

**MEETING**

**FINANCIAL PERFORMANCE AND CONTRACTS COMMITTEE**

**DATE AND TIME**

**MONDAY 14TH MARCH, 2022**

**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**

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

**Substitute Members**

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

In line with the Constitution's Public Participation and Engagement Rules, requests to submit public questions must be submitted by 10AM on the third working day before the date of the committee meeting. Therefore, the deadline for this meeting is Wednesday 9 March 2022 at 10AM. Requests must be submitted to Salar Rida 020 8359 7113 [salar.rida@barnet.gov.uk](mailto:salar.rida@barnet.gov.uk)

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

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

**ASSURANCE GROUP**

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## ORDER OF BUSINESS

Item No	Title of Report	Pages
1.	Minutes of the Previous Meeting	5 - 8
2.	Absence of Members	
3.	Declarations of Members Disclosable Pecuniary Interests and Other Interests	
4.	Report of the Monitoring Officer (if any)	
5.	Public Questions and Comments (if any)	
6.	Members' Items (if any)	
7.	Chief Finance Officer Report Forecast Financial Outturn at Month 10 (January 2022)	9 - 32
8.	Review of Capita Contracts	33 - 44
9.	Q3 2021/22 Contracts Performance Report	45 - 80
10.	Capital Projects	To Follow
11.	Brent Cross Update	81 - 98
12.	Updated West Stand Funding Model	To Follow
13.	Committee Forward Work Programme	99 - 102
14.	Any Other Items that the Chairman Decides are Urgent	
15.	Motion to Exclude the Press and Public	
16.	Brent Cross (Exempt)	103 - 114
17.	Updated West Stand Funding Model - Exempt	To Follow
18.	Any Other Exempt Items that the Chairman Decides are Urgent	

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## Decisions of the Financial Performance and Contracts Committee

1 February 2022

Members Present:-

AGENDA ITEM 1

Councillor Peter Zinkin (Chairman)

Councillor Julian Teare  
Councillor Alex Prager  
Councillor Nick Mearing-Smith

Councillor Kathy Levine  
Councillor Barry Rawlings  
Councillor Arjun Mittra

Also in attendance

Councillor Jess Brayne (Substitute)

Apologies for Absence

Councillor Thomas Smith  
Councillor Anthony Finn

Councillor Gabriel Rozenberg

### 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.

The Committee noted the amendment in relation to the minutes of the previous meeting under item 9 and the insertion to read:

Councillor Kathy Levine expressed concern about the level of participation and noted that the number of participants was not sufficient.

**It was RESOLVED that subject to the above amendment, the minutes of the previous meeting held on 23 November 2021 be agreed as a correct record.**

### 2. ABSENCE OF MEMBERS

Apologies were received from Councillor Gabriel Rozenberg who was substituted by Councillor Jess Brayne. Apologies received from Councillor Anthony Finn and Councillor Thomas Smith.

### 3. DECLARATIONS OF MEMBERS DISCLOSABLE PECUNIARY INTERESTS AND NON-PECUNIARY INTERESTS

None.

### 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 prior to the meeting. Upon invitation of the Chairman, Mr Dix and Mr Tichborne joined the meeting and asked supplementary questions which were responded to verbally by Officers and the Chairman.

**6. MEMBERS' ITEMS (IF ANY)**

None.

**7. REVIEW OF CAPITA CONTRACTS**

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

Councillor Kathy Levine queried the assessment process for evaluating value in terms of quality and costs pertaining to planning services. Deborah Hinde informed the Committee about the evaluation process and spoke about the requirements for compliance with local policy, national legislation and monitoring by client Officers.

Officers noted that comparative data with other Local Authorities suggests relatively good value however part of the challenge is that the information needs to be considered in context due to the various methods LA's use to measure evaluation. The Chairman highlighted the importance of value for money and noted the challenges given the large number of applications being processed.

Councillor Barry Rawlings referred to the importance of the social value element of the evaluation process and noted that it should be set higher. Officers stated that social value provisions and the opportunity to enhance these is being considered as part of the negotiations as well as the need to reach the necessary threshold to be considered acceptable.

Councillor Arjun Mittra moved a motion which was seconded, to amend recommendation 2 to include the following wording and read as follows:

*That the Financial Performance and Contracts Committee  
2. Agrees that further work is required to inform recommendations on the future delivery of services; and to publish the information provided to Committee Members relating to costs and benefits marked for returning services in house.*

Votes were recorded as follows:

For	4
Against	4
Abstention	0

The Chairman used his casting vote to vote against the motion. The motion was therefore declared lost.

**It was therefore RESOLVED that the Financial Performance and Contracts Committee:**

- 1. Noted the current position in respect of the contract extension proposals, as set out in section 2 of this report;**
- 2. Agreed that further work is required to inform recommendations on the future delivery of services; and**
- 3. Noted the next stages of activity, as set out in section 4 of this report.**

**8. CHIEF FINANCE OFFICER REPORT FORECAST FINANCIAL OUTTURN AT MONTH 8**

## **(NOVEMBER 2021)**

The Chairman invited Anisa Darr, Executive Director of Resources (S151 Officer) and Ashley Hughes, Assistant Director of Finance to present the report and summarise the report.

In response to a query from Members about the waste levy, the Chairman explained that the S151 Officer was considering the best way of accounting for the unexpectedly large rebate which arose this year but which as a consequence could lead to a large increase in the future year.

The Committee noted that the overall debt level has improved. In response to a query about the Comer Homes debt, it was noted that the debt was cleared in Month 9 and a settlement reached. Officers informed Members that there are on-going final account negotiations in relation to the Conway Aecom Ltd debt.

**It was RESOLVED that the Committee noted:**

- 1. The current financial forecast outturn for 2021/22; the ongoing costs of the pandemic and the overall level of commitments against available funding;**
- 2. The current forecast of use of reserves, and the outlook;**
- 3. The current position against ringfenced grant funding;**
- 4. The current forecast for capital expenditure in the year; and**
- 5. The current debt position and related actions.**

## **9. CAPITAL PROJECTS**

The Chairman invited Matthew Waters, Assistant Director Capital Delivery to join the meeting. Mr Waters presented and summarised the report.

**It was RESOLVED that the Committee noted the content of this report updating on the current status of the Council's Capital Projects.**

## **10. UPDATE ON SARACENS LOAN**

The Chairman invited Cath Shaw, Deputy Chief Executive to present and summarise the report.

Following a query about the importance of robust business planning, the Committee agreed to include an update item on Saracens Loan to its Forward Work Programme as further noted under item 12.

**It was RESOLVED that the Committee:**

- 1. Noted the position with the loan to Saracens Copthall LLP and the safeguards in place to protect the council's interests.**
- 2. Noted that approval has been given to a change in control of Saracens Copthall LLP (SCLLP) in accordance with clause 12.5 of the Loan Agreement between LBB and SCLLP, following appropriate due diligence as set out in and the further assurances offered by Saracens, summarised in this report and detailed in the accompanying DPR with exempt appendices.**
- 3. Noted the progress being made with the delivery of the West Stand.**

## **11. BRENT CROSS UPDATE**

The Chairman invited Karen Mercer, Programme Director and Luke Ward, to present the report which provides an update on the delivery across the Brent Cross programme and update on emerging issues relating to the Brent Cross West station works contract.

Having considered the item, the Chairman on behalf of the Committee thanked Karen Mercer for her commitment and the huge contribution to this project and welcomed Luke Ward.

**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 12 January 2022 (Appendix 1) and the emerging issues relating to the Brent Cross West station works contract.**

**12. COMMITTEE FORWARD WORK PROGRAMME**

The Chairman noted the standing item on the agenda and requested that the following items be added to the Forward Work Programme:

- Saracens Loan Update (15 June 2022)
- Capita Contracts Review report (14 March 2022)

**RESOLVED that the Committee noted the Forward Work Programme.**

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

None.

**14. 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.

**15. UPDATE ON SARACENS LOAN (EXEMPT)**

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

**16. BRENT CROSS UPDATE (EXEMPT)**

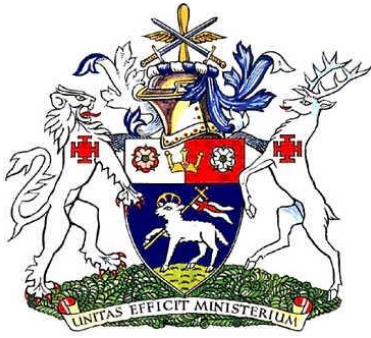
**It was RESOLVED that the Committee noted the exempt information as set out in the report.**

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

None.

The meeting finished at 9.40 pm





## Financial Performance & Contracts Committee

14 March 2022

<b>Title</b>	<b>Chief Finance Officer Report Forecast Financial Outturn at Month 10 (January 2022)</b>
<b>Report of</b>	Executive Director of Resources (Section 151 Officer)
<b>Wards</b>	All
<b>Status</b>	Public
<b>Urgent</b>	No
<b>Key</b>	No
<b>Enclosures</b>	None
<b>Officer Contact Details</b>	Sharon Palma, Head of Finance – Corporate Reporting <a href="mailto:sharon.palma@barnet.gov.uk">sharon.palma@barnet.gov.uk</a>

### Summary

This report contains a summary of the council's revenue and capital forecast outturn for the financial year 2021/22 as at Month 10 (31 January 2022).

The council is forecasting overall for expenditure to be in line with the approved budget for 2021/22 on revenue, made up of an overspend of £4.1m in Adult Services offset by an underspend in Resources of £4.2m.

The council's capital programme for 2021/22 is forecasting expenditure at £335m; £8.0m less than at Month 9 due largely to the budget reprofiling of project expenditure in line with expected project delivery timelines. This is discussed elsewhere in the Capital Programme paper on the agenda.

It also contains information on the level of debt and the top 10 debtors as at 31 January 2022, and any subsequent updates the committee needs to be aware of that impact the debt position.

### Recommendations

**That the Committee notes:**

- 1. the current financial forecast outturn for 2021/22; the ongoing costs of the pandemic and the overall level of commitments against available funding;**

- 2. the current forecast of use of reserves, and the outlook;**
- 3. the current position against ringfenced grant funding;**
- 4. the current forecast for capital expenditure in the year;**
- 5. the current debt position and related actions.**

## 1 Summary

- 1.1 As the end of the financial year approaches, the uncertainty levels from a combination of internal and external factors begin to reduce. At month 10 risks and opportunities are quantifiably less and forecasts are reflective of whether they have or have not materialised, reduced in value owing to the nature of the risk, or have been mitigated elsewhere through management actions.
- 1.2 The council continues to monitor all areas of income and expenditure to ensure financial sustainability and to adapt monitoring to accommodate emerging areas of concern.
- 1.3 This report sets out the budget forecast as at month 10 and includes the 'most likely' outcomes based on current information.
- 1.4 As at month 10, the financial outturn for the General Fund is forecast:
  - Overall, on budget;
  - A likely net contribution to reserves of £3.444m ; and
  - Anticipated spending of £34.218m on Covid-19 impacts in the current year, funded by various Covid-19 grants, with a further £10.112m earmarked for Covid-19 impacts in future years.

## 2 Forecast revenue outturn position at month 10

### Overview

- 2.1 The council's forecast revenue outturn position for the 2021/22 financial year as at month 10 (31st January 2022) and the current estimate of the financial impact of the Covid 19 pandemic during 2021/22 is set out in this section 2. Performance against the budget approved by Council in March 2021 is set out in table 1 and this shows that overall forecast net expenditure is on budget, an improvement of £0.649m compared to month 9 forecasting. This change is due primarily to a favourable movement in Resources. The Month 10 forecast outturn position is presented after applying £2.038m of earmarked reserves in Children's Services, Environment and Public Health. These resources were previously set aside against anticipated (but not certain) future cost pressures. There are also contributions to earmarked reserves of £5.483m from Growth and Corporate Services, Assurance and Resources.

Table 1: Forecast Revenue Outturn at Month 10

Service Areas	2021/22 Budget	M10 Forecast	M10 Variance	Non C19 Reserves applied	Variance after reserves	M9 Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Adults and Health	103,032	107,160	4,127	0	4,127	4,312
Children's Family Services	73,839	74,826	987	(1,051)	(65)	22
Environment	14,701	15,958	1,258	(715)	543	229
Growth and Corporate services	40,313	38,832	(1,481)	1,087	(394)	(286)
Assurance	7,834	6,803	(1,030)	931	(100)	97
Resources	75,139	67,556	(7,582)	3,465	(4,118)	(3,730)
Public Health	18,244	18,519	275	(272)	3	3

<b>Total at Month 10</b>	<b>333,102</b>	<b>329,655</b>	<b>(3,447)</b>	<b>3,444</b>	<b>(3)</b>	<b>646</b>
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### Non-Covid spending

- 2.2 The current forecast for non-Covid “business as usual” income and expenditure is in line with the approved budget despite movement across the service areas. Table 2 provides a breakdown of the movement in non-Covid variance as at month 10 with commentary.
- 2.3 Overall, non-Covid 19 income and expenditure remains close to planned budget levels. However, movement in social care placement forecasts remains a continued risk. This is due to uncertainty over the short-term impact of C19-related demand changes in adults, both in terms of activity and case complexity and to the risk of unexpected care placements arising in children with high and/or complex needs, which would change the forecast although the effect for the remainder of this financial year would be minimal. These risks are being held under review by the services concerned.
- 2.4 Car parking losses continue to be a source of concern, but current receipts have reached c. 80% - 85% of pre-pandemic levels. Income forecast from the Special Parking Account (SPA) at month 10 remains relatively neutral and delays in the rollout of the CPZ programme is partly mitigated by forecast re-banding income and the achievement of small staff savings due to lower activity.

Table 2: Non-Covid Spending - movement in variance from month 9 – 10

<b>Service Areas</b>	<b>Month 9 non-COVID variance</b>	<b>Change</b>	<b>Month 10 non-COVID variance</b>	<b>Commentary</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
Adults and Health	4,312	(184)	4,127	Review of staffing projections in the last quarter of 21/22 has resulted in a reduction and favourable movement by £0.185m. The reduction in projection is due to a delay in recruitment.
Children's Family Services	22	(86)	(65)	Whilst there has been an increase in 0-17 placement costs, there are compensating positive movements in relation to legal charges, Children with Disabilities and several other areas.
Environment	229	315	543	Favourable movement of £0.077m in Streetscene is offset by £0.407m downward movement in Parking and Infrastructure due primarily to unachievable income of £0.55m resulting from the delayed rollout of the CPZ programme which is likely to commence in full next year. This is partly mitigated by savings in the special parking account.
Growth and Corporate services	(286)	(108)	(394)	Favourable movement due to capitalisation of staffing and security costs to capital projects.
Assurance	97	(197)	(100)	Favourable movement is largely the result of £0.173m Burglary initiative service costs for locksmiths and fencing which has not materialised.
Resources	(3,730)	(388)	(4,118)	Short Term investments have benefitted from the interest rate rises from the Bank of England alongside increases in the use of short term deposits of £0.250m alongside a further increase in long-term investment income forecasts relating to on-lending totalling £0.138m as those loans are expected to draw down slightly faster than assumed in the M9 forecast for Q4.
Public Health	3	(1)	3	
	<b>646</b>	<b>(649)</b>	<b>(3)</b>	

### Application of Reserves

- 2.5 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 usually held by specific services, while general reserves are held corporately.
- 2.6 This report sets out anticipated use of or top up of earmarked service reserves. The table below provides further detail.

Table 3 Forecast use of or top-up of reserves at Month 10

Service Areas	Forecast (drawdown) /top-up to reserves	Commentary
	£'000	
Children's Family Services	(1,051)	£0.453m To Support Troubled Families £0.18m Safeguarding Draw Down £0.580m Transformation Fund AYSE Recruitment, International Recruitment and several other smaller initiatives
Environment	(715)	Green spaces and leisure drawdown due to Trees £0.577m, Pleasant Parks programme £0.500m and Sustainability Expertise and Data Collection (Barnet Plan) £0.088m; Streetscene contribution of £0.450m due to green waste collections
Growth and Corporate services	1,087	£0.388m contribution to the Brent Cross Retail Park reserve in line with business case. The £0.744m full surplus exceeds the planned contribution and allows £0.356m of this to be retained to support BX revenue costs. £0.707m top up for Flexible Homelessness Support Grant (FHSG) and other grants which will fund qualifying expenditure in future years. £0.055m internal Comms top up for temporary rise in 22/23 Barnet First print and distribution costs Offset by: £0.063m Digital Smart Cities drawdown from the Sustainable Infrastructure Enabling fund.
Assurance	931	£0.791m top up of income from the legal gain-share received in this financial year. This will be subsequently moved to general reserves in resources. £0.138m top-up to the elections reserve to fund the local elections in May 2022. £0.015m Top up for the Mayoral Car. £0.015m Top up for Internal Audit CCAS income to fund future year commitments. £0.028m drawdown from the CAFT reserve to cover timing delays on court receipts.
Resources	3,465	£3.465m transfer from unused contingency as a contribution to reserves, in line with 2022/23 budget setting so it can be used for next year's contingency
Public Health	(272)	Drawdown of PH Grant ring-fenced reserve due to one-off service led contract pressures.
<b>Total</b>	<b>3,444</b>	

## Savings

- 2.7 The budget for 2021/22 includes planned savings of £10.590m. The forecast set out in table 1 includes the achievement of 77% of this target (£8.137m) as shown in table 4.
- 2.8 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 2021/22 year. Current indications are that these savings will all be achieved in 21/22
- 2.9 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.
- 2.10 The planned saving of £0.405m against placement costs in Children and Family service will not be achieved due to delays in building works caused by various Covid-19 delays. It is anticipated to be delivered over time as these buildings come into use in future years.
- 2.11 Underachievement in Environment is due primarily to the delayed rollout of the CPZ programme.

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 31/01/2022	(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	2,277	499	17.96%	50	50	0	0.00%
Environment	1,375	800	575	41.82%	100	100	0	0.00%
Growth and Corporate Services	4,136	4,147	(11)	-0.27%	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%
<b>Total</b>	<b>10,590</b>	<b>8,137</b>	<b>2,453</b>		<b>2,458</b>	<b>2,458</b>	<b>0</b>	
<b>Percentages</b>	<b>100.00%</b>	<b>76.84%</b>	<b>23.16%</b>		<b>100.00%</b>	<b>100.00%</b>	<b>0.00%</b>	

## Covid-related spending

- 2.12 Based on latest information, it is estimated that expenditure on activity related to Covid-19 will amount to £34.218m in the current year. £10.112m (c. 23%) of available funding is not yet formally committed – although there remains some 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.

Table 5: Summary of Covid-19 related funds and associated spending plans at month 10

Service Areas C19 at Month 10	C19 forecast	Comment
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spending	£'000	
Adults and Health	17,716	Specific grant funding for Infection Control, Rapid Testing, Clinically Extremely Vulnerable, Workforce Capacity and Local Support Grant (£9.722m) Hospital discharge funding (£1.922m) Leisure disruption SPA income (£1.843m) ASC workforce pressures (£1.886m) Placement related pressures (£2.524m)
Children's Family Services	3,885	£0.991m COVID Local Support grant, £0.500m increased payments to support families' needs as a result of COVID, £0.185m High quality education, £0.315m to support SEN Transport pressures 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	4,395	Loss of parking income - fees and charges – Special Parking Account (£3.442m) and Off Street Parking £0.244m; Loss of commercial waste income (£0.253m); Refuse agency costs required for additional vehicle cleaning (£0.226m) and PPE & Sanitisation (£0.25m)
Growth and Corporate services	3,337	Increased temporary accommodation demand (£0.577m), Re Guaranteed Income shortfall (£1.026m), Employment and skills staffing and support and Entrepreneurial and Training programmes (£0.312m), print contract reimbursement (£0.130m), staff diverted from standard duties (£0.127m), CSG Procurement Volumes increases and other (£0.075m), Town Centre redevelopment (£0.183m), re-opening of high streets safely (£0.492m), Strategy and Communications priorities (£0.294m) and Maximising the 0365 roll out benefit (£0.120m)
Assurance	1,287	Enforcement team relating to COVID-19 street patrols and Fixed Penalty Notices (FPN) (£0.813m); staff diverted from standard duties, including patrol officers (£0.175m), Emergency responders (£0.039m); Anti-Fraud officers investigating COVID-19 grant and business fraud (£0.120m). £0.050m Loss of Fixed Penalty income (£0.050m); £0.040m Uniform, kit and training for Enforcement staff and £0.050m IT systems.
Resources	338	Discretionary test and trace
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	Catch up premium (£1.051m); Recovery (£0.516m)
earmarked for next year	10,112	Mental health support in schools and supporting young people into employment £1.8m £0.5m covid recovery grant for schools £0.9m adults prevention support and £1m staff resourcing support £1.2m earmarked against future temporary accommodation pressures £2.9m anticipated business rates losses <b>All earmarked and future spend is currently being reviewed</b>
<b>C19 costs as at Month 10</b>	<b>44,330</b>	
funding	£'000	
funds brought forward from last year	13,827	Comprising funding provided by government in 2019/20 and 2020/21, where £8.4m 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	17,085	Other funding available in 2021/22, including extensions on Track and Trace, COMF, CEV etc.
<b>Known funding at Month 10</b>	<b>44,330</b>	

### Risks and opportunities

2.13 In preparing the report for month 10, a number of overall (corporate) and service-specific risks have been identified. These are set out below.

- Adults and health
  - The level of clients discharged from hospital with more complex needs is known to be higher than has been the case previously, due to various C19 impacts including delays treating other conditions. The risk is that the level of clients will be higher than anticipated and is linked to the NHS catching up on waiting lists and has a relationship to winter pressures.
  - Revenues including client income due and the future NHS funding for hospital discharges 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.
  - Pressures over winter could see demand exceed expectations.
- Children's and Family Services
  - Increased Asylum Seeker numbers due to inclusion within the borough boundary hotels used by the Home Office to accommodate asylum seekers, some of which may be children to whom UASC support arrangements then apply.
  - Potential for clients to present with complex needs or existing clients needs increase both within 18-25 and other children's placements. This could result in a large cost impact which could not be accommodated within the budget. For context, a high-cost placement could cost £10-12k per week.
  - The service is reviewing the average cost of placements and the probability of attracting third party contributions. If we are unable to obtain agreement on the sum anticipated in the forecast, this would have an adverse impact on the out-turn.
- Growth and Corporate Services
  - Regular reviews of arrears in the Estates department may lead to subsequent write-offs of income related to prior years.
- Environment
  - Whilst the winter gritting service budget has increased this year storm damage and clear up, as recently seen by Storm Eunice and Franklin could lead to further pressure in this area.
  - End of year Penalty Charge Notice (PCN) debt accrual likely to be significantly lower than previous year due to reduction in PCNs issued and increased debt repayment. However, re-banding (implemented in February 2022) should increase the value of PCNs issued in the remainder of the year which will offset an element of the reduction.
- Resources
  - Capital financing costs could go higher than expected due to economic climate and interest rates climbing if the council needs to take out further borrowing that it is not planning on in 2021/22; stability of business rate income and knock-on effect to the General Fund if collection does not continue to improve.
- Corporate
  - Inflation risks continue to be discussed in the media. This is an area that is under review and is informing both in-year forecasting (and future budget projections) 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, however this may be staggered due to Omicron, the most recent Covid variant.

### Budget Changes

2.14 No budget increases or decreases have been applied between M8 and M10.

### Reserves

2.15 Based on the paragraphs above, the forecast reserves balances at year-end are shown in table 6 (below).

Table 6 Forecast Reserves Balances at month 10

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	3,444	33,589
<b>Total Revenue Reserves</b>	<b>69,577</b>	<b>3,444</b>	<b>73,021</b>
Revenue Grant - unapplied (Covid-19, general fund)	13,824	(3,712)	10,112
Revenue Grant - unapplied (Covid-19, collection fund - general reliefs)	31,419	(21,635)	9,784
Revenue Grant - unapplied (Covid-19, collection fund - s31 safety net)	12,855	0	12,855
<b>Grant unapplied</b>	<b>58,098</b>	<b>(25,347)</b>	<b>32,751</b>
<b>Total Revenue Reserves &amp; Grant Unapplied</b>	<b>127,675</b>	<b>(21,903)</b>	<b>105,772</b>
Capital Reserves	16,067	0	16,067
<b>Total All</b>	<b>143,742</b>	<b>(18,459)</b>	<b>125,283</b>

2.16 The above table 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.

2.17 It is expected that service reserves are to be topped up to the value of £3.444m and £3.712m 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 spent in 2021/22, and the estimated use in future years – see also section 2 above).

- 2.18 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 was difficult to estimate with confidence, but updated monitoring anticipates the use of £21.635m to be used in this year and the remainder across future years. This estimate remains unchanged from reported in the previous month. The designated area/safety net receipts are being retained against future fluctuations in rates received, but also remain subject to some discussion over the council's ability to retain them, as we await final business rate tax income guarantee (TIG) guidance from the Department of Levelling Up, Housing and Communities (DLUHC) for 2020/21 in relation to the pan-London pool.
- 2.19 Overall, reserves brought into the year amount to £143.742m. It is expected that £18.459m of this will be used in the year (chiefly in support of losses relating to business rates), leaving an estimated carry forward of £125.283m. (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.)

### 3 Ringfenced funding

#### Housing Revenue Account (HRA)

- 3.0 The HRA budget was realigned following the approval of the HRA business plan at February Policy and Resources committee. No variance to budget is currently anticipated. A detailed table is included at appendix A.
- 3.1 At month 10, the HRA is forecasting a £0.020m surplus in line with the budget which is after a voluntary expenditure contribution to capital of £0.324m
- 3.2 Excluding capital charges and depreciation, the controllable element of the HRA is projected to achieve a surplus of £12.566m, against a target of £14.243m, leaving a projected deficit to the target of £1.677m.
- 3.3 The adverse position is largely due to £1.221m projected debt costs on the HRA. The budget assumed small incremental borrowing, but 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 2.5% in 18 months.
- 3.4 £0.840m adverse budget variance is due to higher repair costs in maintaining HRA properties. These are mainly disrepair claims. Additionally, costs of materials and labour have been exacerbated by the Covid pandemic and the departure of European skilled labour following the UK leaving the EU. This has resulted in difficulty in recruiting quality resources, pushing up rates for both operational and supervisory staff.
- 3.5 These costs are partly offset by overachievement in dwelling rent income, where a greater number of properties are generating income than initially expected, due to fewer empty properties, fewer properties lost to Right to Buy (RTB) and delays in regeneration affecting HRA properties.
- 3.6 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.

HRA reserves	B/Fwd	C/Fwd
	£'000	£'000

HRA Reserve	(4,000)	(4,020)
Major Repairs Reserve	(6,849)	(2,000)
<b>HRA Reserves</b>	<b>(10,849)</b>	<b>(6,020)</b>

### Dedicated Schools Grant (DSG)

- 3.7 The DSG budget will be updated as the Department for Education (DFE) announce further updates to allocations. For month 10, the forecast position for the DSG is an underspend of £2.485m. Inclusive of brought forward balances, this forecast position will leave the council with a DSG surplus of £5.729m on the balance sheet.
- 3.8 This is a £2.741m underspend within the growth fund where the latest figures provided to finance have indicated there is likely to be little call for additional support. This is unchanged from previous months.
- 3.9 Early Years – Whilst DfE funding is £0.910m less than indicative calculations, there is a reduction in spend this month of £1.561m.
- 3.10 High Needs - There are several minor adjustments, which have resulted in a net improvement of £0.120m.

	20/21 Outturn	Budget	Month 10 Forecast Outturn after reserves	Month 10 variance after reserves	Month 9 non- COVID variance	In-Month change
	£000	£'000	£'000	£'000	£'000	£'000
<b><u>Expenditure</u></b>						
<b>Schools:</b>						
- Individual Schools Budget	142,772	150,222	150,222	0	0	0
- ESG Retained Funding	1,054	700	700	0	0	0
- Growth Fund	302	2,814	73	(2,741)	(2,741)	0
- Central Schools Expenditure	1,121	2,193	2,193	0	0	0
<b>Sub-total</b>	<b>145,249</b>	<b>155,929</b>	<b>153,188</b>	<b>(2,741)</b>	<b>(2,741)</b>	<b>0</b>
Early Years Block	29,332	30,189	28,628	(1,561)	0	(1,561)
High Needs Block	51,233	55,270	56,434	1,164	1,284	(120)
<b>Sub-total</b>	<b>80,565</b>	<b>85,459</b>	<b>85,062</b>	<b>(397)</b>	<b>1,284</b>	<b>(1,681)</b>
<b>Total</b>	<b>225,814</b>	<b>241,388</b>	<b>238,250</b>	<b>(3,138)</b>	<b>(1,457)</b>	<b>(1,681)</b>
<b><u>Income</u></b>						
DSG Income	(227,249)	(240,735)	(240,735)	0	0	0
<b>Total</b>	<b>(227,249)</b>	<b>(240,735)</b>	<b>(240,735)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net DSG 21/22</b>	<b>(1,436)</b>	<b>652</b>	<b>(2,485)</b>	<b>(3,138)</b>	<b>(1,457)</b>	<b>(1,681)</b>

### Public Health Grant

- 3.11 The ringfenced public health grant of £17.817m is forecast to overspend by £0.272m due to additional agreed service commitments, however there is still some uncertainty with the final position with of demand led contracts (which underspent last financial year). Any final overspend will be funded from 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.)

Table 7 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	18,089	0	18,089	272
<b>Public Health Services</b>	<b>17,817</b>	<b>18,089</b>	<b>0</b>	<b>18,089</b>	<b>272</b>

3.12 The Public Health Grant Reserve is currently £1.901m, there is currently a forecast drawdown of £0.272m during this financial year.

Table 8 Public Health Grant Reserve forecast

Reserves use	brought forward	forecast carry forward
	£000	£000
Public Health reserve	1,901	1,629

### 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 £14.094m, but that the current forecast is for only £9.699m of the budget to be achieved.

3.14 The forecast losses arising from this underachievement of income amount to £3.442m, 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.

Table 9 SPA Forecast

SPA Accounts	2021-22 Budget	Estimated 2021-22 Outturn		
	£'000	£'000	£'000	£'000
Income	Budgeted SPA Account	M10	M10	M10
		Forecast Excluding Covid-19	Funded Covid-19 losses	Forecast Outturn
Penalty Charge Notices	(16,275)	(9,375)	(3,158)	(12,533)
Residents Permits	(3,020)	(3,528)		(3,528)
Pay & Display	(3,990)	(3,198)	(284)	(3,482)
CCTV Bus lanes	(370)	(962)		(962)
<b>Total Income</b>	<b>(23,655)</b>	<b>(17,063)</b>	<b>(3,442)</b>	<b>(20,505)</b>
Budget Income Adjustment	2,600	0	0	0
<b>Total Income after adj.</b>	<b>(21,055)</b>	<b>(17,063)</b>	<b>(3,442)</b>	<b>(20,505)</b>
<b>Operating Expenditure (running costs)</b>	<b>6,961</b>	<b>7,364</b>		<b>7,364</b>

Net Operating Surplus	(14,094)	(9,699)	(3,442)	(13,141)
Appropriation to General Fund	(14,094)	(9,699)	(3,442)	(13,141)

## 4 Capital Programme

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

Theme Committee - spending	2021-22	2022-23	2023-24	2024-25	2025-26	Total Budget
	£000	£000	£000	£000	£000	£000
Adults and Safeguarding	4,350	4,739	4,221	3,762		17,072
Housing and Growth (Brent Cross)	119,240	50,226	50,126			219,592
Housing and Growth Committee	80,798	115,997	67,112	53,885	27,629	345,421
Children, Education & Safeguarding	15,229	16,670	10,519	991	2,000	45,409
Community Leadership and Libraries	808	1,000	300			2,108
Environment	20,404	32,942	27,155	10,778	4,580	95,860
Policy & Resources	20,248	5,112	600	600		26,560
<b>Total - General Fund</b>	<b>261,077</b>	<b>226,686</b>	<b>160,034</b>	<b>70,016</b>	<b>34,209</b>	<b>752,022</b>
Housing Revenue Account	74,225	111,022	78,584	54,104	23,720	341,655
<b>Total - All Services</b>	<b>335,302</b>	<b>337,708</b>	<b>238,618</b>	<b>124,120</b>	<b>57,930</b>	<b>1,093,677</b>

Theme Committee - funding	Grants/Other Contributions	S106	Capital Receipts	Revenue/MRA	CIL	Borrowing	Total
	£000	£000	£000	£000	£000	£000	£000
Adults and Safeguarding	12,439	417	90	0	3,997	129	17,072
Housing and Growth (Brent Cross)	205,713	0	900	0	0	12,979	219,592
Housing and Growth Committee	53,395	7,480	14,747	491	40,279	229,029	345,421
Children, Education & Safeguarding	42,723	2	342	0	406	1,935	45,409
Community Leadership and Libraries	0	0	0	0	1,730	378	2,108
Environment	710	6,095	428	0	45,251	43,376	95,861
Policy & Resources	1	45	927	0	5,000	20,587	26,560
<b>Total - General Fund</b>	<b>314,981</b>	<b>14,040</b>	<b>17,434</b>	<b>491</b>	<b>96,663</b>	<b>308,413</b>	<b>752,022</b>
Housing Revenue Account	23,995	1,501	14,038	78,434	0	223,686	341,655
<b>Total - All Services</b>	<b>338,976</b>	<b>15,541</b>	<b>31,472</b>	<b>78,925</b>	<b>96,663</b>	<b>532,099</b>	<b>1,093,677</b>

4.2 The capital forecast outturn for the current year is £335.302m, of which £261.077m relates to the General Fund programme and £74.225m relates to the HRA capital programme.

Table 10 Current Financial Year Forecast Capital Outturn

Service Area	2021/22 Budget	Additions/ (Deletions)	Re-profiled (to)/from future years(	2021/22 Forecast	Variance from Approved Budget	Expenditure to date
	£000	£000	£000	£000	£000	£000

Adults and Health	5,002	(250)	(456)	4,296	(706)	3,049
Children's Family Services	14,229	0	1,478	15,707	1,478	11,247
Assurance	330	0	0	330	0	0
Growth and Corporate services	102,614	0	(962)	101,652	(962)	52,084
Environment	26,062	(256)	(6,521)	19,284	(6,777)	6,731
Brent Cross	138,975	0	(19,735)	119,240	(19,735)	69,701
Resources	567	0	0	567	0	985
<b>General Fund Programme Total</b>	<b>287,779</b>	<b>(506)</b>	<b>(26,195)</b>	<b>261,077</b>	<b>(26,702)</b>	<b>143,796</b>
HRA	77,582	(2,237)	(1,120)	74,225	(3,358)	51,294
<b>Grand Total</b>	<b>365,361</b>	<b>(2,744)</b>	<b>(27,316)</b>	<b>335,302</b>	<b>(30,059)</b>	<b>195,091</b>

4.3 The key variance since updating the programme overall is the in-year delay and re-profiling of budgets in Brent Cross of £19.735m and Environment of £6.521m

### 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 11 Funding the Capital Programme 2021/22

Service Area	Grants/Other Contributions	S106	Capital Receipts	Revenue/ MRA	CIL	Borrowing	Total
	£000	£000	£000	£000	£000	£000	£000
Adults and Health	3,116	0	51	0	1,000	129	4,296
Children's Family Services	14,409	2	91	0	275	930	15,707
Assurance	0	0	0	0	330	0	330
Growth and Corporate services	4,967	1,492	6,726	491	4,608	83,367	101,652
Environment	1,043	2,946	102	0	2,068	13,124	19,284
Brent Cross	117,471	0	0	0	0	1,769	119,240
Resources	0	567	0	0	0	0	567
<b>General Fund Programme</b>	<b>141,006</b>	<b>5,007</b>	<b>6,971</b>	<b>491</b>	<b>8,282</b>	<b>99,320</b>	<b>261,077</b>
HRA	4,369	800	3,777	30,811	0	34,468	74,225
<b>Total Capital Programme</b>	<b>145,375</b>	<b>5,807</b>	<b>10,748</b>	<b>31,303</b>	<b>8,282</b>	<b>133,787</b>	<b>335,302</b>

4.5 **Brent Cross** – The current 2021/22 position indicates re-profiling of £19.735m required in-year across all elements, whilst the overall programme at present is shown on budget. It must be noted the M9 position of £15.407m re-profiling was formally reported to Policy & Resources Committee on the 9<sup>th</sup> February. The additional amount of net £4.328m is detailed across the programme as per below. The 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 potentially crystallise these will be included in the forecast as appropriate.

- **Land Acquisitions** – 2021/22 is forecasting accelerated expenditure of £0.053m. This relates to revised legal and professional fees of £0.133m offset by a reduction in resource time recharges of £0.080m.
- **Brent Cross West Station** – 2021/22 is forecasting a £3.315m re-alignment. The Delivery Packages are forecasting an in-year decrease of £2.796m of which £2.474m primarily relates to the withdrawal of a key rail possession affecting the Station Construction and the need to reschedule access in 2022/23. An efficiency of £0.169m has been realised for the provision of station assets. There has been a further minor £0.149m re-alignment within Rail Systems and Sidings. The remaining £0.519m relates to the Regeneration Packages, primarily re-alignment within the Waste Transfer Station as a result of Stage One works commencing slightly later than originally anticipated.
- **Critical Infrastructure** – 2021/22 is forecasting a £0.594m re-alignment, £0.424m related to a slightly later start on site of the civils works within the Electricity Substation and a £0.120m revised profile of the L&Q grant within Plots 53/54. The £0.050m balance relates to revised legal and professional fees and resource time recharges across all packages. A further £0.486m of in-year savings have been achieved following successful negotiations on utilities final accounts and contractor works no longer required within the delivery of Southern Junctions. The total 2021/22 change is £1.080m.
- **BXT Land Acquisitions** – 2021/22 is forecasting accelerated expenditure of £0.014m. This relates to revised legal and professional fees of £0.044m offset by a reduction in resource time recharges of £0.030m.

4.6 **Growth and Corporate Services** – At month 10, Growth and Corporate Services are forecasting a £0.962m underspend against the £102.614m capital programme budget in the current year. This is mainly due to:

- Accelerated spend in Housing Acquisitions Open Door (£5.000m) as several properties are in the pipeline and ready for completion and New Build Housing (£1.830m) based on costs incurred for the year on the final plots for development.
- Offset by delays in the following programmes:
- Empty Properties - (£1.920m) - there have been no CPOs this financial year and the capital spend has been spread across the remaining years to reflect potential CPOs and other grants awarded for supporting refit of empty properties.
- Depot Relocation – (£1.842m) - relating to land purchase costs now materialising in 22/23, adjustments to works programmes, and rescheduling of the civils works at the Brogan's site
- Hermitage Lane - (£0.740m) - the forecast is based on the funding drawdown to date, with no further drawdowns expected this financial year.
- Mixed Tenure (Tranche 1) – (£0.400m) - the project is still at an early phase and professional agents are being agreed, most of the costs are expected to fall into 22/23
- The Burroughs, Hendon – (£2.633m) due to a delayed property acquisition, where completions will now occur in 22/23.
- Town Centre – (£0.280m) – planning and development costs have slipped into future years.

4.7 **Children's and Family Service** –The budget for the capital schemes in 2021/22 is £14.229m and the forecast is £15.707m. This has a variance of £1.478m.

- Additional funds of £1.478m have been accelerated from 22/23 to support the delivery of the Alternative Provision Project. The project is still on budget. This acceleration is due

to the project progressing at a faster pace than was previously forecasted. There is increasing confidence that the building works will be completed by May 2022.

4.8 **Adults and Safeguarding** – The Adults and Safeguarding Capital budget for 2021-22, is forecasting a delay and deletion against the budget at period 10, details are as follows:

- The leisure centres project forecast at month 10 has not changed from P9. Retention payments have been released for the two sites. There is some re-profiling of £0.447m against the current budget and is due to delayed 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 underspend by £0.250m. This figure is flagged for deletion as no longer required to meet any future commitment.
- Community Equipment spend is incurred in revenue initially, a review of recent activity data on LB Barnet spend that can be capitalised has resulted in a forecast reduction of £0.417m. This amount is to be profiled over future years' budgets.
- Disabled Facilities Grant – forecast to budget spend being reviewed. Delayed spend from 2020/21 has been re-profiled over the next two financial years.

4.9 **Environment** – At month 10 Environment is forecast to spend £19.284m against the approved budget of £26.062m with £6.521m of delayed spend. The latter includes spend re-profiling of Vehicles of £3.5m, Park Infrastructure West Hendon of £1.5m and CPZ programme, LED lighting and Copthall Playing Fields of £0.5m each. It should be noted that £6.182m of re-profiled spend was taken to Policy and Review committee in February 2022 for approval. Additional delays since then will be taken to the March 2022 committee.

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 £77.582m in 2021/22. The position reported at month 10 is showing a deletion related to the Burnt Oak Broadway Programme no longer going ahead.

4.12 Extra Care (Stag) and Regen Stock Additional Investment revised to match the spend profile of programmes.

4.13 The HRA budgets will be re-aligned at M11 to match the revised 30-year Business Plan approved at P&R in Feb 2022.

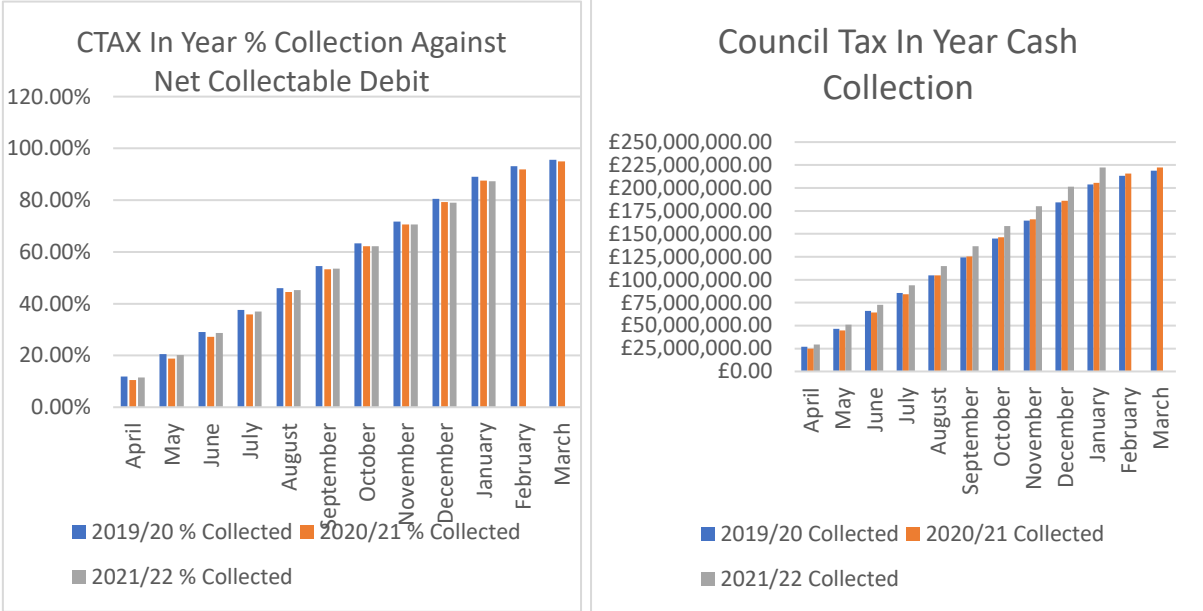
## 5 Revenues, debt, and treasury management

### Collection Fund – Council Tax

5.1 Overall collection slightly reduced compared to last year at 87.30%, this is 0.31% lower than January 2021, and 1.72% lower than the previous year (i.e. pre-pandemic). In cash terms, current collection levels are £16.586m higher than last year and £18.436m higher than January 2020 (pre - pandemic) – this is due in part to annual increases in both the council tax base and the household charge over two budget cycles. As at the beginning of February 2022 there were 7,139 households on an alternative payment plan with payments expected in Month 12.



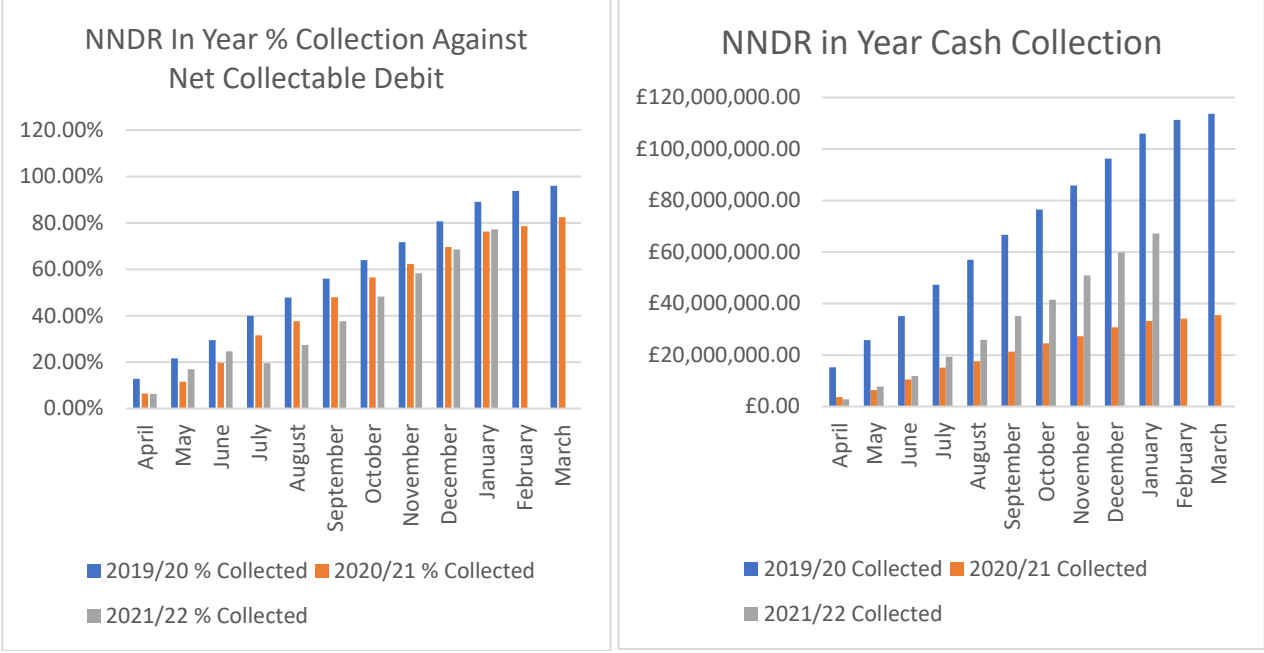
- 5.2 There has been an underlying recovery impact from COVID-19 in Council Tax, however the council’s tax base has improved through additional completions to Month 10 and there is not expected to be an adverse pressure on the Collection Fund arising from the tax base. Council Tax Support numbers have reduced slightly from previous months’ and are now forecasting to be £0.037m above budget. This can be managed through the Collection Fund Adjustment Account.
- 5.3 The council’s budget plan for 2021/22 assumes the collection of £198m of Council Tax. A review of prior year collection has been undertaken with collection rates holding up to deliver the budgeted Council Tax Requirement, including against 2020/21, where collection rates were impacted by COVID-19. The likely scenario is for Council Tax to be collected to budget for the 4-year period prior to, and including, 2020/21. The worst-case scenario is a deficit of £0.320m. This can also be managed through the Collection Fund Adjustment Account.
- 5.4 Overall, it is not expected that there will be a need to support council tax collection losses from C19 funding available.
- 5.5 The charts below show the comparison of collection rates and cash values over the three years.



Collection Fund – Business Rates

- 5.6 Business Rates collection increased in January 2022 by 1.01% compared to January 2021. This continues to show a significant improvement on the 8.16% October, 4.06% November and 1.06% December comparison against 2020.
- 5.7 At Month 9, the council undertook a detailed NNDR review. This review included the likely changes in provision and impact of use of Collection Fund Reserves held for Covid-19 over a three-year period. Whilst there is likely to be risk in the base number of businesses liable to pay rates, given the make-up of Barnet’s businesses (49% of the base are shops, restaurants and other related businesses, dependent on footfall) there is no reason at this moment in time to consider that there will be a net deficit arising to the Collection Fund from business rates in 2021/22.

- 5.8 In cash terms, the council is £34m above the position 12 months ago but £38.769m below the position 24 months ago (pre-pandemic). The cash collection is impacted by the Net Collectible debit (NCD) in each year. 2021/22 the NCD is 43.485m higher than 2020/21 but 31.807m below 2019/20. The NCD is reduced by the amount of grant received by the council for expanded retail reliefs, for example.
- 5.9 The current forecast cash flow assumes a worst-case position which is a £1.7m in-year deficit against the amount collectible, when reviewing the collection profiles for the previous three years. Should collection continue to rise at its current levels to March 2022 this in-year deficit will reduce accordingly. This is forecast to be offset in-year by changes in provision requirements for bad debt and appeals.
- 5.10 During Q3 2021/22 business rates collection began to increase as the team were able to return to business as usual following the Covid response. On 17 January 2022 Barnet launched 2 new grant schemes to support businesses in response to the spread of Omicron. The Omicron Hospitality and Leisure Grant **and** the Omicron Additional Restrictions Grant will again have a detrimental impact on business rates workloads and ability to collect business rates. The deadline for applications is 18 March 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 23.42% decrease against last year (pandemic), however is now 5.38% above the previous year (pre-pandemic). The council has received a proposed allocation of £2.081m and are forecasting to spend the full allocation.
  - Discretionary Council Tax Discounts (Section 13A payments) has seen a 3.63% increase against January 2021. There is greater knowledge and understanding of the availability driving demand, therefore despite seeing a significant reduction in January 2022 the figure is still above January 2021.

- Crisis Fund awards are 33.76% higher than January 2021 however this has decreased month on month since April 2021. October 2021 49.06%, November 2021 44.79% and December 2021 40.35%. The main driver for the crisis fund increase is owing to the relaxation of the eligibility/entitlement requirements within the council's policies. The decision was taken to extend the Crisis Fund relaxation period to 31 March 2022.

### Court Costs

- 5.12 Court costs awarded and collected have significantly increased compared to 2020/21. January 2022 costs awarded are down 4% on January 2020 however January saw the first Business Rates liability hearing of 2020/21, and these will continue in February and March. The budget income target of £1.689m has been exceeded by £0.255m.
- 5.13 Court costs collected in January 2022 are £1.164m. This is 416% up on 2020/21 owing to the freeze on both recovery and enforcement action for non-payment at that point in 2020 as of the council's pandemic response. In comparison to the pre covid year of 2019/20, January 2022 is down on January 2020 (pre-pandemic) by 1.71%.

### Housing Benefit Overpayments (HBOP)

- 5.14 Housing Benefit Overpayment Collection continues to increase. The cumulative 2021/22 collection figure on 31 January 2022 is £2.186m. This is a 75% increase on the same on period last year (£0.936), and a 51.39% increase on the same period in 2019-20 pre-pandemic, (£0.742m).
- 5.15 The budget income target of £2.159m has been achieved.

### Sundry Debt

- 5.16 Between December 2021 and January 2022 overall debtors increased by £0.356m. An analysis of debtors as at the 31 January 2022 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 31 January 2022 was £27.865m an increase of £1.977m for the same period in 2021 where the outstanding balance was £25.888m.

Table 12 Aged Debt Analysis as at 31 January 2022

Debtor	Not Overdue £000	Up to 30 days £000	30 - 60 days £000	60 - 90 days £000	Over 90 days £000	Total Debt £000
Month 10	1,228	2,899	3,491	446	21,029	29,093
Month 9	2,746	2,881	1,293	2,800	19,017	28,737
Movement	-1,518	18	2,198	-2,354	2,012	356

- 5.18 Table 13 gives detail of the top ten individual debts by debtor, totalling £14.662m.

Table 13 Top 10 debtors as at 31 January 2021

Debtor	Total Debt £000	Not Overdue £000	Up to 30 days £000	30 - 60 days £000	60 - 90 days £000	Over 90 days £000
NHS North Central London CCG	10,346	0	80	2,000	0	8,266
Countryside Properties	1,619	0	1,621	0	0	-2
The Fremantle Trust	1,357	0	0	0	0	1,357
Conway AECOM Ltd	334	0	0	0	0	334

Greater London Authority	278	12	0	238	0	28
NHS Enfield CCG	208	0	0	0	0	208
Rex Chosen Ministries	150	0	0	0	0	150
Capita Business Services Ltd	139	63	19	40	0	17
Regional Enterprise Ltd	119	0	116	0	0	3
Cadent Gas Limited Street Works	111	31	32	28	4	17
<b>Total</b>	<b>14,662</b>	<b>106</b>	<b>1,867</b>	<b>2,306</b>	<b>4</b>	<b>10,379</b>

- 5.19 Outside the Top 10 debts above, there is a significant class of debt relating to contributions to care in Adult Social Care. At the end of January 2022, the level of overdue debt related to individuals who receive adult social care services was £8.905m, a reduction on previous updates to this Committee at Month 8, where it was £9.136m. Approximately 25% of the debt relates to deceased client accounts and 20% of the debt is secured by a deferred payment agreement (DPA). There is an ongoing project looking at debt recovery and, at month 10, the project has recovered £0.721m.
- 5.20 Adults and Safeguarding Committee receive quarterly performance reporting, debt is a specific category within this report, and the Executive Director receives monthly updates on the debt position as part of monitoring. The latest report was to the Adults and Safeguarding Committee in March 2022.
- 5.21 Regular discussions are taking place relating to NHS North Central London CCG debt. The account remains under close monitoring and regular meetings are taking place to resolve invoice queries. A payment of £6.4m has since been received during M11. There are still invoices due to be raised by year end primarily reflected quarter 4 agreed recharges.
- 5.22 The Countryside Properties debt was cleared in Month 11.
- 5.23 Legal situation with The Fremantle Trust is expected to be resolved before 31 March 2022.
- 5.24 The Conway AECOM debt was cleared in Month 11.
- 5.25 The GLA account balance at Month 11 has increased to £0.282m. £0.238m is expected in Month 11 with the balance under review for payment approval with GLA.
- 5.26 Discussions are ongoing regarding the NHS Enfield CCG debt alongside the other CCG debts.
- 5.27 Discussions are underway with Legal regarding the Rex Chosen Ministries debt arising from rent and insurances charges at Stag House.
- 5.28 Capita Business Services Ltd debt reduced to £0.080m in Month 11.
- 5.29 £0.110m is expected in Month 11 from Regional Enterprise, so far £0.106m has been received.
- 5.30 £0.029m received from Cadent Gas Street Works in Month 11. Copy invoices requested for outstanding invoices dating from March 2020 to January 2021. A confirmation of the payment date for the outstanding invoices has been requested.

### Treasury & Liquidity

- 5.31 The council reported on its mid-year position to Policy & Resources Committee in both the November and January meetings of the Committee.

- 5.33 At Month 10, the council remained in compliance with its agreed Treasury Management Strategy Statement (TMSS).
- 5.34 The council has not undertaken, nor does it need to undertake, further unsupported borrowing to fund its capital programme. This is due to proactive measures taken to forward borrow in line with the TMSS when rates at the Public Works Loans Board (PWLB) were lower than current rates earlier in the financial year.
- 5.35 Through improvements in cashflow reporting, the council has changed its mix of short term investments to improve returns by investing over slightly longer periods. Short term investments are also benefitting from the uplift to the Bank of England base rates by the Monetary Policy Committee (MPC). These rates are currently at 0.5% with potential to rise further when the MPC next sits.
- 5.36 At Month 10, the council held £236m in short-term liquid investments at an average rate of return of 0.401% (range from 0.11% to 1%) generating investment income forecast to £0.750m for the financial year.
- 5.37 At Month 10, the council had long-term borrowing totalling £521.580m from the Public Works Loans Board (PWLB) and older Lender Option Borrower Option (LOBO) loans totalling £62.5m. The council's LOBO loans next come under option in 2024, and should it be advantageous, the council would seek to refinance these at that point in time.

## **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 10 (January 2022).

## **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**

- 9.1.1 This supports the council's corporate priorities as expressed through the Barnet Plan for 2020-25 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.

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

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

### **9.3 Legal and Constitutional References**

- 9.3.1 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.

9.3.2 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.

9.3.3 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 including (but not limited to):
  - o Analysis of performance
  - o Contract variations
  - o Undertaking deep dives to review specific issues
  - o Monitoring the trading position and financial stability of external providers
  - o Making recommendations to the Policy & Resources Committee and/or
  - o theme committees on issues arising from the scrutiny of external providers at the request of the Policy & Resources Committee and/or theme committees
  - o 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>

## **9.4 Insight**

9.4.1 Whilst not specifically applicable to this report, insight is used to support the financial position forecasted in this report through activity drivers and place-based understanding.

## **9.5 Social Value**

9.5.1 None applicable to this report.

## **9.6 Risk Management**

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

## **9.7 Equalities and Diversity**

9.7.1 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. Consideration of these duties should precede the decision. 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:
  - (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.
- 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.
- 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:
  - (a) Age
  - (b) Disability
  - (c) Gender reassignment
  - (d) Pregnancy and maternity
  - (e) Race
  - (f) Religion or belief
  - (g) Sex
  - (h) Sexual orientation
  - (i) Marriage and Civil partnership

9.7.2 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.

9.7.3 Progress against the performance measures we use is published on our website at: [www.barnet.gov.uk/info/200041/equality\\_and\\_diversity/224/equality\\_and\\_diversity](http://www.barnet.gov.uk/info/200041/equality_and_diversity/224/equality_and_diversity)

9.7.4 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.

## **9.8 Corporate Parenting**

9.8.1 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.

## **9.9 Consultation and Engagement**

9.9.1 None in the context of this report

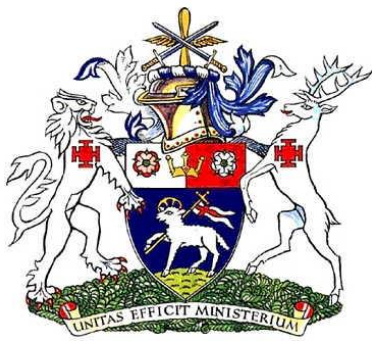
## **9.10 Environmental Impact**

9.10.1 None in the context of this report

## **10. BACKGROUND PAPERS**

10.1 None.





**Financial Performance and Contracts Committee**

**14 March 2022**

<b>Title</b>	<b>Review of Capita Contracts</b>
<b>Report of</b>	Director, Commercial and Customer Services
<b>Wards</b>	All
<b>Status</b>	Public
<b>Urgent</b>	No
<b>Key</b>	No
<b>Enclosures</b>	None
<b>Officer Contact Details</b>	Deborah Hinde – Director, Commercial and Customer Services <a href="mailto:deborah.hinde@barnet.gov.uk">deborah.hinde@barnet.gov.uk</a> 020 8359 2461

<b>Summary</b>
<p>This report provides an update on the progress of dialogue in respect of the contract extension proposals. It also sets out the high-level approach to preparing for the return of services upon contract expiry and provides a commentary on the cost of returning services.</p>

<b>Officer Recommendations</b>
<p><b>That the Financial Performance and Contracts Committee:</b></p> <ol style="list-style-type: none"> <li><b>1. Notes the current position in respect of the contract extension proposals, as set out in paragraphs 2.1 to 2.4 of this report;</b></li> <li><b>2. Notes that the Policy and Resources Committee on 9<sup>th</sup> February 2022 agreed a one-year extension of the contract as it relates to the provision of the current finance and HR systems;</b></li> </ol>

- 3. Notes the high-level arrangements for returning services, as set out in paragraphs 2.6 to 2.10 of this report;**
- 4. Notes the commentary on the cost of returning services, as set out in paragraphs 2.11 to 2.16 of this report; and**
- 5. Notes the next stages of activity, as set out in section 4 of this report.**

## **1 WHY THIS REPORT IS NEEDED**

1.1 Following discussions at this Committee and Policy and Resources, the following recommendations were agreed by Council on 25<sup>th</sup> January 2022:

1. That Council:
  - a) does not seek to extend those elements of the RE and CSG contracts that relate to the Procurement service, Regulatory Services (Trading Standards, Licensing, Environmental Health), the regeneration service and highways;
  - 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 relating to any transfers, upon expiry of the contracts or sooner if deemed necessary, or actions associated with the services, subject to the conclusion of the necessary due diligence;
2. That Council notes the direction of travel for each service that was agreed previously as set out in section 1.8 of the report (Annex 2) including the services listed for further review, with short extension: Accounts Payable/Integra, HR/Core HR\*, Estates\* (\*with some element of the service potentially returning to the Council upon expiry of the contract) and Cemetery and Crematorium;
3. That Council notes the content of the Review of Capita Contracts Public Engagement report (Annex 3) and ORS Report (Appendix 3A); and
4. That Council notes that the Policy and Resources Committee will consider any extension requirements that are required in respect of the Review of Integra and Core HR systems and supports that Review.

1.2 At its meeting on 1<sup>st</sup> February 2022, this Committee received an update on the evaluation of the proposals for “retained” and “further review” services. The conclusion of that update was that officers were not yet in a position to make firm recommendations regarding the extension of the contracts and there would need to be further dialogue to reach that position.

- 1.3 The update report went on to confirm that:
- a. Dialogue would continue with Capita with a view to shaping the proposals to ensure that they meet the needs of both parties;
  - b. Work would also be carried out to investigate and assess the viability of the alternative options for each service. This would include further work on understanding the likely cost and other implications of returning services in-house, as well as the potential for re-procuring services; and
  - c. The outcomes of this work would be reported to the first meeting of the Financial Performance and Contracts Committee after the May elections.
- 1.4 The purpose of this report is to provide a further update on progress and to set out a high-level approach to the returning services. The report also contains a commentary on the cost of returning services.

## **2 REASONS FOR RECOMMENDATIONS**

### **Retained and further review services**

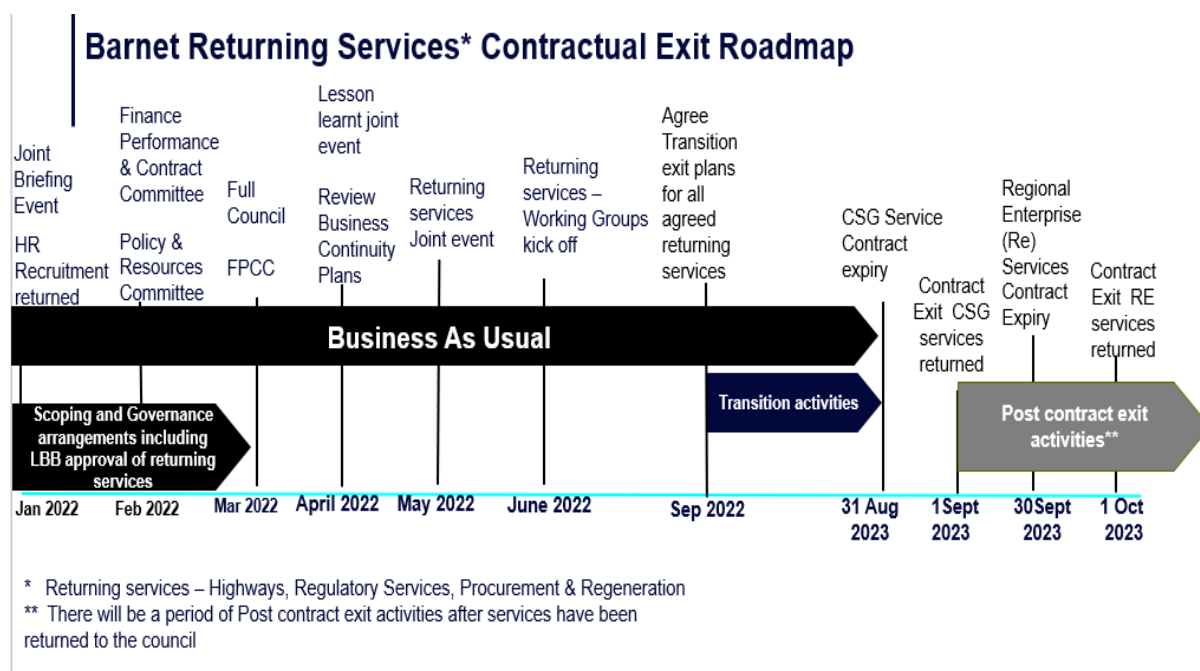
- 2.1 Dialogue between the parties has progressed in a constructive and positive manner. Much of the focus to date has been on understanding and addressing the value for money concerns, which were referenced in the previous update report. In respect of the services provided through the CSG contract, the perceived budget gap between the current cost of the contract and the extension proposal has closed considerably. and is nearing a point where officers will be in a position to make firm recommendations to the next meeting of this Committee.
- 2.2 The position of the finances on the RE contract is more complex, due to the Income Guarantee. This Guarantee has never worked as originally anticipated, as Capita over-estimated the income that could be derived from the Highways Service. Although the Planning Service has significantly out-performed expectations, this has not been sufficient to offset the shortfall of income in Highways. As a result, the council has benefited significantly from the Guarantee over the last eight years. However, as Council has now agreed to bring the Highways Service back in-house, this underperformance will no longer occur. The remaining service is predominantly Planning and Building Control, where the level of income that can be achieved is primarily demand-driven, as the volume of service is dependent on the level of development within the borough, rather than any activities that Capita can influence. This means that the Income Guarantee is no longer a relevant mechanism to the council. The council and Capita are therefore exploring alternative contractual mechanisms that provide a fair and realistic balance of risk and reward, along with appropriate incentivisation for the provider to maximise the level of income received by the council.
- 2.3 Whilst the main focus since the last update report has been on the value for money considerations, some progress has also been made on addressing client leads' feedback in respect of the service proposals. This, along with

firming up the Social Value proposals, will become the main focus of dialogue, once the financial position has been finalised.

- 2.4 At its meeting on 9<sup>th</sup> February 2022, the Policy and Resources Committee considered a report on the commencement of procurement for the replacement of the council’s finance and HR systems. Members of the Financial Performance and Contracts Committee are asked to note that the Policy and Resources Committee agreed a one-year extension of the CSG contract as it relates to the provision of the current systems (Integra and CoreHR) to facilitate that procurement.
- 2.5 Alongside the dialogue on Capita’s extension proposals, work has also been progressing on interrogating and clarifying the information received from Capita on the current costs of providing these services. This will inform the recommendations that officers make to the Committee in due course. Preparatory work has also been done to consider the viability of further alternative options, which could be pursued in the event that an appropriate agreement is not reached.

### Returning services

- 2.6 The council and Capita programme teams have worked together to agree a returning service road map (see below), highlighting key activities and milestones over the next 18 months for services returning to the council.



- 2.7 Detailed planning will continue over the next six months, with a view to having agreed, detailed plans in place by September 2022. These will cover a range of matters including:

- Transfer of staff (in accordance with TUPE regulations)
- Setting up new IT arrangements

- Novation of service and supply contracts
  - Transfer of service-related data
- 2.8 Communication with staff throughout the process will be critical. Briefing events to date have covered all staff employed on the CSG and RE contracts. There will be a jointly-run briefing event specifically for those staff employed in returning services in May 2022. This will be followed by regular briefing sessions, as the detailed plans are finalised and work on the actual transition activities progresses.
- 2.9 Governance arrangements for the programme have been reviewed to ensure there are robust arrangements in place to aid a smooth transition of services back to the council. A returning services project board will be established to oversee all transition activities and exit planning deliverables. These will be delivered through both service-specific and cross-cutting workstreams, drawing on input from the council's HR, Finance, Commercial, IT, Legal and Communication teams, supported by a dedicated returning services programme team.
- 2.10 Service transition plans will be jointly agreed by the council and Capita and will provide a consistent, auditable process with partnership working integral at all stages. Capita are committed to continue to work collaboratively with the council to ensure that there is a smooth transition of services. They will also be working closely with the council to maintain the business-as-usual operations of these services over the remaining life of the contract.

#### **Cost of returning services**

- 2.11 At the last meeting of the Financial Performance and Contracts Committee, the Chairman asked officers to give further consideration to the early publication of the financial information on returning services that had been considered by the Committee at its meeting on 23<sup>rd</sup> November 2021 as exempt information. Officers have duly considered the request and confirmed their view that publication of this information prior to the conclusion of negotiations in respect of the contract extensions would compromise the council's negotiating position and this consideration outweighs the public interest in disclosing the information at this stage.
- 2.12 The conclusion presented to that meeting of the Committee was that, across the four services, the financial impact of returning them to the council would be affordable and, overall, would not result in additional costs to the council in delivering those services. That conclusion was based on an assessment of the difference between the current contract price paid to Capita and the anticipated cost to Barnet of running the services, together with an assessment of the impact of guaranteed income on those services.
- 2.13 As with previous transfers, that comparison is based on services transferring on a "like for like" basis. Once services have transferred back to the council, it will be for council officers to manage the delivery of those services within the allocated budget envelope.

- 2.14 The initial services that were transferred back to the council (Strategic Finance and HR) were transferred recognising that significant changes would be required to the way those services were run in order to address concerns about the quality and capacity of strategic support in those key functions.
- 2.15 The financial analysis carried out prior to the transfer of these functions in 2019 suggested that the council would incur additional running costs of approximately £400k in 2019/20, rising to c.£570k in 2022/23, across the two services, primarily as a result of increased pension costs. This analysis was based on a “like for like” transfer, but with a recognition that any increases in staffing numbers would also create additional cost.
- 2.16 Since that transfer, both services have been restructured to address those pre-transfer concerns around the quality and capacity of strategic support. The changes in staffing numbers and service budget are set out in the following table:

	<b>Finance</b>	<b>HR</b>
Headcount pre-transfer (2018/19)	59	13
Current headcount post-transfer (2021/22)	80	19
Increase	21	6
Budget pre-transfer (2018/19) including pay & other inflation indexed to current financial year	£3,796k	£1,082k
Current budget (2021/22)	£4,059k	£1,273k
Increase	£263k (7%)	£191k (18%)

- 2.17 This shows that the actual increase in the cost of running these services has been quite significant. These changes, which were made to address known concerns about quality and capacity, were the subject of appropriate decision-making and additional budget allocations at the time.
- 2.18 Although cost increases did occur with these services, the financial analysis of the services due to be returned next year suggests that they will be cost-neutral at worst.

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

- 3.1 Not relevant, as this report provides an update on progress.

## **4 POST DECISION IMPLEMENTATION**

- 4.1 Dialogue will continue with Capita with a view to shaping the proposals to ensure that they meet the needs of both parties.
- 4.2 Work will also continue to investigate and assess the viability of alternative options for each service, in the event that a suitable agreement is not secured. This will include further work on understanding the likely cost and other implications of returning services in-house, as well as the potential for re-procuring services.
- 4.3 The outcomes of this work will be reported to the first meeting of the Financial Performance and Contracts Committee after the May elections.

## **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 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 is being considered as part of the negotiations to extend the contracts.

5.3.2 Social Value commitments contained in Capita's extension proposals are being 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. The Committee's terms of reference includes 'at the request of the Policy & Resources Committee and/or theme committees consider matters relating to contract or supplier performance and other issues and make recommendations to the referring committee.' Policy and Resources Committee on 17<sup>th</sup> June 2019 agreed that terms of reference and progress on the Review should be reported to the Financial Performance and Contracts Committee. Any resulting recommendations would be made in further reports to the Policy and Resources Committee.

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

## 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. The risk of further delays associated with Covid-19 is now considered to be minimal.



## 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 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 17<sup>th</sup> 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 was reported to this Committee in October 2021.

### *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 are being 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.

## 5.10 Environmental Impact

5.10.1 There are no direct environmental implications from noting the recommendations. Implementing the recommendations in the report will lead to a positive impact on the Council's carbon and ecology impact, or at least it is neutral.

## 6. BACKGROUND PAPERS

6.1. Report to Financial Performance and Contracts Committee, 1<sup>st</sup> February 2022:  
[HTTPS://BARNET.MODERNGOV.CO.UK/DOCUMENTS/B38006/ITEM%207%20-%20REVIEW%20OF%20CAPITA%20CONTRACTS%2001ST-FEB-2022%2019.00%20FINANCIAL%20PERFORMANCE%20AND%20CONTRACTS%20COMMIT.PDF?T=9](https://barnet.moderngov.co.uk/documents/B38006/ITEM%207%20-%20REVIEW%20OF%20CAPITA%20CONTRACTS%2001ST-FEB-2022%2019.00%20FINANCIAL%20PERFORMANCE%20AND%20CONTRACTS%20COMMIT.PDF?T=9)

6.2. Report to Financial Performance and Contracts Committee, 29<sup>th</sup> January 2020:  
<https://barnet.moderngov.co.uk/documents/s57531/Year%206%20and%20Y7%20review%20ToR.pdf>

6.3. Report to Financial Performance and Contracts Committee, 18<sup>th</sup> March 2020:  
<https://barnet.moderngov.co.uk/documents/s58379/Year%2067%20Review%20of%20Capita%20Contracts.pdf>

6.4. Report to Financial Performance and Contracts Committee, 15<sup>th</sup> June 2020:  
<https://barnet.moderngov.co.uk/documents/s58926/Yr%206-7%20Review%20FPC%20report.pdf>

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

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

- 6.6. Report to Financial Performance and Contracts Committee, 17<sup>th</sup> March 2021:  
<https://barnet.moderngov.co.uk/documents/s64235/Yr%206-7%20Review%20FPC%20report.pdf>
- 6.7. Report to Financial Performance and Contracts Committee, 8<sup>th</sup> June 2021:  
<https://barnet.moderngov.co.uk/documents/s65146/FPC%20Contracts%20Review%20Report.pdf>
- 6.7. Report to Council, 25<sup>th</sup> January 2022:  
<https://barnet.moderngov.co.uk/documents/s69743/Referral%20from%20Policy%20Resources%20Committee%20Review%20of%20Capita%20Contracts.pdf>

	<p style="text-align: center;"><b>Financial Performance and Contracts Committee</b></p> <p style="text-align: center;"><b>14 March 2022</b></p>
<p><b>Title</b></p>	<p><b>Q3 2021/22 Contracts Performance Report</b></p>
<p><b>Report of</b></p>	<p>Director (Commercial and Customer Services)</p>
<p><b>Wards</b></p>	<p>All</p>
<p><b>Status</b></p>	<p>Public</p>
<p><b>Urgent</b></p>	<p>No</p>
<p><b>Key</b></p>	<p>No</p>
<p><b>Enclosures</b></p>	<p>Appendix A: TKJV Q3 2021/22 performance</p>
<p><b>Officer Contact Details</b></p>	<p>Tim Campbell, Head of Commercial Management  <a href="mailto:tim.campbell@barnet.gov.uk">tim.campbell@barnet.gov.uk</a></p> <p>Alaine Clarke, Head of Programmes, Performance &amp; Risk  <a href="mailto:alaine.clarke@barnet.gov.uk">alaine.clarke@barnet.gov.uk</a></p>

### Summary

This report provides an overview of Quarter 3 (Q3) 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. Overall, performance is going well, with the vast majority of KPIs achieving their targets, despite the ongoing challenges of Covid-19. The council continues to work with its contracted partners to address areas of concern, particularly on ensuring that progress is being made where backlogs have occurred due to the impact of the pandemic.

### Officers Recommendations

The Committee is asked to note the Quarter 3 (Q3) 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 3 (Q3) 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 Q3 covers the period from 1 October to 31 December 2021. Some Re services continued to deal with backlogs as a result of previous Covid-19 pandemic restrictions. Food safety inspections and planning enforcement investigations remained affected; however recovery plans were progressed with backlogs forecast to be cleared by mid-2022. CSG continued to perform well with most services meeting their performance targets for the quarter.
- 1.4 Although there was some increase in staff sickness as cases of the Omicron variant increased during the quarter most areas were able to maintain service levels and staff were able to continue to work from home following the government announcement.
- 1.5 Despite these challenges, overall performance continued to go well with 58 of the 79 KPIs reported achieving their target in Q3. 13 KPIs failed to meet their target, of which seven were directly impacted by Covid-19. Three KPIs were monitor only and five KPIs reported no activity.
- 1.6 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 <sup>1</sup> Description	Q3 21/22 Result	DOT
CSG – Revenues and Benefits	Speed of processing new claims - days (q)	33.4 (R)	↓ W
CSG – Revenues and Benefits	Speed of processing changes – days (q)	10.1 (R)	↓ W
Re – Environmental Health	Conducting Food Hygiene Inspections - Target A (q)	32.5% (R)	↓ W

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

Service	Indicator <sup>1</sup> Description	Q3 21/22 Result	DOT
Re – Environmental Health	Conducting Food Hygiene Inspections - Target B (q)	45.5% (R)	↓ W
Re – Environmental Health	Conducting Food Hygiene Inspections - Target C (q)	58.5% (R)	↑ I
Re – Environmental Health	Compliance with Licensing Requirements for Houses in Multiple Occupation (HMOs)	65.0% (A)	↓ W
Re – Environmental Health	Compliance with Environmental Health Service Standards (Priority 2 incidents and service requests) (q)	87.3% (A)	↓ W
Re – Planning and Building Control	Planning Enforcement Basket	0 (R)	→ S
Re – Highways	Timely construction of Vehicle Crossovers following receipt of payment (q)	98.6% (A)	Not Comparable
TBG – Ensuring Decent quality housing	Number of homes purchased for use as affordable accommodation (q)	77 (A)	↑ I
TBG – Ensuring Decent quality housing	Affordable housing delivered on council owned land (TBG schemes) (q)	56 (A)	↓ W <sup>2</sup>
TBG - Tackling homelessness	Number of Homelessness Preventions (c)	952 (A)	↑ I
TBG - Tackling homelessness	Households placed directly into the private sector by Barnet Homes (c)	437 (A)	↓ W

### Service Highlights for Q3

#### 1.7 Q3 service highlights for CSG included:

- CSG Finance successfully implemented a new scanning solution significantly improving the scanning capability and accuracy in processing invoices.
- CSG Property Services completed transactions that resulted in targets for the Medium-Term Financial Strategy (MTFS) being achieved.

#### 1.8 Q3 service highlights for Re included:

- The Planning Team won the RTPI<sup>3</sup> London Excellence Award. The “Chair's Award for Inclusive Planning”.

#### 1.9 Q3 service highlights for Barnet Homes included:

<sup>2</sup> Delivery programme changes year-on-year so comparison for information only.

<sup>3</sup> [RTPI | Previous Award Winners](#)

- The overall number of households in temporary accommodation reduced by a further 61 households since Q2.

## 2. CSG SERVICES

### Overview

- 2.1 The Q3 period saw CSG continue to deliver services through mainly home-based working whilst maintaining good performance across most KPIs.
- 2.2 22 KPIs reported in Q3 achieved the target, including the cross-cutting KPI on Compliance with Authority Policy<sup>4</sup>. Two KPIs did not meet the target – Speed of processing claims and Speed of processing changes. Both of these were as a result of backlogs caused by Covid-19.

Indicator	Polarity	20/21 EOY	21/22 Target	Q3 21/22			Q3 20/21
				Target	Result	DOT	Result
Compliance with Authority Policy (q)	N/A	Pass	Pass	Pass	Pass (G)	→ S	Pass

### Finance

- 2.3 There are three KPIs for Finance. All three KPIs achieved the Q3 target.

Indicator	Polarity	20/21 EOY	21/22 Target	Q3 21/22			Q3 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%	99.6% (G)	↑ I	99.3%
*Invoice documents in Accounts Payable processed within agreed timescales (q)	Bigger is Better	97.1%	90%	90%	99.4% (G)	↑ I	96.9%
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 Although processing timescales for invoice documents were met during the quarter the team identified an error in the reporting logic in Integra and the way it stores and converts date formats. The date conversion logic was corrected and the error should not recur in future.
- 2.5 The Central Support Team (CST) continued to focus on supporting and resolving calls raised on ServiceNow, with the target of 95% achieved in Q3. The CST Team

<sup>4</sup> This KPI measures compliance with the Authority's Customer Service Standard and Complaints Policy.

1. Complaints responded to late i.e. outside of timescales are 'fails' against this target, and  
 2. Complaints arising from a failure to do what we promised to do are also 'fails' against this target.  
 The target is to have no higher than 30 'misses' in any given quarter.



analyse 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.

Calls Outstanding Barnet	Q3 21/22		
	Oct 21	Nov 21	Dec 21
Total calls raised	720	585	610
Closed or still open within SLA	701	567	585
Closed or still open outside SLA	19	18	25
SLA %	97.36%	96.92%	95.90%

2.6 The project to implement the new Kofax scanning solution was successfully implemented and closed off, with the go live date from 8 December 2021. This change significantly improves scanning capability and accuracy for invoices in the accounts payable process. This is because the software can directly upload e-mailed invoices thereby improving scanning accuracy, as the previous process of printing e-mail invoices and then scanning them into the outgoing Readsoft scanning software resulted in a degradation of image quality and in turn scanning accuracy.

2.7 There were no high level (scoring 15+) joint risks for CSG Finance in Q3 2021/22.

## Customer Services

2.8 There are four KPIs for Customer Services. All four KPIs achieved the Q3 target.

Indicator	Polarity	20/21 EOY	21/22 Target	Q3 21/22			Q3 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%	93.0% (G)	↑ I	91.5%
Web satisfaction (web performance and customer feedback) (q)	Bigger is Better	59.1%	55%	55%	67.0% (G)	↑ I	60.1%
% 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%	72.1% (G)	↑ I	65.8%

2.9 CSG Customer Service continued to see an increased need for additional support linked to the Covid-19 pandemic, in particular in the Council Tax and Benefits services. There was also a 16% increase in the time needed to support customers. The average call length was 516 seconds compared to 445 seconds for the same quarter last year. This was due to the complexity of queries which included people struggling to pay their Council Tax. Additional staff were recruited to cope with the increased demand in this area.

2.10 Waiting times to get through to customer service teams on the phone improved and averaged just over two minutes in Q3, compared to just over five minutes in the previous quarter. Following improvements to the telephony system there was also a reduction in complaints.

2.11 The following table sets out the number of calls received during the quarter. This shows a significant reduction in the number of abandoned calls during November and December 2021, as a result of the additional staff being deployed. This trend has continued in the early part of 2022. The reduction in the number of calls answered by automation is a result of seasonal trends in demand for the automated payments function. Despite the number of calls that do reach an advisor and the reduction in abandoned calls, there remains an often-reported concern that “you can never get through to a person”. Work is underway to assess the true picture of lost or abandoned calls, including the extent to which those answered by automation have resolved the caller’s enquiry.

	Q3 21/22			
	Oct 21	Nov 21	Dec 21	Total
Calls received	47,382	42,832	28,583	118,797
Answered by advisors	25,525	26,758	20,461	72,744
Answered by automation*	16,382	14,593	7,402	38,377
Abandoned	5,374	1,481	720	7,575

\*Automated payments and other IVR options

2.12 There were no high level (scoring 15+) joint risks for CSG Customer Service in Q3 2021/22.

## Information Systems

2.13 There are two KPIs for Information Systems. Both KPIs achieved the Q3 target.

Indicator	Polarity	20/21 EOY	21/22 Target	Q3 21/22			Q3 20/21
				Target	Result	DOT	Result
Incident resolution (q)	Bigger is Better	92.2%	95% <sup>5</sup>	91%	94.5% (G)	↑ I	92.5%
Critical system availability <sup>6</sup> (q)	Bigger is Better	99.9%	99.5%	99.5%	99.8% (G)	↓ W	99.9%

2.14 A global cyber security risk was alerted in the first weeks of December 2021, known as Log4J. CSG IT applied emergency software updates to ensure this did not impact our information systems and this continues to be monitored.

<sup>5</sup> 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.

<sup>6</sup> The KPI definition is under review to ensure it is consistent with the output specification.

- 2.15 Two serious phishing e-mail attacks occurred in October 2021, which caused disruption when some colleagues opened e-mails and clicked on the links. Over 400,000 suspicious or malicious e-mails are blocked from getting into the inboxes of colleagues across the council each month.
- 2.16 An investment was made to provide support for the website 24 hours a day, seven days a week to ensure out of hours emergency support for the website.
- 2.17 CSG IT facilitated a request to provide Wi-Fi connectivity to a third party to rapidly occupy the office space on the 8<sup>th</sup> floor at Colindale offices.
- 2.18 There was one high level (scoring 15+) joint risk for CSG IT in Q3 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.

## Procurement

- 2.19 There are four KPIs for Procurement. All four KPIs achieved the Q3 target.

Indicator	Polarity	20/21 EOY	21/22 Target	Q3 21/22			Q3 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	280	473 (G)	→ S	473

- 2.20 The volume of procurement activity proved challenging through 2021 with a significant increase on the anticipated level. Additional resources were deployed in the CSG team to ensure obligations were delivered in line with the workplan.
- 2.21 The Healthy Child Programme contract in Family Services was awarded in December 2021 after a number of supplier issues through the tender process. Working closely with legal and the client area, procurement was able to avert any potential escalation of supplier challenges.
- 2.22 In November of 2021, CSG procurement launched an additional service to LBB for ‘Procurement Drop-in Clinics’ these sessions are whereby a member of the CSG team allocates time in the diary and any member of the client teams can come along, without pre-booking a time slot and ask any questions relating to procurement

process or contracting activity. This has been well received by the service and provides an additional forum for interested client members to gain valuable procurement knowledge. These forums run on a monthly basis with one in November and one in December 2021.

2.23 The annual procurement forward plan was agreed by Policy and Resources Committee in December 2021 which ‘reallocates’ budget for required procurements by service areas in 2022/23. Notably from previous learnings the construction of this plan was far more efficient than in previous years and gives an excellent platform to now conduct a priority operational plan from it to identify necessary resources required for 2022.

2.24 There were no high level (scoring 15+) joint risks for CSG Procurement in Q3 2021/22.

### Revenues and Benefits

2.25 There are three KPIs for Revenue and Benefits. One KPI achieved the Q3 target and two KPIs did not. Both of these were as a result of backlogs caused by Covid-19.

Indicator	Polarity	20/21 EOY	21/22 Target	Q3 21/22			Q3 20/21
				Target	Result	DOT	Result
Accuracy of benefit assessments (q)	Bigger is Better	97.8%	95%	95%	97.8% (G)	↓ W	98.3%
Speed of processing new claims - days (q)	Smaller is Better	20	22	22	33.4 (R)	↓ W	21.4
Speed of processing changes – days (q)	Smaller is Better	5	6	6	10.1 (R)	↓ W	5

- **Speed of processing new claims - days (RAG rated RED) – 33.4 against a Q3 target of 22.**
- **Speed of Processing changes - days (RAG rated RED) – 10.1 against a Q3 target of 6.** It was agreed between LBB and CSG to concentrate on clearing old cases by the end of Q3 which resulted in the speed of processing new claims and changes not achieving the Q3 target.

### Council Tax/Business Rates

2.26 The Council Tax 4-year collection figure for Q3 was 98.74% against a target of 98.5%, which was slightly higher than the 98.44% achieved in Q3 2020/21. Direct debit take up was 70.55% against a target of 65% for Council Tax and 21.06% for Business Rates. There is no direct debit target for business rates.

2.27 Following on from the conclusion of the Covid-19 related business support grants administration and the management of expanded retail discount claims, the team were able to concentrate on business as usual activity during Q3. Correspondence continued to be received during this time and all unpaid accounts with outstanding correspondence were targeted and top debtors chased for payment. By the 31 December 2021 correspondence was managed within 28 days of receipt.

## Benefits

- 2.28 The Test and Trace self-isolation payments scheme administered by the service was extended 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 Q3 a total of £1.4m was paid.
- 2.29 There were no high level (scoring 15+) joint risks for CSG Revenues and Benefits in Q3 2021/22.

## **HR**

- 2.30 There are four KPIs for Human Resources. All four KPIs achieved the Q3 target.

Indicator	Polarity	20/21 EOY	21/22 Target	Q3 21/22			Q3 20/21
				Target	Result	DOT	Result
Offer letters issued (q)	Bigger is Better	100%	100%	100%	100% (G)	→ S	100%
Pre-Employment vetting (q)	Bigger is Better	99.2%	99%	99%	100% (G)	→ S	100%
Payroll Accuracy – error rates and correct date (q)	Smaller is Better	0.03%	0.1%	0.1%	0.002% (G)	↓ W	0.0%
DBS verification audits (q)	Bigger is Better	100%	100%	100%	100% (G)	→ S	100%

- 2.31 Vacancy Filler and Recruitment services were successfully handed back to council management on 24 January 2022.
- 2.32 Capita have produced a management information reporting dashboard including standard HR data such as establishment, absences which was shared with the council for review. This will be developed further in line with the recommendations made by the council and further progress is expected in Q4.
- 2.33 There were no high level (scoring 15+) joint risks for CSG HR in Q3 2021/22.

## **Estates**

- 2.34 There is one KPI for Estates which achieved the Q3 target.

Indicator	Polarity	20/21 EOY	21/22 Target	Q3 21/22			Q3 20/21
				Target	Result	DOT	Result
Lease Renewals <sup>7</sup> (q)	Bigger is Better	99.7%	100%	100%	100% (G)	↑	93.8%

## Building Services

- 2.35 The Building Service team worked to restore electricity over the Christmas period to Metro Golf, The Belfry, Pavilion, and the flats (former cottages) following a major power outage on Christmas Eve.
- 2.36 The team completed the majority of the school's modernisation programme delivering in excess of £3m worth of school adaptations and improvement.
- 2.37 The team are on target to complete the annual work plan within budget and are now working towards compiling the annual work plan for 2022/23.

## Property Services

- 2.38 CSG Property Services completed transactions that resulted in targets for the Medium-Term Financial Strategy (MTFS) being exceeded including property targets for both the Commercial Estates and Greenspaces budgets for the financial year. This has been achieved in the context of a difficult market due to the Covid-19 pandemic and its effects on the trading activity of the council's tenants.
- 2.39 New lettings, lease renewals and rent reviews were agreed or completed at a total rent of £400,000 per annum.
- 2.40 The service supported the annual round of budget planning and cost saving target setting, preparing the managed budgets and identifying savings and income streams going forward.
- 2.41 The service supported the Hendon Hub project, securing vacant possession of key properties that will enable the development to progress within the timescales set by the council.

## Facilities Management

- 2.42 The IT office at Colindale was reinstated in October 2021 following a flood. Work included pumping out water, drying time, carpet replacement, carpet shampoo, power track changes and some redecoration.
- 2.43 The fire alarm system at Hendon Town Hall was reinstated at the start of October 2021 following the system being affected by a lightning strike. FM were completing 'Fire Watch' patrols during the time that the alarm was down which ensured no impact to business-as-usual activity.

<sup>7</sup> This KPI measures the percentage of lease renewals carried out within timescales against those due to be delivered each quarter

## Print and Mail

- 2.44 A new Royal Mail contract was agreed. As this is the same supplier, processes will not need to change. The Print and Mail team work in collaboration with 25 other London Boroughs to manage this contract and share experiences, and issues are taken back to Royal Mail at quarterly contract reviews.
- 2.45 The team had a busy run up to Christmas and achieved tight deadlines on some large volume mailouts from Highways, Consultation and other teams. These were completed to the satisfaction of the clients and before the holiday period started.
- 2.46 The team invested in a scanner which can scan up to A0 sized plans and maps. The scanner is in operation and in use within the Planning team and available to other services across the council.
- 2.47 There were no high level (scoring 15+) joint risks for CSG Estates in Q3 2021/22.

## 3. RE SERVICES

- 3.1 33 KPIs reported in Q3 achieved the target whilst, partly due to some ongoing impacts of the Covid-19 pandemic, seven KPIs did not meet the target (such as in Environmental Health and Planning). Three KPIs were monitor only and five KPIs reported no activity.

### Corporate

- 3.2 There is one cross cutting KPI which achieved the Q3 target.

Indicator	Polarity	20/21 EOY	21/22 Target	Q3 21/22			Q3 20/21
				Target	Result	DOT	Result
Compliance with Authority Policies (number of instances of non-compliance with Authority policies) (s) <sup>8</sup>	Smaller is Better	17	30	30	27 (G)	↓ W	12

### Hendon Cemetery & Crematorium

- 3.3 There is one KPI for Hendon Cemetery & Crematorium which achieved the Q3 target.

Indicator	Polarity	20/21 EOY	21/22 Target	Q3 21/22			Q3 20/21
				Target	Result	DOT	Result
Meeting religious burial requests timescales (q)	Bigger is Better	100%	95%	95%	100% (G)	→ S	100%

- 3.4 The service returned to normal levels following the peaks of the pandemic and there was no impact on service demand from the Omicron variant.

<sup>8</sup> 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.

	Q3 21/22			Total
	Oct 21	Nov 21	Dec 21	
Cremations	88	83	99	270
Burials	33	24	31	88

- 3.5 Grass cutting began on 1 March 2021 and completed in mid-November 2021, which were the latest ever start and finish dates for the cutting season. Both were as a result of mild weather which promoted grass growth early and prolonged the season by about four weeks. The impact of weather on grass-cutting also contributed to a period of time when the appearance of the cemetery was not up to the expected standard. It is recognised that this was distressing for residents. The situation was rectified as quickly as possible and an apology was issued.
- 3.6 The service moved the office function to the newly refurbished Gatehouse building. This enabled the office team to come back together whilst maintaining social distancing. A new reception and meeting/training/consultation room was established, which will greatly enhance the service by enabling private meetings to be held with families and/or Funeral Directors.
- 3.7 There were no high level (scoring 15+) risks on the risk register for Re Cemetery and Crematorium in Q3 2021/22.

## Environmental Health

- 3.8 There are 22 KPIs for Environmental Health<sup>9</sup>. 12 KPIs achieved the Q3 target and five KPIs did not. Two KPIs were monitor only and three KPIs reported no activity.

Indicator	Polarity	20/21 EOY	21/22 Target	Q3 21/22			Q3 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%	32.5% (R)	↓ W	57.5%
Conducting Food Hygiene Inspections - Target B Number of completed Food Hygiene Interventions due and overdue (q)	Bigger is Better	40.5%	85%	85%	45.5% (R)	↓ W	63.6%
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%	58.5% (R)	↑ I	17.5%

<sup>9</sup> 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	Q3 21/22			Q3 20/21
				Target	Result	DOT	Result
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	96.8%
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)	→ S	100%
Improvement in food hygiene in the highest risk premises (q)	Bigger is Better	56.1%	90%	90%	94.4% (G)	↓ W	100%
Compliance with Licensing Requirements for Houses in Multiple Occupation (HMOs) (q)	Bigger is Better	68.9%	71%	71%	65.0% (A)	↓ W	67.7%
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 <sup>10</sup>	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%	No Activity <sup>11</sup>	Not Comparable	No Activity
Number of empty properties brought back into residential use (q) <sup>12</sup>	Bigger is Better	130	125	Monitor	1	↓ W	27
Number of private tenanted properties with category 1 hazards (q) <sup>13</sup>	Bigger is Better	243	200	Monitor	44	↓ W	94
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%	100% (G)	→ S	100%

<sup>10</sup> No food standards interventions were due to take place in Q3 2021/22

<sup>11</sup> No health & safety interventions were due to take place in Q3 2021/22

<sup>12</sup> This indicator is an annual KPI reported quarterly

<sup>13</sup> This indicator is an annual KPI reported quarterly

Indicator	Polarity	20/21 EOY	21/22 Target	Q3 21/22			Q3 20/21
				Target	Result	DOT	Result
Implementing Health & Safety Inspection Programme Compliance with legislation, departmental, statutory and service standards (q)	Bigger is Better	100%	100%	100%	No Activity <sup>14</sup>	Not Comparable	No Activity
Implementing the Animal Welfare Inspection Programme Compliance with legislation, departmental, statutory and service standards (q)	Bigger is Better	100%	100%	100%	100% (G)	Not Comparable	No Activity
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	£9,297 (G)	↓ W	£7,134
Compliance with Environmental Health Service Standards (Priority 2 incidents and service requests) (q)	Bigger is Better	96.4%	95%	95%	87.3% (A)	↓ W	95.8%
Food & Drinking Water Sampling Inspections (q)	Bigger is Better	100%	100%	100%	133.3% (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	2.1 (G)	↑ I	2.4
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%	94.3% (G)	↑ I	93.8%

- **Conducting Food Hygiene Inspections KPIs Target A, B and C (RAG rated RED).** These KPIs did not meet the Q3 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 (see paragraph 3.9).
- **Compliance with Licensing Requirements for Houses in Multiple Occupation (HMOs) - Licenced HMOs meeting legal standards (RAG rated AMBER) – 65% against a Q3 target of 71%.** The backlog of cases due to Covid-

<sup>14</sup> No inspections were due to take place in Q3 2021/22

19 continues to impact on service delivery and it is expected to continue for the remainder of the financial year. This is monitored in Contract Management Meetings.

- **Compliance with Environmental Health Service Standards (Priority 2 incidents and service requests) (RAG rated AMBER) – 87.3%% against a Q3 target of 95%.** Staff absences, vacancies and miscoding of cases resulted in the target not being met. Several measures were put in place to improve performance, including filling vacancies and moving temporary staff to permanent contracts, retraining of personnel and ensuring case backlog is triaged for higher priority or repeat complaints.

- 3.9 The provision of extra resources helped to reduce the food hygiene and standards inspections backlog, with 147 inspections completed during Q3 2021/22. There are 926 inspections outstanding, and the project to clear the backlog is on track to be completed by July 2022. Once inspected, the inspection recurrence restarts, subject to Food Standards Agency guidance and risk category.
- 3.10 The service liaised with Building Control and the Saracens Sports club to ensure that the new west stand could be used safely, and operational manuals will be updated with the revised processes for everything which goes on at the ground. Once these are approved by both the club and the council a ground safety certificate will be issued, allowing the council and the club to be more flexible in how the grounds can be used.
- 3.11 Rogue roofers continued to be an issue, with approximately 20 complaints outstanding due to officers being on annual leave and many complainants being unavailable. The service continued to obtain additional information to investigate the complaints.
- 3.12 The service developed proposals to introduce an event app to the Licensing Team (already used by Green Spaces) which will enable the service to have improved visibility and management of events.

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

- 3.13 The service continued to address instances of poor standards in the private rented sector, including properties without licenses and those left empty and poorly maintained for long periods of time. Several appeals against notices were heard during the quarter and decisions are subject to tribunals.
- 3.14 The consultation on additional and selective licencing closed in October 2021. All comments were reviewed and considered, and they will inform the preparation of the final schemes for Housing and Growth Committee in February 2022.
- 3.15 The project to assess and address fire safety risks in tower blocks within the private sector continued. Contract arrangements were signed to support the recruitment of a permanent officer to replace interim arrangements. Meanwhile the team continued to investigate and enforce where necessary, including the issuing of notices to the owners of a higher risk site.

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

3.16 The increased cost of materials for housing adaptations, due to international supply and demand issues, informed proposals for the 2022 budget. The service continued to receive positive feedback from residents in relation to their home adaptations.

### Local Land Charges

3.17 Now that the Stamp Duty holiday has ended, search volumes in Q3 2021/22 have returned to a similar number as Q3 2019/20.

3.18 The Infrastructure Act 2015 enabled HM Land Registry (HMLR) to take responsibility for local land charges searches normally required in the property buying process. This means a significant proportion of the service's work will be moving to HMLR. In January 2021 they notified the council would be in the 2021-2023 round of data transfers.

3.19 Project management arrangements to support the process were put in place by the service for the anticipated start in October 2021, however the service was notified that the appointment of the relevant HMLR contractor would have to wait until the new year. In the meanwhile, the team are working on the actions required in relation to the 2021 local land charge internal audit findings, on the subject of bringing the councils data (mostly planning service data) up to the standard required for the transfer to HMLR.

### Scientific Services & Pest Control

3.20 A report was presented to the Health and Wellbeing Board in December 2021 that included an update on air quality. The report showed that over the 7 year period up to 2020 there had been a reduction in the concentration levels of nitrogen dioxide.

3.21 Volumes of cases returned to the normal seasonal levels for Pest Control, following a significant reduction last year when residents were reluctant to allow access to their properties due to Covid-19.

Pest Control Requests	Oct	Nov	Dec	Total
2019/20	130	127	92	349
2020/21	85	62	80	227
2021/22	106	134	81	321

3.22 There was one high level (scoring 15+) joint risk for Re Environmental Health in Q3 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 and cases are triaged to prioritise those with highest risk.

### Strategic Planning

3.23 There is one KPI for Strategic Planning which reported no activity for Q3.

Indicator	Polarity	20/21 EOY	21/22 Target	Q3 21/22			Q3 20/21
				Target	Result	DOT	Result
Strategic Planning Documents completed and signed off (q)	Bigger is Better	80%	100%	100%	No Activity <sup>15</sup>	Not Comparable	100%

3.24 The last quarter saw significant policy-setting progress with the Local Plan submission to the Planning Inspectorate and progress on the Local Plan Statements of Common Ground with neighbouring authorities, the GLA and statutory bodies. In addition, the Community Infrastructure Levy (CIL) Rate Review examination was held, and the Examiner's report is now awaited.

3.25 Over £10m of CIL and s106 funds were received in Q3 with more than half of this arising from developments at Sainsbury's The Hyde and West Hendon Estate. This income demonstrates the importance of such funding to enable strategic infrastructure investments such as the <sup>16</sup>West Hendon Playing Fields Masterplan, demonstrating how planned growth can unlock investment in local communities.

3.26 There are a number of liability orders CIL enforcement cases originally instructed to be pursued before the Covid-19 pandemic, where such action was paused whilst temporary CIL payment deferral rights came into force. This period ended and such cases were now re-instructed; however, it is noted that the courts have extensive backlogs of cases.

3.27 There were no high level (scoring 15+) joint risks for Re Strategic Planning in Q3 2021/22.

## Planning and Building Control

3.28 There are four KPIs for Planning and Building Control. Three KPIs achieved the Q3 target and one KPI did not.

Indicator	Polarity	20/21 EOY	21/22 Target	Q3 21/22			Q3 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%	90.4% (G)	↓ W	93.6%
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)	→ S	0

<sup>15</sup> No Strategic Documents were due to signed off in Q3 2021/22.

<sup>16</sup> West Hendon Playing Fields Masterplan:

<https://barnet.moderngov.co.uk/documents/s65275/West%20Hendon%20Playing%20Fields%20Outline%20Business%20Case.pdf#:~:text=This%20assessment%20confirmed%20that%20there%20are%20no%20significant,CIL%20monies%20%2F%20external%20funding%20to%20maintain%20viability.>

Indicator	Polarity	20/21 EOY	21/22 Target	Q3 21/22			Q3 20/21
				Target	Result	DOT	Result
Number of decisions within statutory timescales – Meet building regulation statutory timescales (q)	Bigger is Better	99.6%	100%	100%	100% (G)	↑	98.5%

- **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 Q3 target. The backlog originating from Covid-19 is ongoing and the impact is expected to continue into Q4 2021/22.

- 3.29 The Planning Team won the RTPI<sup>17</sup> London Excellence Award. The “Chair’s Award for Inclusive Planning” was awarded for the way staff operate as a team and consider diversity as a way to bring in new skills, knowledge and fresh perspectives. It also reflected how, especially through proactive enforcement work, they sought to address the needs of marginalised groups that less often access planning services.
- 3.30 The number of planning applications received in previous quarters was high and this has now stabilised with a similar number of applications determined as received (1639 decisions were issued in the quarter and 1636 applications were received). Barnet determined the most number of prior notification decisions in the country in this quarter (194 applications).
- 3.31 Performance against Development Management indicators increased compared to Q2 with overall planning decision-making performance above 90% (against target of 80%), conditions at 96% up from 67% (against a target of 75%), certificates at 98% up from 89% (against a target of 75%) and tree applications at 99% up from 95% (against a target of 90%).
- 3.32 Barnet served 28 enforcement notices in Q3, the most in England. The Department for Levelling Up, Housing and Communities (DLUHC) figures for the year ending September 2021 showed Barnet was the most active Local Planning Authority in England, with 25% more notices than the next highest authority (163 notices in total).
- 3.33 Planning enforcement investigations remained affected by historic restrictions. The agreed Enforcement Recovery Plan ensures priority around issuing historic notices over KPI performance (proving timely action). Instead, progress is demonstrated by the 449 cases closed during the quarter against the 326 that were opened. At current rates the backlog will be addressed by mid-2022 without impacting on the conduct of new investigations; in part this is being achieved by switching some of the ‘proactive’ resources onto backlog casework.
- 3.34 The number of decisions made by the Planning Inspectorate and the Courts remained very low as a result of pressures on these bodies, which is expected to significantly delay the resolution of enforcement cases and appeals.
- 3.35 The Building Control Service continued to operate well. The service began to plan for future responsibilities that will arise from the Building Safety Act coming into force

<sup>17</sup> [RTPI | Previous Award Winners](#)

in April 2022; there is an expected 12 to 18 month transitional period. The service was informed that secondary legislation and guidance is in development; meanwhile the government confirmed it will make funding available to commence staff training through the Local Authority Building Control (LABC) network.

3.36 There were no high level (scoring 15+) joint risks for Re Planning and Building Control in Q3 2021/22.

## Regeneration

3.37 There are three KPIs for Regeneration. Two KPIs achieved the Q3 target and one KPI is monitor only.

Indicator	Polarity	20/21 EOY	21/22 Target	Q3 21/22			Q3 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%	100% (G)	↓ W	400% <sup>18</sup>
Delivery of affordable housing completions (q) <sup>19</sup>	Bigger is Better	245	366 <sup>20</sup>	Monitor	26	↓ W <sup>21</sup>	49

3.38 All invoices relating to Q2 (for expenditure between July and September 2021) were raised to developers by the end of November 2021. Q3 invoices are on track to be raised within the agreed timescales which is within two months after the end of the quarter.

3.39 One key project milestone was delivered in the quarter (the completion of works to Colindale Park), meeting the agreed target.

3.40 There were 26 affordable housing completions in Q3 across council-led and private housing schemes in the borough. This brought the total number of units delivered during Q1 to Q3 to 212 against a target of 366. In January 2022, a further 17 affordable homes were completed bringing the total up to 229. Housing delivery continues to be impacted by the pandemic; however units not delivered to target this financial year will be delivered in the next financial year.

3.41 At West Hendon, 21 housing units were completed in the quarter, and the last remaining tenant of Marsh Drive was decanted.

<sup>18</sup> Results in 2020/21 has been acknowledged as an exceptional year. The Covid-19 pandemic has impacted on Regeneration projects as milestones were rescheduled to occur later in 2020/21 and into 2021/22.

<sup>19</sup> This indicator is an annual KPI reported quarterly.

<sup>20</sup> The original affordable housing completions target for 2021/22 was 493. Two KPI variations reports reducing the target were submitted last year: 1) in July the request was to reduce the target from 493 to 366 which was agreed in January 2022; and 2) in October the request was to reduce the target further to 322, as specific schemes have reported delays. A decision on this is pending.

<sup>21</sup> Delivery programme changes year-on-year so comparison for information only.

3.42 There were no high level (scoring 15+) joint risks for Re Regeneration in Q3 2021/22.

## Highways

3.43 There are 16 KPIs for Highways. 14 KPIs achieved the Q3 target and one KPI did not. One KPI reported no activity.

Indicator	Polarity	20/21 EOY	21/22 Target	Q3 21/22			Q3 20/21
				Target	Result	DOT	Result
Emergency Defects Rectification Timescales completed on time (q)	Bigger is Better	New for 21/22 <sup>22</sup>	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 <sup>23</sup>	80%	80%	100% (G)	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 <sup>24</sup>	100%	100%	98.6% (A)	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%	6.9% (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%

<sup>22</sup> The methodology of the indicator was reviewed as part of a review of Highways indicators

<sup>23</sup> The methodology of the indicator was reviewed as part of a review of Highways indicators

<sup>24</sup> The methodology of the indicator was reviewed as part of a review of Highways indicators



Indicator	Polarity	20/21 EOY	21/22 Target	Q3 21/22			Q3 20/21
				Target	Result	DOT	Result
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 <sup>25</sup>	Not Comparable	No Activity
Category 1 Defects Rectification Timescales completed on time (q)	Bigger is Better	78.8%	100%	100%	100% (G)	↑ I	88.0%
Category 2 Defects Rectification Timescales completed on time (q)	Bigger is Better	New for 21/22 <sup>26</sup>	100%	100%	100% (G)	Not Comparable	New for 21/22
Insurance Investigations completed on time (14 days) (q)	Bigger is Better	98.7%	100%	100%	100% (G)	→ S	100%

- **Timely construction of Vehicle Crossovers following receipt of payment (RAG rated AMBER) 98.6% against a target of 100%.** A single vehicle crossover was not completed within timescales in Q3. This was due to a combination of the final payment being missed while one of the two crossover team staff were absent from work. A review was undertaken to identify process improvements and efficiencies to build additional capacity within the service.

- 3.44 A concern was raised by Capita about a difficulty in recruiting to engineering and specialist services due to a buoyant market. Capita carried out a benchmarking exercise and commissioned recruitment specialists to support hard to appoint roles, with some success in December 2021.
- 3.45 The service continued to embed the Call Off Contract with the TfL North Area Contractor TKJV which commenced on 1 April 2021, with a focus on better reactive and planned maintenance by the contractor that has received positive feedback from Members. TKJV KPI performance showed a positive direction of travel in relation to both reactive and planned maintenance works. A detailed report on TKJV performance for Q3 is included as an appendix to this report.
- 3.46 A joint review of KPIs for Re Highways and TKJV was completed and the implementation of new KPI's commenced from July 2021. This review highlighted the need to update Barnet's Highways Maintenance Inspection Manual. It is planned to take the revised manual to Environment Committee in March 2022.
- 3.47 The revised KPI suite was reviewed at Environment Committee in November 2021 and will be reported to Environment Committee, as well as to this committee.
- 3.48 Aligned to the go-live of the new term maintenance contract, the service worked over a period of time with the previous term maintenance contractor to address the outstanding commercial issues, which are now closed.

<sup>25</sup> No vehicle processing appeals took place in Q3 2021/22

<sup>26</sup> The methodology of the indicator was reviewed as part of a review of Highways indicators

- 3.49 Due to financial pressures on TfL, the Local Implementation Plan (LIP) funding was only endorsed until 11 December 2021. There has been no further confirmation from TfL that more LIP funding will be allocated to the council until such time that they reach a financial settlement with the government. This impacted the council's delivery of the LIP Programme. Discussions are taking place with chief officers to agree a way forward in order to support the programme and the staff affected.
- 3.50 The service worked on the 2022/23 Network Recovery Plan (NRP) with the focus on an asset management approach. The final NRP programme was approved by Environment Committee on 13 January 2022.
- 3.51 The service supported the development of the Future Highways Strategy beyond September 2023 when the current contractual arrangements come to an end. The initial options assessment was submitted to Environment Committee on 13 January 2022 and subsequently approved by Full Council on 25 January 2022.
- 3.52 There were no high level (scoring 15+) joint risks for Re Highways in Q3 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 Five of the nine KPIs in the Delivery Plan either met or exceeded the target, whilst four 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. One KPI achieved the Q3 target and two KPIs did not.

Indicator	Polarity	20/21 EOY	21/22 Target	Q3 21/22			Q3 20/21
				Target	Result	DOT	Result
Number of homes purchased for use as affordable accommodation (c)	Bigger is Better	48	125	85	77 (A)	↑ I	27
Affordable housing delivered on council owned land (TBG schemes) (c)	Bigger is Better	145	61	61	56 (A)	↓ W <sup>27</sup>	99
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	42	58 (G)	↑ I	36

<sup>27</sup> Delivery programme changes year-on-year so comparison for information only.

- **Number of homes purchased for use as affordable accommodation (RAG rated AMBER) – 77 against a Q3 target of 85.** A total of 29 homes were purchased in Q3, taking the total to 77 completions for the financial year which was slightly below target. A number of purchases were scheduled for January 2022, due to the Christmas period, and the total number purchased by the end of January was 97.
- **Affordable housing delivered on council land (RAG rated AMBER) – 56 against a Q3 target of 61.** There were delays in the handover of seven homes due to additional construction work being required at the Mount Parade development in Q3. Partial handover of a further three homes was achieved early in Q4.

4.4 A new acquisitions programme, funded by the Housing Revenue Account (HRA), Right to Buy receipts and Greater London Authority (GLA) grant, was approved by Housing and Growth Committee in November 2021 to deliver a further 120 homes to meet homelessness needs in Barnet. The build contract for Upper and Lower Fosters was signed that will deliver 217 additional affordable homes, including a 75-home extra care scheme. This scheme is part funded by the HRA, GLA grant and SAGE private funding.

### Tackling and preventing homelessness and rough sleeping

4.5 There are four Homelessness KPIs. Two KPIs achieved the Q3 target and two KPIs did not.

Indicator	Polarity	20/21 EOY	21/22 Target	Q3 21/22			Q3 20/21
				Target	Result	DOT	Result
Rough sleeper counts every other month (s)	Smaller is Better	11	10	10	9 (G)	↓ W	7
Number of Homelessness Preventions (q)	Bigger is Better	1264	1350	1010	952 (A)	↑ I	928
Numbers of households in Temporary Accommodation (s)	Smaller is Better	2399	2630	2600	2142 (G)	↑ I	2499
Households placed directly into the private sector by Barnet Homes (s)	Bigger is Better	647	615	456	437 (A)	↓ W	495

- **Number of homelessness preventions (RAG rated AMBER) – 952 against a Q3 target of 1010.** The projected increase in demand, upon which the targets were set, is yet to materialise. The government decision to end the ban on evictions and reintroduce pre Covid-19 legal notice periods for the ending of tenancies is still expected to increase demand through Q4 and into 2022/23. However, with the court system expected to be dealing with backlogs for more than a year, the scale and timing of increased demand remains uncertain and is being monitored.

- **Households placed directly into the private rental sector (RAG rated AMBER) 437 against a Q3 target of 456.** Whilst sourcing private rental sector (PRS) homes remains achievable, the first half of the year saw less than expected demand. There continued to be a higher than usual number of offers 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. The increased number of households affected by the benefit cap continued to present challenges in relation to sourcing affordable homes both in the borough and in surrounding boroughs.

- 4.6 The overall number of households in temporary accommodation (TA) reduced by a further 61 households since Q2. At 2142 households in TA for Q3, this represented the lowest level in TA for over a decade and is testament to the effectiveness of the multifaceted approach being taken to tackle the situation through the Homelessness and Rough Sleeping Strategy.
- 4.7 However, there was an expectation that homelessness demand from families in the private rented sector would increase significantly throughout the year due to the government decision to end the ban on evictions and reintroduce pre Covid-19 legal notice periods for the ending of tenancies. Whilst this demand has yet to fully materialise, in part due to the delays in the judiciary system, it is still expected that demand will increase in Q4 and more so into next financial year.
- 4.8 The targets set for homelessness preventions and private rented sector procurement were based on the expected increase in demand as outlined above and therefore without this, there have been reduced opportunities to achieve targets in these areas as they both contribute to reducing the number of households in TA. As above, it is expected that demand will increase in future and the service continues to monitor this closely.
- 4.9 Rough sleeping numbers reduced from 15 in Q2 to 9 in Q3 com.
- 4.10 The Homelessness Prevention Insight Project continued in Q3, building an enhanced understanding of homelessness prevention in Barnet through an investigatory piece of research to understand current operations, map customer journeys and identify potential options for intervening earlier across the council to prevent homelessness.

## Safe and secure homes

- 4.11 There are two Safe and Secure KPIs. Both KPIs achieved the Q3 target.

Indicator	Polarity	20/21 EOY	21/22 Target	Q3 21/22			Q3 20/21
				Target	Result	DOT	Result
Percentage of scheduled fire risk assessment completed (c)	Bigger is Better	91%	100%	100%	100% (G)	↑ I	91.0%
Percentage of priority 0 and 1 fire safety actions completed on time (c)	Bigger is Better	99.9%	92.5%	92.5%	96.1% (G)	↓ W	99.8%

- 4.12 The completion of Fire Risk Assessments (FRAs) at council housing blocks within the specified target timescale remained strong in Q3 as it has throughout the year,

and this is expected to continue in Q4. Similarly, the completion of high priority actions resulting from FRAs within target timescales continued to be above the 92.5% target.

- 4.13 Fire Risk Assessments and resultant actions continued to be monitored closely to ensure timescales were met, including for the ordering of relevant building components as early as possible. Good progress continued to be made with the delivery of the fire safety investment programme to high priority homes.
- 4.14 There were two high level (scoring 15+) joint risks for Barnet Homes in Q3 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 Q3 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 in Q3:
- Legal process and court training for Assessed and Supported Year in Employment (ASYE) social workers (in person)
  - Court Skills Training: Giving evidence – social work teams (in person)
- 5.3 The information law and planning teams worked on challenges associated with projects, including judicial review, appeals against the Information Commissioner to the Tribunal and other property matters. The planning team completed 15 agreements and the contracts team completed 10 contracts.
- 5.4 The Property Team worked on many matters including:
- The completion of the transfer (Phase 4a) of the next phase of the West Hendon Regeneration Scheme to Barratts on the 15 September 2021.

- Obtaining approval following the successful submission of a s19(2) appropriation application to the Secretary of State on the Brent Cross Regeneration Scheme on 3 November 2021.
- Completion of crucial licence to enable the redevelopment of the stadium to allow for the installation of a water pipe at Saracens Cophall. This was concluded quickly, with instructions being received on 20 December 2021 and concluded on 7 January 2022.
- Ongoing property support in connection with bringing forward six sites within the council's Development Pipeline 2. They completed 92 property documents.

5.5 The Criminal Litigation team worked on many matters including:

- Successful prosecutions for blue badge misuse, planning enforcement cases, fly-tipping, HMO licensing breaches and unlicensed street trading.
- Continued to provide advice and support to officers in relation to their enforcement functions including ongoing investigations such as social housing fraud.
- 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.
- Advised on the Vehicle Washing Contract and various options regarding a contract and negotiating early termination.

### **Children Social Care**

5.6 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.

### **Adult Social Care**

5.7 The council successfully defended an application for permission to bring a Judicial Review.

5.8 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.

5.9 The service was successful in several tribunal matters.

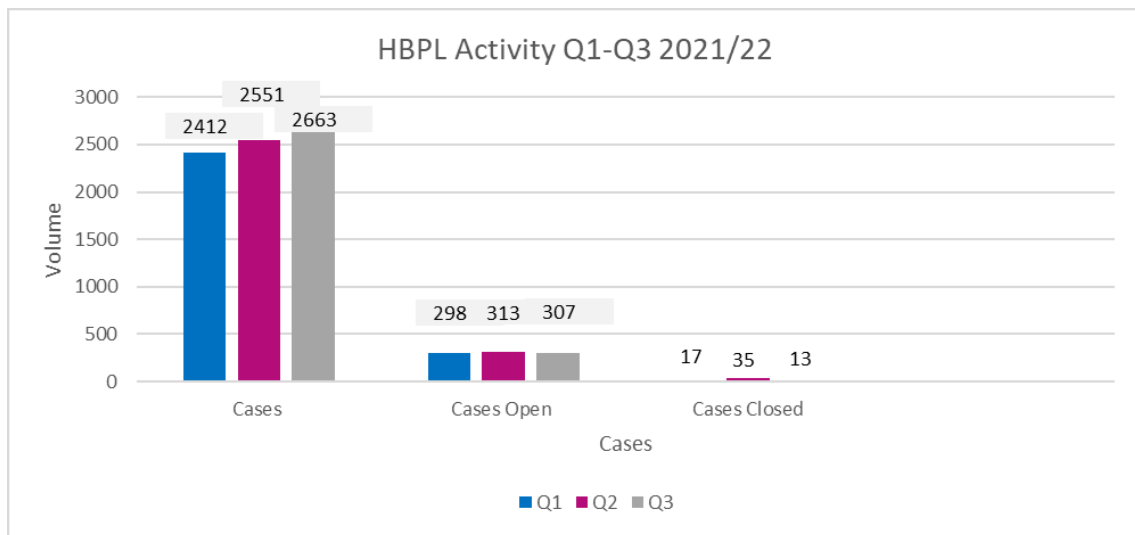
### **Cases Hours and Disbursement<sup>28</sup> Data**

#### *Activity by Cases*

5.10 In Q3, Legal Services worked on 2,663 cases, 307 new cases were opened, and 13 cases were closed.

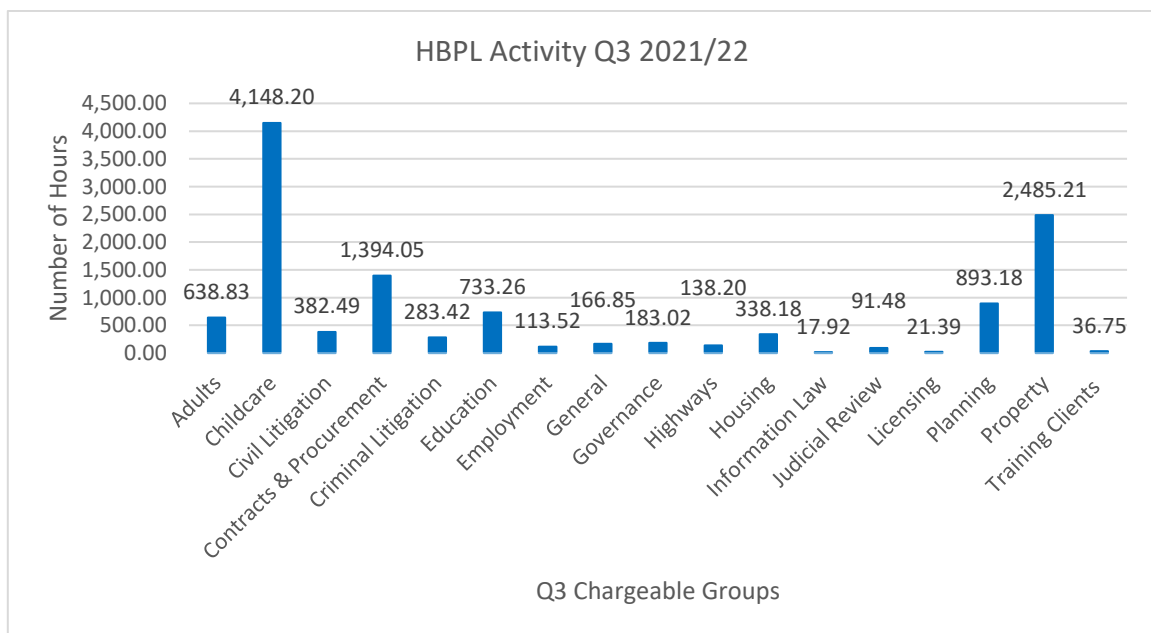
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<sup>28</sup> Disbursement costs include barristers and solicitor charges only



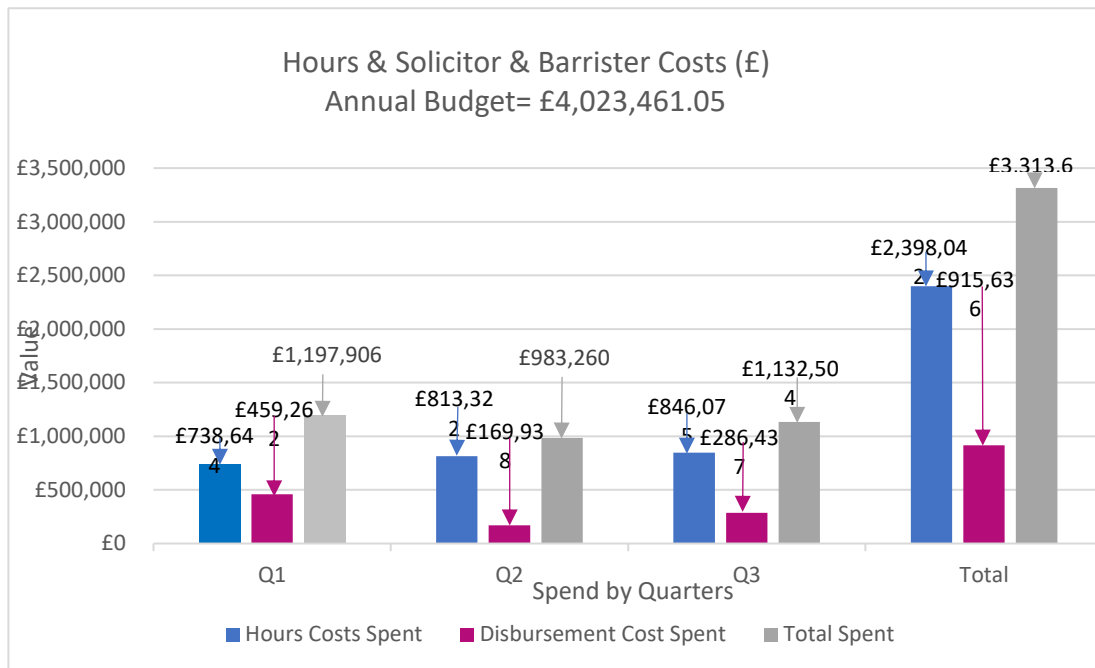
### Chargeable hours recorded by work group

5.11 Children’s services had the highest number of chargeable hours at 4,148 costing £0.291m. Property services were the second highest area with 2,485 hours totalling £0.174m.



### Total hours and disbursements

5.12 In Q3 there were 12,066 chargeable hours at a cost of £0.846m and disbursements costs at £0.286m.



- 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.
- 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 Legal spend in Q3 was £0.846m in hours and £0.286m in disbursements totalling £1.133m which represented 28.15% of the total budget.
- 5.16 The cumulative legal spend at the end of Q3 was £2.398m in hours and £0.916m in disbursements totalling £3.314m which represented 82.36% of the budget. Legal budgets are devolved to services and any potential overspends are managed as part of the overall budget monitoring and reporting process.



## **6 REASONS FOR RECOMMENDATIONS**

6.1 This report provides an overview of Quarter 3 (Q3) 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 The CSG Core Fee is £20.467m for 2021/22. There are additional elements including indexation, Pensions deficit and prepayments, with a total CSG management fee budget of £29.317m.

11.2 The Re contract Core Fee is £15.517m for 2021/22. Other elements including indexation and Pensions costs less recharges, result in an overall service budget of £17.779m.

11.3 Special Project Requests (SPIRs) are made by services outside the contract budgets. These require additional finance and commercial approval. The activities are recharged out to client services, so have a net nil effect on the CSG management Fee budget.

11.4 The Barnet Homes Management Agreements cover fee and repairs, provision of running, maintain and managing the Dwelling stock. The Housing Revenue Account (HRA) Core Fee is £18.550m in 2020/21, with an additional repairs contract fee of £8.724m.

- 11.5 The agreement fee for Housing Options (Housing General Fund) is £3.401m in 2020/21.
- 11.6 Expenditure incurred outside of the Barnet Homes Management Agreement is agreed through Change Notices, by Council Finance and Commercial colleagues with Barnet Homes.
- 11.7 Change Notices and SPIR costs are financed through budget underspends or additional grants or loans outside of the above contract and management agreements.

## **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; Children, Education & Safeguarding Committee; Community Leadership & Libraries Committee; Environment Committee; or Housing and Growth 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 and Resources Committee and/or theme committees consider matters relating to contract or supplier performance and other issues and making recommendations to the referring committee
- To consider any decisions of the West London Economic Prosperity Board which have been called in, in accordance with this Article.

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

<https://barnet.moderngov.co.uk/documents/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:

## **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 3 (Q3) 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 Environmental Impact**

- 19.1 There are no direct environmental implications from noting the recommendations. Implementing the recommendations in the report will lead to a positive impact on the Council's carbon and ecology impact, or at least it is neutral.

## **20. BACKGROUND PAPERS**

- 20.1 None.

## Appendix A: TKJV Q3 2021/22 performance

Monthly Indicators	Definition	21/22 Target	July	Aug	Sept	Oct	Nov	Dec
CI 1.1 Pre-Construction Information Plan and Construction Phase Plan	A measure to demonstrate acceptance by the Client of the Pre-Construction Information Plan and Construction Phase Plan within contractual timescales (where applicable)	90%	100%	100%	100%	100%	100%	100%
CI 1.2 Timely Reporting of Incident Investigation Reports	Incident investigation reports accepted by the Client within 14 days of the incident occurring. Incidents to be reported are RIDDORS, all lost time incidents and utility strikes.	90%	No Activity	No Activity	No Activity	No Activity	100%	100%
CI 1.3 All Accident Frequency Rate	A holistic Performance Indicator looking for an annual reduction in recordable Contractor and sub-contractor incidents, based upon the All-Accident Frequency Rate (AFR).	1.00	0	0	0	0	0.04 <sup>1</sup>	0
CI 1.4 Utility Strike Rate*	A measure to report on the number of utility strikes by the Contractor that caused damage or disruption to the provision of a 3rd party service e.g., water, energy, communications etc.	0.00	0	0	0	0	0	0
CI 1.5 Submission of Accurate Pricing Information	To measure the efficiency and accuracy of Task Order pricing.	90%	100%	100%	100%	100%	100%	100%
CI 1.6 Effective Risk Management	To measure the percentage of compensations events (excluding those which arise from Client instructions or which an experienced contractor could not have reasonably been expected to have foreseen) for which a corresponding early warning notice was in place.	90%	100%	100%	100%	100%	100%	100%
CI 1.7 Defects Rate	To measure the Scope Defect rate is the total number of Scope Defects identified (including design Scope Defects, where applicable) per 100,000 hours worked over 13 consecutive Reporting Periods.	90%	99.80%	99.84%	99.87%	99.89%	99.91%	99.91%

<sup>1</sup> (A) Total no of Employee hours in the period (7216 hrs) divided by  
 (B) Total number of reported Accidents (1) multiplied by 200,000  
 $7216 / (1 * 200,000) = 0.04$

CI 1.8 Correction of Scope Defects	Correction of Scope Defects (whether identified by the Contractor or Framework Client, and including design Scope Defects, where applicable) within the defect correction period.	90%	100%	100%	100%	100%	100%	100%
2.1 Cleaning (Gully, Catchpit, Soakaway) - Annual	A measure of the Contractor's ability to manage the annual cleaning program and the low service damage applicable.	90%	78%	83%	91%	128%	119%	119%
2.4 - Emergency Defects Rectification Timescales completed on time	A measure of the Contractor's ability to manage the Emergency Call Out (ECO) service and the low service damage applicable.	90%	100%	100%	100%	100%	100%	100%
2.5 Category 1 Defects Rectification Timescales completed on time	A measure of the Contractor's ability to permanently repair any identified or reported Category 1 defects and the low service damage applicable.	90%	72%	87%	90%	97%	99%	94%
2.6 Category 2 & 3 Defects Rectification Timescales completed on time	A measure of the Contractor's ability to permanently repair any identified or reported Category 2 & 3 defects and the low service damage applicable.	90%	66%	90%	78%	96%	99%	93%
2.8 Category 4 Planned Defects Rectification Timescales completed on time	A measure of the Contractor's ability to permanently repair any identified or reported Category 4 defects and the low service damage applicable.	90%	100%	100%	78%	100%	100%	100%
SI.3.1 Emergency Call Outs	A measure of the Contractor's ability to manage the Emergency Call Out (ECO) service.	93%	100%	100%	100%	100%	100%	100%
SI.3.2 Category 1 Defects	A measure of the Contractor's ability to permanently repair any identified or reported Category 1 defects.	92%	72%	87%	89%	97%	99%	94%
SI.3.3 Category 2 Defects	A measure of the Contractor's ability to permanently repair any identified or reported Category 2 defects.	92%	59%	83%	74%	92%	99%	92%
SI.3.4 Activity Task Orders - On-Time Completion	A measure of the timely completion of Activity Task Orders, to monitor the Contractor's ability to complete minor additional works instructed outside of the scope of Core Services in accordance with the Scope.	90%	0%	6%	100%	100%	92%	100%
SI.3.5 Project Tasks Orders - On-time Completion	A measure of the timely completion of Project Tasks to monitor the Contractor's ability to deliver the Project Task programme in an efficient and timely manner in accordance with the Scope.	85%	100%	100%	100%	100%	100%	100%
SI.3.6 Quality of the Contractor's Programme Submission	A measure of the quality of the Contractor's Programme Submission.	93%	100%	100%	100%	100%	100%	100%



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	<b>Financial Performance and Contracts Committee</b>  <b>14 March 2022</b>
<b>Title</b>	<b>Brent Cross Update</b>
<b>Report of</b>	Director of Growth
<b>Wards</b>	Childs Hill, Golders Green and West Hendon
<b>Status</b>	Public with accompanying exempt report (Exempt by virtue of paragraphs 3 and 5 of Schedule 12A Local Government Act 1972) on account that it contains information relating to the financial or business affairs of any particular person including the authority holding the information and information in respect of which professional legal privilege could be maintained in legal proceedings.
<b>Urgent</b>	No
<b>Key</b>	No
<b>Enclosures</b>	Appendix 1 – Extracts LBB progress update presentation to the Government Assurance Board, 09 February 2022
<b>Officer Contact Details</b>	Luke Ward, Programme Director <a href="mailto:luke.ward@barnet.gov.uk">luke.ward@barnet.gov.uk</a> , 07926 085330

### Summary

This report provides an update on the delivery across the Brent Cross programme and updates on emerging issues relating to the Brent Cross West station works contract.

## Officers Recommendations

The Committee is asked to note delivery progress across the Brent Cross (BX) programme as set out in the presentation to the HM Government Assurance Board on 9 February 2022 (Appendix 1) and the issues relating to the Brent Cross West station works contract.

### 1. PURPOSE OF REPORT

#### Introduction

- 1.1 This report provides an update on progress delivering the Brent Cross Programme since the last meeting of the Committee on 1 February 2022. The latest presentation on programme delivery to the Government Assurance Board on 9 February 2022 is included at Appendix 1.
- 1.2 Since the last report works on the Brent Cross West Station have continued, with a number of significant milestones reached including completion of the bridge deck slab, completion of the concrete structures of the Station Eastern Entry Box (SEEB), the fitting of the first escalators and wooden (“Glulam”) pillars in the SEEB, and the installation of the roof panels in the main concourse. The concrete form work for the Western Entry Box is largely complete.
- 1.3 The report to the Committee in November 2021 noted the review into station costs that had been undertaken in late 2021, and that a number of the cost risks identified in that process were more likely to materialise as the station neared practical completion, leading to an increase in the Anticipated final Cost (AFC) as a result. Further updates were provided to FPCC Committee on 1 February 2022 and Housing & Growth Committee on 17 February 2022 (see section 6).
- 1.4 A number of options for mitigating costs are being pursued by the council and progress will continue to be reported to the committee. It may be necessary to make use of other funding within the programme to cover short term overspends on the station project whilst these mitigations are being put into place.
- 1.5 At the last meeting of the committee it was reported that cancelled railway possessions by Network Rail have led to further impacts on the programme. Network Rail have proposed a mitigation option for replacement possessions which was accepted by the delivery team and is now incorporated into the programme. As the cancellation was a decision by Network Rail and at short notice the associated costs should be recoverable via the Network Rail Industry Risk Fund, which the council will be applying to in due course. The cancellation by Network Rail has significantly contributed to the cost and funding issues referred to in 1.4 above.
- 1.6 Any future cancellations outside of the council’s control e.g. in relation to inclement weather or by Network Rail may impact further on the station programme.

- 1.7 Updates will continue to be reported both to this Committee and to Housing & Growth Committee as the programme progresses over the coming year.

## **2 REASONS FOR RECOMMENDATIONS**

- 2.1 To provide an update to the Committee on the HMG funded elements of the BX programme that the council is directly delivering.

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

- 3.1 None.

## **4 POST DECISION IMPLEMENTATION**

- 4.1 None.

## **5 IMPLICATIONS OF DECISION**

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

- 5.1.1 The comprehensive regeneration of Brent Cross Cricklewood is a long-standing objective of the council and of the aims under the Corporate Plan Barnet 2021-2024 and a key regeneration priority of the Mayor of London.

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

#### **Budget Monitoring**

- 5.2.1 Budget, performance and risk information across the BXC programme is set out in the latest report to Housing and Growth Committee on 17 February 2022.

### **5.3 Social Value**

- 5.3.1 As set out in the report to the Housing and Growth Committee on 17 February 2022.

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

- 5.4.1 Article 7 of the Council's Constitution, the terms of reference of the Financial Performance and Contracts Committee includes the followings responsibilities:

Responsible for the oversight and scrutiny of:

- (a) the overall financial performance of the council
- (b) 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; Environment Committee;
- (c) 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

5.4.2 The general power of competence under paragraph 1 of Section 1 of Chapter 1 of the Localism Act 2011 enables the Council to do anything that individuals can do subject to any specific restrictions contained in legislation and the 'incidental power' in Section 111 of the Local Government Act 1972 provides that a local authority has power to do anything which is calculated to facilitate, or is conducive or is incidental to, the discharge of its functions.

5.4.2 Any necessary procurement activity will be undertaken in accordance with the Council's Contract Procedure Rules and the Public Contracts Regulations 2015 (as amended by the Public Procurement (Amendment etc.) (EU Exit) Regulations 2020 SI 1319 (PP Amendment Regulations 2020)).

## 5.5 Risk Management

5.5.1 As set out in the report to the Housing and Growth Committee on 17 February 2022.

## 5.6 Equalities and Diversity

5.6.1 As set out in the report to the Housing and Growth Committee on 17 February 2022.

## 5.7 Corporate Parenting

5.7.1 As set out in the report to the Housing and Growth Committee on 17 February 2022.

## 5.8 Consultation and Engagement

5.8.1 As set out in the report to the Housing and Growth Committee on 17 February 2022.

## 5.9 Insight

5.9.1 As set out in the report to the Housing and Growth Committee on 17 February 2022.

## 6 BACKGROUND PAPERS

6.1 Financial Performance & Contracts Committee, 07 October 2021  
<https://barnet.moderngov.co.uk/documents/s66893/BXC%20Financial%20Performance%20and%20Contracts-PUBLIC-October%202021%20FINAL%20V2.pdf>

6.2 Financial Performance & Contracts Committee, 01 February 2022  
<https://barnet.moderngov.co.uk/documents/s69886/Brent%20Cross%20Update%20Report.pdf>

6.3 Housing & Growth Committee, 17 February 2022  
<https://barnet.moderngov.co.uk/documents/s70575/20220210HAG-Brent%20Cross.pdf>



# Brent Cross Government Assurance Board

09 February 2022

Public slides

# Programme Updates

## Brent Cross Town

- Works on Claremont Park are progressing well. The park remains on schedule to open in Spring 2022.
- Consultations feeding into the design for Clitterhouse Playing Fields are ongoing with concepts expected in the next few months.
- Earthworks continue to progress on Plot 25 (Fusion student accommodation) – main works to commence in March/April 2022.
- New signage towards the new development from the tube station
- Happy Face Pizza, Karma Bread and Cricklewood Coffee Roasters confirmed as part of the new cluster of shops and restaurants on Claremont Way



# Brent Cross Town – Site Progress



Claremont Park works – due to open in Spring 22

# Programme Updates

## Plots 53/54

- L&Q's contractor Bugler are continuing with the main construction works on Plots 53 and 54.
- Current works are being undertaken under a Pre-Construction Service Agreement (PCSA)
- The Joint Contract Tender (JCT) Contract has now been finalised and the agreement is currently being executed by each party.



Description: Plot 53 – Block B Ground Beams



Description: Plot 53 – Block A Ground Beams



Description: Plot 54 – Block C Ground Beams



Description: Plot 53 – Ground beams



# Programme Updates

## Waste Facility

- McLaughlin & Harvey have commenced design work (stage 1).
- WTS procurement is a two stage design build contract.
- Hoarding condition survey underway



# Programme Updates

## Station Western Public Realm

The Western Entrance public realm consultation has completed with good level of input which will feed into the planning application. <https://engage.barnet.gov.uk/bxw-western-entrance>



# Programme Updates

## Brent Cross West Station

Construction works on the station project continue to progress well.

- the concourse deck slab now complete
- the cladding and roofing installation underway
- concrete structures of the Station Eastern Entrance Building now complete
- First escalator arrived on site today (9<sup>th</sup> Feb) – see image >
- The close out of the Network Rail Railway Systems and Sidings project continues to progress with the programme for the close out activities received from Network Rail



# Brent Cross West Station - Progress



# Brent Cross West Station - Progress



# Brent Cross West Station - Progress



# Brent Cross West Station - Progress



# Brent Cross West Station - Progress





# Brent Cross West Station - Progress





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

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

Title of Report	Overview of decision	Report Of ( <i>officer</i> )	Issue Type (Non key/Key/Urgent)
14 March 2022			
Chief Finance Officer Report	To review and note the council's financial performance.	Executive Director of Resources (S151 Officer) Assistant Director of Finance	<b>Non key</b>
Capita Contracts Review	To receive an update and any interim recommendations.	Director (Commercial and Customer Services)	<b>Non key</b>
Capital Programme	To update on the Capital Schemes within the Capital Programme.	Assistant Director Capital Strategy	<b>Non key</b>
Q3 2021/22 Contracts Performance Report	To review and note Quarter 3 2020/21 performance of strategic Contracts.	Director (Commercial and Customer Services)	<b>Non key</b>
Brent Cross Delivery Update	For the Committee to review the recommendations.	Programme Director Brent Cross	<b>Non key</b>
Saracens Update	To receive an update on the position with the loan to Saracens Copthall LLP	Deputy Chief Executive	<b>Non key</b>
15 June 2022			
Chief Finance Officer Report	To review and note the council's financial performance.	Executive Director of Resources (S151 Officer) Assistant Director of Finance	<b>Non key</b>
Capita Contracts Review	To receive an update and any interim recommendations.	Director (Commercial and Customer Services)	<b>Non key</b>
Capital Programme	To update on the Capital Schemes within the Capital Programme.	Assistant Director Capital Strategy	<b>Non key</b>

<b>Subject</b>	<b>Decision requested</b>	<b>Report Of</b>	<b>Type</b>
Q4 2021/22 Contracts Performance Report	To review and note Quarter 4 2020/21 performance of strategic Contracts.	Director (Commercial and Customer Services)	<b>Non key</b>
Brent Cross Delivery Update	For the Committee to review the recommendations.	Programme Director Brent Cross	<b>Non key</b>
Saracens Update	To receive an update on the position with the loan to Saracens Copthall LLP	Deputy Chief Executive	<b>Non key</b>

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By virtue of paragraph(s) 3, 5 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

## AGENDA ITEM 16

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By virtue of paragraph(s) 3, 5 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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