadership and Libraries					730	378	1,108
Environment	687	4,095	428		7,868	36,641	49,719
Policy & Resources	1		1,108		5,000	20,451	26,560

Total - General Fund	305,667	13,218	17,988	491	33,036	297,650	668,051
Housing Revenue Account	19,992		3,352	78,823		186,262	288,429
Total - All Services	325,660	13,218	21,340	79,314	33,036	483,912	956,480

- 4.2 The capital forecast outturn for the current year is £350.084m, of which £278.146m relates to the General Fund programme and £71.938m relates to the HRA capital programme.

Table 11a Current Financial Year Forecast Capital Outturn

Service Area	2021/22 Budget	Additions/ (Deletions)	(Slippage)/ Accelerated Spend	2021/22 Forecast	Variance from Approved Budget
	£000	£000	£000	£000	£000
Adults and Health	5,411	0	(409)	5,002	(409)
Children's Family Services	17,046	0	(2,755)	14,338	(2,708)
Growth and Corporate services	131,684	0	(32,545)	99,138	(32,545)
Environment	27,414	0	(1,417)	25,997	(1,417)
Brent Cross	134,126	0	(1,022)	133,104	(1,022)
Resources	567	0	0	567	0
General Fund Programme Total	316,246	0	(38,147)	278,146	(38,100)
HRA	71,597	1,248	(908)	71,938	341
Grand Total	387,844	1,248	(39,055)	350,084	(37,760)

- 4.3 The key variance since updating the programme overall is the in-year slippage in Growth and Corporate services of £32.545m. This will be carried into next year and is related to the strategic opportunities fund (see below for further details).

Funding of the Capital Investment Programme

- 4.4 The composition of capital funding in the current year 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 11b Funding the Capital Programme 2021/22

Service Area	Grants/ Other contributions	S106	Capital Receipts	Revenue/MRA	CIL	Borrowing	Total
Adults and Health	3,116		90		1,417	379	5,002
Children's Family Services	12,842		87		505	904	14,338
Growth and Corporate services	5,572	998	7,046	491	3,480	81,550	99,138
Environment	1,020	3,446	325		9,018	12,189	25,997
Brent Cross	131,395					1,709	133,104
Resources		567					567
General Fund Programme	153,945	5,011	7,548	491	14,420	96,731	278,146
HRA	4,557		3,243	26,716		37,422	71,938
Total Capital Programme	158,502	5,011	10,791	27,207	14,420	134,153	350,084

4.5 Brent Cross – The current 2021/22 position for the overall scheme is £1.022m under budget. The overall programme has acknowledged potential inflationary pressures due to the impact of Covid. At present a detailed risk register is maintained within the service which includes pressures and efficiencies. As and when these crystallise they will be included in the forecast as appropriate. A detailed review is being undertaken across all areas of the project which will be reported to the Governance Assurance Board in October. This update will address any cost pressures and mitigations as required. Please note below the revised scheme sub-titles which have been updated to align to the monthly BX Housing & Growth update.

- Land Acquisitions – (previously reported as Funding for Land Acquisitions) 2021/22 is forecasting accelerated expenditure of £0.337m from the 2022/23 budget. The forecast at M6 has increased by £0.135m in-year due to updated legal fees in line with the latest Gowlings tracker. The remaining £0.202m relates to an increase in the forecast between M4 and M5 budget realignment. This forecast expenditure will be accelerated from the 2022/23 budget when required. The overall scheme is currently shown on budget.
- Brent Cross West Station – (previously reported as Thameslink Station) 2021/22 is forecasting reprofiling of £0.258m into future years.
- Critical Infrastructure – 2021/22 is forecasting reprofiling of £1.138m into future years following changes in three sub-programme packages.
- BXT Land Acquisitions – (previously reported as BXS Land Acquisitions) is forecasting accelerated expenditure of £0.037m from the 2022/23 budget.

4.6 Growth and Corporate Services – At month 6, Growth and Corporate Services are forecasting a £32.545m underspend against the £131.684m capital programme budget in the current year. This is primarily due to:

- The Strategic Opportunities Fund. The £24.7m budget has been re-profiled into 22/23 and is a rolling fund set annually to take advantage of key strategic opportunities. This is a facility that allows us to make short-notice acquisitions in support of housing development where the opportunity arises. Nothing has been committed for 21/22 at present.
- Slippage of £1.224m in the Development Portfolio, due to opportunities not materialising this year, and £1.75m in Town centres due to planning and construction delays.
- £1.301m slippage in The Burroughs, Hendon due to a delayed property acquisition, where completion will now occur in 2022/23. This will be monitored and may be brought forward to this financial year.
- £2.846m slippage in Re Capital projects.

4.7 Children's and Family Service – At Month 6, the overall position of the capital budget for the full year is an underspend of £2.708m. The main reasons for this variance at M6 are listed below:

- £1m slipped for the Grammar School project. This is a scheme managed by the Grammar school. School in discussion with DfE and contractors regarding scheme costs and profile. School are seeking to gain additional funds from DfE to fund programme before changing scope. Scheme is delayed as a result.
- £1m is being slipped for Saracens primary school project. This is a scheme managed by Saracens School. The team are in conversation with the DfE regarding the Land deal. The discussions between LA and school for the land are ongoing and project timelines are still to be confirmed. Construction is not expected to commence this FY

- £0.437m slipped for Modernisation. The reason for the slippage is due to planning delays for a large scheme within the programme. The delay has resulted in construction delays; therefore, the scheme is not expected to be completed this FY.
- £0.288m slipped for Broadfield's SEN programme. The reason for the slippage is due to planning delays. The delay has resulted construction delays; therefore, the scheme is not expected to be completed this FY.
- £0.017m accelerated across various schemes within the programme

4.8 Adults and Safeguarding – The Adults and Safeguarding Capital budget for 2021-22, is forecasting a slippage against the budget at period 6, details are as follows:

- The leisure centres project forecast at month 6 is £0.132m and retention payment have been released for the two sites. There is some slippage of £0.409m against the budget and is due to anticipated works on the Playing Fields, which is to take place next year.
- Mosaic 'Investing in IT' budget funds the continuation of phase 2 and is expected to be fully spent.
- Community Equipment spend is incurred in revenue initially, current levels indicate that relevant spend is line with previous years. Spend continues to be monitored.
- Disabled Facilities Grant – forecast to budget spend being reviewed. Slippage from 2020/21 has been profiled over the next two financial years. Awaiting news on any potential DFG grant change later this year.

4.9 Environment – At Month 6 Environment is forecast to spend to £25.977m against budget with £1.417m slippage. Re Environment is forecast £1,417m of slippage as Colindale and Rushgrove Parks Works is expected to slip into future years. The project is Co-ordinated by the Environment Agency and Thames Water and a decision on how this will proceed will be taken in February 2022.

4.10 Resources – The capital programme for Resources is forecast to spend to budget in 2021/22.

HRA Capital Investment

4.11 The HRA has a capital investment budget of £71.598m in 2021/22, a budget that was recently realigned and reprofiled following the agreement and approval of the 30-year HRA business plan by H&G and P&R committees in June and re-aligned at September P&R.

4.12 The position reported at Month 6 is a £0.340m adverse variance from budget. This includes £1.298m slippage, with £1.637m net additions. The slippage consists of:

- Dollis Valley (£0.200m) – Due to expected completion of the development. The budget is to purchase units for displaced residents in new developments.
- Regeneration (£0.390m) and Voids and Lettings (£0.708m) to match the spend profile of programmes.

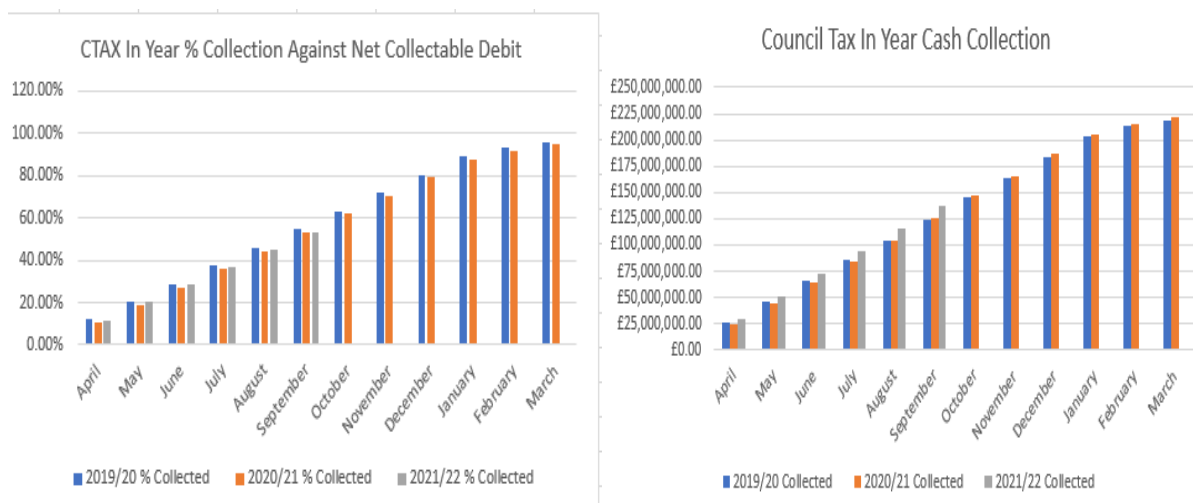
4.13 The addition of £1.637m miscellaneous repairs is the result of higher-than-normal roofing and structural repairs expected to be incurred this financial year.

5 Revenues and Sundry Debt

Council Tax

5.1 The council's budget plan for 2021/22 assumes the collection of £198m of Council Tax. Overall collection continues to improve compared to last year and the budget target is expected to be achieved.

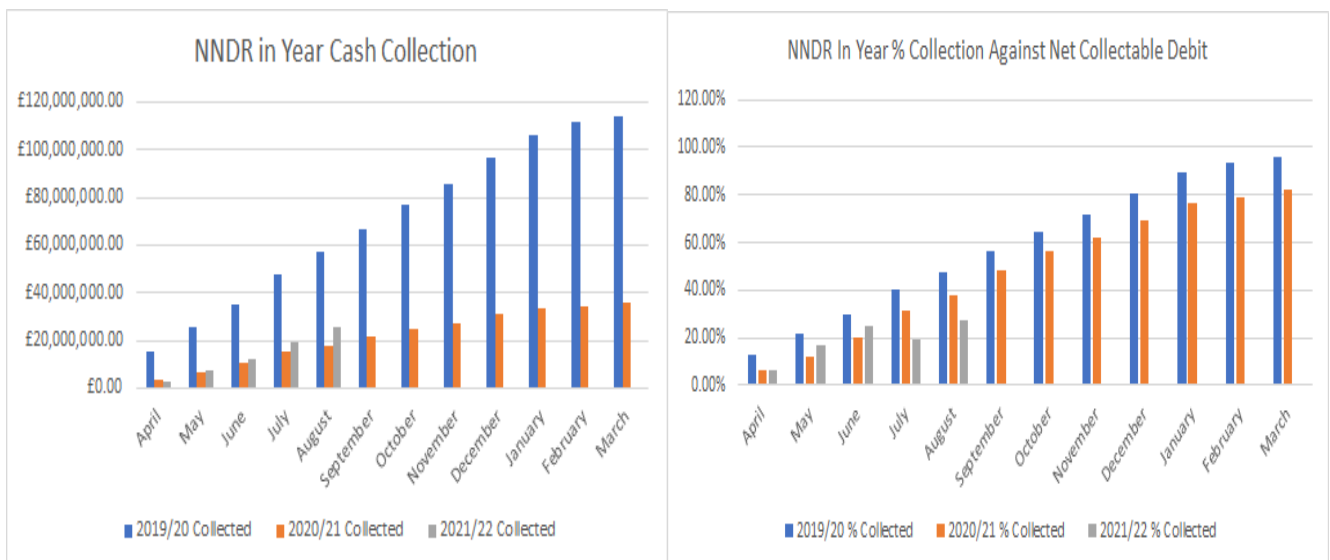
- 5.2 Current collection is 53.57%, which is 0.27% more than the same point last year (pandemic), but 0.95% lower than the same point in the previous year (pre-pandemic). In cash terms, current collection levels are £11.2m higher than last year and £12.1m higher than September 2019 (pre - pandemic) – this is due in part to annual increases in both the council tax base and the household charge over two budget cycles.
- 5.3 Two factors contributing to current collection being lower than pre-pandemic levels are:
- 4,609 more households are now on 12 monthly instalment plans having extended payment plans to include February and March. Previously, the most common payment plan was 10 monthly payments from April to January. This has altered the payment profile for these households but has not adversely impacted the overall collection rate. It is expected that the 98.5% collection budgeted for will be achieved.
 - July 2021 saw the first current year summonses issued for non-payment of current year Council Tax. This is due to an additional reminder the council introduced during the pandemic which ended at the end of July 2021 in line with the release of most national restrictions. The recovery schedule has now returned to pre-pandemic operations and summonses for Council Tax are up to date. It is envisaged the result of the liability hearings now being up to date will see increased payments made as part of payment arrangement plans created.
- 5.4 There has been an underlying recovery impact from COVID-19 in Council Tax, however the council's tax base has improved through additional completions to Month 6 and there is not expected to be a pressure on the Collection Fund. Council Tax Support numbers have reduced slightly from previous months' and are now forecasting to be £0.092m above budget. These favourable movements allow the Council to release £3.500m of COVID-19 grants to support other recovery initiatives across the borough.
- 5.5 The charts below show the comparison of collection rates and cash values over the three years.



Business Rates

- 5.6 The council's budget plan for 2021/22 assumes the collection of £38.7m of business rates. At the end of June 2021, the 100% Expanded Retail Discount ceased and this means that the council now has more to collect from businesses. The forecast collection of £35.8m has not changed.

- 5.7 62% of eligible businesses have applied for the 66% NNDR relief available from 01 July. The council has determined that for those eligible businesses yet to apply, the discount can be applied automatically with an opt-out mechanism. Not all will receive the discount as certain classes of hereditament may breach subsidy limitation rules (this is similar to the former State Aid limitations).
- 5.8 Overall, it is expected that there will be a need for £2.9m of support to be claimed from the C19 grants unapplied for losses in business rates collection. (This is included in the C19 spending estimates set out in section 2, above.)
- 5.9 In cash terms, the council is £13.8m above the position 12 months ago but £31.6m below the position 24 months ago (pre-pandemic).
- 5.10 Two of the areas identified that have contributed to collection being less than 2019/20 are:
- Additional work created due to business support grants has impacted both the ability of the business rates team to improve collection and also the ability of businesses to make payments. CSG Revenues and Benefits have outlined plans for the recovery of business as usual and work is now underway to deliver this.
 - Business Rates are yet to summons during 2021/22. The recovery process is recommencing in October and the first liability hearing will be held on 25 January 2022.



Emergency financial support for residents

- 5.11 Emergency support is in the form of Discretionary Housing Payments, Discretionary Council Tax Discounts and Crisis Fund payments.
- DHP has seen a 29% decrease against last year (pandemic), it remains 9% above the previous year (pre-pandemic). The council has received a higher allocation than pre-pandemic and are forecasting £2.4m expenditure, this is in line with anticipated government funding.
 - Discretionary Council Tax Discounts (Section 13A payments) are seeing a 35.80% increase against September 2020, due to fewer requests early in the pandemic. There is greater knowledge and understanding of the availability driving demand.
 - Crisis Fund has seen a 53% increase against last year as there were fewer requests early in the pandemic. The main driver for the crisis fund increase is owing to the

relaxation of the eligibility/entitlement requirements within the council's policies. At the time of writing this report the relaxation of policy ended 30 September 2021 however this is under further review with consideration to extending until 31 March 2022.

Court Costs

- 5.12 Court costs awarded and collected have significantly increased compared to 2020/21 however remain slightly down on 2019/20. August 2021 was 10% down on August 2019. September 2021 was 1% down on September 2019. This was as anticipated as a result of the backlog of liability orders being cleared. Current forecasts suggest the budget income target of £1.689m will be achieved.
- 5.13 Court costs collected 30 September are £630,975. This is 404% up on 2020/21 owing to the freeze on both recovery and enforcement action for non-payment at this point in 2020 as of the council's pandemic response. In comparison to the pre covid year of 2019/20 we are however 13% down owing to the service still recovering from the recovery freeze. This is a 14% decrease on August 2021.

Housing Benefit Overpayments

- 5.14 Housing Benefit Overpayment Collection continues to increase. The cumulative 2021/22 collection figure at 30 September 2021 is £1,340,395. This is a 98.35% increase on the same period last year (£675,780), and a 54% increase on the same period in 2019 - pre-pandemic, (£873,022).
- 5.15 Current forecasts suggest the budget income target of £2.159m will be achieved.

Sundry Debt

- 5.16 Between August 2021 and September 2021 overall debtors increased by £1.079m. An aged analysis of debtors as at the 30 September 2021 is provided below at Table 12. It should be noted that this information is a snapshot as at that date and the overall position varies.
- 5.17 Overdue debtors (up to 30 days and older) as at 30 September 2021 was £27.143m a decrease of £0.835m for the same period in 2020 where the outstanding balance was £27.978m.

Table 12 Aged Debt Analysis as at 30 September 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 6	6,939	1,968	6,715	2,397	16,063	34,082
Month 5	1,910	7,992	5,819	471	16,811	33,003
Movement	5,029	-6,024	896	1,926	-748	1,079

- 5.18 Table 13 gives detail of the top ten individual debts by debtor, totalling £17.152m.

Table 13 Top 10 debtors as at 30 September 2021

Debtor	Total Debt	Not Overdue	Up to 30 days	30 - 60 days	60 - 90 days	Over 90 days
	£000	£000	£000	£000	£000	£000
NHS North Central London CCG	12,162	2,044	123	5,017	2,000	2,980
The Fremantle Trust	1,357	0	0	0	0	1,357
Comer Homes	993	0	0	0	0	993
Metropolitan Police Service	692	188	10	0	0	494
Barratt Metropolitan LLP	603	18	572	0	0	13
Conway AECOM Ltd	334	0	0	0	0	334
Middlesex University	312	321	0	0	0	-9
Health Education England	270	216	0	54	0	0
NHS Enfield CCG	232	23	0	17	0	192
Barnet Enfield and Haringey Mental Health Trust	197	50	40	45	40	180
Total	17,152	2,860	745	5,133	2,040	6,534

- 5.19 Outside of the table 13 (which shows individual debtor accounts) is a significant class of debtors which relate to adult social care placements and care packages where the client is assessed as being able to contribute to the cost of their care. At the time of preparing the report, this debt is recorded as being £12.2m. A dedicated project is in place to maximise recovery of this debt and to improve its active management. The project has worked since April 2021 to manage historic debt and has delivered £0.537m of benefit to the council to date. Additional work to understand the quantum of assessed charges, payment plans in place and clients with bad or doubtful debts is being undertaken for future reporting.
- 5.20 Significant levels of income have now been received for the older debts with North Central London CCG, and the position has improved by £11.268m from March. All invoices raised are now up to date for 2021/22. Discussions continue on the remaining debt.
- 5.21 Legal discussions with The Fremantle Trust are ongoing.
- 5.22 The Assistant Director of Estates continues discussion with HBPL regarding the Comer Homes debt.
- 5.23 Further discussions are now taking place with the Metropolitan Police following escalation to the relevant Assistant Director in Assurance for resolution.
- 5.24 Barratt Metropolitan LLP are still in discussion with the service area regarding the £0.013m over 90 days debt. £0.572m was paid in month 7 towards the other debt.
- 5.25 There are on-going final account negotiations with Conway to recover the outstanding debt, it is not yet known when will be concluded.
- 5.26 Middlesex University have sent a remittance advice for the total outstanding balance.
- 5.27 Health Education England have been sent copy invoices in month 7 as they advised they were not in receipt of the original documents.
- 5.28 Discussions are ongoing regarding the NHS Enfield CCG debt alongside the other CCG debts.
- 5.29 Barnet Enfield & Haringey Mental Health Trust paid £0.071m in month 10. The remaining balance is under discussion.

6 REASONS FOR RECOMMENDATIONS

- 6.1 This report contains a summary of the Council's forecast revenue and capital outturn for the financial year 2021/22 as at Month 4 (July 2021).

7 ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 7.1 None

8 POST DECISION IMPLEMENTATION

- 8.1 None

9 IMPLICATIONS OF DECISION

9.1 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

9.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

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

9.3 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.

9.4 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>

9.5 Risk Management

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

9.6 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
- 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.

9.7 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.

9.8 Consultation and Engagement

- None in the context of this report

9.9 Insight

- None in the context of this report

10 BACKGROUND PAPERS

None.

AGENDA ITEM 8



Financial Performance and Contracts Committee

23 November 2021

Title	Review of Capita Contracts
Report of	Chief Executive
Wards	All
Status	Public (except Appendix C, which is not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972, because it contains information relating to the financial and business affairs of Capita and the Council)
Urgent	No
Key	No
Enclosures	Appendix A – Evaluation Criteria Appendix B – Performance Packs Appendix C (exempt) – Financial Assessment
Officer Contact Details	John Hooton – Chief Executive john.hooton@barnet.gov.uk 020 8359 2460 Deborah Hinde – Director, Commercial and Customer Services deborah.hinde@barnet.gov.uk 020 8359 2461

Summary

The purpose of this report is to provide an update on the Review of Capita contracts and to confirm the proposed return of services to the council.

Officer Recommendations

That the Financial Performance and Contracts Committee:

- 1. Notes that extension proposals have been received from Capita;**
- 2. Notes the evaluation approach that will be applied to those proposals, as set out in paragraphs 2.1 to 2.6;**
- 3. Notes the content of the performance packs attached at Appendix B;**
- 4. Makes the following recommendations to the next meeting of the Policy and Resources Committee:**

That the Policy and Resources Committee agrees that:

- a. the council does not seek to extend those elements of the RE and CSG contracts that relate to the procurement service, regulatory services, the regeneration service and highways;**
 - b. upon expiry of those elements of the contract, these services be returned to the council;**
 - c. the future strategy for the highways service should be the subject of a separate report to the Environment Committee;**
 - d. the recruitment service be returned to the council in February 2022; and**
 - e. the chief executive be authorised to take the necessary action to transfer the recruitment service back to the council, subject to the conclusion of the necessary due diligence, and to prepare for the transfer of other returning services in 2023; and**
- 5. Notes the next stages of activity, as set out in paragraphs 4.1 and 4.2.**

1 WHY THIS REPORT IS NEEDED

1.1 At its meeting on 8th June 2021, the Financial Performance and Contracts Committee agreed the proposed direction of travel for services currently provided by Capita, through the Customer and Support Group (CSG) contract and the Regional Enterprise (RE) contract. The proposed direction of travel was based on 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.
- 1.2 Recommendations on the categorisation of services were 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
 - 1.3 The report identified that there remained a considerable amount of work to be done before firm recommendations on the future delivery model for each service could be made.
 - 1.4 For those services where the proposed direction of travel involved contract extension, whether for one year or three, the focus of attention would be on continuing the joint working with Capita to ensure that their proposals for the future development of the services align with council's vision and requirements. Discussions would also continue to further understand and agree the rationale, scope and any wider impacts or interdependencies, where a partial return of services has been suggested.
 - 1.5 The June report stated that, where the proposed direction of travel was to return services to the council, work would continue on confirming the business cases for so doing. It was also reported that Capita had confirmed that they are keen to work closely with the council on maintaining the delivery of these services over the remaining life of the contract and ensuring a smooth transition back to the council in due course.
 - 1.6 Where it was identified that further review is required before the future delivery model can be determined, work would continue on identifying and assessing the options, including carrying out further market research where appropriate.
 - 1.7 A further progress report was considered by the Committee at its meeting on 7th October 2021.
 - 1.8 The following table summarises the direction of travel that was agreed for each service:

Service	Retain	Return	Further review, with short extension
IT	✓		
Customer Services	✓		
Revenues and Benefits	✓*		
Procurement		✓	
Accounts Payable/Integra			✓
HR/Core HR			✓*
Estates			✓*
Planning and Development Control	✓*		
Building Control	✓		
Land Charges	✓		
Regulatory Services		✓	
Regeneration		✓	
Highways		✓	
Cemetery and Crematorium			✓

** with some element of the service potentially returning to the council upon expiry of the contract*

2 REASONS FOR RECOMMENDATIONS

Retained and further review services

- 2.1 Capita's extension proposals have now been received by the council. Whilst this is not a procurement exercise in the usual sense, a rigorous evaluation process has been developed that is consistent with normal tender evaluation procedures. The process involves colleagues from the commercial and financial teams, as well as client leads.
- 2.2 The procurement service, which is not part of the extension proposals, has advised on the design of the process, as agreed with Capita, but will not be part of the evaluation process.
- 2.3 The evaluation process will apply the following weightings, in line with the criteria previously applied during the 2018/19 review:

Strategic control	20%
Quality	35%
Value for money	35%
Social value	10%

- 2.4 The detailed sub-criteria that will be considered are attached at Appendix A, which also provides examples of items that would contribute to Social Value.
- 2.5 The process will be conducted in two stages, with feedback being provided to Capita following the first stage to enable modifications to provide a “best and final offer”. The council has reserved the right to reject the proposals at any point.
- 2.6 One aspect that will be considered in the evaluation process is the extent to which the proposals address known performance issues, as set out in a series of performance packs that have produced to support the process. The packs that relate to “retained services” have been scrutinised by the informal cross-party working group and are attached at Appendix B. Members of the Committee are asked to note the contents of the packs. The packs that relate to “further review” services will be published after they have been subjected to the same scrutiny.
- 2.7 At this stage, the Committee is asked to note that extension proposals have been received and to note the evaluation process. It is anticipated that a full report on the outcomes of the evaluation will be brought to this Committee on 1st February 2022.
- 2.8 In respect of “further review” services, some work is continuing in the background on identifying and assessing the longer-term options for services, in particular in respect of the review of core IT systems requirements (accounting/HR/procurement), including consideration of an ERP solution. However, it should be noted that the function of the proposed one-year extensions is to allow additional time for that review work to take place, so it is not anticipated that this work will be completed until much later in the process.

Returning services

- 2.9 For services where the proposed direction of travel was to confirm that the contract will expire, at which point the service will return to the council, the primary focus of the work has been on confirming that this an affordable and deliverable option.
- 2.10 That work has now been completed in respect of the following services:
- Procurement
 - Regulatory Services
 - Regeneration
 - Highways
- 2.11 It has been concluded that, across the four services, the financial impact of returning them to the council would be affordable and, overall, will not result in

additional costs to the council in delivering those services. The detailed financial analysis is set out in Appendix C, which is not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972, because it contains information relating to the financial and business affairs of Capita and the Council. Publishing this information would compromise the council's negotiating position and this consideration outweighs the public interest in disclosing the information at this stage.

- 2.12 Alongside the financial assessment, client leads for the procurement service, regulatory services and the regeneration service have also considered whether or not there would be any benefits in adopting an alternative delivery model, such as re-procuring these services from an alternative provider. They have concluded that the rationale for the proposed direction of travel set out in the 8th June report, i.e. allowing the contracts for these services to expire in 2023 and returning them to the council, is sound and the Review outcomes in respect of these services should now be confirmed.
- 2.13 In respect of the highways service, the 8th June report stated that *“it would not be appropriate to extend the current arrangement, so the proposed direction of travel is that the contract should be allowed to expire in 2023. Whilst it is anticipated that the bulk of the service currently provided through the RE contract will transfer back to the council, Highways is a particularly complex service, so there may be some elements that will continue to require third party input, particularly specialist design work. Further work will, therefore, be required to determine the detail of the most appropriate model going forward. It is proposed that the detailed future roadmap for the service and the associated business case will be developed through the Barnet/RE Highways Transformation Programme.”*
- 2.14 Work has continued through the Highways Transformation Programme to consider a range of options for the future delivery of the service. That work is nearing completion and it is anticipated that a proposal on the future strategy for highways will be presented to the Environment Committee in January 2022, with a subsequent report to the Policy and Resources Committee. Notwithstanding the ongoing work on developing that operating model, it is clear that this will not involve an extension of the existing commercial arrangements and any future third party input, whether from Capita or another provider, will require procurement with separate commercial arrangements.
- 2.15 It is, therefore, proposed that it is now confirmed that the highways element of the RE contract should not be extended and that the service should return in-house.
- 2.16 The 8th June report identified that there may be some benefit in returning the recruitment element of the HR/payroll service to the council upon expiry of the contract, to further strengthen the client/contract relationship. Through subsequent discussions, it has been concluded that, with the imminent expiry of the contract for Vacancy Filler software, the most appropriate course of action is to return the service to the council in February 2022 and for the council to contract directly with Vacancy Filler. The service comprises three

staff and discussions have commenced in respect of the TUPE implications of a service transfer.

- 2.17 Any resulting contract price change would be based on the current actual cost of providing the service, which could result in a small budget pressure due to increased pension costs. The financial details are set out in Appendix C, which is not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972, because it contains information relating to the financial and business affairs of Capita and the Council. Further due diligence, including consideration of any equalities impact, is required prior to implementation of the transfer.
- 2.18 It is therefore recommended that the Financial Performance and Contracts Committee make the following recommendations to the next meeting of the Policy and Resources Committee:

That the Policy and Resources Committee agrees that:

- a. the council does not seek to extend those elements of the RE and CSG contracts that relate to the procurement service, regulatory services, the regeneration service and highways;
 - b. upon expiry of those elements of the contract, these services be returned to the council;
 - c. the future strategy for the highways service should be the subject of a separate report to the Environment Committee;
 - d. the recruitment service should be returned to the council in February 2022; and
 - e. the chief executive be authorised to take the necessary action to transfer the recruitment service back to the council, subject to the conclusion of the necessary due diligence, and to prepare for the transfer of other returning services in 2023.
- 2.19 The proposals set out in this report have been considered and scrutinised by the informal cross-party working group.

3 ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 The reasons for not recommending extensions of the contracts for these services were considered by this Committee on 8th June 2021.

4 POST DECISION IMPLEMENTATION

- 4.1 Evaluation of Capita's extension proposals is underway and the outcome of that will be reported to the next meeting of this Committee.
- 4.2 In respect of returning services, both parties are committed to continuing their joint working approach, which will be essential to ensure a smooth transition to the new arrangements. Maintaining the cohesiveness of these services and maximising the retention of skilled and experienced staff is an absolute

priority for the Programme. To this end, detailed planning for the exit from the contract and transfer of services is underway. This will cover matters such as the transfer of staff, assets, licences etc. The exit plan will also set out how the parties will work together to maintain service delivery and support staff through the process.

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 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 were redeployed to support the delivery of critical services during the Covid-19 pandemic. There has, therefore, been 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.

5.3.2 Social Value commitments contained in Capita's extension proposals will be evaluated independently of other parts of the submission.

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 17th June 2019 agreed that terms of reference and progress on the 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. Statutory Guidance requires the council to provide for organisations, businesses, service users, and the wider community to put forward options on how to reshape services, and to consider overall value, including economic, environment and social value when reviewing service provision. This will be carried out as set out in paragraphs 1.7 and 1.8 of this report.

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 continue to be monitored and mitigating actions have been put in place, including establishment of 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 more detailed proposals and business cases are developed. For returning services, the development and consideration of Equalities Impact Assessments will be carried out as part of the exit planning process.

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 17th June 2019. The Review is a continuation of the review of Capita contracts and will take into account the feedback already provided. Further engagement has taken place through the use of focus groups, the outcome of which is reported separately to this Committee.

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. Arrangements have been put in place to engage with and update staff, as the Review progresses.

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, 29th 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, 18th 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, 15th 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, 27th October 2020:
<https://barnet.moderngov.co.uk/documents/s60807/Year%206-7%20Review%20FPC%20report.pdf>
- 6.5. Report to Financial Performance and Contracts Committee, 17th March 2021:
<https://barnet.moderngov.co.uk/documents/s64235/Yr%206-7%20Review%20FPC%20report.pdf>
- 6.6. Report to Financial Performance and Contracts Committee, 8th June 2021:
<https://barnet.moderngov.co.uk/documents/s65146/FPC%20Contracts%20Review%20Report.pdf>

Category	Criteria
Strategic control (20%)	<p>Does the proposal allow for flexibility to meet emerging needs in and post 2023?</p> <p>Do revised KPIs and PIs assist in meeting strategic concerns?</p>
Quality (35%)	<p>Do the proposals address identified performance issues in the service area? (outside of KPI remit)</p> <p>Does the proposal deliver expected improvements in customer experience? (assume changes in investment will impact in this area)</p> <p>Will the proposal lead to improvements in client/contractor relationships and enable client leads to exercise appropriate influence on service delivery and priorities?</p> <p>Does the proposal allow for the latest upgrades to the latest functionality of technologies which are best in class/ sector leading?</p> <p>Can Capita evidence examples of success from other authorities?</p> <p>Is the investment cost in the service area in line with council's expectations of service improvements required?</p>
Value for money (35%)	<p>Does the proposal fall within the current budget envelope (management fee, change requests and indexation)?</p> <p>What financial and commercial impact are the revised financial clauses offering (KPIs, gainshare)?</p> <p>Existing contract outputs vs revised profile outputs in line with price (getting more for our money – risk and reward)</p> <p>Cost avoidance – e.g. does the new proposal allow for reduction in SPIR expenditure, gainshare and volumetrics?</p>
Social Value (10%)	<p>Does the proposal address social value and leveraging their own supply chain within the borough? (this would demonstrate partnership working with the council)</p>
Overall strategic, commercial and financial viability of proposal	<p>Overall, does the proposal provide an acceptable level of commercial and financial risk, in a manner that fits with the council's values and strategic priorities</p>

Social Value Examples

Expectation that the Capita proposal will include wider social, economic and environmental benefits and support the council's core social value themes to deliver better outcomes for Barnet

LBB Social Value Theme	Examples
Vulnerable Customers and Digital inclusion	Digital inclusion strategy Lap top donation for the digitally deprived Community based digital skills training
Upskilling and Employment	Apprenticeships Work placements Volunteering Job ready support (CV advice, mock interviews etc)
Support for enterprise	Training and support to SMEs including community groups and voluntary organisation Business Mentoring and Coaching
Environment and wellbeing	Adoption of Green technology Wellbeing Programme Mental Health First Aid Training
Equality, Diversity and Inclusion	Increase diversity in workforce EDI networks and groups Mentoring and Coaching Diversity and Inclusion training

CONTRACT REVIEW PERFORMANCE PACK CUSTOMER SERVICES

Service Performance Summary

The customer service contract has performed well since 2018, regularly meeting KPI's and achieving good levels of customer satisfaction. However, the council recognises that a number of residents have raised concerns about the ability to contact the council and speak to an officer.

The Council has invested significantly in making improvements to the service provided to our residents and customers, improving the digital offer and telephony service, and establishing effective internal governance to ensure improvements measures are sustained.

There has been a significant change in how customers choose to contact the council over this period, with the majority of transactions now online. Working collaboratively to ensure our website is accessible and easy to use has been and will continue to be important in meeting the needs of our residents.

The service has also seen improvements to wait times on the phones and the dedicated support provided to those residents who need it. Good working relations have enabled flexibility, to ensure the best outcomes for our residents are achieved.

Working across service boundaries to provide a seamless customer experience across the organisation has improved and will continue to be focused on, responding to resident feedback.

Notwithstanding the improvements that have been made, the service remains committed to continuing to improve residents' ability to contact the council and to working with services to improve the handling of more complex cases.

Key Figures 2018 - 2021

	2018/19	2019/20	2020/21
Management Fee (as per Financial Model 2013)	2,381,901	2,370,818	2,365,052
Indexation (cumulative)	144,574	192,634	238,647
Change Request	38,415	(89,721)	(89,020)
Total	2,564,890	2,473,731	2,514,679
Special Projects	4,027,848	1,522,990	718,197
SPRR	107,909	27,958	0
Income (actuals)	N/A	N/A	N/A

Service Journey (Including Achievements) 2018 – March 2021

The service has been through a considerable amount of change since the beginning of the contract. The Contact Centre is now part of one of Capita's shared service centres; based in Coventry. This includes key functions such as Resource Planning, Real Time Management, Training, Quality Assurance and a Customer Experience team. These functions help to ensure the service is well run and the Customer Journey/Experience are continually reviewed. There are now also very experienced subject matter experts included for every service.

In addition, the transformation programme has completed several projects so far. These include Website projects that have supported the 'channel shift' of customers to online channels, including 'My Account', a Mobile first design and artificial intelligence to analyse content.

One of the biggest challenges was of course the Covid Pandemic. The service moved at pace to get staff working from home and showed tremendous flexibility by supporting the council in many ways, including the Covid Vulnerability Hub.

Service Journey (Including Achievements) 2018 – March 2021

During this difficult time, the service maintained very strong working relations and communications with the various council services. We also listened to customers and changed ways of working to improve the way vulnerable customers are supported and flexed our resources to support customers where and when they needed it as demand for services increased. Other examples of flexibility include helping the Waste service with the large spike in seasonal Garden Waste calls and supporting the authority with elections.

Customer Services has a good reputation within the authority. It regularly achieves its targets, has achieved good levels of contact reduction (channel shift) and has evolved beyond what would be considered a traditional Call Centre. Issues are generally dealt with promptly, vulnerable customers supported, and there are established lines of communication with all council services. The relationship is strong at all levels with teams very much feeling they are part of a partnership.

Both parties recognise that further improvements are required, particularly in dealing with residents with more complex issues.

Performance to Date – KPIs Annual Outturn

KPI No	KPI Description	2018/19		2019/20		2020/21	
		Target	Result	Target	Result	Target	Result
	Customer Services						
CSO KPI 10a	% Customer Satisfaction with phone, F2F, Email & post case closure	89%	90%	89%	90.8%	89%	91.5%
CSO KPI 13b	Performance against SLA for CAS cases where Customer Services own the end to end process	96%	100%	94%	100%	94%	100%
CSO KPI 14	Self-serve contact as a % of overall contact (CSG Customer Service only)	48%	47%	50%	54%	50%	67.4%
CSO KPI 15	Web Satisfaction (Web Performance and Customer Feedback)	New for 19/20	New for 19/20	55%	61.3%	55%	59.1%

There has been a consistently strong performance on all Customer Services KPIs. Self-serve contact has improved due to the considerable work completed on the website and online forms.

Customer Services Customer Satisfaction

Customer Satisfaction is measured on phone contacts and online contacts. Telephone customers are transferred to an automated solution where the customer is asked a number of questions.

The target of 89%+ is consistently achieved.

For online contacts, Customer Satisfaction is measured using GovMetric/Site Improve. Following the website improvements, the target of 55%+ is consistently achieved.

Insight and feedback is analysed and acted upon. As an example, the team are currently looking at the telephony 'Interactive Voice Response (IVR)' to simplify the messages and options the customer hears when calling, including steps to speak to a person and call-back options.

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CONTRACT REVIEW PERFORMANCE PACK INFORMATION SERVICES

Service Performance Summary

The IT service contract has performed well since 2018, regularly meeting KPI's.

The Council has invested in making improvements to the service and introduced robust staff feedback mechanisms to ensure improvements are focused where they will have greatest impact. Satisfaction with the service has improved following implementation of these improvement plans. Fewer incidents are raised by staff and major incidents impacting the council's performance have reduced.

Good working relationships have enabled greater flexibility, to ensure the best outcomes for the council and service users are achieved.

Mitigating the impact of cyber security attacks is an increasing challenge and robust interventions coupled with increased staff awareness have been prioritised.

Leading an integrated approach to digital development that delivers security, flexibility and reliability will be a key success factor moving forward.

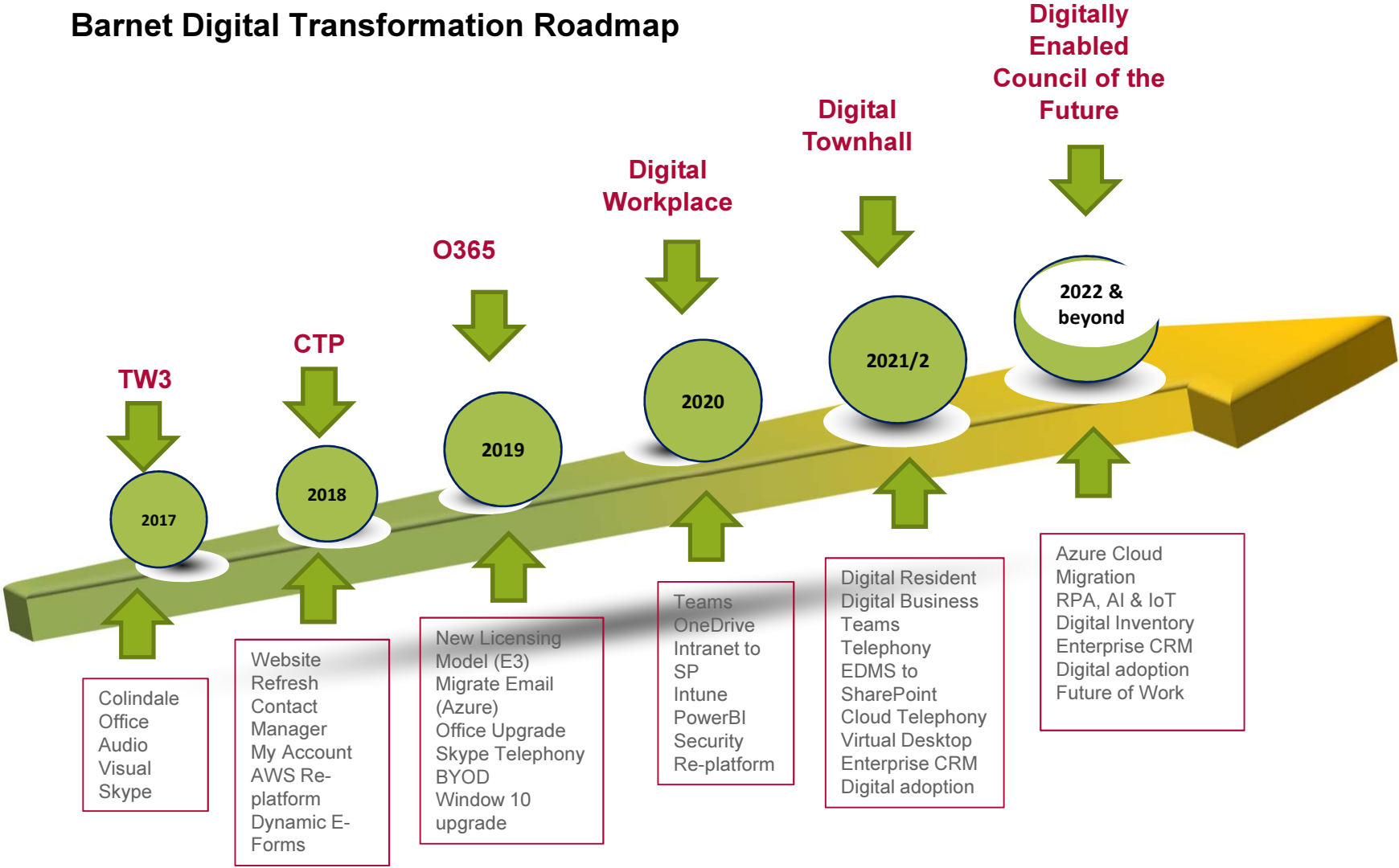
The service has been commended for its response in supporting the council to move quickly to home-working during the pandemic and was recognised for this support at the recent staff awards.

Key Figures 2018 - 2021

	2018/19	2019/20	2020/21
Management Fee (as per Financial Model 2013)	7,699,984	5,334,721	5,294,566
Indexation (cumulative)	530,763	482,537	570,506
Change Request	641,970	892,003	617,244
Total	8,872,717	6,709,261	6,482,316
Special Projects	3,466,274	2,154,758	2,031,055

Service Journey (Including Achievements) 2018 – March 2021

Barnet Digital Transformation Roadmap



Service Journey (Including Achievements) 2018 – March 2021

Key service achievements during the period;

- Reduced number of incidents by 33%
- Volume of major incidents reduced by 70%
- Over 1800 system changes in last 3 years
- Password resets reduced by 79%
- Resource profile has adapted to reflect current demand and service needs
- Improved senior staff retention

Year	Incident numbers	Major Incidents	System Changes	Password resets
2018/19	20,444	80	607	8,458
2019/20	21,359	37	499	2,319
2020/21	13,881	24	722	1,696

Performance to Date – KPIs Annual Outturn

KPI Number	KPI Description	2018/19		2019/20		2020/21	
		Target	Result	Target	Result	Target	Result
	Information Systems	Target	Result	Target	Result	Target	Result
IS KPI 13	Critical System Availability	99.5%	99.93%	99.5%	99.91%	99.5%	99%*
IS KPI 14	User Satisfaction-IT	3.79	3.12	Revised methodology – see slides 7-10			
IS KPI 15	Incident resolution	95%	93%	95%	95%	91%**	92.2%

IS KPI 14: A service improvement plan was implemented to respond to the feedback from the Annual User-Satisfaction survey. This included using a broader survey from Socitm, an industry leading I.T organisation with public sector focus.

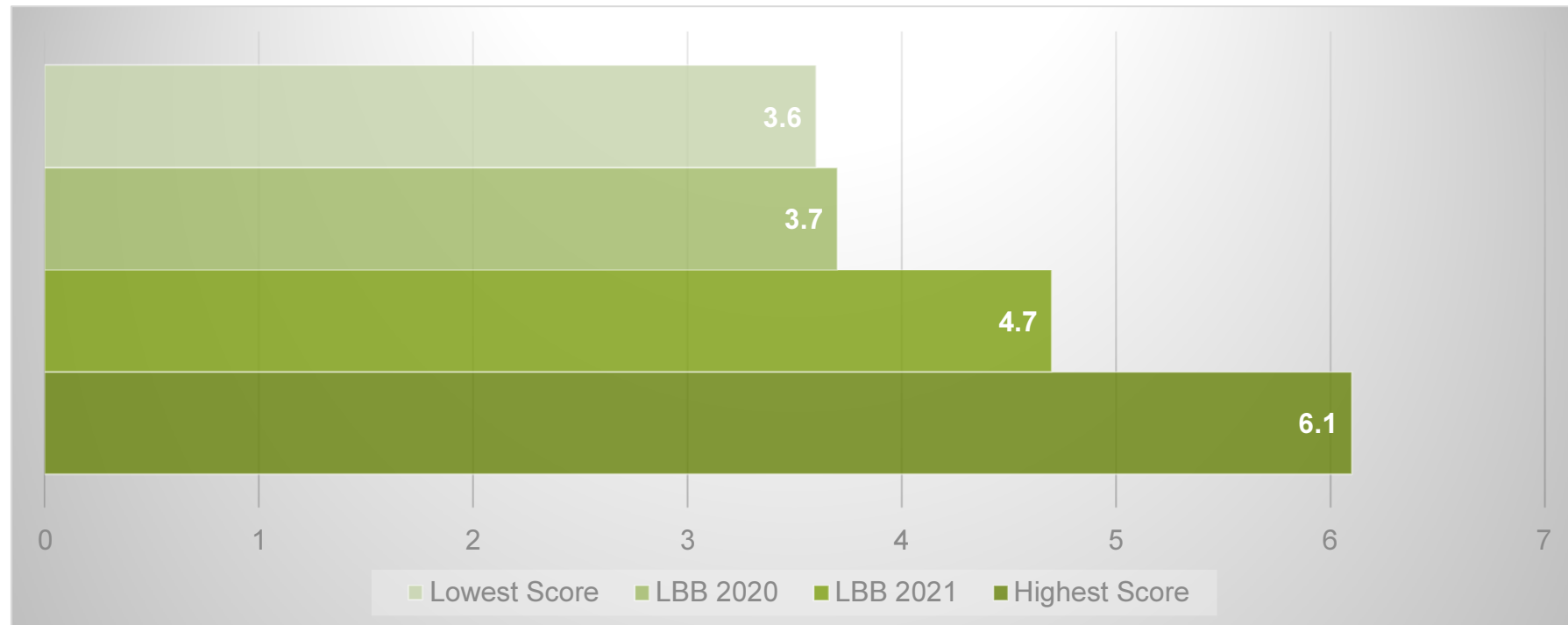
In 2020/21 the results of the Socitm survey improved from 3.7 out of 7 (2019/20) to 4.7 out of 7 (2020/21). These improvements can be attributed to a tailored improvement plan based on customer feedback.

* Due to the impact of cyber attack on a third-party provider

** Target reduced to reflect increase in demand due to people working from home during the pandemic

Annual Socitm Survey

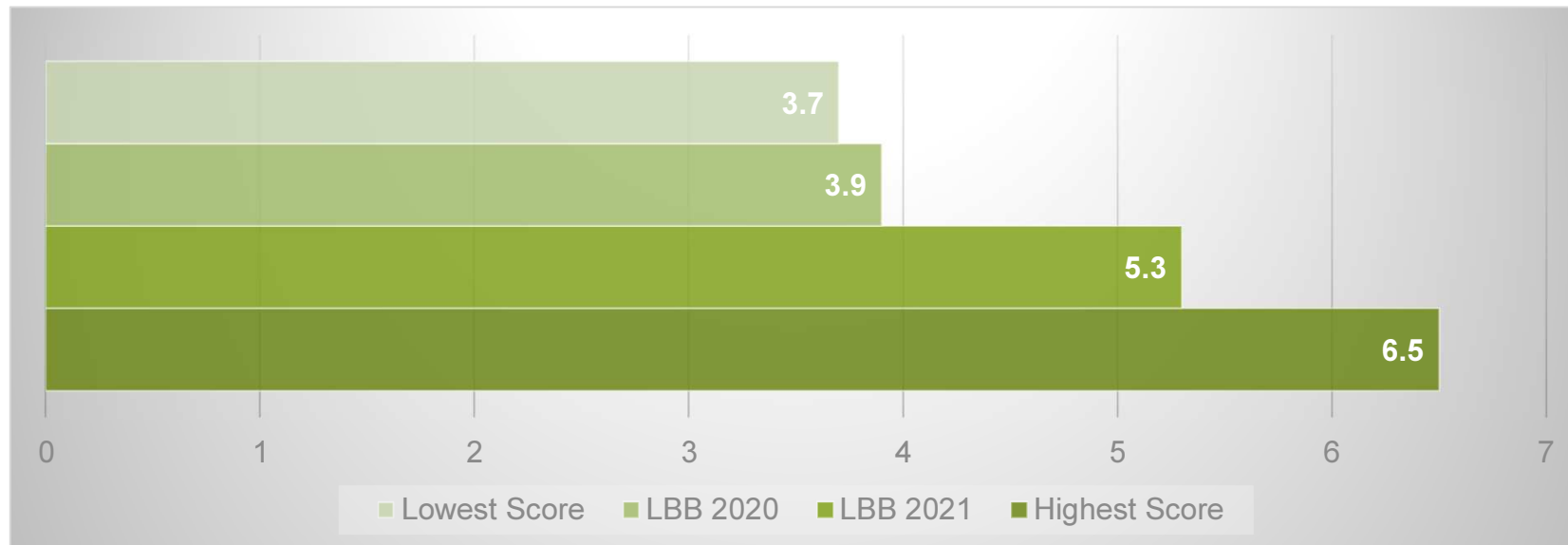
Overall User Satisfaction Score



In 2019/20, Socitm were engaged to lead on a broad survey of the IT service. The results are compared to a material cohort of other Local Authorities, which complete the same survey.

In 2020/21, the survey reported a significant improvement in the service, from over 500 respondents. This was as a result of a tailored improvement plan to respond to the feedback arising from the previous survey.

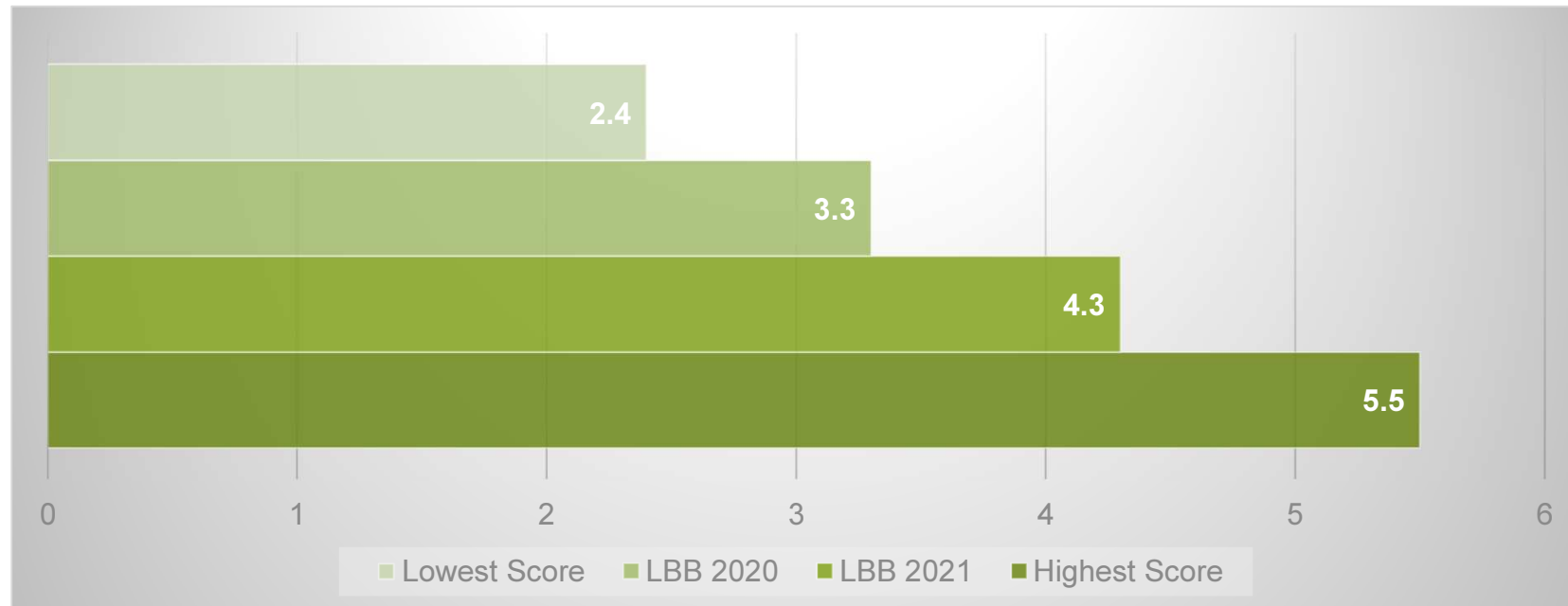
How well does the ICT provided in your organisation allow you to work flexibly?



The results of this question showed a marked leap year on year, jumping from 3.9/7 to 5.3/7. Whilst the capability to work remotely has existed for some time, many more colleagues experienced remote working for the first time during 2020.

During the initial months, several improvements were made to the remote working experience, with increases in Network bandwidth and technical adjustments to support the increased volume of colleagues working from home.

How well does the ICT Service provide innovative solutions to changing business needs?



The improvement in the survey links to the modernisation of the desktop experience with the deployment of MS Teams and other Apps - as well as supporting the Covid-19 response with items like Vulnerability Hub App.

The user champion model is also acting as conduit to gather feedback and share ideas/ innovations that are helping support future changes.

How seriously do you think ICT security is taken in your organisation?



Whilst IT security has always been a priority and promoted by both IT and across the Authority, over the past year a broader range of communication channels have been used, “Yammer”, “First Team”, “ServiceNow”, “IntraNet” and have been vital in getting the profile of the subject raised and increasing awareness amongst colleagues, which can be attributed to the improvement in views being fed back.

CONTRACT REVIEW PERFORMANCE PACK REVENUES & BENEFITS

Service Performance Summary

2018 – 2021 has been a challenging period in Revenues and Benefits, ultimately including the Coronavirus Pandemic for the final year in its entirety. This summary will highlight LBB's view on key successes within this period and also serve to highlight issues arising from the journey to support continuous improvement.

In 2018 Capita launched an online portal for customers to access their Housing Benefit and Council Tax records. This included a suite of forms enabling customers to self-serve, for example allowing residents to advise of any changes to their circumstances or apply for a single person discount. Whilst the portal itself is a positive move on the service improvement journey, this was somewhat overshadowed by the dissatisfaction caused by the premature closure of the Council Tax email account (subsequently reinstated).

In addition to the online portal, Capita also began the process of introducing Council Tax electronic billing (E-Billing), enabling residents to receive their Council Tax bill electronically, replacing the postal method if this was the resident's preferred method. Whilst this process took longer to implement than LBB had envisaged (3 years), E-Billing went live in February 2021 and is a real positive change for Barnet residents. Volume of take-up continues to increase, and the introduction of E-Billing appears to have had a positive impact on the number of residents now paying their Council Tax by Direct Debit.

Service Performance Summary contd.

Capita launched a smarter pre-recovery campaign using Tel-Solutions. This service replaced the SMS reminders with a 3-pronged approach, text, e-mail and phone. The software would learn which method worked for individual residents to allow for the most effective future communication and had a positive impact by reducing the number of residents reaching the latter stages of the recovery process.

The Benefits service undertook a full-service rollout of Universal Credit in May 2018 followed by the Verification of Earnings and Pension (VEP) and Right Time Indicator (WURTI) service implementation in June 2018.

Capita implemented partial Universal Credit automation in December 2020. This enabled faster processing of the high volumes of Universal Credit notifications. The level of automation is not where LBB envisaged by this point, however, working groups are ongoing to improve the level of automation to support Barnet's move to a banded Council Tax Support Scheme. It is anticipated that this work will be completed by the end of 2021.

Service Performance Summary contd.

March 2020 saw the arrival of the Coronavirus pandemic and the introduction of multiple government initiatives and schemes to support businesses and residents nationally. This resulted in a significant increase in work for Local Authorities and their partners.

The introduction of Business Support Grants, Test and Trace (T&T) Self-Isolation Payments, and the Council Tax Support (CTS) Hardship Scheme had a significant impact on Revenues and Benefits. £3.8m was awarded in CTS Hardship, and at the time of writing this report, £111m has been distributed to Barnet businesses in the form of Business Support Grants. Over £750k T&T payments have been distributed to Barnet residents on a low income forced to self-isolate due to Coronavirus.

The work involved led to the team being nominated for a Covid Heroes award whilst winning a Values award for the collaborative approach to delivering support to Barnet businesses and residents.

Over recent months, there has been a joint working group involving the council, Customer Services and the Council Tax service, focussing on improving the processes for handling more complex resident enquiries.

Key Figures 2018-2021

	2018/19	2019/20	2020/21
Management Fee (as per Financial Model 2013)	3,277,867	3,231,606	3,191,883
Indexation	196,929	260,005	319,725
Change Request	1,053,651	1,063,649	1,085,389
Total	4,528,447	4,555,260	4,596,997
Gainshare payments	457,035	721,563	395,961
Special Projects	0	307,696	0

There is no GI target within Revs and Bens, but there is a 98.5% target for 4 year council tax collections.

The basis of gainshare payments varies between 20% and 50% of the surplus over agreed targets being paid to Capita. The gainshare payments cover any additional costs incurred by Capita in exceeding the targets.

Service Journey (Including Achievements) 2018 – March 2021

The Benefits service undertook a full-service rollout of Universal Credit in May 2018 followed by the Verification of Earnings and Pension (VEP) and Right Time Indicator (WURTI – wider use of Real Time Information) service implementation in June 2018. As customers transferred or became entitled to Universal Credit, up to date information received from DWP enabled accurate updates to relevant cases with changes to income quickly. The move to automation meant that customer cases are re-calculated with little intervention from the assessment team and without having to ask the customers for further information.

In 2018 the service also launched the online portal for customers to access their Council Tax and Housing Benefit records online, together with a suite of forms enabling customers to self-serve. The forms offer a range of updates including making a claim for Council Tax Support or Housing Benefit, advising of a move or application for a single person discount. The implementation of the on-line form capability resulted in improved customer services and between a 5%-10% reduction in repeat contact, allowing back-office staff to deal with more vulnerable residents. However, due to the pandemic in the last calendar year, this trend was reversed.

Service Journey (Including Achievements) 2018 – March 2021 contd.

Challenges and Issues

The online forms available for customer use across the Revenues and Benefits service are designed by our core system developers, Civica, and therefore restrictions apply for personalised adaptation of the forms. The forms are generic in their set up and the Service has limited opportunities to customise the documentation which may benefit our customer demographics. i.e. simplify forms for an older population and disabled customers.

A further challenge is supporting those customers who are unable or unwilling to use digital channels. Whilst encouragement to try digital services is at the forefront of the digital transformation project, alternative contact channels may need to remain open.

Initially when a customer completed an online form, a generic reference number was generated and given to the claimant, which did not represent a claim or council tax reference within OpenRevenues. This resulted in problems for customers when trying to submit further evidence or contact the service against a number that did not exist within OpenRevenues. The issue was resolved with improved integration links between the online forms and the OpenRevenues system.

Service Journey (Including Achievements) 2018 – March 2021 contd.

Poor website layout, wording and jargon left customers unsure of what steps to take and what action is required from them. An example of this was when Universal Credit was introduced by the Department for Work and Pensions. Despite the best efforts of the Service, there was a high volume of claims still coming through for Housing Benefit, rather than Universal Credit. This no longer occurs as the online form has been improved to direct customers to claiming Universal Credit based on the criteria entered onto the form.

Lessons Learned

Complex and lengthy forms with poor choice of language and guidance on the Council's website left customers confused and put them off filling in the online forms. Customers want easy to understand webpages and forms that are effortless to complete. We need to strike the right balance between asking for the minimal amount of information and too much.

Optimising content for mobile devices and ensuring key fields are displayed and made mandatory is critical for today's customers who access digital services via mobile devices.

Service Journey (Including Achievements) 2018 – March 2021 contd.

In February/March 2020 the Pension Service Computer System (PSCS) rollout (auto update of State Retirement pension via DWP link) was completed. As a result, customers who previously would have had a general percentage increase applied to their state pension had their Housing Benefit/CTS cases updated automatically in line with their actual award amount. This ensured accuracy on pensioner cases and reduced the need for re-assessment and overpayment collection.

Service Journey (Including Achievements) 2018 – March 2021 contd.

There has also been increased uptake in Discretionary Housing Payments (DHP) and Council Tax Discretionary relief scheme (CTDRS) applications, providing additional financial support to the most vulnerable in our community.

Financial Year	DHP paid	% of budget paid	CTDRS paid
2018 / 2019	£1,548,603.76	99.4%	£112,996.27
2019 / 2020	£1,716,144.00	99.93%	£104,333.41
2020 / 2021	£2,534,819.12	100%	£336,897.54

Housing Benefit Overpayment recovery is ongoing, after a review taken to further improve cash recovery. Year on year recovery figures are improving, with the exception of 2020, when there was a hold placed on recovery action for six months due to the Covid pandemic. The team increased from 4 to 8 FTE November 2019. Cash recovery increased from December 2019 until the Pandemic impacted in April 2020. A dedicated technical resource was introduced in 2020 improving management information, which has led to a substantial increase in cash recovery from overpayment in 21/22 to date compared with 19/20 and 20/21.

Service Journey (Including Achievements) 2018 – March 2021 contd.

Council Tax Direct Debit take-up is now at an all-time high. In April 2020 DD take up was 65.17% (94,928 accounts). As at March 2021 this is now running at 67.73% (98,662 accounts), which is the 8th highest level in London. The use of online forms which encourage direct debit take-up have all contributed to this increase. A direct debit campaign accompanied the E-Billing campaign in February 2021.

The service also launched a smarter ‘pre-recovery’ messaging campaign via TelSolutions and this replaces our previous SMS reminders. Pre reminder messages include a text, email and a pre-recorded phone message. The campaign is carried out over the course of 5 days and the urgency attached to the message increases throughout the campaign. The SMS messages sends a link to a personalised page allowing for much more detailed information to be provided than would be the case in a standard SMS message. The process learns and adapts to the ‘nudge’ which finally prompts payment so that future communication is made via the most effective channel for each customer.

Service Journey (Including Achievements) 2018 – March 2021 contd.

TelSolutions commenced October 2019, so comparison of full year does not give a true indication. October to March in 18/19 to 19/20 saw a 20% reduction in reminders issued. See below comparison on both full year stats and October to March stats:

Comparison reminders issued for Oct-Mar			
	2018/19	2019/20	%Change
First Reminders	19,955	15,558	-22.03%
Second Reminders	8,475	6,849	-19.19%
Comparison reminders issued for full year			
	2018/19	2019/20	%Change
First Reminders	60,500	56,723	-6.24%
Second Reminders	19,232	19,283	+0.27%

Service Journey (Including Achievements) 2018 – March 2021 contd.

During October 2020 the team were shortlisted for the Covid Heroes award. They also went on to win one of the Values awards for their collaborative approach in delivering the Covid grants quickly and in a short space of time whilst contending themselves with remote/homeworking.

Due to the Covid pandemic, the service went through a period of unprecedented change resulting in additional workloads seen across the services.

Council Tax residents in receipt of Council Tax Reduction (CTR) for working age customers received up to £150 awarded towards their Council Tax charge.

Test and Trace payments were implemented quickly and efficiently in September 2020, with extension to September 2021 in line with Government requirements.

Service Journey (Including Achievements)

2018 – March 2021 contd.

The Business Rates team have administered the Government's Covid-19 Business support grants since March 2020, and to date have successfully paid over 17,000 grants. This equates to over £109,000,000 pounds to help businesses affected by Covid.

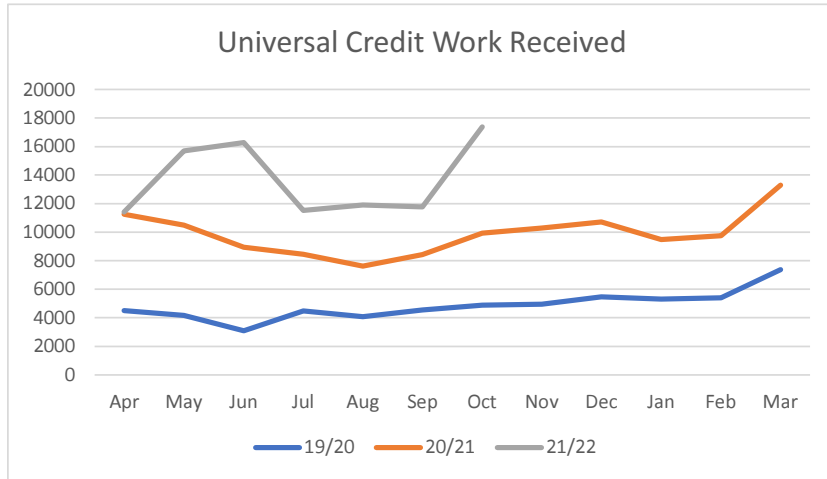
The team also successfully managed the Council's Additional Restriction Grants, processing grant support in line with the Council's own unique policy.

The team continue to provide support to the most vulnerable residents by ensuring they receive the right financial support they are entitled too quickly. A joint working platform was created with partners to provide primarily employment and benefit advice to Barnet residents. Referrals are made to other services and partner organisations, such as Barnet Homes, CAB (Citizens Advice Bureau), CAP (Christians against poverty), Barnet Wellbeing, Sangam (Association of Asian Women) and others to ensure the appropriate support is provided depending on the applicant's circumstances.

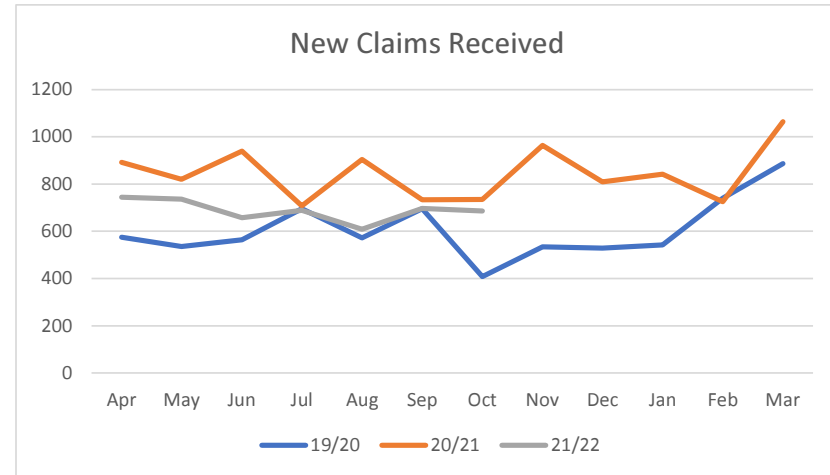
Discretionary Housing Payment awards are often dependent on continued engagement and progress in finding a job, moving to an affordable tenancy and/or being awarded the correct benefits.

Service Journey (Including Achievements) 2018 – March 2021 contd.

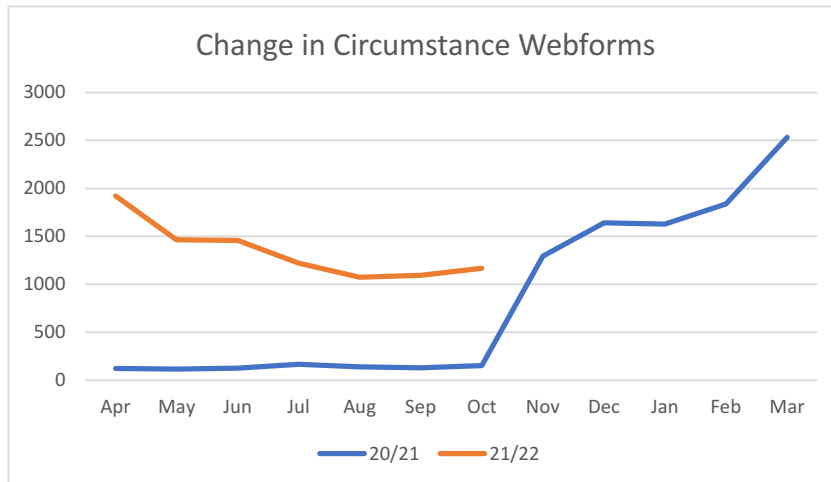
Universal Credit Volumes 2019-2020 & 2020-2021



New claims Volumes 2019-2020 & 2020-2021



Change in Circumstances webforms Apr 20 – Mar 21

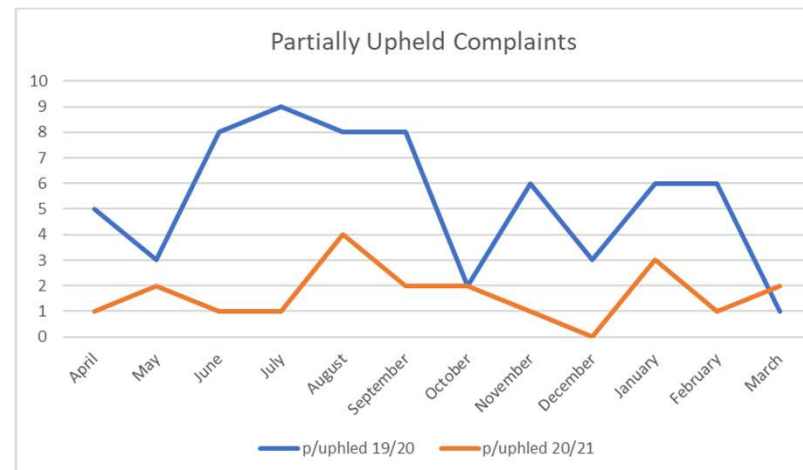
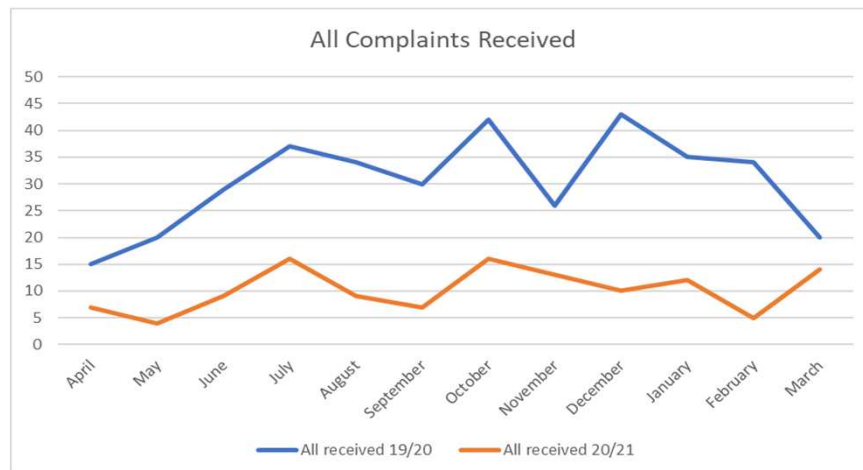
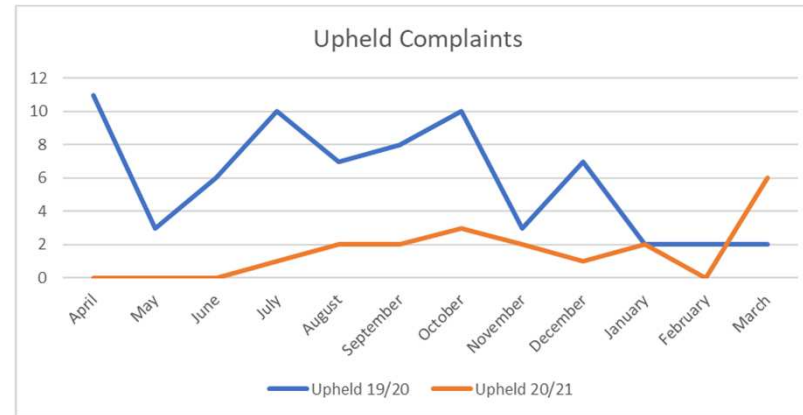


The 2 graphs above show the increase in benefit workload year on year and the graph to the left shows the increase in online forms being used by customers. As a result of the first lockdown in March 2020, we saw an immediate spike in Universal Credit awards, new claim applications, and changes in circumstance reported to us. Customers used online forms to report changes and new awards to us. As the pandemic moved forwards, and due to various lockdowns and business closures, furlough rule changes/awards of self-employed support, customers continued to report a high volume of changes to us as and when they occurred. With the job market returning to normal we are still seeing customers reporting a high volume of changes to us using online forms.

Service Journey (Including Achievements) 2018 – March 2021 contd.

Complaints Volumes 2019-2020 & 2020-2021

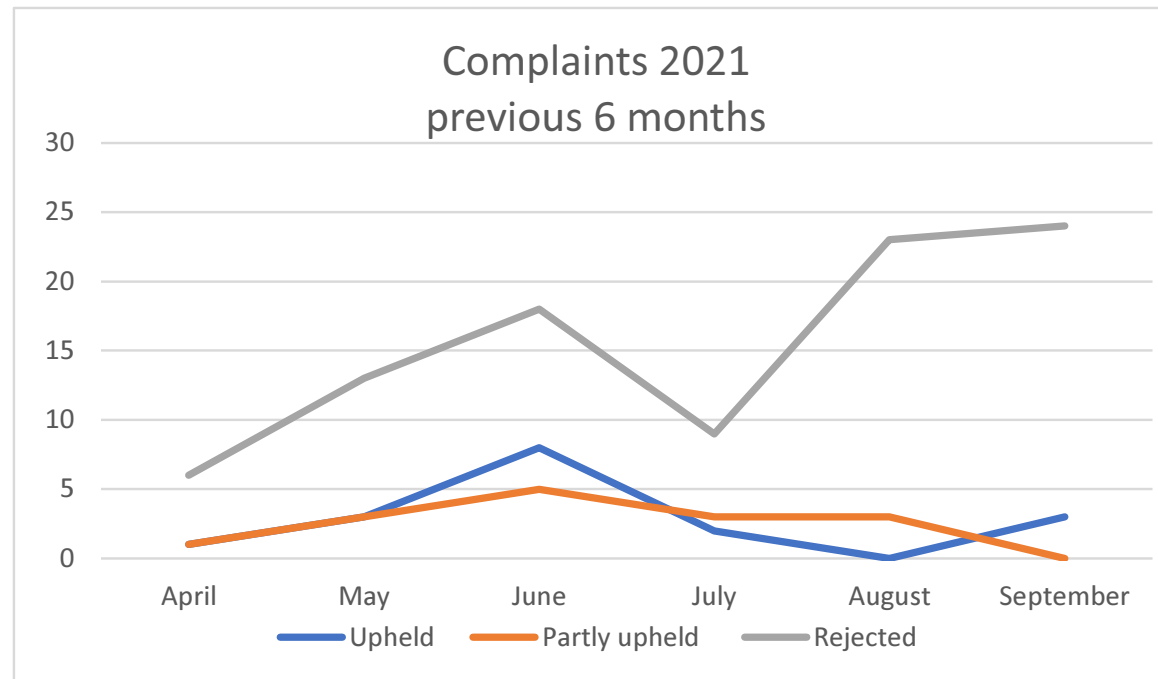
The graph below show the number of formal complaints received by the service reducing year on year, showing an increased satisfaction with the service being provided and decisions being made. The graphs to the right show the number of complaints upheld and partially upheld. The spike on upheld complaints March 2021 was due to a mixture of reasons on Council tax accounts and no trends identified.



Service Journey (Including Achievements) 2018 – March 2021 contd.

Complaints Volumes – 2021

The graph below shows the monthly formal complaints volumes received between April and September 2021



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CONTRACT REVIEW PERFORMANCE PACK PLANNING & DEVELOPMENT CONTROL

Service Performance Summary

Development Management have sustained a continuous and comparable high level of service in relation to the processing of planning applications, while being almost the busiest local planning authorities in London. The service operates within a policy framework set by the council, by national planning guidance and in accordance with the agreed Local Plan. This pack covers only the performance of the service as it relates to the processing of planning applications and planning enforcement, as separate discussions are underway regarding the future delivery of support to the development of planning policy.

The redesigned planning enforcement service, including the 'proactive enforcement' team, has been nationally recognised and the overall service has also been shortlisted on several other occasions.

The service has generated substantially greater income for the council than forecast. It has also invested in its staff and overall capacity. This is due to the success of commercialisation; including fast track, pre-application, and planning performance agreements, as well as wider consultancy activity. The income generated contributes to the achievement of Capita's obligations under the income guarantee and has significantly offset the deficit elsewhere.

In 2018, the government authorised a national 20% increase to planning fees, which has been used to invest in ongoing service adaptation and innovation.

Generally 'customer service' is close to meeting expected targets as a result of the additional funding, and further support for residents has been provided.

Key Figures 2018 - 2021

	2018/19	2019/20	2020/21
Management Fee (as per Financial Model 2013)	2,536,292	2,582,075	2,631,904
Indexation	171,150	230,611	283,336
Change Request	113,783	116,059	118,357
Total	2,821,225	2,928,745	3,033,596
Special Projects	194,500	124,052	1,059,909*
Income (target)	(1,844,003)	(1,885,341)	(1,912,781)
Income (actuals)	(3,731,056)**	(4,037,575)**	(3,618,409)**

* SPIR's in 2020/21 are inclusive of Brent Cross Planning. In 2018/19 & 2019/20 the full Brent Cross Remit was inclusive of the delivery team, the full impact is not shown above as the overall delivery would distort the picture.

** excludes 20% uplift, which must be re-invested in the service under government regulations

Service Journey (Including Achievements) 2018 – March 2021

The planning team has continued to benchmark well against comparable authorities. The service is continuously one of the best performing Local Planning Authorities in London as measured by MHCLG relating to the processing of planning applications.

The Planning Enforcement function has maintained its leading position as the most active team in the country, when measured by the number of enforcement notices served, helping to resolve breaches of planning control and maintain the attractiveness of the Borough for residents, businesses and visitors. The team has also received significant council support to invest in its unique pro-active approach to enforcement projects and in particular the joint project with Public Protection to identify and enforce against unlawful HMOs providing substandard accommodation.

The service has continued to support the council's growth ambitions through the processing of planning applications; it is noteworthy that 17,621 new homes have been granted planning permission since 2018.

The service has supported the council to reform the structure of Planning Committees to improve decision making and prepare ahead for the ward boundary changes being implemented from 2022.

Service Journey (Including Achievements) Continued 2018 – March 2021

More than £1m has been invested in the service and helped to offset unforeseen costs since October 2018 – associated with the 20% uplift in planning fees. This has enabled the service to increase pro-active enforcement capacity to protect the Borough against unlawful development, appoint a resident liaison officer, and fund various different types of project work; including policy and urban design activities within the remit of strategic planning.

The service has continued to provide a wide range of additional non-statutory services to support development in the Borough, in accordance with the policy framework set by the council and national planning regulations, and speed up the process of obtaining permissions via further investments in the Fast-Track service and the Planning Performance Agreement (PPA) offering.

These service achievements have been recognised by peers. The team was the winner of the 2018 “Local Planning Authority of the Year” Planning Award and Planning Officer Society Cup. The team were also shortlisted for the LGC awards 2018 and 2019, the Planning Awards 2020 and the RTPi award for “Local Planning Authority of 2021”.

Service Journey - Commercial Innovation

Re. has maintained a growth ambition to service external clients, focusing on local authorities in the south. This has provided existing and new staff with opportunities to work for Barnet, but also gain experience with other planning authorities on resilience work (additional support to address peaks in demand) and is an attractive recruitment offer.

External Resilience contracts delivered to date account for circa. 50 contracts in total, with an annual average of between 12-20 contracts.

The Re. 'business growth' team provides these commercial services, which currently comprises 13 FTE staff, with the expectation of further growth (this excludes Policy and Building Control staff commercial activities).

Staff within the Re. growth team gain valuable experience of other local authority policies, practices and culture. This helps staff to more rapidly advance their careers, builds service reputation and has been very positive for staff retention.

External Contract showcase:

Over last 2 years a Re Principal Planner led on Brighton Marina Redevelopment PPA (Planning Performance Agreement) and the Appeal. This showcased the ability to support an LPA on a complex high-profile scheme. It has built trust and a positive reputation that helped secure a further DM Resilience contract.

Performance to Date – KPIs Annual Outturn

KPI Number	KPI Description	2018/2019		2019/2020		2020/2021	
		Target	Result	Target	Result	Target	Result
KPI001 (A&A)	Compliance with planning application statutory timescales (for major, minor, other applications)	75%	84.4%	80%	91.8%	80%	92.7%
AB KPI1	Planning Application Basket of Indicators	New for 2019/20	N/A	6	5	6	6
EB KPI1	Planning Enforcement Basket of Indicators	New for 2019/20	N/A	6	5	6	0 (Covid impact)

The main Planning Applications KPI 001 has consistently exceeded performance targets over the last three years and is indicative of the high-quality service delivered to residents of the Borough.

The COVID-19 pandemic and national lockdowns from March 2020 (2019/2020 through to 2020/2021) has had a direct impact on the performance of Planning Enforcement KPI EB KPI1 due to restrictions around site visit activities. In recognition of this, KPI relief was given by Barnet Council. With the easing of lockdown measures by Spring 2021 and resumption of wider enforcement activities, a recovery plan was put into place to address case backlogs and use the resources of the proactive team to restore service KPI performance.

* KPI is measured annually with quarterly reports on progress

How is Customer Satisfaction SKPI05 Measured?

During the period of 2018/19 and 2019/20, customers who visited the Planning Reception were asked to complete a hard copy version of the online survey. The results were manually merged with other customer feedback completed online via the same survey. These survey results were reviewed at the end of each reporting period.

Due to the Covid-19 pandemic, the Planning Reception was closed. Customers who emailed the Planning Enquiry generic mailbox were invited to complete an online version of the survey using a specific link for Planning responses.

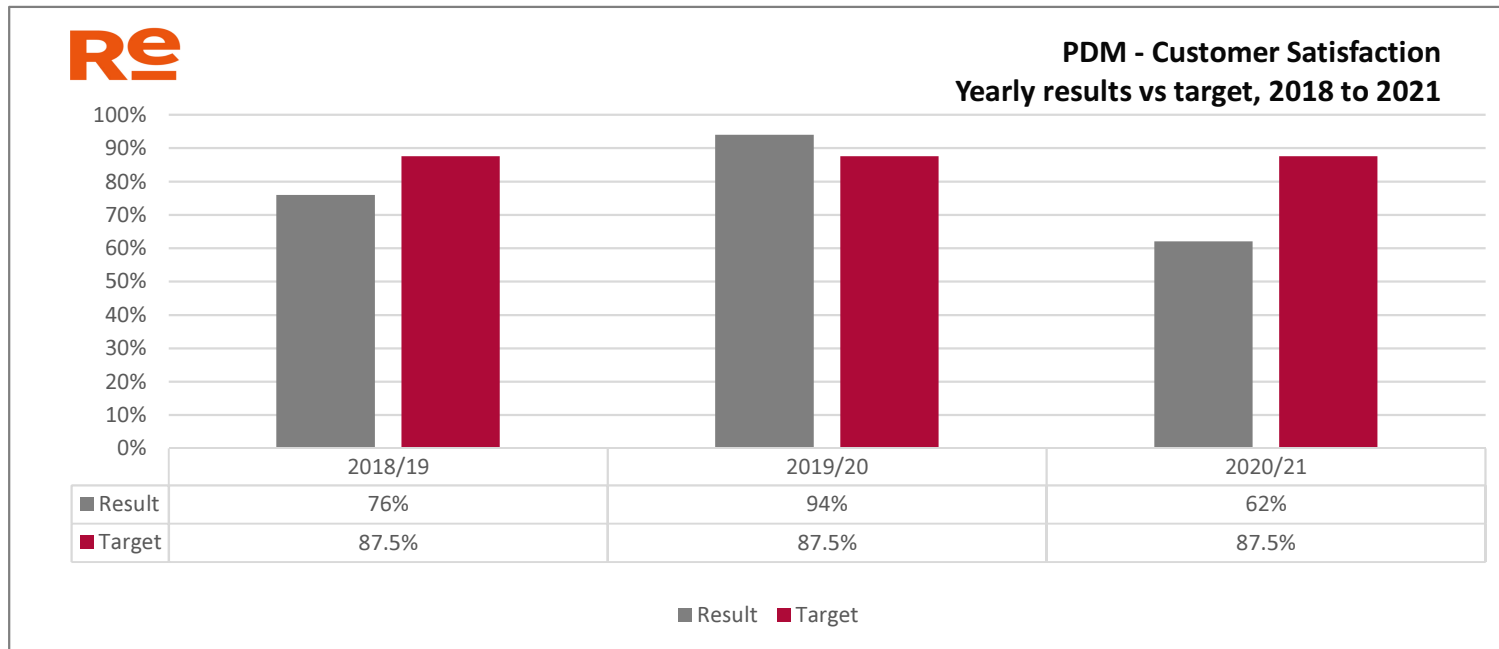
Scores are based on the % of customers that score Re either 4 (Good) or 5 (Very Good) on the survey questions.

In 2018/19, the service missed the target by 10 percentile points. Following the move to Colindale with an improved reception area, the result for 2019/20 was a healthy 94% of customers rating the service either as good or very good. The impact of Covid-19 and the closure of the reception impacted the result for 2020/21, which was 62%. This is attributed to not being able to compare like-for-like and a former face-to-face service being switched to a mailbox approach.

An additional measure has been taken to improve customer service, being additional investment in a resident liaison officer who ensures that residents corresponding or raising concerns with regards to applications, appeals and enforcement activities are appropriately engaged and kept suitably updated.

Re Overall Customer Satisfaction Results

Customer Satisfaction - % of customers scoring the service a 4 or 5 (on a scale of 1 to 5)



This customer satisfaction measure is based on the customer's front office experience and not the actual planning application process itself. Hence the scores do not reflect the consistently high KPI performance for planning application processing timescales. Data here is based on feedback forms completed by customers visiting the Planning Reception front office (closed since March 2020 due to COVID) and from customers who have placed Planning enquiry related calls into Re customer hub. The impact of COVID-19 and closure of the Planning Reception front office is a significant factor in the lower scores seen in 2020/21. There will be future plans to look to enhance the customer experience via the Re customer hub which will help to improve the scores seen in 2020/21.

Other Customer Satisfaction Measures

Planning Agents Bi-Annual Workshops

The Planning Service also host a Bi-annual Planning Agent's Forum to obtain feedback, raise awareness of the service and strengthen relationships.

The most recent (Wednesday 18th November 2020) attracted an unprecedented level of attendees. In total, 89 people joined the event.

Participants represented a diverse range of developer agents from local architects and planning agents, to consultancies such as Savills, Colliers, Avison Young and Lichfield.

The next forum is due to be held in Autumn 2021.

Feedback

"I thought the forum this morning was really well produced from all participants. Just in terms of my own experience of the service since March, it has been positive and has remained responsive, mainly dealing with Josh on a few things. It is also refreshing that agents and applicants are publicly acknowledged as important service users in Barnet: that is not always the case around London (!), so thank you from me and on behalf of applicants". [Savills]

"Thank you for the invitation. It was a very useful event. [You Architecture Ltd.]

I found the Agent Forum really informative this morning and all the speakers were excellent". [Michael Burroughs Associates Limited]

I just wanted to drop you a line and say thanks for the invitation it was great to listen to and very informative". [I G U A N A]

CONTRACT REVIEW PERFORMANCE PACK BUILDING CONTROL

Service Performance Summary

The financial performance of the service has been disappointing, with income declining by around 50% since 2018/19 and falling far short of the targets set out in the contract. Whilst the pandemic has clearly had an impact, competition for this service has become increasingly challenging over the years and there has been a fall in market share. However, Building Control seeks to deliver a reliable and fairly-priced service, compared with other players in the market, and is well regarded by those that use it.

The service is considered to have a good base, from which to rebuild. In particular, it needs to continue to win back business in relation to larger developments to increase its market share and meet income targets. Crucially, the income generated has helped to subsidise the cost of meeting the council's duties in relation to oversight and action required in relation to dangerous structures, which is something that competitor organisations are not responsible for delivering.

The service is also continuing to support the council to respond to fire safety issues and changes in policy and responsibilities (Building Safety and Fire Safety legislation and revisions to building regulations) following the Grenfell tragedy. In all these specialist areas of work the team have been helpful and supportive.

Key figures 2018 - 2021

	2018/19	2019/20	2020/21
Management Fee (as per Financial Model 2013)	901,659	906,269	907,336
Indexation	60,484	80,453	80,557
Change Request	26,585	27,117	27,653
Total	988,728	1,013,839	1,015,546
Special Projects	0	9,000	0
Income (target)	(1,483,940)	(1,517,206)	(1,539,288)
Income (actuals)	(1,107,740)	(799,529)	(593,354)

Service Journey (Including Achievements) 2018 – March 2021

The Building Control function operates within a competitive marketplace, and since 2018 the number of alternative Approved Inspectors operating within the borough has been increasing. As a result, fee earning applications have been in decline and this is also represented in a decline in the LBB/RE market share.

Whilst the service has looked to remain fully resourced, the industry sector remains volatile, with market forces creating a high demand for surveyors but with only a low supply available. Therefore, a key priority is to focus on retaining workforce and upskilling, primarily in response to the significant changes in “dutyholder” roles set out in the draft Building Safety Bill.

Notably, the service has maintained several key partnerships and secured projects including Colindale Gardens (Redrow), Beaufort Park (St George) and Park Royal Brent (Fairview). In addition, several projects have been nominated and have won London regional LABC awards – including Celeste House within the Beaufort Park scheme in Colindale.

Furthermore, the service has recently helped to deliver the Colindale Offices project and is currently overseeing the construction of the new West Stand at Saracens.

Performance to Date – KPIs Annual Outturn

KPI No	KPI Description	2018/19		2019/20		2020/21	
		Target	Result	Target	Result	Target	Result
KPI001 (BC)	Number of decisions within statutory timescales – Meet building regulation statutory timescales – decisions in 5 weeks or 2 months (dependent on the choice of applicant at the time of application). This excludes the impact of any delayed decisions by an authorised officer of the Authority.	96%	99.7%	100%	99.7%	100%	99.6%

This KPI is measured annually with quarterly reports on progress.

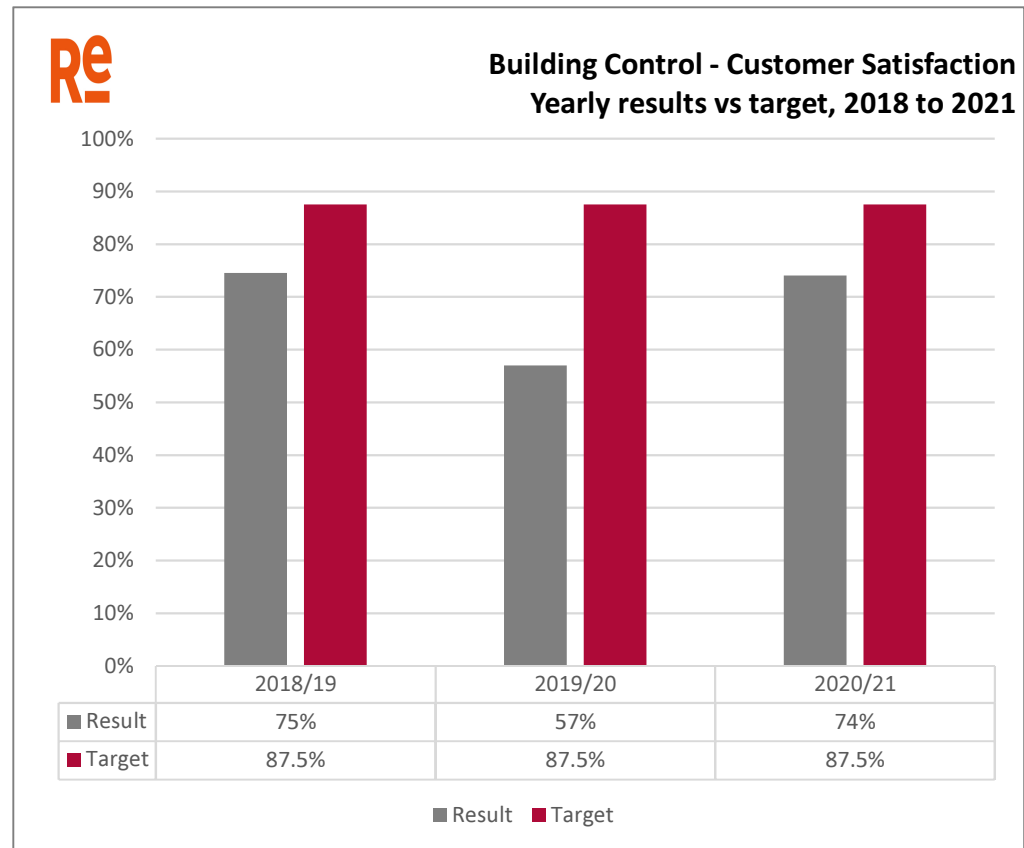
In the few instances where a single case out of timescales has resulted in the 100% target being missed, these have been recognised as exceptional and due to circumstances outside of the control of Re.

Customer Satisfaction Results

Building Control customers are emailed a specific survey link at the end of a month or at the end of an enquiry or service request. This link is solely for clients who have used the services of Building Control.

Due to the nature of the service and its customer base, it is often the same group of agents accessing the service on behalf of residents/customers. Surveys are served on the agents to provide feedback, with survey results reviewed at the end of each reporting period.

Scores are based on the % of customers that score Re either 4 (Good) or 5 (Very Good) on the survey questions. Whilst the client base is small, Building Control have consistently achieved an average rating of 68% as good or very good.



The customer satisfaction targets are ambitious for a Regulatory service that enforces building regulations. Hence the scores do not reflect the consistently high performing KPIs on building control applications turnaround timescales. The impact of a temporary slow-down in the market due to the Covid-19 pandemic is also seen in 2019/20 and 2020/21, with less activity, and therefore even fewer agents completing the feedback forms.

CONTRACT REVIEW PERFORMANCE PACK LAND CHARGES

Service Performance Summary

In a number of ways the service has performed well, consistently meeting its KPI and receiving excellent customer satisfaction scores.

The service has won, or been shortlisted for, national and local awards during recent years.

Although the service falls short of the challenging income targets that were set at the beginning of the contract, the level of income generated far exceeds the cost of the service within the management fee. Income levels have held up well during the pandemic.

Data quality held by the service requires improvement, which was recognised by an audit last year. Over the next 12-18 months, the datasets used by the service will be comprehensively cleaned. This will be completed prior to a data transfer to Land Registry, who will begin delivering some types of searches.

Key Figures 2018 - 2021

	2018/19	2019/20	2020/21
Management Fee (as per Financial Model 2013)	150,669	152,602	153,832
Indexation	10,326	13,799	16,337
Change Request	4,254	4,339	4,425
Total	165,249	170,740	174,594
Special Projects	None		
Income (target)	(1,202,764)	(1,229,728)	(1,247,625)
Income (actuals)	(1,162,993)	(984,155)	(909,300)

Service Journey (Including Achievements) 2018 – March 2021

The team has successfully achieved the KPI and PIs over the life of the contract.

The income generated from searches has made a substantial contribution to guaranteed income, although this varies according to demand for searches.

The recent upturn in the housing market partly due to the stamp duty land tax (SDLT) holiday, has resulted in substantially higher volumes.

During the life of the contract, the teams have digitised remaining hardcopy data to prevent loss, improve data security and enable easier retrieval.

HM Land Registry have obtained statutory powers to transfer some types of searches to within its existing operation.

An audit in 2021 highlighted the need for better data quality. In preparation for the future role of land charges, LBB is currently agreeing a project with the land registry to cleanse the data.

Service Journey (Including Achievements) contd. 2018 – March 2021

The service has supported the local property market by consistently producing searches within three days – much faster than the HMLR expectations of 10 days.

The team have also maintained this high level of service delivery during the SDLT holiday and throughout the global pandemic.

The team and its individual members provide consistently excellent customer service and have been nominated for successive awards from the Local Land Charges Institute and Land Data:

- **2021** - shortlisted for Customers Satisfaction Awards and Unsung Heroes Awards
- **2020** - shortlisted for Customers Satisfaction Awards
- **2019** – shortlisted for a Customers Satisfaction Award
- **2018** – shortlisted for Customers Satisfaction Awards

Performance to Date – KPIs Annual Outturn

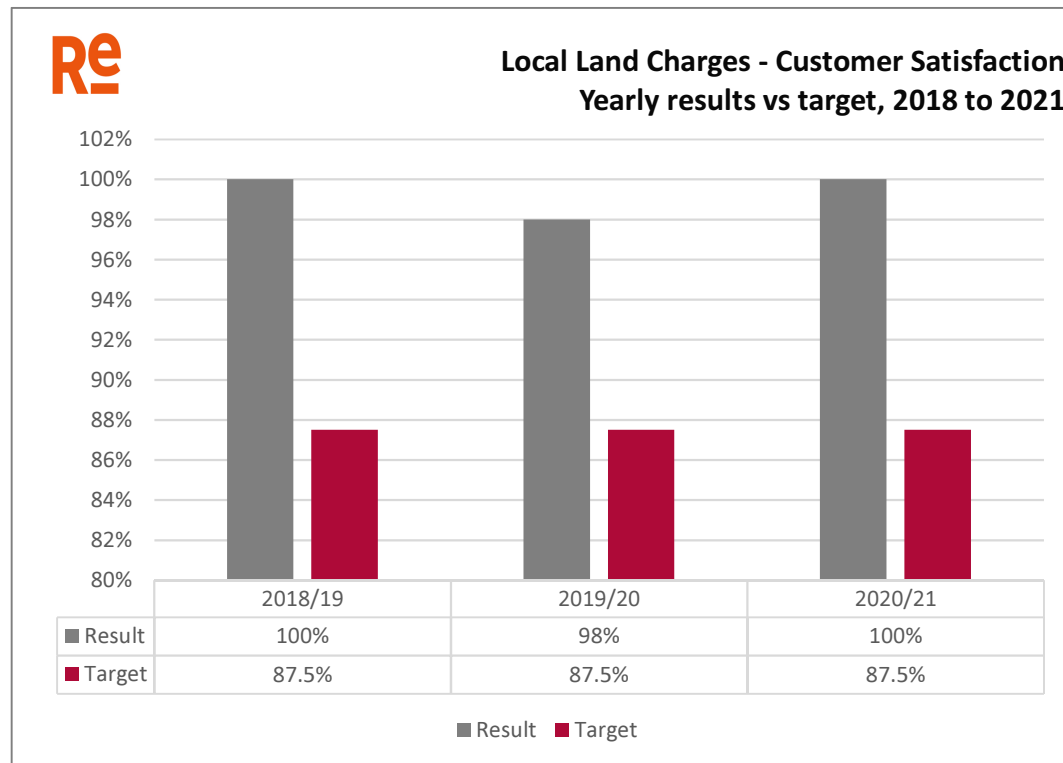
KPI Number	KPI Description	2018/19		2019/20		2020/21	
		Target	Result	Target	Result	Target	Result
KPI001 LC	Average time taken to process requests for Full Official Searches (online and post) in Land Charges	3	2.46	3	1.94	3	2.67

The local land charges service consistently meets its KPI.

Customer Satisfaction

This SKPI is measured annually with quarterly reports on progress. Customers are emailed a specific survey link at the end of each month which is directed specifically at clients who have used the services of Local Land Charges. Survey results are reviewed at the end of each reporting period and are based on the % of customers scoring Re with either 4 (Good) or 5 (Very Good).

Due to the nature of the Local Land Charges client base (solicitors, conveyancers and personal search agents), it is often the same group of clients that are asked for feedback. Whilst the client base is small, **Local Land Charges have consistently achieved a rating over 98% as good or very good.**



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Financial Performance and Contracts Committee

23 November 2021

Title	Review of Capita Contracts – Public Engagement
Report of	Director, Commercial and Customer Services
Wards	All
Status	Public
Urgent	No
Key	No
Enclosures	APPENDIX A – ORS Report
Officer Contact Details	Deborah Hinde – Director, Commercial and Customer Services deborah.hinde@barnet.gov.uk 020 8359 2461

Summary
The purpose of this report is to provide an overview of the public engagement activity on the Capita Contracts Review and to set out the council's initial response to the comments received. The report also sets out proposals regarding the next phase of resident engagement.

Officer Recommendations
<p>That the Financial Performance and Contracts Committee:</p> <ol style="list-style-type: none"> 1. Notes the content of this report and the ORS report attached at Appendix A; 2. Records its appreciation for those residents that participated in the process; and; 3. Agrees the revised approach to ongoing resident engagement, as set out in section 4 of this report.

1 WHY THIS REPORT IS NEEDED

- 1.1 At its meeting on 8th June 2021, the Financial Performance and Contracts Committee agreed a proposed approach to public consultation in respect of the Capita Contracts Review. The proposed approach recognised the extensive consultation that took place during the review of Capita contracts that took place during 2018 and 2019, as reported to Policy and Resources Committee on 17th June 2019.
- 1.2 The Committee agreed that further public engagement and best value consultations on the Review should consist of two rounds of focus groups. The first round would take place in early July, with the objective of seeking views on priorities, in order to inform the development of proposals for the future delivery of the services. The second round would take place later in the year, to seek views on the proposals that have been developed.
- 1.3 For both rounds, it was proposed that the approach that was taken for the Strategic Contract Review in 2018 be adopted, whereby one focus group would consist of residents that have previously engaged with the council on the services delivered by Capita and one group would bring together a random, representative sample of all residents.
- 1.4 The engagement exercise reported here was undertaken in July 2021 by Opinion Research Services (ORS) - a spin-out company from Swansea University with a UK-wide reputation for social research, who were appointed by the council to convene, facilitate and report on the two focus groups - one with 'frequent engagers' (members of the public who have previously commented or submitted questions on relevant Committee reports) and the other with randomly-selected members of the public. Five participants attended the former and nine attended the latter, and both lasted between 1.5 and two hours.
- 1.5 At the suggestion of the Chairman of the Financial Performance and Contracts Committee, a meeting between him, the council's Director of Commercial and Customer Services and Mr John Dix was held on 6th July 2021. Mr Dix is one of the most frequent engagers with the council on the subject of the Capita contracts and regularly makes useful and inciteful comments in respect of their construct and performance. The discussion was wide-ranging and open, with a high level of consensus on some of the key issues. This report contains a summary of the outcomes of the discussion, which has been agreed with Mr Dix and is published with his permission. Following the meeting, Mr Dix sent follow-up emails, the contents of which are also reflected in this report.

2 REASONS FOR RECOMMENDATIONS

Outcome of Focus Groups

- 2.1 The report attached at Appendix A sets out more detail on the approach to recruiting and conducting the focus groups, together with an executive summary and detailed findings.
- 2.2 The contents of the executive summary are reproduced below, along with a commentary setting out the council's initial response (in italics) to the comments that have been made.
- 2.3 A copy of the report has been shared with Capita and we will ensure, as far as is practicable, that the comments that have been made are addressed through the extension proposals.

2.4 **Headline finding 1** – Good customer service is accessible, responsive, communicative, and offers speedy resolution to problems

- a. Participants were generally of the view that the first principle of good customer service is accessibility, followed by attempts at resolution by responsive, knowledgeable members of staff.
- b. Being kept informed of the progress of an issue/complaint was also considered essential: indeed, it was said that people understand that things take time and can accept delays if they receive regular status updates.

Response – this is broadly consistent with comments made during the extensive public engagement exercise that informed the development of the Customer Transformation Programme and is being addressed in our ongoing work to improve customers' experience of engaging with the council.

2.5 **Headline finding 2** – Not receiving good customer service has negative repercussions for individuals and organisations...

- a. Poor customer service typically leads to feelings of anger and frustration for those on the receiving end, as well as lasting negative perceptions of the organisation offering it.

Response – the frustrations experienced as a result of poor customer service, from any organisation, are acknowledged.

2.6 **Headline finding 3** – ...but residents are in a difficult position when they receive poor customer service from their local authority, as they cannot take their 'custom' elsewhere

- a. An underlying frustration for participants when receiving what they perceive as poor customer service from the council is that short of moving to another area, they feel there is little they can do about it. Essentially,

residents are at a disadvantage as they cannot take their 'custom' elsewhere as they would following poor service at, say, a retail establishment.

- b. Moreover, while elected members can (and in some areas do) try and ensure services run as they should, it was argued that this should not be necessary if services are responsive and efficient – and that good customer service should not be dependent on the proactivity of councillors.

Response – the particular frustration that arises when you cannot take your custom elsewhere is also acknowledged and makes the focus on improving customers' experience all the more important. Furthermore, it is recognised that good customer service extends far beyond the first point of contact, whether that is by telephone, through the website or face to face, and is dependent upon good end to end processes and the right culture being embedded within each service delivered by or on behalf of the council. It is agreed that good customer service should be the norm and should not require the proactive involvement of councillors.

2.7 **Headline finding 4** – LBB's customer service is variable, but there was more negativity than praise

- a. Participants in both groups highlighted their frustrations with LBB's customer service in a broad sense, from their calls not being answered/transferred and having to deal with an automated answering service, to being treated disrespectfully by council staff or having to repeat their issue many times to different people.

Response – it is acknowledged that, for some of our residents, the experience of engaging with the council has been unsatisfactory. Our analysis suggests that this is particularly the case where residents have more complex issues. We have been working hard over recent years, through our customer transformation programme, to address these concerns and improve our customers' experience of engaging with the council. However, we do acknowledge that there is further room for improvement. Over the last year, we have been working intensively to accelerate that improvement. In particular, we have established a joint working group to focus on the more complex council tax enquiries. As a result of their work, we have made various changes to the telephony system to simplify the route to speak to an advisor. We have also simplified processes within the service and made improvements to the website. As a result of these changes, we have recently seen a significant reduction in the number of complaints. We remain committed to continuing our programme of improvement to address residents' concerns regarding the ability to get through to a person, but this does need to be seen within the context that over 1,000 Barnet callers a day do speak to one of our contact centre advisors.

Comments regarding council staff treating residents disrespectfully are disappointing and such behaviour is not in accordance with the council's

values. We would always encourage residents to report such incidents, so that they can be addressed. We do have a set of customer service principles and are in the process of developing a training programme to support their rollout across the council.

- b. In relation to the last issue, some participants suggested a better system for recording notes from calls with members of the public and enabling the provision of progress updates. This, it was said, would give customers confidence that their queries are being logged, addressed and not 'lost in the system'.

Response – the council does have a Customer Relationship Management (CRM) system that is used to capture details of customers' enquiries. However, there are limits on the degree to which it can be integrated with service-specific systems to provide a full picture and the provision of progress updates. Despite those limits, there have been significant improvements on this front with the implementation of a new system in Streetscene, which did allow that integration. As a result of this, the number of calls about missed bins (including follow-up calls) has reduced by 36%. As part of our ongoing work to improve customer experience, we are looking at implementing a revised CRM system that is better able to be integrated with a broader range of service-specific systems.

- c. In terms of specific services, highways was the one most complained about, most commonly in relation to potholes and poor maintenance of pavements. There were also significant concerns about a lack of planning enforcement, with accusations of constant (seven days a week) and/or poor-quality building work, and inadequate construction of infrastructure such as pavements – as well as about a lack of urgency and action on the part of environmental health in response to complaints.

Response – some of the concerns regarding highways are recognised. It is proposed that highways will be brought back in-house, which should address a number of the issues raised. Budgetary constraints mean that it is inevitable that not all improvements on our highway network can be implemented within the timescale that residents would like.

Whilst residents' frustrations with the speed of planning enforcement are acknowledged, the service is nationally recognised as being one of the most active in the country and, although a number of services had to be suspended during Covid, the service is now fully back in action. It must, however, be noted that some aspects of planning enforcement take a considerable period of time to reach a conclusion, due to the processes that must be followed.

The concerns expressed about environmental health are recognised and will be considered further by the service.

- d. This is not to say that LBB's customer service was universally considered to be poor: some services were praised, library services (in-house) and environmental health (Capita) in particular.

2.8 **Headline finding 5** – The COVID-19 pandemic has worsened council communications, but some good practice has been evident

- a. General public participants complained of worsening council communications during the COVID-19 pandemic, particularly around a lack or slowness of response, not being able to speak to an actual person, frustrations while using the automated answering system, and a lack of cross-department co-ordination.
- b. Some participants suggested that the council and councillors have used COVID-19 as an excuse for inactivity. While understandable at the outset of the pandemic when everyone was navigating the ‘new normal’ of working from home, it was no longer considered a valid reason for non-responsiveness, especially when other sectors have successfully implemented remote working practices.
- c. On a more positive note, participants again praised environmental health for its response during the pandemic, and another commended the council more generally for the way it administered the COVID-19 business grants. Communication relating specifically to the pandemic and assisting vulnerable people was also thought to be good, as was the action taken to provide for those having to shield.
- d. One of the frequent engagers conceded that Capita’s ability to offer a scalable response to grant distribution has been a benefit with respect to ensuring timely financial assistance to those requiring it. However, this was considered the only benefit served by the Capita contracts since their inception.

Response – the positive feedback on the distribution of business grants and other support provided during the pandemic is welcomed. However, it is also acknowledged that some services were able to respond more quickly than others to the constraints that were experienced. The feedback will be considered as part of any future “lessons learned” review and in our future planning for such incidents. All services should now be operating as normal, albeit there are significant backlogs in some areas that are still being worked on.

2.9 **Headline finding 6** – The frequent engagers were especially critical of Capita’s performance

- a. Participants - especially those in the frequent engagers group - were highly vocal in their criticisms of the Capita contracts, and indeed of Capita itself. They particularly alleged poor and impersonal customer service, a lack of openness and visibility around performance, and a serious loss of management control and accountability.

Response – the ongoing programme to improve customers’ experience of interacting with our services is referenced above. In respect of visibility around performance, the council publishes quarterly performance reports

that cover all of the agreed key performance indicators across the contracts, together with a commentary on achievements and challenges during the quarter. The council's approach to managing the contracts has developed since the contracts were let in 2013 and there are regular contract management meetings for each service provided under the contracts.

- b. The frequent engagers also suggested that the power balance within the council/Capita relationship has tipped too heavily in favour of the latter. In relation to this, a specific example was given whereby a provider 'walked away' from the provision of clinical services for children, and there was significant concern that Capita will do the same if it ceases to make a profit from its contracts with LBB.

Response – Capita are keen to secure extensions on both contracts and there is no evidence to suggest that they would seek to “walk away” from them.

- c. Moreover, there was suspicion (fuelled by a recent report by the independent accounting firm Grant Thornton) that the decision to outsource to Capita was, and remains, ideologically and politically driven and that the case for greater economies through outsourcing (as opposed to in-house service provision) is no longer necessarily as clear cut as it might have been.

Response – as noted by the Financial Performance and Contracts Committee at its meeting on 8th June 2021, it is considered that the council's approach to the Review aligns with Grant Thornton's findings, in that it is based on a pragmatic, service by service review, with the focus being on “what is the right approach for that service to achieve the overarching priority of ensuring that Barnet residents receive the best possible services that we can afford and at a competitive price”.

- d. Planning came in for particularly heavy criticism, especially in relation to the perceived over-development of the Borough, local asset reduction (the loss of community spaces was noted several times), a lack of transparency, and the alleged prioritisation of profit over the needs of the local area and its residents.

Response – it is acknowledged that planning policy is a complex and contentious issue, but the planning service that is delivered by Capita is required to operate within a policy framework that is determined by the council within a broader legislative framework. The proposed direction of travel for the planning service includes consideration of returning some elements of the strategic planning service to the council, which may enable greater clarity about the split between policy-setting and service delivery.

2.10 **Headline finding 7** – There was scepticism about the proposed direction of travel for certain services

- a. One frequent engager had read the document outlining the proposed direction of travel for the Capita-provided services and commented that those proposed to return to council control are typically non-revenue generating, whereas Capita would retain the most profit-making service, planning. The frequent engagers were generally concerned to see this as, in their view, planning is one of the services not suited to outsourcing given their belief that local knowledge is required to properly deliver it.

Response – all revenue generated from the services delivered by Capita comes directly to the council. The income guarantee ensures that any shortfall between the revenue received by the council and the targets set out in the contract is made good by Capita. Any contract extension would require a re-baselining of the income guarantee to ensure that the council is not disadvantaged.

The planning service is delivered predominantly from within Barnet, but benefits from additional support capacity provided from Capita's Belfast office.

- b. Moreover, it was argued that other services provisionally proposed to be retained by Capita - such as Accounts Payable - have not performed sufficiently well to justify this. Again, the feeling was that saving money is the key criterion, and that this overrides any consideration of performance.

Response – where the direction of travel includes the intention to enter into a one-year extension (as is the case with accounts payable), this is on the basis that additional time is required to allow further review and decisions to be made about the longer-term future of 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.

- c. Capita's management of Barnet's cemetery at Hendon was also heavily criticised by a couple of frequent engagers, who alleged significant disrepair because of disinterest – which has, in their view, arisen as a result of the service not meeting Capita's initial (unrealistic) expectations for revenue raising.

Response - issues regarding maintenance at the cemetery were primarily caused by the impact of Covid, which were exacerbated by unusual weather conditions. These have since been substantially addressed. It should be noted that Covid placed unprecedented pressures on the service, with the equivalent of six months of funerals supported in just a six-week period at the peak of the pandemic, with one team member being awarded the London Borough of Barnet Civic Award for Covid-19 Community Hero. Several new services have also been developed that

provide a range of services to meet the varying religious and cultural needs of residents, which also generate income for the council.

2.11 Headline finding 8 – Outsourcing remains a controversial option for the delivery of council services

- a. Some participants in the general public group highlighted the potential advantages of having a national organisation running services, arguing that for many services it matters not whether they are located locally or at a distance, especially with today's access to technology. They also supposed that an organisation like Capita would have a higher level of expertise than a local council to perform the functions required, as well as greater purchasing power to minimise costs.
- b. Moreover, it was suggested that the vast majority of residents know little about how the council provides its services, nor do they care as long as the relationship is a largely transactional one.
- c. On the other hand, a lack of local knowledge and accountability was considered by many participants in both groups to be a significant disadvantage of providing services through a third party like Capita – as was the potential for more emphasis to be placed on revenue generation than the needs of local residents (which the frequent engagers argued has happened as a result of the contracts).
- d. Furthermore, a particular concern was that important service provision is in the hands of people with no local knowledge of or vested interest in the area. This, it was said, could lead to poorer customer service as a result of 'outsiders' having less care for what happens locally in Barnet.

Response – the contracts with Capita seek to strike the right balance between securing the economies of scale and other advantages of working with a national organisation that delivers technology-enabled services for a number of councils and ensuring the appropriate level of local knowledge and engagement. This is a factor that will be considered in respect of proposals to return services to the council, when the contract expires, as well as in the proposals for contract extensions.

2.12 Headline finding 9 – Some suggestions for improvement were made

- a. A couple of further specific suggestions were made for improving services and the customer response in Barnet. These included: re-visiting the terms of the Capita contract to enable the amalgamation of inter-related services (customer services and revenues and benefits for example); and LBB and Capita working to establish of a more personal (as opposed to wholly transactional) relationship between the latter and local residents.

Response – the suggestion of amalgamating customer services and revenues and benefits is not supported, as customer services provides the "front door" to a much broader range of council services. However, the

need for closer working between customer services and the revenues and benefits service is accepted. As referenced above, a joint working group involving both services and including colleagues from both the council and Capita has been established and has been meeting over recent months to review and improve customers' journeys through some of the more complex situations that the service deals with.

The suggestion of establishing a more personal relationship with local residents is accepted and it is anticipated that the extension proposals will address this through revised partnership governance arrangements that will strengthen the relationship between the council and Capita.

2.13 **Headline finding 10** – The frequent engagers were cynical about the Review and the engagement/consultation process

- a. Finally, the frequent engagers felt that the Capita Contracts Review and associated engagement/consultation process are somewhat futile inasmuch as they are unlikely to influence the proposed directions of travel (which were described as a “done deal”). This viewpoint has been fuelled by a feeling that the council has refused to enter into dialogue with and listen to them and other residents over recent years – as well as a perception that the findings of consultation exercises (the 2019 Capita Contracts consultation for example) are often ignored if they yield the ‘wrong’ answers.

Response – the level of cynicism from the frequent engagers is unfortunate and it is hoped that some of the responses set out above will go some way to assuring participants in the focus group that their concerns have been heard and are being addressed, albeit not necessarily with the outcome that they would ultimately like to see.

- b. While most of the frequent engagers said there was nothing the council could do to change their views, one did suggest that if LBB were to show willing in entering into true two-way dialogue, this would go some way to persuading them that this engagement process, and the forthcoming formal consultation, are genuine attempts to inform future service provision. They did not consider this likely though.

Response – we have sought to engage in two-way dialogue by meeting with Mr John Dix, who is one of the particularly frequent engagers with the council over the Capita contracts.

- c. Finally, both the frequent engagers and the general public said that being as open and transparent as possible about Capita’s performance to date was essential in ensuring all parties can make an informed judgement about the merits or otherwise of any formal proposals.

Response – Capita’s performance is reported to the Financial Performance and Contracts Committee on a quarterly basis. Performance

packs for those services that it is proposed to retain will be published as part of the supporting evidence for the extension proposals.

Outcome of meeting with Mr John Dix

2.14 The following is an agreed summary of the points made during a meeting between the Chairman of the Financial Performance and Contracts Committee, the council's Director of Commercial and Customer Services and Mr John Dix, held on 6th July 2021, and is published with Mr Dix's permission. The council's response is set out below each point, in italics.

2.15 Mr Dix expressed concerns about the integration of different systems into Integra.

Response – this is acknowledged and will be considered in our decision-making on the future of the council's core systems.

2.16 Looking ahead to 2026 (our proposed extension period), we need to acknowledge that the shape of local authorities is changing and Covid has accelerated that.

Response – this is also acknowledged and will inform our thinking about the future delivery of all services, not just those that are delivered through the Capita contracts.

2.17 The council should consider appointing a chief information/technology officer, as its IT strategy is currently outsourced. Capita both provide the advice on IT and deliver IT, creating a potential conflict of interest. As such there is a need for an independent advisor on IT strategy separate from Capita to set a vision of what best meets the needs of LBB in the future.

Response – whilst the suggestion has some merits, it is considered that the council benefits considerably from its broader access to Capita's strategic IT capabilities, the strength and depth of which goes beyond what one could expect from a single chief technology officer. It is considered that the current clienting arrangements mitigate against any potential conflict of interest, particularly as the council also uses organisations such as LOTI (London Office of Technology and Innovation) and SOCITM (Society for Innovation, Technology and Modernisation) to test its thinking. We recognise that there is merit in reviewing whether or not there is a need to strengthen the support that is available to the council's existing client lead in respect of this aspect of his role.

2.18 Technology is at the heart of everything the council does and this is an opportunity to re-imagine how services such as call centres are delivered in the future.

Response – agreed and it is anticipated that this will be addressed in Capita's proposals for contract extensions.

- 2.19 The council stopped publishing data on call-wait times in 2018, which is inconsistent with claims of transparency and openness in respect of performance.

Response – this occurred prior to the current director and client lead being in post, so we are unable to establish why this happened. The client lead is working with contact centre colleagues to re-establish a programme of regular reporting on key metrics.

- 2.20 There was an extensive discussion about culture coming from within and where control sits.

Response – it is considered that work on strengthening the client side and anticipated proposals regarding the partnership governance arrangements will be critical to this.

- 2.21 In respect of highways, there were shared concerns that can be summarised in the phrase “never outsource a problem, but never insource one either”.

Response – work on the proposal to bring highways back to the council upon expiry of the contract is being carried out in conjunction with the broader Highways Transformation Programme, which continues to drive ongoing improvements in the service, whilst also considering the future operating model for the service. To support this approach, Capita’s Highways Director has been seconded to the council and now reports directly to the Executive Director, Environment.

- 2.22 Planning remains a big concern, particularly in terms of the high level of staff turnover leading to decisions being made by people who don’t understand the history of the area and loss of corporate memory.

Response – following the meeting, we reviewed staff turnover levels in planning over the last year and they were not considered to be out of the ordinary. We have, however, done some work with the service on ensuring that cases are picked up more promptly when staff are off sick. As stated elsewhere in this report, the vast majority of the planning service is delivered from within Barnet.

- 2.23 Planning revenue should stay with Barnet.

Response – it is considered that there may be a misunderstanding in respect of how the income guarantee and revenue flows operate, as all revenue from the planning service does come directly to, and is retained by, the council in the first instance. This revenue/income is different from profit, in that in the event of overperformance against the income guarantee, RE is entitled to reclaim the additional costs of achieving the extra income. Any subsequent surplus would be shared 75% to the council and 25% to RE. Should this translate directly into profit for the Joint Venture, any subsequent dividends would return 49% of that profit to the council, with 51% to the Joint Venture, resulting in 87.25% of the additional revenue being retained by the council.

For any contract extension, it will be necessary to re-baseline the income guarantee to reflect the areas of over- and under-performance to date, as well as considering how any surplus revenue is shared.

- 2.24 There were concerns around keeping accounts payable with Capita.

Response – the concerns regarding accounts payable are acknowledged, but this service is in the “further review” category because the best future delivery model for the service is dependent upon decisions about the council’s future core systems. Any proposal to extend the contract for one year is designed to provide the time required to make those decisions.

- 2.25 There was an acknowledgement from all participants in the meeting that any extensions would require chief executive sign-off from both sides, as well as political buy-in.

Response – it has been confirmed that Capita’s internal governance process requires “main board” approval of the extension proposals.

Follow-up email from Mr John Dix

- 2.26 Following on from the meeting, Mr Dix sent an email to the Chairman of the Financial Performance and Contracts Committee and the council’s Director of Commercial and Customer Services on 12th July 2021. This re-stated and expanded on some of the points made during the meeting. The key additional points raised in the email are summarised below, with the council’s response in italics.

- 2.27 Mr Dix expressed concerns that he does not see evidence of a clear vision for Barnet, not just in relation to the specific elements of the Capita contract, but how the Council organisation will operate as a whole in five years’ time with a rising population and taking into account the changes driven by Covid. He also made suggestions regarding a potential future grouping of services.

Response – the subject of the broader vision and structure of the council fall outside the remit of this Review, so have been shared with the council’s Chief Executive for consideration in the ongoing development of the Barnet Plan.

- 2.28 The email set out further commentary in respect of the council’s core systems and promoted consideration of a “proper ERP (enterprise resource planning) system”.

Response – the council’s review of core systems will consider a range of options, including the implementation of an ERP solution. Independent advice on this review will be sought, as necessary.

- 2.29 In respect of planning, it was suggested that a “value chain analysis” would aid understanding of how Capita add value to the planning process.

Response – how Capita adds value to the service will need to be part of any business case for extending the contract.

- 2.30 On the topic of organisational culture, Mr Dix suggested that having a common set of goals throughout the organisation, and instilling a common language that reflects and reinforces those goals, is critical to making sure any changes stick. He identified the risk that piecemeal changes of specific services, without that clear set of organisation goals and culture, will result in a failure to realise the benefits of any change.

Response – it is anticipated that the extension proposals will set out how Capita will continue to contribute to the achievement of the council’s goals, which are set out in the Barnet Plan.

- 2.31 In respect of the client side, Mr Dix acknowledged that additional resources have been put into managing the contractor, but posed the question of how much it costs to manage the contractor and at what point is it cheaper to simply self-operate the service.

Response – whilst it is acknowledged that the cost of managing the contracts is a factor that requires consideration, it is also considered that, where additional resources have been brought into the client side over the years, this has added more value to the overall delivery of services than is suggested by the phrase “managing the contractor”.

3 ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 Not applicable, as this report sets out the outcome of resident engagement, rather than recommendations for decision.

4 POST DECISION IMPLEMENTATION

- 4.1 The outcomes of resident engagement to date have been shared with Capita to inform the development of their proposals. They will also be taken into account in the development of business cases in respect of all services currently provided through the Capita contracts.
- 4.2 Having given due consideration to the detailed responses, particularly from those residents that engage frequently with the council on these issues, it has been concluded that the second stage of the consultation needs to focus on the current experience of residents that are interacting with the council and seek the views of as wide a group of those residents as possible, to help inform the future shape of the council’s approach to customer service, across the board. This will necessitate an ongoing dialogue with residents, rather than the one-off focus groups that were originally envisaged.

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 2021-2025, 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 cost of conducting the focus groups was approximately £8,000 and has been met from the resources allocated to conduct the Contracts Review.

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.

5.3.2 There are no specific Social Value implications from this report.

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 17th June 2019 agreed that terms of reference and progress on the 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. Statutory Guidance requires the council to provide for organisations, businesses, service users, and the wider community to put forward options on how to reshape services, and to consider overall value, including economic, environment and social value when reviewing service provision.
- 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 have been put in place, including establishment of 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 more detailed proposals and business cases 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 17th June 2019. The Review is a continuation of the review of Capita contracts and will take into account the feedback already provided. The approach to further engagement through the use of focus groups was agreed by this Committee at its meeting on 8th June 2021 and the outcomes of that engagement are the subject of this report.

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. Arrangements have been put in place to engage with and update staff, as the Review progresses.
- 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, 29th 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, 18th 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, 15th 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, 27th October 2020:
<https://barnet.moderngov.co.uk/documents/s60807/Year%206-7%20Review%20FPC%20report.pdf>
 - 6.5. Report to Financial Performance and Contracts Committee, 17th March 2021:
<https://barnet.moderngov.co.uk/documents/s64235/Yr%206-7%20Review%20FPC%20report.pdf>
 - 6.6. Report to Financial Performance and Contracts Committee, 8th June 2021:
<https://barnet.moderngov.co.uk/documents/s65146/FPC%20Contracts%20Review%20Report.pdf>
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London Borough of Barnet

Review of Capita Contracts

Consultation 2021

Report of findings



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London Borough of Barnet

Review of Capita Contracts

Consultation 2021

As with all our studies, findings from this report are subject to Opinion Research Services' Standard Terms and Conditions of Contract.

Any press release or publication of the findings of this report requires the advance approval of ORS. Such approval will only be refused on the grounds of inaccuracy or misrepresentation

This study was conducted in accordance with ISO 20252:2012 and ISO 9001:2008.

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At all stages of the project, ORS' status as an independent organisation consulting the public as objectively as possible was recognised and respected. We are grateful for that trust and hope this report will contribute to decisions on LBB's future service provision.

1. Executive Summary

Summary of main findings

Background to the review and the commission

- 1.1 The London Borough of Barnet (henceforth LBB or the council) has a longstanding approach to service delivery, which is based on commissioning services from whichever organisation can deliver them most effectively. In accordance with this approach, the council currently has two major contracts with the private sector company Capita. The first, the CSG (Customer and Support Group) contract between the council and Capita, is for the delivery of the council's 'back office' functions, including finance, human resources, customer services and information technology. The second, known as the RE (Regional Enterprise) contract, relates to the provision of development and regulatory services. These include planning, regeneration, highways, environmental health and the cemetery/crematorium. These services are delivered through a joint venture company that is jointly owned by Capita and the council, known as Regional Enterprise Limited, or RE.
- 1.2 The contracts began in September 2013 and October 2013 respectively and are due to run for ten years, with an option to extend for up to a further five. Year 6 (CSG) and Year 7 reviews (DRS) were built in to agree any changes required before 2023 and consider any elements of the contracts that may be extended.

The commission and engagement process

- 1.3 The engagement exercise reported here was undertaken in July 2021 by Opinion Research Services (ORS) - a spin-out company from Swansea University with a UK-wide reputation for social research.
- 1.4 ORS was appointed by LBB to convene, facilitate and report on two focus groups - one with 'frequent engagers' (members of the public who have previously commented or submitted questions on relevant Committee reports) and the other with randomly-selected members of the public. Five participants attended the former and nine attended the latter, and both lasted between 1.5 and two hours.

The report

- 1.5 This executive summary summarises the focus groups findings. We trust that this summary is a sound guide to these outcomes, but readers are urged to consult the full report that follows for more detailed insights and understanding of the assumptions, arguments, conclusions and feelings about the review of Capita contracts and council service provision more generally.

Main findings

Good customer service is accessible, responsive, communicative, and offers speedy resolution to problems

- 1.6 Participants were generally of the view that the first principle of good customer service is accessibility, followed by attempts at resolution by responsive, knowledgeable members of staff.

- 1.7 Being kept informed of the progress of an issue/complaint was also considered essential: indeed, it was said that people understand that things take time and can accept delays if they receive regular status updates.

Not receiving good customer service has negative repercussions for individuals and organisations...

- 1.8 Poor customer service typically leads to feelings of anger and frustration for those on the receiving end, as well as lasting negative perceptions of the organisation offering it.

...but residents are in a difficult position when they receive poor customer service from their local authority, as they cannot take their 'custom' elsewhere

- 1.9 An underlying frustration for participants when receiving what they perceive as poor customer service from the council is that short of moving to another area, they feel there is little they can do about it. Essentially, residents are at a disadvantage as they cannot take their 'custom' elsewhere as they would following poor service at, say, a retail establishment.
- 1.10 Moreover, while elected members can (and in some areas do) try and ensure services run as they should, it was argued that this should not be necessary if services are responsive and efficient – and that good customer service should not be dependent on the proactivity of councillors.

LBB's customer service is variable, but there was more negativity than praise

- 1.11 Participants in both groups highlighted their frustrations with LBB's customer service in a broad sense, from their calls not being answered/transferred and having to deal with an automated answering service, to being treated disrespectfully by council staff or having to repeat their issue many times to different people.
- 1.12 In relation to the last issue, some participants suggested a better system for recording notes from calls with members of the public and enabling the provision of progress updates. This, it was said, would give customers confidence that their queries are being logged, addressed and not 'lost in the system'.
- 1.13 In terms of specific services, highways was the one most complained about, most commonly in relation to potholes and poor maintenance of pavements. There were also significant concerns about a lack of planning enforcement, with accusations of constant (seven days a week) and/or poor-quality building work, and inadequate construction of infrastructure such as pavements – as well as about a lack of urgency and action on the part of environmental health in response to complaints.
- 1.14 This is not to say that LBB's customer service was universally considered to be poor: some services were praised, library services (in-house) and environmental health (Capita) in particular.

The COVID-19 pandemic has worsened council communications, but some good practice has been evident

- 1.15 General public participants complained of worsening council communications during the COVID-19 pandemic, particularly around a lack or slowness of response, not being able to speak to an actual person, frustrations while using the automated answering system, and a lack of cross-department co-ordination.

- 1.16 Some participants suggested that the council and councillors have used COVID-19 as an excuse for inactivity. While understandable at the outset of the pandemic when everyone was navigating the ‘new normal’ of working from home, it was no longer considered a valid reason for non-responsiveness, especially when other sectors have successfully implemented remote working practices.
- 1.17 On a more positive note, participants again praised environmental health for its response during the pandemic, and another commended the council more generally for the way it administered the COVID-19 business grants. Communication relating specifically to the pandemic and assisting vulnerable people was also thought to be good, as was the action taken to provide for those having to shield.
- 1.18 One of the frequent engagers conceded that Capita’s ability to offer a scalable response to grant distribution has been a benefit with respect to ensuring timely financial assistance to those requiring it. However, this was considered the only benefit served by the Capita contracts since their inception.

The frequent engagers were especially critical of Capita’s performance

- 1.19 Participants - especially those in the frequent engagers group - were highly vocal in their criticisms of the Capita contracts, and indeed of Capita itself. They particularly alleged poor and impersonal customer service, a lack of openness and visibility around performance, and a serious loss of management control and accountability.
- 1.20 The frequent engagers also suggested that the power balance within the council/Capita relationship has tipped too heavily in favour of the latter. In relation to this, a specific example was given whereby a provider ‘walked away’ from the provision of clinical services for children, and there was significant concern that Capita will do the same if it ceases to make a profit from its contracts with LBB.
- 1.21 Moreover, there was suspicion (fuelled by a recent report by the independent accounting firm Grant Thornton) that the decision to outsource to Capita was, and remains, ideologically and politically driven and that the case for greater economies through outsourcing (as opposed to in-house service provision) is no longer necessarily as clear cut as it might have been.
- 1.22 Planning came in for particularly heavy criticism, especially in relation to the perceived over-development of the Borough, local asset reduction (the loss of community spaces was noted several times), a lack of transparency, and the alleged prioritisation of profit over the needs of the local area and its residents.

There was scepticism about the proposed direction of travel for certain services

- 1.23 One frequent engager had read the document outlining the proposed direction of travel for the Capita-provided services and commented that those proposed to return to council control are typically non-revenue generating, whereas Capita would retain the most profit-making service, planning. The frequent engagers were generally concerned to see this as, in their view, planning is one of the services not suited to outsourcing given their belief that local knowledge is required to properly deliver it.
- 1.24 Moreover, it was argued that other services provisionally proposed to be retained by Capita - such as Accounts Payable - have not performed sufficiently well to justify this. Again, the feeling was that saving money is the key criterion, and that this overrides any consideration of performance.
- 1.25 Capita’s management of Barnet’s cemetery at Hendon was also heavily criticised by a couple of frequent engagers, who alleged significant disrepair because of disinterest – which has, in their view, arisen as a result of the service not meeting Capita’s initial (unrealistic) expectations for revenue raising.

Outsourcing remains a controversial option for the delivery of council services

- 1.26 Some participants in the general public group highlighted the potential advantages of having a national organisation running services, arguing that for many services it matters not whether they are located locally or at a distance, especially with today’s access to technology. They also supposed that an organisation like Capita would have a higher level of expertise than a local council to perform the functions required, as well as greater purchasing power to minimise costs.
- 1.27 Moreover, it was suggested that the vast majority of residents know little about how the council provides its services, nor do they care as long as the relationship is a largely transactional one.
- 1.28 On the other hand, a lack of local knowledge and accountability was considered by many participants in both groups to be a significant disadvantage of providing services through a third party like Capita – as was the potential for more emphasis to be placed on revenue generation than the needs of local residents (which the frequent engagers argued has happened as a result of the contracts).
- 1.29 Furthermore, a particular concern was that important service provision is in the hands of people with no local knowledge of or vested interest in the area. This, it was said, could lead to poorer customer service as a result of ‘outsiders’ having less care for what happens locally in Barnet.

Some suggestions for improvement were made

- 1.30 A couple of further specific suggestions were made for improving services and the customer response in Barnet. These included: re-visiting the terms of the Capita contract to enable the amalgamation of inter-related services (customer services and revenues and benefits for example); and LBB and Capita working to establish of a more personal (as opposed to wholly transactional) relationship between the latter and local residents.

The frequent engagers were cynical about the Review and the engagement/consultation process

- 1.31 Finally, the frequent engagers felt that the Capita Contracts Review and associated engagement/consultation process are somewhat futile inasmuch as they are unlikely to influence the proposed directions of travel (which were described as a “*done deal*”). This viewpoint has been fuelled by a feeling that the council has refused to enter into dialogue with and listen to them and other residents over recent years – as well as a perception that the findings of consultation exercises (the 2019 Capita Contracts consultation for example) are often ignored if they yield the ‘wrong’ answers.
- 1.32 While most of the frequent engagers said there was nothing the council could do to change their views, one did suggest that if LBB were to show willing in entering into true two-way dialogue, this would go some way to persuading them that this engagement process, and the forthcoming formal consultation, are genuine attempts to inform future service provision. They did not consider this likely though.
- 1.33 Finally, both the frequent engagers and the general public said that being as open and transparent as possible about Capita’s performance to date was essential in ensuring all parties can make an informed judgement about the merits or otherwise of any formal proposals.

2. The Consultation Process

Overview of the consultation

Background to the review

- 2.1 The London Borough of Barnet (henceforth LBB or the council) has a longstanding approach to service delivery, which is based on commissioning services from whichever organisation can deliver them most effectively.
- 2.2 In accordance with this approach, the council currently has two major contracts with the private sector company Capita. The first, the CSG (Customer and Support Group) contract between the council and Capita, is for the delivery of the council’s ‘back office’ functions, including finance, human resources, customer services and information technology. The second, known as the RE (Regional Enterprise) contract, relates to the provision of development and regulatory services. These include planning, regeneration, highways, environmental health and cemeteries/crematorium. These services are delivered through a joint venture company that is jointly owned by Capita and the council, known as Regional Enterprise Limited, or RE.
- 2.3 The contracts began in September 2013 and October 2013 respectively and are due to run for ten years, with an option to extend for up to a further five. Year 6 (CSG) and Year 7 reviews (DRS) were built in to agree any changes required before 2023 and consider any elements of the contracts that may be extended. However, owing to delays to the Year 6 review as a result of the COVID-19 pandemic, the council is now undertaking a combined review of the CSG and DRS contracts known as “*Capita Contracts Review*”, during which it will:
- Consider the council’s future needs and aspirations, and best practice from other organisations
 - Monitor performance of existing providers against contractual obligations
 - Review cost and quality of service provision
 - Analysis of alternative service providers
 - Monitor user/customer satisfaction and feedback
 - Financial cost of future delivery options.
- 2.4 The aims of the Review are outlined below.

Aims

- **Establish**
 - **The council’s long-term vision for how it provides services**
 - **The requirements for each service**
- **Understand the performance of each service in terms of quality and value for money**
- **Develop a future delivery plan for each service, post-2023**
- **Agree any changes to existing contracts between now and 2023**

The commission

- 2.5 This engagement exercise, run at an early, formative stage of the Review, was undertaken in July 2021.
- 2.6 Opinion Research Services (ORS) - a spin-out company from Swansea University with a UK-wide reputation for social research - was appointed by LBB to independently facilitate and report two focus groups - one with 'frequent engagers' (members of the public who have previously commented or submitted questions on relevant Committee reports) and the other with randomly-selected members of the public. Five participants attended the former and nine attended the latter, and both lasted between 1.5 and two hours.
- 2.7 Each meeting began with an ORS presentation to provide the contextual background information outlined above. Participants were informed that they were taking part in an engagement exercise rather than a formal consultation process, and that while LBB has agreed a proposed direction of travel for each service, that is subject to the development of formal proposals and associated business cases.
- 2.8 As such, rather than discussing any firm proposals for the provision of council services, the discussions focused on the following issues with the intention of identifying people's priorities for customer service in a broader sense:
- The principles of good and poor customer service, and its impact on individuals and organisations
 - Service quality: what council services work well currently, what improvements are needed and what might facilitate them?
 - The impacts, if any, of COVID-19 on service delivery, priorities and expectations
 - Whether or not the concerns expressed in 2019 consultation remain (participants were informed of the key findings prior to discussion)
 - Elements of the contract and management arrangements (e.g., accountability and control).
- 2.9 Participants were encouraged to ask questions throughout, and both meetings were thorough and discursive. We hope the views expressed are helpful in informing the formal proposals and business cases for the services currently provided through the Capita contracts.

The report

- 2.10 This report reviews the sentiments and judgements of participants on the discussion issues. Verbatim quotations are used, in indented italics, not because we agree or disagree with them - but for their vividness in capturing recurrent points of view. ORS does not endorse any opinions but seeks only to portray them accurately and clearly. The report is an interpretative summary of the issues raised by participants.

3. Focus Group Findings

Introduction

- 3.1 This chapter reports the views from the two deliberative focus groups with local ‘frequent engagers’ and randomly-recruited members of the public. These focus groups were held as part of a pre-consultation engagement exercise, with the formal consultation to be launched in Autumn 2021.

Main Findings

Good customer service is accessible, responsive, communicative, and offers speedy resolution to problems

Not receiving good customer service has negative repercussions for individuals and organisations...

...but residents are in a difficult position when they receive poor customer service from their local authority, as they cannot take their ‘custom’ elsewhere

LBB’s customer service is variable, but there was more negativity than praise

The COVID-19 pandemic has worsened council communications, but some good practice has been evident

The frequent engagers were especially critical of Capita’s performance

There was scepticism about the proposed direction of travel for certain services

The frequent engagers were cynical about the Review and the engagement/consultation process

Good customer service is accessible, responsive, communicative, and offers speedy resolution to problems

- 3.2 Participants were generally of the view that the first principle of good customer service is accessibility, followed by attempts at resolution by responsive, knowledgeable members of staff.

“It’s being able to contact them and get a response and when you call someone, that they actually answer – that’s the crucial first step of good customer service” (General public)

“I expect them to answer the phone, for someone to have knowledge and responsibility on the other end and to be able to deal with the issue” (Frequent engagers)

“I should expect a quality service and responsiveness dealing with issues that affect me ...” (Frequent engagers)

“Taking action is quite important, especially if it’s to do with a complaint ...” (General public)

“Customer Service to me is about a dialogue. People have issues and questions that they raise and expect them to be resolved” (Frequent engagers)

- 3.3 Being kept informed of the progress of an issue/complaint was also considered essential: indeed, it was said that people understand that things take time and can accept delays if they receive regular status updates.

“When you are calling and asking for a service ... you want someone to be human and to look into it. I think that it’s ok if they take time to resolve it, but as long as you know someone is on it ...” (General public)

I think it’s all about communication, keeping you updated ... In reality you need to appease the customer and make them feel as if they are in the loop and know the progress ...” (General public)

Not receiving good customer service has negative repercussions for individuals and organisations...

- 3.4 Poor customer service typically leads to feelings of anger and frustration for those on the receiving end, as well as lasting negative perceptions of the organisation offering it.

“When you see customer service that is poor it can really enrage you ... it becomes a personal experience ...” (General public)

“... you get very frustrated and on the rare occasion you get to speak to a human you take it out on them” (General public)

...but residents are in a difficult position when they receive poor customer service from their local authority, as they cannot take their ‘custom’ elsewhere

- 3.5 An underlying frustration for participants when receiving what they perceive as poor customer service from the council is that short of moving to another area, they feel there is little they can do about it. Essentially, residents are at a disadvantage as they cannot take their ‘custom’ elsewhere as they would following poor service at, say, a retail establishment.

“(I would expect) politeness and feedback and a response ... I made a call to complain about parking on pavements ... and the person I spoke to was quite dismissive... no feedback, no response at all, so nothing happened ... The responsiveness was severely lacking and unfortunately with councils, it’s not like going to the shops where you can walk to another shop. Barnet have me by the short and curlies for good and for worse” (General public)

“At least with a commercial supplier you have the choice of going to them or not but with a borough you don’t have that choice ...” (General public)

“We are not customers. We can’t walk out and say, ‘I’m not giving you my business’ ...” (Frequent engagers)

- 3.6 Moreover, while elected members can (and in some areas do) try and ensure services run as they should, it was argued that this should not be necessary if services are responsive and efficient – and that good customer service should not be dependent on the proactivity of councillors.

“The one thing we have here, and it may not be in the whole Borough, is amazing councillors ... it seems to be that the councillors will raise a query and the officials have a bomb put under them and solve problems” (General public)

“You shouldn’t have to ... pay for the service and then forcefully have to back it up with councillors” (General public)

“Some people have said they don’t have a concern because they have a very proactive councillor but resorting to your councillor should be the last resort, not the first. The first resort should be to speak to a member of Barnet staff who deals with your problem. Why should I have to berate my councillor? The whole thing seems to be arse backwards” (General public)

LBB’s customer service is variable, but there was more negativity than praise

- 3.7 Participants in both groups highlighted their frustrations with LBB’s customer service in a broad sense, from their calls not being answered/transferred or having to deal with an automated answering service, to being treated disrespectfully by council staff or having to repeat their issue many times to different people. Some typical comments are below.

“All of us have had to call Barnet one time or another and gone through the automated service and have to speak to a robot who 1) can’t understand what you are saying, and you are trying to say a postcode and it doesn’t get it and 2) when you are finally put through to an operator they put you back to the same robot and it feels like you are going round in circles ... ” (General public)

“... I feel personally quite detached from the council ... I feel like there is no presence and that they are not accessible. When I call them then I never get put through to anybody and then ... months later I feel that nothing been resolved still” (General public)

“... You spend an inordinate amount of time chasing people you will never see, and councillors are in a hurry not to respond to you ...” (Frequent engagers)

“Anyone who phones the council will immediately fall into the dark abyss of the Capita run phone service which is and always has been appalling ...” (Frequent engagers)

“... I have had times when I’ve called Barnet Council and been told that the systems are down, so they can’t take any information, or everything is missing ... it’s an issue because somehow information is being lost...” (General public)

“I’ve had dealings with the revenue teams and there’s just some disconnect ... You can have a conversation with one person and if you call back tomorrow then they have no idea ... sometimes it feels like you have to do a detective work in case something goes wrong... you need to be the proactive one and do the leg work ... (General public)

- 3.8 In relation to the last issue, some participants suggested a better system for recording notes from calls with members of the public and enabling the provision of progress updates. This, it was said, would give customers confidence that their queries are being logged, addressed and not ‘lost in the system’.

“I think it helps if there is an audit trail ... and some sort of system to record things so you have someone who is following up. Sometimes you call and you have to explain everything from scratch and it’s frustrating” (General public)

“An experience I had last week was of someone fly tipping a fridge in the road. I used their reporting tool on the website, which was fine, but my one complaint was the lack of communication. I got a confirmation email to say my complaint had been received but there was no sign of ‘we will do this in a certain time frame’. It was done eventually but it would be very nice to have, and I don’t think it would cost a lot of money, an update to say we hope to do this on e.g., Wednesday, or even to say your fly tipping has now been collected and we are closing the case. Once it’s logged you hear nothing at all” (General public)

- 3.9 In terms of specific services, highways was the one most complained about – most commonly in relation to potholes and poor maintenance of pavements. There were also significant concerns about a lack of planning enforcement, with accusations of constant (seven days a week) and/or poor-quality building work, and inadequate construction of infrastructure such as pavements – as well as about a lack of urgency and action on the part of environmental health in response to complaints.

“Highways and potholes is a big issue in Barnet. They might have to reconsider Capita’s contract there because they are not fulfilling their obligation to us as a community” (General public)

“... Building is going on ad infinitum on a Sunday, so it’s seven days a week and there’s no enforcement at all they spend fortunes re-doing the road and the pavements and yet some of it looks like the Somme. So, we are just wasting tax-payers money...” (General public)

“There’s a lack of enforcement. Even minor things, you know, people nicking strips of land, pavements being wrecked ... various teams not communicating ...” (General public)

“I did complain once to Environmental Health when there were builders a few doors down ... burning wood and timber in the back garden and there were plumes of smoke travelling across our neighbourhood. Environmental Health were so slow and there was no resolve ... and it was very disheartening. This was during COVID as well which, with respiratory disease, it must have caused an issue for everybody” (General public)

- 3.10 This is not to say that LBB’s customer service was universally considered to be poor: some services were praised, library services (in-house) and environmental health (Capita) in particular.

“The library service... they are trying extremely hard. The people there are just so nice and they are trying to provide a service within the limitations of COVID” (General public)

“I phoned Environmental Health due to an issue with the brook at back of my house. We phoned in the morning and by the afternoon they came and fixed it and even followed up the next week so actually it was a really positive and quick experience” (General public)

The COVID-19 pandemic has worsened council communications, but some good practice has been evident

- 3.11 General public participants complained of worsening council communications during the COVID-19 pandemic, particularly around a lack or slowness of response, not being able to speak to an actual person, frustrations while using the automated answering system, and a lack of cross-department co-ordination.

“Due to COVID restrictions, no-one answers the phone, so you’d be hanging on for ages ... that’s the thing that’s been most apparent in the last year and a half ... I was trying to help my mum with issues to do with Barnet Council and we couldn’t get hold of anyone ... It was a nightmare trying to speak to the council. Eventually we did but it took ages ... because of COVID it’s made it even worse because you can’t talk to anyone... I wanted to call for other reasons and I thought, you know what, there’s no point ... There’s something wrong that needs addressing ... it’s very frustrating ...” (General public)

“I just haven’t been able to speak to a human since the pandemic ... it’s got worse since lockdown ... and it’s very frustrating ... If you send an email there’s no reply and if you call you can’t speak to a human being ...” (General public)

“At the moment it feels very robotic, and you can’t get through to anyone and you are usually hanging on the phone ages before you get any contact ... There isn’t any customer service. It’s obviously to do with COVID because people are working from home” (General public)

“I had some issues with the Revenues and Benefits service because of furlough problems. The stress it caused ... you have several different people talking to each other, again the communications between teams and even people in the same team not knowing what’s what ... Also, the communication: revenues and benefits don’t necessarily talk to the disabled side of stuff because although they are connected, they are completely separate, so you have your carers allowance and your normal benefits, and your disability benefits and they don’t interlink ... and they need that communication” (General public)

- 3.12 Some participants suggested that the council and councillors have used COVID-19 as an excuse for inactivity. While understandable at the outset of the pandemic when everyone was navigating the ‘new normal’ of working from home, it was no longer considered a valid reason for non-responsiveness, especially when other sectors have successfully implemented remote working practices.

“Covid has been an excuse for the council to go to sleep. I reported to a councillor... that a household nicked a strip of land, and nothing’s been done and that was a year and a half ago. COVID has been used as an excuse for some of the services to go comatose” (General public)

“The councillors have sat at home on their sofas keeping safe ... they are still (as I understand it) not holding surgeries, even virtually. They are invisible, they are unaccountable” (Frequent engagers)

“... I work in the legal sector and if I can manage to attend a supreme court trial from my home office, why can’t I contact Barnet Council? I don’t think that COVID can be an excuse. Maybe in the first few weeks of the pandemic that’s fine, but we have been working from home for 16 months and it’s no longer a valid excuse” (General public)

- 3.13 One frequent engager also criticised the way in which residents’ forums have been conducted during the pandemic, which, in their view, disenfranchises members of the public who wish to participate.

“The residents’ forums are a farce, attending meetings during Covid ... I had to object to the planning application for a neighbouring property and my only way of participating, they make you speak on a phone. They wouldn’t even allow you on a Zoom thing and you weren’t able to challenge [anything]. They don’t listen” (Frequent engagers)

- 3.14 On a more positive note, participants again praised environmental health for its response during the pandemic, and another commended the council more generally for the way it administered the COVID-19 business grants. Communication relating specifically to the pandemic and assisting vulnerable people was also thought to be good, as was the action taken to provide for those having to shield.

“Through all of it the one [service] that I’ve not had an issue with is environmental health. They have been on it every time I’ve had to call them” (General public)

“With regards to the grants ... I think they’ve been very good with them ... and from my personal experience and from the experience of other people in my sector, Barnet have been probably one of the best councils in London ... ” (Frequent engagers)

“Their communication about ... COVID-related things and echoing what the government have been saying has been pretty good. The different initiatives ... the magazine and the emails from Barnet Council, the communication is pretty good ... the public health things and also giving a positive spin with nice stories about local heroes and the NHS and local people doing wonderful works. That’s been very nice to see” (General public)

“When people had to shield, they did really well communicating to residents and they moved really quickly about food boxes ... to make sure vulnerable people had provisions ... On that front they did really well because I know people in other boroughs really struggled to get essential supplies” (General public)

- 3.15 One of the frequent engagers conceded that Capita’s ability to offer a scalable response to grant distribution has been a benefit with respect to ensuring timely financial assistance to those requiring it. However, this was considered the only benefit served by the Capita contracts since their inception.

“... One of the things that the Conservative Group will say is the advantage we had was having a scalable resource in Capita to be able to respond to this particular situation and deliver a lot more administration at a time when people needed to do it quickly ... and they may be right ... That’s the one positive that has come out. But there are still so many negatives and to set it in context: the contracted value to date was £331 million and to date we’ve paid Capita £545 million. We’ve paid them £214 million more ... When you are paying a single company over half a billion quid and the contract isn’t finished then you have to say, ‘hang on a minute, is this quite right?’ (Frequent engagers)

The frequent engagers were especially critical of Capita’s performance

- 3.16 Participants - especially those in the frequent engagers group - were highly vocal in their criticisms of the Capita contracts, and indeed of Capita itself. They particularly alleged poor and impersonal customer service, a lack of openness and visibility around performance, and a serious loss of management control and accountability.

“Capita bring very little added value and create poor customer service because their focus is only about creating revenue ...” (Frequent engagers)

“It tends to be the major organisations you have issues with because they have lost the personal touch which is what I think has happened with the council ...” (General public)

“I have not read the contract because we were not given access to it and I am operating in ignorance ... The fact that there was a contract which we couldn’t read, and [the councillors] didn’t read says a lot about what has happened since” (Frequent engagers)

“Over the years they have farmed out a lot of the services within Barnet ... and as a council taxpayer, I have no idea of the functionality or efficiency of the services that Barnet offer ... ” (General public)

“I have been very concerned about how services have been outsourced and the loss of management control and local accountability” (Frequent engagers)

- 3.17 The frequent engagers also suggested that the power balance within the council/Capita relationship has tipped too heavily in favour of the latter.

“It sounds to me like a classic example that when push comes to shove eventually in a couple of years’ time, Capita will hold all the cards because they can say ... ‘we’ll walk away unless you give us whatever...’” (Frequent engagers)

- 3.18 In relation to this, a specific example was given whereby a provider ‘walked away’ from the provision of clinical services for children, and there was significant concern that Capita will do the same if it ceases to make a profit from its contracts with LBB.

“... another provider walked away from providing clinical services for children. They just said, ‘we are not doing it anymore, see you later’ ... Now the argument has always been that if you keep services in-house then that can’t happen; if you give it to someone like Capita ... then you have a risk because you are over a barrel and there is nothing you can do. Be under no illusion, if things change in a post COVID world, things became more difficult, and Capita stopped making a profit out of Barnet then they would walk away. If that left the people of Barnet in the lurch and if it left the council unable to do all of the things that they have to do by law, that would be no concern at all...” (Frequent engagers)

“It’s all very well saying well we’ll extend the contract by three years or we’ll have a short extension for a year. I’ve not had any reassurance that Capita have agreed to that so we may get to the end of the process and Capita say no. Nobody has been able to answer that question for me ...” (Frequent engagers)

- 3.19 Moreover, there was suspicion (fuelled by a recent report by the independent accounting firm Grant Thornton) that the decision to outsource to Capita was, and remains, ideologically and politically driven and that the case for greater economies through outsourcing is no longer necessarily as clear cut as it might have been.

“Along with the report that came about which services may come back in house and which may be retained, there was a Grant Thornton report and ... it says, ‘Historically procurement has been ideologically driven and highly political’ and that is exactly what happened at the outset of this contract. Unfortunately, from where I’m sitting, that is exactly what’s happening as part of this contract review, it is still ideologically driven and highly political. The report was quite candid, and it said the gap between cost and efficiency for delivery between public and private sector had been significantly squeezed over the last decade This means that outsourcing is not always the most cost-effective option by default ...” (Frequent engagers)

- 3.20 Planning came in for particularly heavy criticism, especially in relation to the perceived over-development of the Borough, local asset reduction, a lack of transparency, and the alleged prioritisation of profit over the needs of the local area and its residents. The strength of feeling around this issue is demonstrated in the typical comments below.

“I view this planning as the most destructive thing in this Borough ...” (Frequent engagers)

“... The Planning Department is one of the busiest in England and it generates lots of cash and therefore wants to see as many applications going through as possible ...” (Frequent engagers)

“Everywhere you look there is development, and they are looking for profit from every square inch. The park has gone ... the local hospital. They have stolen the local community space to build flats ... knocking down what was once our number one library and just leaving the façade which is a metaphor for everything they are doing... ” (Frequent engagers)

“... all the good things we thought about this Borough are being put up for sale: libraries, spaces etc.” (Frequent engagers)

“Everything comes back to, in my view ... squeezing so much profit out of us, not by providing the housing or social development we need but for the benefit of developers” (Frequent engagers)

“Capita have huge interest as a developer and rely on the income from planning and regeneration here ... The planning system is ... geared towards their planning and regeneration and fee-generating processes” (Frequent engagers)

“The council’s role is to balance the needs of residents with the need to progress. There is a strong feeling that when it comes to planning, enforcement of regulation then the people of Barnet are not in the picture at all and are an inconvenience ...” (Frequent engagers)

“Barnet residents are jaundiced about the planning system and have given up on commenting on planning because they know it will be without effect. There is no control of developers ... it’s an absolute scandal” (Frequent engagers)

There was scepticism about the proposed direction of travel for certain services

- 3.21 One frequent engager had read the document outlining the proposed direction of travel for the Capita-provided services and commented that those proposed to return to council control are typically non-revenue generating, whereas Capita would retain the most profit-making service, planning.

“What they are doing and proposing is to take out some services that don’t generate revenue. They are planning to take out environmental health, trading standards and licencing from the RE contract [and] that contract will make a lot more profit because they will take out costs for the services that are cost generating. But they are retaining one of the most profitable sources of income, which is Planning, and Capita get 51% of all that profit. That is fundamentally wrong ...”

(Frequent engagers)

“The last thing I heard was they want to leave the potholes with Barnet while they take on some other positively money-making ventures. So yeah, you can have the highways back which we haven’t kept in shape for the last nine years, but we’d like to get rid of them now ...” (Frequent engagers)

“... If you read the review, it seems that it’s what suits Capita’s plan and not what suits Barnet’s strategic plan...” (Frequent engagers)

- 3.22 The frequent engagers were generally concerned to see this as, in their view, planning is one of the services not suited to outsourcing given their belief that local knowledge is required to properly deliver it.

“I think there are very few other local authorities that outsource planning because it’s quite a specialist thing and needs local knowledge...” (Frequent engagers)

“What I have seen in a number of planning applications is you have planning officers with no knowledge of the local area, and they don’t understand what is happening now and has happened in the past, and they are setting precedents with roads when planning decisions are made, and that’s a huge problem. They have a big churn of staff going through the planning department ... We then lose corporate memory and local knowledge ...” (Frequent engagers)

- 3.23 Moreover, it was argued that other services provisionally proposed to be retained by Capita - such as Accounts Payable - have not performed sufficiently well to justify this. Again, the feeling was that saving money is the key criterion, and that this overrides any consideration of performance.

“There are a number of services that they are saying they want to retain under Capita. One for example, is Accounts Payable which is done in Darlington. Accounts Payable has had four internal audit warnings about the services they provide, and they were implicated in large fraud... They are saying that ... it doesn’t really matter that they have had those warnings because they do it remotely and cheaper and so we are going to leave it with Capita. But what are the criteria for assessing what services are retained by Capita and what should be brought back to Barnet? It seems to be that if they are cheap [to provide], they are left with Capita, but the fact is that they are really poor performing and that doesn’t seem to come into the process” (Frequent engagers)

- 3.24 Capita’s management of Barnet’s cemetery at Hendon was also heavily criticised by a couple of frequent engagers, who alleged significant disrepair because of disinterest – which has, in their view, arisen as a result of the service not meeting Capita’s initial (unrealistic) expectations for revenue raising.

“In Hendon, the gravestones are falling down, the grass is growing ... it’s gone to rack and ruin under Capita ... Capita don’t see it as a core business but in the absence of any better ideas they will keep them running ... But people don’t want to go to the graveyard anymore because it’s so upsetting and horrible ... I think if people knew a private contractor was running the graveyards and they couldn’t be bothered, they would be absolutely furious” (Frequent engagers)

“Capita wanted the graveyard in the contract as a sweetener because they thought they were going to make lots of money with live stream funerals and a café ...” (Frequent engagers)

“... the report says, ‘the service has performed well throughout the life of the contract and has clearly benefitted from the commercial freedoms being delivered by a third party’. That’s not ... other people’s experiences...” (Frequent engagers)

Outsourcing remains a controversial option for the delivery of council services

- 3.25 Some participants in the general public group highlighted the potential advantages of having a national organisation running services, arguing that for many services it matters not whether they are located locally or at a distance, especially with today’s access to technology. They also supposed that an organisation like Capita would have a higher level of expertise than a local council to perform the functions required, as well as greater purchasing power to minimise costs.

“If you have a pothole on the road, it doesn’t matter if you speak to someone from Barnet or someone in the North of England. They’ve got it all mapped out, they’ve got the technology there, they can press buttons and turn around a repair service ... For the likes of Capita, I would hope that there would be greater skills and economy ... to be able to provide a better service than a local council. They bring an expertise. I don’t know if Capita look after other boroughs throughout the UK, but I would think there would be greater subcontract purchasing power there” (General public)

“To me it makes sense economically to have economy of scale, synergy or whatever you want to call it to outsource some of the services ...” (General public)

“Obviously they have saved money and we know that local government is very inefficient so I can see their point in tendering and subcontracting to the most efficient provider ... I think it has become a bit more impersonal but ... rates cost a lot of money and if they can at least keep them in check, that’s not a bad thing” (General public)

“I’m pro-outsourcing certain functions of the council to the likes of Capita for scales of economy and bringing in special consultancy but retaining some of the local and interactive elements of the services to the local borough” (General public)

- 3.26 Moreover, it was suggested that the vast majority of residents know little about how the council provides its services, nor do they care as long as the relationship is a largely transactional one.

"In an ideal world you probably don't need to have an awful lot of interaction with the council ... you hope that it's almost like you pay your council tax, it's quite transactional and you have the faith that it's all done, and you don't mind who looks after it as long as it's done" (General public)

- 3.27 On the other hand, a lack of local knowledge and accountability was considered by many participants in both groups to be a significant disadvantage of providing services through a third party like Capita – as was the potential for more emphasis to be placed on revenue generation than the needs of local residents (which the frequent engagers argued has happened as a result of the contracts). Some typical comments were as follows.

"The key here is that the move to Capita is again taking responsibility away from your elected individuals" (Frequent engagers)

"You don't know with whom you are dealing ... there is a lack of accountability ... What's the point of something being called local government when it's outsourced to anywhere in the country?... (General public)

"Capita is a private entity and the directors have got no accountability to me as a local resident ... I think there is a them and us oversight ... There's no feedback coming back to me ..." (General public)

"It's because it's primarily a business then sometimes corners are cut for economic gain rather than for the lives in the locality ..." (General public)

"... The council seems to be operating as a business to make profit at any cost and [says] this will save us all money and provide better services in the end – but I don't believe that ... there is no expanding or improvement of the services to cope with [the growing] number of residents" (Frequent engagers)

"[It's about the] culture shift that has taken place with Capita coming in, the language used, and all the terminology is about profit, return etc. But councils are about services and meeting people's needs and therein lies the problem ..." (Frequent engagers)

- 3.28 Furthermore, a particular concern was that important service provision is in the hands of people with no local knowledge of or vested interest in the area. This, it was said, could lead to poorer customer service as a result of 'outsiders' having less care for what happens locally in Barnet.

"They have no local knowledge or accountability ... these people are in Burnley, Belfast, in Kent, Surrey and they don't care about the locality. And because they don't have local jobs, they are not wedded to a good outcome of anything" (Frequent engagers)

"... It's a worry for me that you haven't got a local Barnet Council ... it should be called something like the Whole of England Council because it's not my council" (General public)

"... if they are not local to the area then a lot of the things we are complaining about, they are not really aware of it and they can't relate to the issues we've got and the things that need fixing. I am quite passionate about the libraries closing and ... we've got potholes on our side of the street... they aren't from the area, so they don't know what I'm talking about" (General public)

Some suggestions for improvement were made

- 3.29 A couple of further specific suggestions were made for improving services and the customer response in Barnet. These included: re-visiting the terms of the Capita contract to enable the amalgamation of inter-related services (customer services and revenues and benefits for example); and LBB and Capita working to establish of a more personal (as opposed to wholly transactional) relationship between the latter and local residents.

“Think about amalgamating customer services and revs and bens into one department and then instead of someone passing it on, they could deal with it and resolve it at one step, because the people answering calls are then trained and empowered to deal with it ... The contractual structure we have doesn’t allow that to happen. The argument would be to look at not how the contract was structured in 2013 ... take the opportunity to restructure [it] and look at how it could meet the needs of the people it’s meant to serve in Barnet” (Frequent engagers)

“Capita obviously have a business-to-business relationship with Barnet, and then Barnet and the council have a business relationship with the customer. I think they both need to work on the customer connection collectively, so they are seen as a joint force even though they are separate companies” (General public)

The frequent engagers were cynical about the Review and the engagement/consultation process

- 3.30 The frequent engagers felt that the Capita Contracts Review and associated engagement/consultation process are somewhat futile inasmuch as they are unlikely to influence the proposed directions of travel (which were described as a “done deal”).

“To be talking about what direction of travel now, it’s a myth ... This is a process to tick the box and to give the impression that they are consulting. The deal is done, the decisions are made ...” (Frequent engagers)

- 3.31 This viewpoint has been fuelled by a feeling that the council has refused to enter into dialogue with and listen to them and other residents over recent years – as well as a perception that the findings of consultation exercises (the 2019 Capita Contracts consultation for example) are often ignored if they yield the ‘wrong’ answers.

“They don’t want to listen or be directed by the people ... and they have systematically, over the years, amended the constitution so as to cut off all meaningful ways of consultation and dialogue ... They fear scrutiny and for us to ask questions ...” (Frequent engagers)

“I don’t know what good this Review will do, or if the council will take any notice at all. They generally don’t take any notice of consultations at all. In fact, we call them non-sultations for that reason” (Frequent engagers)

“The last one didn’t give the right answers and it will be kicked down the road [by the council] ...” (Frequent engagers)

- 3.32 While most of the frequent engagers said there was nothing the council could do to change their views, one did suggest that if LBB were to show willing in entering into true two-way dialogue, this would go some way to persuading them that this engagement process, and the forthcoming formal consultation, are genuine attempts to inform future service provision. They did not consider this likely though.

"They can try to genuinely begin a dialogue with residents ... take away the rules that restrict the expression of opinion at residents forums; put back the right to speak to your elected representatives at committee meetings; give us again the freedom to ask the questions that we need to ask to be properly informed and meaningfully consulted but they will never do that because it would present a challenge to what they have already decided" (Frequent engagers)

- 3.33 Finally, both the frequent engagers and the general public said that being as open and transparent as possible about Capita's performance to date was essential in ensuring all parties can make an informed judgement about the merits or otherwise of any formal proposals.

"This is the perfect opportunity if the contract is coming to a natural end for the council to show us as residents ... which areas are better than others and to act on those ... and adjust [the contract] accordingly and show us what better outcomes might be in store" (General public)

"They should be open ... some information being sent out widely in a sort of newsletter going to every house telling people, 'here's the independent assessment of the successes and failures of the Capita contract'. Basically, I would say not trying to hide it. There is a sense here that it's all being hidden" (Frequent engagers)

"I would like to see the paperwork published ... a clear and transparent view rather than having all these reports with everything redacted and all the figures not shared because it's commercial ... I would like to see proper business cases where they can say this has worked or this hasn't worked ... If this hasn't worked ... then just say it, tell us the truth" (Frequent engagers)

4. Conclusions

Good customer service is accessible, responsive, communicative, and offers speedy resolution to problems

Not receiving good customer service has negative repercussions for individuals and organisations...

...but residents are in a difficult position when they receive poor customer service from their local authority, as they cannot take their 'custom' elsewhere

LBB's customer service is variable, but there was more negativity than praise

The COVID-19 pandemic has worsened council communications, but some good practice has been evident

The frequent engagers were especially critical of Capita's performance

There was scepticism about the proposed direction of travel for certain services

The frequent engagers were cynical about the Review and the engagement/consultation process

- 4.1 Offering good customer service (defined as accessible, responsive, communicative, and attempting to offer speedy resolution to problems) is essential for any organisation, not only because it is the 'right thing to do' but also because not doing so can result in lasting negative perceptions among service users. This negativity can be particularly acute with respect to local authorities, as residents cannot take their 'custom' elsewhere.
- 4.2 LBB's customer service appears to be variable: some departments (libraries and environmental health for example) were praised for their communication and responsiveness, but there were many more complaints about unresponsiveness, disrespect, and issues/complaints being lost in the system. Participants also equated good customer service with service quality, highlighted by the fact that highways was the service most complained about – most commonly in relation to potholes and poor maintenance of pavements.
- 4.3 Although LBB was commended for its practical response to COVID-19 (particularly with respect to public health messaging, the administration of financial grants and assistance for shielders and other vulnerable people), its general communications were thought to have worsened since March 2020. The pandemic was thought to have been (and continues to be) used as an "excuse" for inactivity and non-responsiveness on the part of both the council and councillors, something with which residents are becoming increasingly frustrated given the 'new normal' of remote working.
- 4.4 Although not the focus of this engagement process, participants inevitably discussed the Capita contracts. Those in the frequent engagers group were particularly vocal in their criticism of them, and indeed of Capita itself, alleging poor and impersonal customer service, a lack of openness and visibility around performance, a serious loss of management control and accountability, and a power balance within the council/Capita relationship that has tipped too heavily in favour of the latter.
- 4.5 Indeed, the discussions certainly showed that the outsourcing of council services remains controversial: some supported it, mainly for reasons for economy and expertise, whereas others opposed it on the

grounds of lack of local knowledge and accountability – and the potential for more emphasis to be placed on revenue generation than the needs of local residents. Both groups acknowledged, though, that most residents give little thought to the nature of service provision: as long as their relationship with the council is largely transactional, they tend to care little who is on the other end of that transaction providing it is completed without difficulty.

- ^{4.6} Finally, work is needed to convince the frequent engagers about the value of the Capita Contracts Review and associated engagement/consultation, for they are currently of the view that the process is a “*done deal*”. Openness and transparency in terms of Capita’s performance will be key to this, as will LBB’s wiliness to engage in proper two-way dialogue.

	Financial Performance and Contracts Committee 23 November 2021
Title	Q2 2021/22 Contracts Performance Report
Report of	Director (Commercial and Customer Services)
Wards	All
Status	Public
Urgent	No
Key	No
Enclosures	None
Officer Contact Details	<p>Tim Campbell, Head of Commercial Management tim.campbell@barnet.gov.uk</p> <p>Nadine Allen, Performance and Risk Manager nadine.allen@barnet.gov.uk</p>

Summary

This report provides an overview of Quarter 2 (Q2) 2021/22 performance for the contracted services delivered by the Customer and Support Group (Capita), Regional Enterprise (Capita), Barnet Homes (The Barnet Group) and HB Public Law.

Officers Recommendations

The Committee is asked to note the Quarter 2 (Q1) 2021/22 performance for the Customer and Support Group (Capita); Regional Enterprise (Capita); Barnet Homes (The Barnet Group); and 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 2 (Q2) 2021/22. The report covers delivery from the Customer and Support Group (CSG) (Capita), Regional Enterprise (Re) (Capita), Barnet Homes (The Barnet Group) (TBG) and HB Public Law (HBPL).
- 1.2 This report does not include budget information. The Chief Finance Officer's report which is taken to this Committee meeting as a separate agenda item contains the budget information.

Overview

- 1.3 Q2 covers the period from 1 July to 30 September 2021. During this period a comprehensive risk review commenced across council departments and included collaboration with our strategic partners to review and refresh joint risks. This report includes any high level (scoring 15+) joint risks identified through this process. All high-level risks will also be reported to Policy and Resources Committee.
- 1.4 On 19 July 2021 the Government lifted most Covid-19 restrictions and services that were significantly impacted by restrictions continued to implement recovery activities.
- 1.5 Some Re services continued to deal with backlogs as a result of previous restrictions. Recovery plans were implemented to address them and improve performance. CSG continued to perform well with all services meeting their performance targets for the quarter.
- 1.6 Market pressures such as recruitment of specialist staff and increases in cost of materials were experienced by some services (Environmental Health and Private Sector Housing Grants).
- 1.7 Despite these challenges, overall performance continued to go well with 60 of the 81 KPIs reported achieving their target in Q2. 14 KPIs failed to meet their target, three were monitor only and four reported no activity.
- 1.8 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 table below to differentiate from deficiencies that were not directly related to the pandemic response.

Service	Indicator ¹ Description	Q2 Result	DOT
Re – Environmental Health	Conducting Food Hygiene Inspections - Target A	18.8% (R)	↓ W
Re – Environmental Health	Conducting Food Hygiene Inspections Target B	20.0% (R)	↓ W
Re – Environmental Health	Conducting Food Hygiene Inspections Target C	28.7% (R)	↑ I
Re – Environmental Health	Compliance with Licensing Requirements for Houses in Multiple Occupation (HMOs)	64.5% (A)	↓ W
Re – Environmental Health	Reduction of unit costs of disabled adaptations	£10,194 (A)	↓ W
Re – Environmental Health	Compliance with Environmental Health Service Standards (Priority 2 incidents and service requests) (q)	90.3% (A)	↓ W
Re – Planning and Building Control	Planning Enforcement Basket	0 (R)	↓ W
Re – Planning and Building Control	Number of decisions within statutory timescales – Meet building regulation statutory timescales (q)	98.6% (A)	↓ W
Re- Highways	Insurance Investigations completed on time (14 days)	96.8% (A)	↓ W
TBG – Ensuring Decent quality housing	Number of homes purchased for use as affordable accommodation (q)	48 (R)	↑ I
TBG – Ensuring Decent quality housing	Affordable housing delivered on council owned land (q)	56 (A)	↓ W
TBG- Tackling homelessness	Rough sleeper counts every other month	15 (R)	↓ W
TBG- Tackling homelessness	Number of Homelessness Preventions	632 (A)	↑ I
TBG- Tackling homelessness	Households placed directly into the private sector by Barnet Homes	300 (A)	↓ W

¹ 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 Highlights for Q2

1.9 Q2 service highlights for CSG included:

- CSG IT migrated all users from Microsoft Skype to Microsoft Teams, with Microsoft Teams becoming the default soft phone solution for colleagues.
- CSG Property Services supported two successful property disposals and delivered vacant possessions to support the council's development programmes.

1.10 Q2 service highlights for Re included:

- The Empty Property Team's successful negotiations with the Hong Kong Government enabled a property, vacant for 15 years, to be restored and sold to serve as a family home.
- The Regeneration Service delivered eight project milestones against a target of six for the quarter.
- The joint review of a refreshed KPI suite for Re Highways was concluded and new KPIs are now reflected in this report.

1.11 Q2 service highlights for Barnet Homes included:

- The total numbers of households in temporary accommodation continued to improve with numbers dropping to 2203 at the end of the quarter compared to 2371 last quarter.

2. CSG SERVICES

Overview

2.1 The Q2 period saw CSG continue to deliver services through mainly home-based working whilst maintaining good performance across all KPIs.

2.2 All 22 KPIs reported in Q2 achieved the target, including the cross-cutting KPI on Compliance with Authority Policy².

Indicator	Polarity	20/21 EOY	21/22 Target	Q2 21/22			Q2 20/21
				Target	Result	DOT	Result
Compliance with Authority Policy (q)	N/A	Pass	Pass	Pass	Pass (G)	→ S	Pass

² 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.

Finance

2.3 There are three KPIs for Finance. All three KPIs achieved the Q2 target.

Indicator	Polarity	20/21 EOY	21/22 Target	Q2 21/22			Q2 20/21
				Target	Result	DOT	Result
Operational availability of financial system application (Integra) to the hosted network (q)	Bigger is Better	99.6%	98%	98%	99.0% (G)	↓ W	100%
Invoice documents in Accounts Payable processed within agreed timescales (q)	Bigger is Better	97.1%	90%	90%	97.2% (G)	↓ W	98.5%
Completion of audit recommendations by Capita in relation to their provision of finance services (q)	Bigger is Better	100%	100%	100%	100% (G)	→ S	100%

2.4 604 Covid-19 related grant payments were processed and paid during Q2, totalling £1.746m.

2.5 An Accounts Payable (AP) Forum user survey was carried out to investigate user satisfaction with the quarterly AP Forums. The results showed that users were neutral with the overall experience and highlighted interest for further training and better structure of the AP Forums. The feedback was shared with the AP Business Partner to agree an action plan to improve forum structure, knowledge, and training amongst service users.

2.6 Actions from the Accounts Payable internal audit relating to the Supplier Creation and Amendment Process and CSG AP checks were actioned successfully and closed off by Internal Audit in August.

2.7 Monthly system support call volumes in Q2 remained consistent, with no issues identified. The Central Support Team (CST) continued to focus on supporting and resolving calls raised on ServiceNow, with the target of 95% achieved in Q2.

2.8 CST Team analysed outstanding calls based on age and assignment group. The team aim to review each call request individually (starting with the oldest first) and agree on a plan of action to close the call. It may be that the more recent calls are prioritised over older calls, depending on the action required.

Calls Outstanding Barnet	2021/22		
	Jul 2021	Aug 2021	Sep 2021
Total calls raised	579	594	519

Closed or still open within SLA	570	581	513
Closed or still open outside SLA	9	13	6
SLA %	98.45%	97.81%	98.84%

2.9 There were no high level (scoring 15+) joint risks for CSG Finance in Q2 2021/22.

Customer Services

2.10 There are four KPIs for Customer Services. All four KPIs achieved the Q2 target.

Indicator	Polarity	20/21 EOY	21/22 Target	Q2 21/22			Q2 20/21
				Target	Result	DOT	Result
Customer satisfaction with phone, face-to-face, email and post case closure (q)	Bigger is Better	91.5%	89%	89%	92.8% (G)	↑ I	91.1%
Web satisfaction (web performance and customer feedback) (q)	Bigger is Better	59.1%	55%	55%	68.2% (G)	↑ I	55.8%
% cases completed within SLA (customers needing additional support) (q)	Bigger is Better	100%	94%	94%	100% (G)	→ S	100%
Cases/transactions completed via self-service channels (CSG Customer Service only) (q)	Bigger is Better	67.4%	50%	50%	70.3% (G)	↑ I	65.5%

2.11 During Q2 there was an increased need for additional support linked to Covid-19, particularly with Council Tax and Benefits, as the number of Council Tax calls in September was 11,820, approximately 30% higher than the last two years (8900 in 2020 and 8527 in 2019).

2.12 In addition, call lengths also increased by a similar amount to the number of calls (30%) due to additional support provided to vulnerable customers. Many were very anxious or were struggling to pay bills and the Customer Service team took longer with them to provide support and where appropriate also signpost to voluntary groups for additional help.

2.13 Over this time period the team built closer links with BOOST and other organisations to understand the service to better signpost customers, utilise training material and upskill staff. One member of the team joined the digital ambassador programme which is a borough-wide project to co-ordinate digital inclusion covering both council activities and volunteering networks. Going forward the team aims to build on these links to strengthen the Customer Advocacy and Digital Inclusion offering.

2.14 There were no high level (scoring 15+) joint risks for CSG Customer Service in Q2 2021/22.

Information Systems

2.15 There are two KPIs for Information Systems. Both KPIs achieved the Q2 target.

Indicator	Polarity	20/21 EOY	21/22 Target	Q2 21/22			Q2 20/21
				Target	Result	DOT	Result
Incident resolution (q)	Bigger is Better	92.2%	95% ³	91%	93.0% (G)	↑ I	91.9%
Critical system availability ⁴ (q)	Bigger is Better	99.9%	99.5%	99.5%	99.9% (G)	→ S	99.9%

2.16 CSG IT migrated all users from Microsoft Skype to Microsoft Teams, with Microsoft Teams becoming the default soft phone solution for colleagues. The main benefit of Teams is that it fully integrates into Microsoft 365, which allows businesses to seamlessly interact with each other.

2.17 CSG IT deployed the new BarnetWork Intranet which is hosted on SharePoint. The new site went live at the beginning of July and provides a modern, seamless and integrated intranet experience for colleagues across the council.

2.18 The underlying architecture within Amazon Web Services (AWS) for the Barnet Website has been upgraded as continuous planned improvements. The latest design implemented updates to the platform providing additional resilience and has been designed to protect against the growing and emerging cyber security threats.

2.19 CSG IT implemented a significant change that simplified the method of authentication required when users connect to the Barnet network remotely. Colleagues will now simply get a text message/phone call or ask to authenticate on the Authenticator app depending on their usual preference. This is estimated to save in excess of £100k per annum.

2.20 There was one high level (scoring 15+) joint risk for CSG IT in Q2 2021/22, which is being managed in accordance with the council's risk management framework.

- IT cyber security (residual score 15). A cyber attack could lead to the council being unable to operate resulting in widescale disruption and financial cost. The CSG Management Team continued to work closely with the client team to mitigate this risk through various IT protection measures which have proven effective.

³ The target was changed in Q1 2020/21 to 91% from 95% on a temporary basis due to essential services being prioritised at the beginning of the pandemic, this change continues to be in place due to the extension of the home working guidance and the pandemic. This will be appraised as part of a review of indicators in relation to the Strategic Contract Review.

⁴ The KPI definition is under review to ensure it is consistent with the output specification.

Procurement

2.21 There are four KPIs for Procurement. All four KPIs achieved the Q2 target.

Indicator	Polarity	20/21 EOY	21/22 Target	Q2 21/22			Q2 20/21
				Target	Result	DOT	Result
Compliant contracts – contracts over £25k (q)	Bigger is Better	100%	100%	100%	100% (G)	→ S	100%
Effective corporate contract management (q)	Bigger is Better	100%	100%	100%	100% (G)	→ S	100%
Cumulative apprenticeships (c)	Bigger is Better	101	70	70	101 (G)	→ S	101
Cumulative work experience (c)	Bigger is Better	473	280	240	473 (G)	→ S	473

2.22 During Q2 CSG Procurement continued to see a surge in required tenders for this contract year, reporting an excess of 30% required tenders. Commercial discussions commenced to confirm additional resource to support the increase.

2.23 Procurement Training uptake increased from last quarter from 31% in Q1 to 34% in Q2. CSG Procurement continued to run the monthly training workshops in conjunction with the training champions initiative. Training uptake will be continually monitored against the uptake target of 65% by February 2022.

2.24 Audit commitments were signed off and implemented and the service continued to report monthly progress on compliance. Should any non-compliance be discovered, further investigation can then be initiated with appropriate remedy actions taken.

2.25 CSG Procurement initiated the Annual Procurement forward plan process earlier than previous years, taking on board key learnings to ensure that, as far as possible, an accurate picture of the budgetary requirements were captured for each of the service areas.

2.26 There were no high level (scoring 15+) joint risks for CSG Procurement in Q2 2021/22.

Revenues and Benefits

2.27 There are three KPIs for Revenue and Benefits. All three KPIs achieved the Q2 target.

Indicator	Polarity	20/21 EOY	21/22 Target	Q2 21/22			Q2 20/21
				Target	Result	DOT	Result
Accuracy of benefit assessments (q)	Bigger is Better	97.8%	95%	95%	98.4% (G)	↓ W	98.5%
Speed of processing new claims (q)	Smaller is Better	20	22	22	20 (G)	↑ I	21
Speed of processing changes (q)	Smaller is Better	5	6	6	6 (G)	↓ W	4

Council Tax/Business Rates

- 2.28 The Council Tax 4-year collection target of 98.69% was achieved in Q2 which was comparable to the 98.33% achieved in Q2 last year. Direct debit take up was 70.26% against a target of 65% for Council Tax and 18.54% for Business Rates.
- 2.29 12,158 Local Restriction grants totalling £45.9m were made to businesses in Barnet between 17 October 2020 and 30 September 2021. The remaining volume of Expanded Retail Discount claims were processed in September as a priority along with direct debit mandates. Focus moved to business as usual to reduce the outstanding post that built up whilst managing Covid-19 grants.
- 2.30 Virtual court hearings remained four-weekly. There was an increase in summonses sent out from 3,000 in Q1 to 12,317 in Q2 this year as courts allowed more hearings to take place

Benefits

- 2.31 The Test and Trace Self isolation payments scheme administered by the service was extended again by the Government until 31 March 2022. The scheme supports residents on low income who are self-isolating and losing income to receive a Test and Trace Support Payment or discretionary support payment of £500. At the end of Q2 a total of £1.2m was paid.
- 2.32 There were no high level (scoring 15+) joint risks for CSG Revenues and Benefits in Q2 2021/22.

HR

- 2.33 There are four KPIs for Human Resources. All four KPIs achieved the Q2 target.

Indicator	Polarity	20/21 EOY	21/22 Target	Q2 21/22			Q2 20/21
				Target	Result	DOT	Result
Offer letters issued (q)	Bigger is Better	100%	100%	100%	100% (G)	→ S	100%

Indicator	Polarity	20/21 EOY	21/22 Target	Q2 21/22			Q2 20/21
				Target	Result	DOT	Result
Pre-Employment vetting (q)	Bigger is Better	99.2%	99%	99%	100% (G)	↑ I	98.6%
Payroll Accuracy – error rates and correct date (q)	Smaller is Better	0.03%	0.1%	0.1%	0.002% (G)	↑ I	0.005%
DBS verification audits (q)	Bigger is Better	100%	100%	100%	100% (G)	→ S	100%

2.34 CSG continued to support the SLAM process (Starters, Leavers and Movers) managed by the council and provided data and process reviews in workshops, which identified a series of proposed improvements.

2.35 Payroll implemented revised overtime calculations for Streetscene staff following negotiations between the council and Trade Unions.

2.36 An Internal Audit Report was undertaken on Non Schools Payroll and the service worked in conjunction with the council's Finance Team so that necessary improvements were implemented.

2.37 A review of standardised reporting took place and CSG are producing a reporting dashboard to provide equalities data.

2.38 There were no high level (scoring 15+) joint risks for CSG HR in Q2 2021/22.

Estates

2.39 There is one KPI for Estates which achieved the Q2 target.

Indicator	Polarity	20/21 EOY	21/22 Target	Q2 21/22			Q2 20/21
				Target	Result	DOT	Result
Lease Renewals ⁵ (q)	Bigger is Better	99.7%	100%	100%	100% (G)	→ S	100%

Property Services

2.40 CSG Property Services agreed terms for new lettings during Q2 that, upon completion of the lettings, will exceed the Medium-Term Financial Strategy (MTFS) property targets for both the Commercial Estates and Greenspaces budgets for the financial year. This was achieved in the context of a difficult market due to Covid-19 and its effects on the trading activity of the council's tenants.

2.41 CSG Property Services also supported two successful property disposals that will enable the council to meet its capital receipt targets for this financial year.

⁵ This KPI measures the percentage of lease renewals carried out within timescales against those due to be delivered each quarter

- 2.42 Vacant possession of key properties took place to support the Hendon Hub project which will enable the development to progress within the timescales set by council.

Building Services

- 2.43 CSG Building Services initiated the fire door programme at the council's request which is due to commence in Q3 pending the contractor's availability.
- 2.44 The Building Surveying team continued to deliver the schools modernisation programme, despite some delays around planning applications. Most of the programme was completed at the end of October.
- 2.45 The Schools Traded service offering progressed well with 24 schools signed up and the income target for the council being exceeded.
- 2.46 Consideration is being given as to whether the current suite of KPIs fully reflects the critical activities of Building Services. This item will further be reflected in the Q3 report.

Facilities Management

- 2.47 The Facilities Management (FM) team were nominated for 'Team of the Year' for Staff Awards and is a testament to the excellent work that FM have been doing throughout the pandemic.
- 2.48 A full and compliant tender was completed for Security Services in October as part of the Security Tender and ITT ESPO Framework. FM accommodated site visits to Colindale, Hendon Town Hall and Oakleigh Depot as part of the process.
- 2.49 The fire alarm system at Hendon Town Hall was damaged following lightning strikes in August. FM introduced a 'Fire Watch' programme following this failure which included regular documented fire inspections throughout the day of the outage. The measures were relayed to both Insurance and Safety Health and Wellbeing (SHAW) teams. The fire alarm system is now fully operational and was tested.
- 2.50 FM were informed of a flood at Colindale one evening outside of business hours. Quick action from FM with some support from the Security Officers, Cleaning Contractor and Building Services ensured that the leak was quickly addressed. Works to reinstate the power were completed.
- 2.51 Custodians assisted in completing desk inspections including IT equipment and power as part of the Future of Work programme at Colindale and will be adding power banks to larger meeting rooms.
- 2.52 There were no high level (scoring 15+) joint risks for CSG Estates in Q2 2021/22.

3. RE SERVICES

3.1 34 KPIs achieved the Q2 target whilst, partly due to some ongoing impacts of the pandemic, eight missed their Q2 target (such as in Environmental Health and Planning) and four recorded 'no activity'.

Corporate

3.2 There is one cross cutting KPI, which achieved the Q2 target.

Indicator	Polarity	20/21 EOY	21/22 Target	Q2 21/22			Q2 20/21
				Target	Result	DOT	Result
Compliance with Authority Policies (number of instances of non-compliance with Authority policies) (s) ⁶	Smaller is Better	17	30	30	11 (G)	↑ I	13

Hendon Cemetery & Crematorium

3.3 There is one KPI for Hendon Cemetery & Crematorium which achieved the Q2 target.

Indicator	Polarity	20/21 EOY	21/22 Target	Q2 21/22			Q2 20/21
				Target	Result	DOT	Result
Meeting religious burial requests timescales (q)	Bigger is Better	100%	95%	95%	100% (G)	→ S	100%

3.4 During Q2 the service broadly returned to pre-pandemic levels of demand. The number of cremations and burials were comparable to last year where the service carried out 261 cremations and 82 burials in Q2, compared to 276 cremations and 83 burials in Q2 last year.

3.5 Services at the Hendon Crematorium returned to normal one-hour slots with congregation numbers only limited by the building's capacity.

2021 / 22	Q2			Total
	July	Aug	Sept	
Cremations	97	78	86	261
Burials	28	29	25	82

⁶ This KPI measures compliance with the Authority's Customer Service Standard and Complaints Policy. The methodology involves a review of all RE service complaints recorded on the Council's system in any given quarter:

1. Complaints responded to late i.e., outside of timescales are 'fails' against this SKPI, and
2. Complaints arising from a failure to do what we promised to do are also 'fails' against this SKPI.

- 3.6 The service continued to operate the office function with staff split into two teams occupying the office on alternate days. Furniture is now being delivered for the new office, and it is anticipated that it will be fully occupied in Q3. This will enable a reception facility and a private consultation room where families can discuss their service needs in private with the Cemetery and Crematorium staff.
- 3.7 During Q2 some members of the grounds maintenance team were absent due to either illness or statutory isolation requirements as a result of Covid-19 during the peak grass growing time. This resulted in a period of 6-8 weeks where grass cutting was behind schedule, but the situation is now fully recovered.
- 3.8 Following the lifting of Covid-19 restrictions the service re-instated the Blessing of the Graves services and the Armistice Day Service for 2021.
- 3.9 There were no high level (scoring 15+) risks on the risk register for Re Cemetery and Crematorium in Q2 2021/22.

Environmental Health

- 3.10 There are 24 KPIs for Environmental Health⁷. 14 achieved the Q2 target and six did not. Two KPIs had 'no activity' and two were monitor only.

Indicator	Polarity	20/21 EOY	21/22 Target	Q2 21/22			Q2 20/21
				Target	Result	DOT	Result
Conducting Food Hygiene Inspections - Target A Number of completed Food Hygiene Inspections due and overdue (q)	Bigger is Better	33.3%	100%	100%	18.8% (R)	↓ W	25.0%
Conducting Food Hygiene Inspections - Target B Number of completed Food Hygiene Interventions due and overdue (q)	Bigger is Better	40.5%	85%	85%	20.0% (R)	↓ W	66.6%
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	22.3%	90%	90%	28.7% (R)	↑ I	18.3%
Food Standards Inspections (Category B) Number of B rated interventions completed on or before the next due intervention (q)	Bigger is Better	106%	100%	100%	100% (G)	↑ I	93.3%

⁷ Some Environmental Health inspections were suspended during the Covid-19 lockdown, the Food Standards Agency (FSA) advised a deferral of planned interventions. During this time staff were either self-isolating, redeployed or working on other duties.

Indicator	Polarity	20/21 EOY	21/22 Target	Q2 21/22			Q2 20/21
				Target	Result	DOT	Result
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	88.6%	100%	100%	100% (G)	↑ I	46.9%
Improvement in food hygiene in the highest risk premises (q)	Bigger is Better	56.1%	90%	90%	95.7% (G)	↑ I	47%
Compliance with Licensing Requirements for Houses in Multiple Occupation (HMOs) (q)	Bigger is Better	68.9%	71%	71%	64.5% (A)	↓ W	69.6%
Food Standards Inspections (Category A) Number of A rated interventions completed within 28 days of due date (q)	Bigger is Better	0%	100%	100%	No Activity	Not Comparable	No Activity
Safer workplaces – A higher level of compliance with health and safety legislation in the known most unsafe workplaces (q)	Bigger is Better	No Activity	75%	75%	100% (G)	Not Comparable	No Activity
Number of empty properties brought back into residential use (q) ⁸	Bigger is Better	130	125	Monitor	8	↓ W	22
Number of private tenanted properties with category 1 hazards (q) ⁹	Bigger is Better	243	200	Monitor	25	↓ W	79
Compliance with Environmental Health Service Standards (Priority 1 incidents and service requests) (q)	Bigger is Better	100%	100%	100%	100% (G)	→ S	100%
LAPPC Part 2a and 2b processes intervention programme (q)	Bigger is Better	100%	100%	100%	133.3% (G)	↑ I	100%
Implementing Health & Safety Inspection Programme Compliance with legislation, departmental, statutory and service standards (q)	Bigger is Better	100%	100%	100%	100% (G)	→ S	100%
Implementing the Animal Welfare Inspection Programme Compliance with legislation, departmental, statutory and service standards (q)	Bigger is Better	100%	100%	100%	No Activity ¹⁰	Not Comparable	100%

⁸ This indicator is an annual KPI reported quarterly

⁹ This indicator is an annual KPI reported quarterly

¹⁰ No inspections took place in Q2 2021/22

Indicator	Polarity	20/21 EOY	21/22 Target	Q2 21/22			Q2 20/21
				Target	Result	DOT	Result
Business license applications processed in a timely manner (q)	Bigger is Better	100%	95%	95%	100% (G)	→ S	100%
Reduction of unit costs of disabled adaptations (q)	Smaller is Better	£5,612	£9,500	£9,500	£10,194 (A)	↓ W	£6,230
Compliance with Environmental Health Service Standards (Priority 2 incidents and service requests) (q)	Bigger is Better	96.4%	95%	95%	90.3% (A)	↓ W	95.7%
Food & Drinking Water Sampling Inspections (q)	Bigger is Better	100%	100%	100%	172.2% (G)	↑ I	100%
Average time taken to process requests for full official searches (online and post in Land Charges) (q)	Smaller is Better	2.4	3	3	2.4 (G)	↓ W	2.2
Appropriate response to statutory deadlines. Ensuring that all statutory time scales are being adhered to. Within the Licensing and Gambling Act (q)	Bigger is Better	100%	100%	100%	100% (G)	→ S	100%
Appropriate response to service requests Service requests dealt with to present standards to the satisfaction of customers (q)	Bigger is Better	94.1%	90%	90%	97.3% (G)	↑ I	92%
Effectiveness of Trading Standards department interventions undertaken within a 12 month period – percentage having a further complaint (bi)	Smaller is Better	5.8%	10%	10%	2.1% (G)	↑ I	5.8%
Effectiveness of Licensing department interventions undertaken within a six-month period – percentage having a further complaint (bi)	Smaller is Better	2.1%	5%	5%	0.6% (G)	↑ I	2.1%

- Conducting Food Hygiene Inspections KPIs Target A, B and C (RAG rated RED)**
 These KPIs did not meet the Q2 targets due to the impact of the previous Covid-19 restrictions on the hospitality sector that required the closure of restaurants. This resulted in inspections not taking place as planned and generated a substantial backlog.
- Compliance with Licensing Requirements for Houses in Multiple Occupation (HMOs) - Licenced HMOs meeting legal standards (RAG rated AMBER) – 64.5% against a Q2 target of 71%.** The backlog of cases continues

to be monitored in Contract Monitoring Meetings and a Special Project Request has been drafted which details the required work and action plan. This is being discussed between the council and Re.

- **Reduction of unit costs of disabled adaptations (RAG rated AMBER) - £10,194 against a target of £9,500.** The KPI was referenced becoming at risk during Q2. The main issues were identified as the increased cost of materials, a high number of new requests and large grant jobs that were previously delayed by Covid-19 were completed during this period.
- **Compliance with Environmental Health Service Standards (Priority 2 incidents and service requests) (RAG rated AMBER) – 90.3%% against a target of 95%.** Staff absences, vacancies and miscoding of cases resulted in the target not being met. Several measures are being implemented such as filling vacancies and moving temporary staff to permanent contracts, retraining of personnel and ensuring case backlog is triaged for higher priority or repeat complaints.

- 3.11 The backlog of food inspections remained at 1000 while additional resources were identified due to difficulties with recruitment. There is a shortage of Environmental Health Officers in the market as other councils have also been recruiting to manage their backlogs.
- 3.12 The service worked with the Metropolitan Police and Food Standards Agency in relation to an incident where a man was suspected to have died from the consumption of contaminated alcohol. The alcohol was seized, tested and confirmed from laboratory and toxicology reports that it was not contaminated.
- 3.13 An issue with rogue roofers was identified which caused a number of concerns with residents. The team received approximately 20 complaints totalling a loss of £1m to residents. The service is consulting with the council's Corporate Anti-Fraud Team (CAFT) and this was added as a standard agenda item to the joint tasking and action group, which brings relevant services together to work on priority issues within the borough.
- 3.14 At Saracens, a safety walk-around took place ahead of the premiership season which started on the 17 September. The team were satisfied with the safety measures in place.

Private Sector Housing (Enforcement)

- 3.15 The project to look at fire safety risks in tower blocks with Aluminium Composite Cladding (ACM) continued. The service prioritised properties according to risk and tackled those with significant breaches of relevant legislation by escalating enforcement action. This project is supported by the Fire Authority and the Joint Inspection Team hosted by the Local Government Association (LGA) and funded by the Department for Levelling Up, Housing and Communities.
- 3.16 The Empty Property Team achieved success with a property which was vacant for at least 15 years. The 3-bedroom house was owned by a company in Hong Kong

that had become bankrupt. Following legal negotiations with the Hong Kong Government the company was restored and the property was sold. The new owners intend to restore the house back into a habitable condition which will then serve as a family home.

Private Sector Housing (Grants)

3.17 The service continued to receive positive feedback from residents in relation to home adaptations. However, there was an increase in the cost of materials for housing adaptations due to international supply and demand issues. Budgets will be reviewed ready for April 2022.

Local Land Charges

3.18 The stamp duty holiday began on 1 July 2020 and ended on 30 September 2021. During Q2 there were 3,134 searches compared to 5,562 during Q1 which shows the trend is starting to decrease. As the Stamp Duty Holiday ended the service are expecting a further decrease in subsequent quarters.

Scientific Services & Pest Control

3.19 The service began the annual inspection programme which ensured permitted premises complied with the relevant statutory standards to minimise the volume of pollutants released to the atmosphere.

3.20 The annual Air Quality Update was finalised and submitted for Environment Committee in October.

Pest Control

3.21 The delayed wasp season saw an uplift in cases during August and September in comparison to previous years.

Pest Control Requests	July	Aug	Sept	Total
2019/20	169	137	115	421
2020/21	157	131	121	409
2021/22	117	143	160	420

3.22 There was one high level (scoring 15+) joint risk for Re Environmental Health in Q2 2021/22, which is being managed in accordance with the council's risk management framework.

- Unsafe/unhealthy living accommodation in private rented sector (residual score 16). A backlog of cases could lead to vulnerable residents being exposed to unsafe/unhealthy living conditions resulting in statutory duties not being fulfilled. Re are recruiting enforcement officers to mitigate this risk.

Strategic Planning

3.23 There is one KPI for Strategic Planning which achieved the Q2 target.

Indicator	Polarity	20/21 EOY	21/22 Target	Q2 21/22			Q2 20/21
				Target	Result	DOT	Result
Strategic Planning Documents completed and signed off (q)	Bigger is Better	80%	100%	100%	100% (G)	↑ I	50%

3.24 The Strategic Planning team progressed several key planning policy workstreams during Q2, including public consultation on the Draft Local Plan and subsequent approval at Policy and Resources Committee and Council that will enable the plan to be submitted in Q3 for public examination in spring 2022. The Community Infrastructure Levy (CIL) rate review also secured approval to proceed to public examination with the hearings set for autumn 2021.

3.25 The service continued to secure contributions due from development with almost £2m of Barnet CIL, Mayoral CIL and Section 106 income being received during the quarter, bringing the combined total contributions from development in Q1 and Q2 to £9.6m.

3.26 There were no high level (scoring 15+) joint risks for Re Strategic Planning in Q2 2021/22.

Planning and Building Control

3.27 There are four KPIs for Planning and Building Control. Two achieved the Q2 target and two did not.

Indicator	Polarity	20/21 EOY	21/22 Target	Q2 21/22			Q2 20/21
				Target	Result	DOT	Result
Compliance with planning application statutory timescales (for major, minor, other applications) (q)	Bigger is Better	92.7%	80%	80%	88.1% (G)	↓ W	93.7%
Application Basket (q)	Bigger is Better	6	6	6	6 (G)	→ S	6
Planning Enforcement Basket (q)	Bigger is Better	0	6	6	0 (R)	↓ W	4
Number of decisions within statutory timescales – Meet building regulation statutory timescales (q)	Bigger is Better	99.6%	100%	100%	98.6% (A)	↓ W	100%

- **Planning Enforcement basket (RAG rated RED) 0 against a target of 6.** This KPI consists of a basket of six PIs, of which no PIs achieved the Q2 target. The

backlog originating from Covid-19 still remains for enforcement services and continues to be dealt with, the impact expected to be felt by the service as late as Q4 2021/22.

- **Number of decisions within statutory timescales – Meet building regulation statutory timescales – 98.6% against a target of 100%.** An administrative error resulted in a decision not being met. A uniform report has been developed to monitor the status of applications and implement a sense check. Technical support staff will also be provided with refresher training.

- 3.28 Although the planning enforcement basket registered a KPI failure, this was expected and planned for in relation to the Planning Enforcement service recovery plan agreed in April 2021 to address backlogs that arose during periods of lockdown. It is notable that during Q2, more enforcement cases were closed than received.
- 3.29 Moreover, reflecting the way the service has handled challenges in relation to the pandemic, it is noted that the Planning Enforcement Team were shortlisted by the Royal Town Planning Institute (RTPI) for 'Team of the Year'; and published statistical data continued to highlight Barnet as the highest performing Local Planning Authority nationally.
- 3.30 A longstanding case was resolved with the award of £0.499m under the Proceeds of Crime Act after a hearing in the court of appeal. The defendant asked for the Supreme Court to quash the Order, but that was rejected by the court and the case was not heard by the Supreme Court.
- 3.31 Development Management continued to sustain performance against the backdrop of surge in planning applications since Q1. Approximately 650 decisions were issued in September alone against the receipt of just under 500 applications. The trend of issuing more decisions than applications received was sustained across the quarter.
- 3.32 Substantial resources were applied towards defending decisions where there was an appeal to the Planning Inspectorate. One appeal successfully defended and dismissed related to the Homebase site.
- 3.33 For the Building Control service one application case in 74 slipped over the deadline causing a KPI failure. The customer was satisfied with the response and information from the service and relief was appropriately granted.
- 3.34 There were no high level (scoring 15+) joint risks for Re Planning and Building Control in Q2 2021/22.

Regeneration

- 3.35 There are three KPIs for Regeneration. Two achieved the Q2 target and one is monitor only.

Indicator	Polarity	20/21 EOY	21/22 Target	Q2 21/22			Q2 20/21
				Target	Result	DOT	Result
Regeneration budgetary and financial controls (% of invoices sent within timescales) (q)	Bigger is Better	100%	85%	85%	100% (G)	→ S	100%
Delivery of Regeneration projects' deliverables and milestones to meet outcomes and achieve benefits (q)	Bigger is Better	144%	85%	85%	133.3% (G)	↑ I	100%
Delivery of affordable housing completions (q) ¹¹	Bigger is Better	245	370	Monitor	101	↑ I	49

- 3.36 The 2020/21 Annual Regeneration Report¹² was published on the council website in July.
- 3.37 All invoices relating to Q1 (for expenditure between January and March) were raised to developers within two months of the quarter end (by end of August). Q2 invoices are on track to be raised within the agreed timescales which is within two months after the end of the quarter.
- 3.38 Eight project milestones were delivered against a target of six for the quarter, including the procurement of a design team for Heybourne Park and the confirmation of the stopping up order for plot 10 at Grahame Park.
- 3.39 At Dollis Valley, 13 units were completed, including 12 for private sale and the first affordable housing completion for a shared equity property. The land transfer of Phase 3 Parcel 2 completed enabling the council to secure the land receipt.
- 3.40 Works to Colindale Park continued to progress well. The park was partially completed with the play area and outdoor gym opened in time for half term and the rest of the park, including all tree planting, will be completed in November.
- 3.41 There were no high level (scoring 15+) joint risks for Re Regeneration in Q2 2021/22.

Highways

- 3.42 There are 16 KPIs for Highways. 13 achieved the Q2 target, two reported 'no activity' and one did not meet the target.

¹¹ This indicator is an annual KPI reported quarterly however no affordable housing is expected to be completed in Q1

¹² 2020/21 Annual Regeneration Plan: <https://www.barnet.gov.uk/regeneration/annual-regeneration-report>

Indicator	Polarity	20/21 EOY	21/22 Target	Q2 21/22			Q2 20/21
				Target	Result	DOT	Result
Emergency Defects Rectification Timescales completed on time (q)	Bigger is Better	New for 21/22 ¹³	75%	75%	100% (G)	Not Comparable	New for 21/22
Response to complaints relating to a drainage malfunction and/or flooding event (q)	Bigger is Better	New for 21/22 ¹⁴	80%	80%	No Activity	Not Comparable	New for 21/22
Response in dealing with Highway Licence applications (q)	Bigger is Better	100%	100%	100%	100% (G)	→ S	100%
Processing of Vehicle Crossover Applications - timescale for providing quotes (q)	Bigger is Better	100%	100%	100%	100% (G)	→ S	100%
Timely construction of Vehicle Crossovers following receipt of payment (q)	Bigger is Better	New for 21/22 ¹⁵	100%	100%	100% (G)	Not Comparable	New for 21/22
Timely response to Permit requests (LoPS) (q)	Bigger is Better	100%	100%	100%	100% (G)	→ S	100%
Appropriate conditions attached to Permits (LoPS) (q)	Bigger is Better	100%	100%	100%	100% (G)	→ S	100%
Appropriateness of approved and rejected extension requests (Permit Extension Requests, LoPS) (q)	Bigger is Better	100%	100%	100%	100% (G)	→ S	100%
Level of Withdrawn Defects. Levels of passed and failed Highways works inspections (q)	Smaller is Better	0%	15%	15%	9.6% (G)	↓ W	0%
Activity in relation to dealing with Section 50 (S50) Requests (TMA) (q)	Bigger is Better	100%	100%	100%	100% (G)	→ S	100%
Section 74 (S74) compliance and sanctions correctly imposed for failures (NRSWA) (q)	Bigger is Better	100%	100%	100%	100% (G)	→ S	100%
Interventions (from DfT or similar agencies) regarding Traffic Manager Duties (TMA) (q)	Smaller is Better	0	0	0	0 (G)	→ S	0
Processing of Vehicle Crossover Appeals (q)	Smaller is better	No Activity	100%	100%	No Activity	Not Comparable	No Activity

¹³ The methodology of the indicator was reviewed as part of a review of Highways indicators

¹⁴ The methodology of the indicator was reviewed as part of a review of Highways indicators

¹⁵ The methodology of the indicator was reviewed as part of a review of Highways indicators

Indicator	Polarity	20/21 EOY	21/22 Target	Q2 21/22			Q2 20/21
				Target	Result	DOT	Result
Category 1 Defects Rectification Timescales completed on time (q)	Bigger is Better	78.8%	100%	100%	100%	↑ I	68.8%
Category 2 Defects Rectification Timescales completed on time (q)	Bigger is Better	New for 21/22 ¹⁶	100%	100%	100%	Not Comparable	New for 21/22
Insurance Investigations completed on time (14 days) (q)	Bigger is Better	98.7%	100%	100%	96.8% (A)	↓ W	98.2%

- **Insurance Investigations completed on time (RAG rated AMBER) – 96.8% against a Q2 target of 100%.** Two investigations claims were late in their return due to limited staff availability because of Covid-19. In future, senior inspectors and additional administrators will ensure that they address any claims that may be sitting with staff who are off due to illness.

3.43 The Highways service continued to embed the Call Off Contract with the TfL North Area Contractor TarmacKier JV, which commenced 1 April and focused on the operational delivery of both reactive maintenance and planned maintenance services and received positive feedback from Elected Members.

3.44 Six KPIs (Gulley Cleansing; Emergency Defects, Category 1 Defects, Category 2 Defects: Construction of Vehicle Crossovers; and Response to complaints relating to a drainage and/or flooding) were suspended for Q1 2021/22, as previously reported to this Committee. This was to enable a joint review between the council and Re to align the Re KPIs with the TarmacKier contract in order to better reflect Re’s responsibilities as the Managing Agent under the DRS contract which include to ensure that the Third-Party Contractors are complying with the terms of their contract.

The review concluded and the outcome led to the implementation of five of the proposed six new KPIs in Q2, which are now included in this report and showing positive results.

3.45 The remaining KPI (Cat 1 Defects Rectification Timescales) is an interim measure pending a review of the Highways Inspection Manual risk matrix. This is due to be reported to Environment Committee in January 2022, and the KPI will be revised soon after.

3.46 The performance of TarmacKier is reviewed at the regular Contract Management Meetings held between Re and council officers. Re are developing a dashboard with TarmacKier which will show trends against the reactive service.

3.47 The performance of TarmacKier will be shared with Environment Committee and will in the future be included as context to the Highways element of the Re report to this committee.

¹⁶ The methodology of the indicator was reviewed as part of a review of Highways indicators

3.48 There were no high level (scoring 15+) joint risks for Re Highways in Q2 2021/22.

4. BARNET HOMES

4.1 The Barnet Homes section of this report is based on performance against The Barnet Group's 2021/22 Annual Delivery Plan.

Overview

4.2 Four of the nine KPIs in the Delivery Plan either met or exceeded the target, whilst five did not meet the target.

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

4.3 There are three KPIs for quality housing and one achieved the Q2 target and two did not.

Indicator	Polarity	20/21 EOY	21/22 Target	Q2 21/22			Q2 20/21
				Target	Result	DOT	Result
Number of homes purchased for use as affordable accommodation (c)	Bigger is Better	48	125	55	48 (R)	↑ I	10
Affordable housing delivered on council owned land (q)	Bigger is Better	145	61	61	56 (A)	↓ W	77
Increase the supply and range of housing available for care leavers for those ready to move into independent living (c)	Bigger is Better	67	56	28	43 (G)	↑ I	18

- **Number of homes purchased for use as affordable accommodation (RAG rated RED) – 48 against a Q2 target of 55.** A number of factors including delays in agreeing and serving s42 notices, broken sale chains and delays in vendors returning papers due to the holiday period affected performance in Q2.

Affordable housing delivered on council land (RAG rated AMBER) – 56 against a Q2 target of 61. The development of Mount Parade will now be completed in November as opposed to the original forecast of September, due to delays in utilities attending the site to make the final connections and dependency on using a Highways approved contractor, which had a delay to their start on this scheme.

4.4 In Q2, 23 homes were purchased taking the total for the year to 48. Although this did not achieve the cumulative target of 55 there is a current pipeline of 90 properties and performance in the second half of the year is expected to increase significantly, with a high concentration of properties expected to complete in Q4.

Tackling and preventing homelessness and rough sleeping

4.5 There are four Homelessness KPIs. One achieved the Q2 target and three did not.

Indicator	Polarity	20/21 EOY	21/22 Target	Q2 21/22			Q2 20/21
				Target	Result	DOT	Result
Rough sleeper counts every other month (s)	Smaller is Better	11	10	10	15 (R)	↓ W	14
Number of Homelessness Preventions (q)	Bigger is Better	1264	1350	670	632 (A)	↑ I	608
Numbers of households in Temporary Accommodation (s)	Smaller is Better	2399	2630	2550	2203 (G)	↑ I	2561
Households placed directly into the private sector by Barnet Homes (s)	Bigger is Better	647	615	305	300 (A)	↓ W	310

- **Rough sleeper counts every other month (RAG rated RED) – 15 against a Q2 target of 10.** Despite work during 2020/21 and the ‘Everyone In’ campaign, the target of 10 proved challenging due to wider London pressures and increases in the number of people sleeping rough and choosing not to access assistance and support.
- **Number of homelessness preventions (RAG rated RED) – 632 against a Q2 target of 670.** The projections for significant increased demand in this area, upon which the targets were set, are yet to materialise. The government decision to end the ban on evictions and reintroduce pre-Covid length legal notice periods for the ending of tenancies is still expected to increase demand through the second half of the year.
- **Households placed directly into the private rental sector (RAG rated AMBER) 300 against a Q2 target of 305.** Whilst sourcing private rental sector (PRS) homes remains achievable, the first half of the year saw less than expected demand. A higher than usual number of offers were declined by clients, which was in part due to a lack of urgency being felt by clients due to the court process for PRS evictions being lengthy.

4.6 In Q2, the number of people in temporary accommodation continued to reduce with numbers dropping to 2,203 compared to 2,371 in Q1.

4.7 The increased number of households affected by the benefit cap continued to present challenges in relation to sourcing affordable homes both in borough and in surrounding boroughs, however the performance target for this indicator remains achievable for the second half of the year.

4.8 London boroughs complete weekly returns to London Councils who then report the position with various activities relating to rough sleepers. In Q2, 631 rough sleepers were estimated to be on the streets across London, (up from 577 at Q1) 15 of which were in Barnet (up from 14 in Q1).

Safe and secure homes

4.9 There are two Safe and Secure KPIs, both achieved the Q2 target.

Indicator	Polarity	20/21 EOY	21/22 Target	Q2 21/22			Q2 20/21
				Target	Result	DOT	Result
Percentage of scheduled fire risk assessment completed (c)	Bigger is Better	91%	100%	100%	100% (G)	↑ I	82.9%
Percentage of priority 0 and 1 fire safety actions completed on time (c)	Bigger is Better	99.9%	92.5%	92.5%	95.9% (G)	↓ W	100%

4.10 Fire safety related performance remained on target with all fire risk assessments due in the period completed on time and priority actions resulting from risk assessments being delivered ahead of target.

4.11 There were two high level (scoring 15+) joint risks for Barnet Homes in Q2 2021/22, which are being managed in accordance with the council's risk management framework.

- Increased demand for temporary accommodation (residual score 16). Failure to prevent households becoming homeless and a lack of suitable affordable accommodation options could lead to an increased demand for expensive temporary accommodation resulting in increased budget pressures in the General Fund. Barnet Homes have various governance processes in place to manage and monitor demand and actions to acquire and build homes.
- Health and safety and compliance issues (residual score 15). Barnet Homes' failure to achieve regulatory requirements for the housing stock could lead to health, safety and compliance issues resulting in death to residents, staff and public, legal challenges and financial costs. Policies and procedures are in place including health and safety management, fire risk assessments as well as actions to install sprinkler systems and carry out regular compliance checks.

5. LEGAL SERVICES

5.1 During Q2 legal staff continued to work mainly remotely but went into the office for supervision and team meetings. They continued to visit client offices and courts and tribunals when required.

5.2 Training was provided on request by the service leads or was offered if HBPL saw that there was a training need that would assist the service. The following training was provided between July and September.

- Training for overseas Social Workers on the court system of England and Wales for children's proceedings
- Giving evidence in the family court

- Overview of the legal process for children's law
- Giving evidence for social workers
- No recourse to public funds human rights assessment training.

5.3 The Property Team worked on many matters including:

- Upper and Lower Fosters Regeneration Scheme – agreement on the documentation (contract, transfer, supplemental lease and licence for temporary store) for 10 of the transactions
- Dollis Valley Regeneration Scheme – the council completed the transfer to Countryside Properties (UK) Ltd of Parcel 2, Phase 3 of the Dollis Valley redevelopment scheme on 8 September. Grahame Park Regeneration Scheme - the council completed the transfer to Choices for Grahame Park Ltd of Plots 1A and 1B of Stage B, in the Grahame Park redevelopment scheme, on 11 August.

5.4 The Planning Team worked on many matters including:

- 679 High Road, North Finchley, London N12 0DA former Home Base site - successfully defended an appeal by Taylor Wimpey UK Ltd against the decision of the council of the refusal to grant planning permission.

5.5 The Contracts Team worked on many matters including:

- Advised on re-procurement for the provision of accommodation and support services for Adults and Health.
- Drafted and negotiated a contract for the provision of Independent Certifier Services at the North London Waste Transfer Station (North London Waste Authority, NLWA), which is part of the Brent Cross Cricklewood Programme.
- Term Maintenance Contract Renewals – Implications of Brexit on Public Contracts Regulations (PCR) 2015 and renewals of the Term Maintenance Contracts for Barnet. The matter involved a number of building maintenance contracts with multiple suppliers.

5.6 Advised on the Vehicle Washing Contract and various options regarding a contract and negotiating early termination.

5.7 The Criminal Litigation team worked on many matters including:

- A successful prosecution for non-compliance with a planning enforcement notice issued by the council which resulted in a confiscation sum of £0.499m being awarded to the council. This was the result of seven years close working with officers in Planning Enforcement, Private Sector Housing, Corporate Anti-Fraud Team and HBPL

Children social care

5.8 The Legal Service continued close liaison with the court and received positive feedback from the liaison judge in terms of quality of work, preparation for court and general conduct of cases.

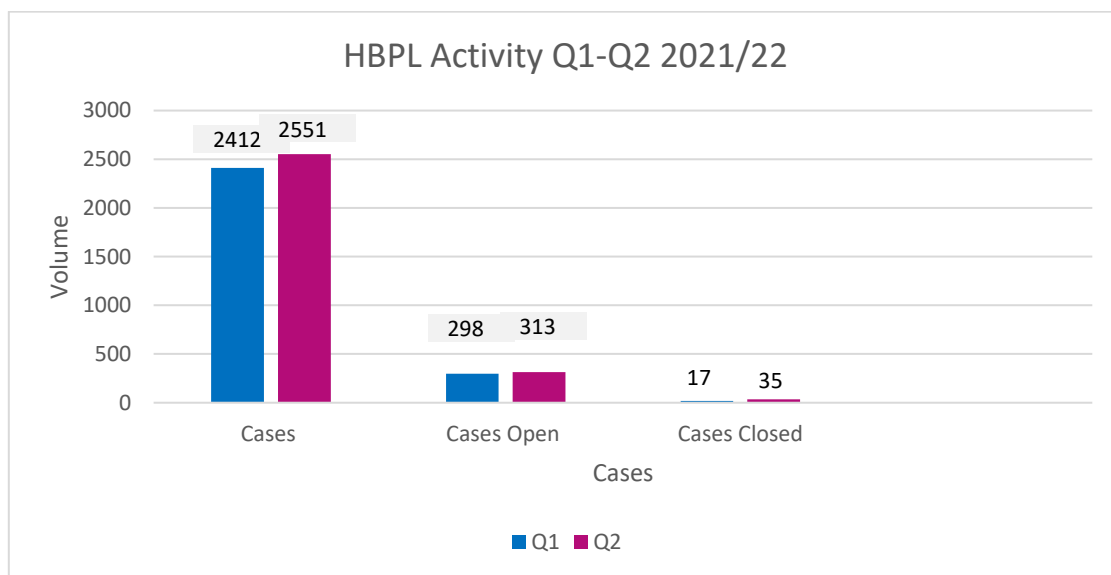
Education

- 5.9 The service continued monitoring of the progress of Special Educational Needs and Disability Tribunal (SENDIST) matters through regular liaison with Barnet Education and Learnings Service (BELS) officers ensuring a greater clarity of respective responsibilities, roles and resources.

Cases Hours and Disbursement¹⁷ Data

Activity by Cases

- 5.10 In Q2, Legal Services worked on 2,551 cases, 313 new cases were opened and 35 cases were closed¹⁸.

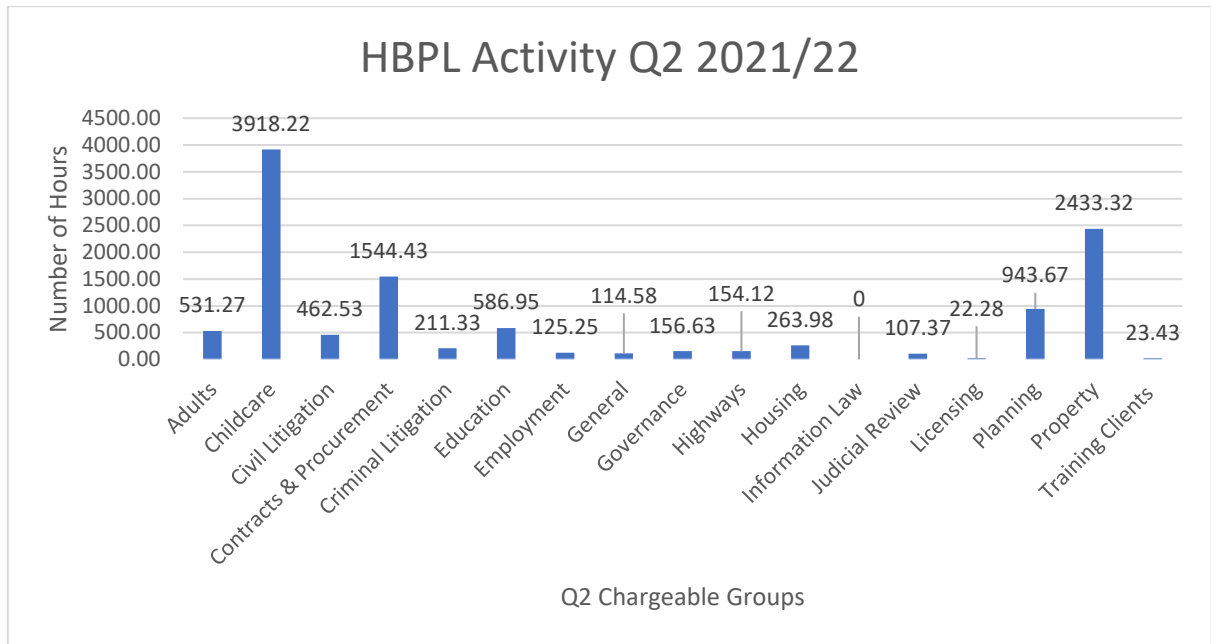


Chargeable hours Recorded by Work Group

- 5.11 Children's services had the highest number of chargeable hours at 3,918 costing £0.275m. Property services were the second highest area with 2,433 hours totalling £0.171m.

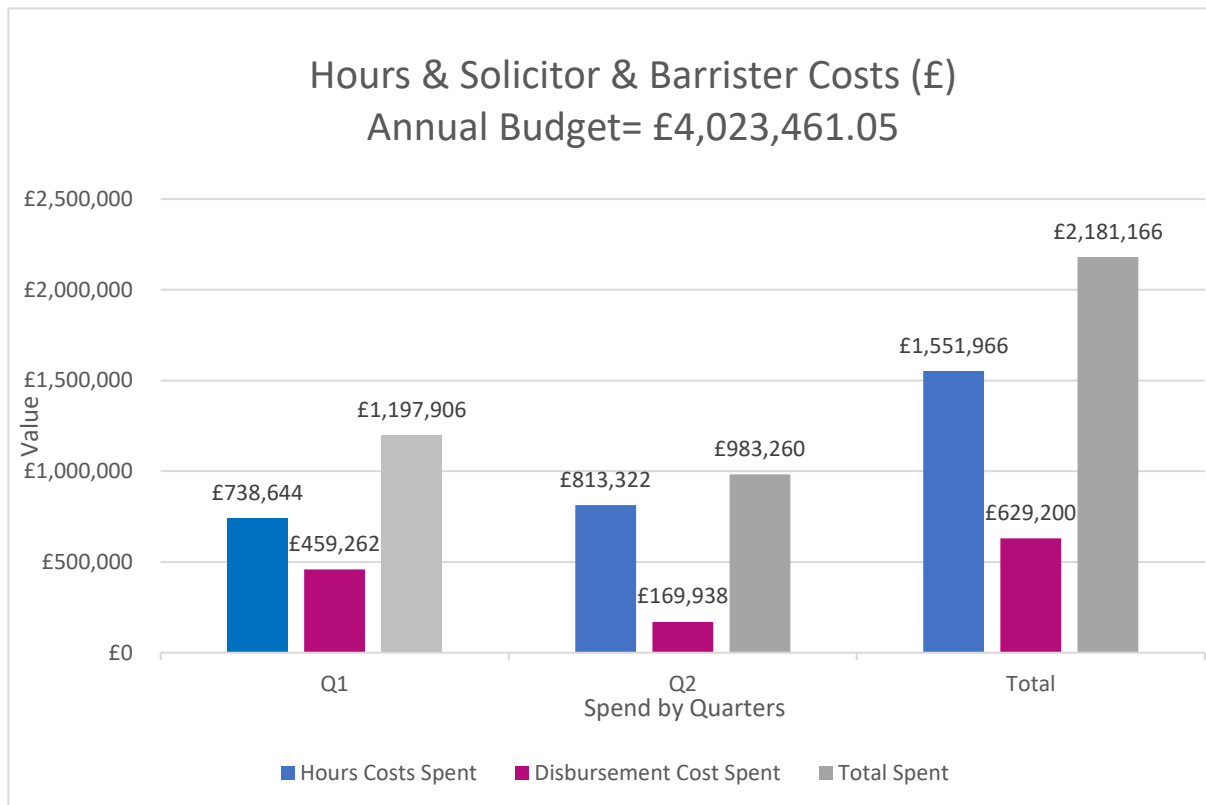
¹⁷ Disbursement costs include barristers and solicitor charges only

¹⁸ Q1 reported 1719 cases, this is an error as 2412 cases were worked on. Measure is based on how many times the file has been reviewed each month as opposed to the number of cases which were reviewed in the quarter.



Total hours and disbursements¹⁹

5.12 In Q2 there were 11,599 chargeable hours at a cost of £0.813m and £0.170m disbursements totalling a Q2 spend of £0.983m.



¹⁹ Q1 10,887 chargeable hours was reported at a cost of £738,615, this is a reporting error Q1 chargeable hours is 10,534 total cost £738,644

- 5.13 Legal spend in Q1 was £0.739m in hours and £0.459m in disbursements, totalling £1.198m which represents 29.77% of the total budget.²⁰
- 5.14 Legal spend in Q2 was £0.813m in hours and £0.170m in disbursements totalling £0.983m which represented 24.44% of the total budget.
- 5.15 The cumulative legal spend at the end of Q2 was £1.552m in hours and £0.629m in disbursements totalling £2.181m, which represented 54.21% of the budget.

²⁰ Q1 10,887 chargeable hours was reported totalling £738,615 Q1 disbursements was £458,565, the total costs were £1,197,180 this is a billing reporting error.

6 REASONS FOR RECOMMENDATIONS

- 6.1 This report provides an overview of Quarter 2 (Q1) 2021/22 performance of the council's contracted services delivered by the Customer and Support Group (CSG) (Capita), Regional Enterprise (Re) (Capita), Barnet Homes (The Barnet Group) (TBG) and HB Public Law.

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 robust management of the council's strategic contracts and supports commercial discussion and decision making. It also ensures resources are adequately and appropriately directed to support delivery and achievement of corporate priorities.

- 10.2 Relevant council strategies and policies include the following:

- CSG Contract
- Re Contract
- Barnet Homes Management Agreement
- HBPL Inter-Authority Agreement

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

- 11.1 Budgetary information is part of the Chief Finance Officer report that reports to this Committee.

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 & Safeguarding Committee; Housing & Growth Committee; Children, Education & Safeguarding Committee; Community Leadership & Libraries Committee; or Environment Committee;
 - The council’s major strategic contracts (Customer Support Group, Development and Regulatory Services, The Barnet Group Ltd (Barnet Homes) and HB Public Law) 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 & 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/s60884/17FinancialRegulations.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-level (scoring 15+) joint risks with strategic partners are included in this report, as well as being reported to Policy and Resources Committee as part of a wider corporate risk report.

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 strategic contracts for Quarter 2 (Q2) 2021/22. The report covers delivery from the Customer and Support Group (CSG) (Capita), Regional Enterprise (RE) (Capita), The Barnet Group and HB Public Law.

19. BACKGROUND PAPERS

19.1 None

**London Borough of Barnet
Financial Performance and
Contracts Committee
Forward Work Programme
2022**

Contact: Salar Rida 020 8359 7113 salar.rida@barnet.gov.uk

Title of Report	Overview of decision	Report Of (<i>officer</i>)	Issue Type (Non key/Key/Urgent)
1 February 2022			
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
Q2 2021/22 Contracts Performance Report (incl. Barnet Homes)	To review and note Quarter 2 2020/21 performance of strategic Contracts.	Director (Commercial and Customer Services)	Non key
Brent Cross Delivery Update	For the Committee to review the recommendations.	Programme Director Brent Cross	Non key
14 March 2022			
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
Q3 2021/22 Contracts Performance Report	To review and note Quarter 3 2020/21 performance of strategic Contracts.	Director (Commercial and Customer Services)	Non key
Brent Cross Delivery Update	For the Committee to review the recommendations.	Programme Director Brent Cross	Non key

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

AGENDA ITEM 16

Document is Restricted

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