

Decisions of the Contract Monitoring Overview and Scrutiny Committee

18 June 2013

Members Present:-

Councillor John Marshall (Chairman)
Councillor Rowan Quigley Turner (Vice-Chairman)

Councillor Geof Cooke	Councillor Brian Salinger
Councillor Andrew Harper	Kanu Dave (Housing Co-opted Member)
Councillor Sury Khatri	Maxwell Doku (Housing Co-opted Member)
Councillor Alison Moore	Councillor Alan Schneiderman (In place of Ross Houston)
Councillor Barry Rawlings	

Also in attendance

Councillor Dean Cohen – Cabinet Member for Environment

Apologies for Absence

Councillor Ross Houston Councillor Daniel Seal

1. ABSENCE OF MEMBERS

Apologies for absence had been received from Councillor Ross Houston (who was substituted for by Alan Schneiderman).

Apologies for lateness had been received from Councillor Geof Cooke.

Apologies were also received from the Deputy Leader / Cabinet Member for Resources and Performance, Councillor Thomas, and the Cabinet Member for Housing, Councillor Davey, who had been invited for items on the agenda.

2. DECLARATIONS OF MEMBERS' INTERESTS

Member	Subject	Interest declared
Councillor John Marshall	Agenda Item 6 (Barnet Group End of Year Performance Report 2012/13)	Non-pecuniary interest as a Council appointed representative on the Board of The Barnet Group Ltd
Councillor Ross Houston	Agenda Item 6 (Barnet Group End of Year Performance Report 2012/13)	Non-pecuniary interest as a Council appointed representative on the Board of The Barnet Group Ltd

3. PUBLIC QUESTION TIME

None.

4. MEMBERS' ITEMS

None.

During consideration of the item below, Councillor Geof Cooke entered the meeting at 7.19pm.

5. CONTRACT MONITORING - ORGANISATIONAL ARRANGEMENTS

The Commercial Director, Craig Cooper, introduced the item by outlining the four key relationships that would be managed through the Commercial Team: New Support and Customer Services Organisation (NSCSO); Development and Regulatory Services (DRS); The Barnet Group Ltd; and the Joint Legal Service (HB Public Law).

The Head of Commercial, Kari Manovitch, presented a report which detailed the new model for managing the Council's major commercial partnerships and the information that would be reported to the Committee. Members were advised that detailed contract management arrangements for the NCSCO and DRS contracts would be put into place following the outcome of the Judicial Review appeal. It was noted that prototype arrangements were in place for NCSCO and DRS and contract management arrangements in place for the Barnet Group and HB Public Law.

Responding to a question regarding management agreements, the Head of Commercial outlined how these set out key deliverables, key performance indicators (KPIs), budgets and risks associated with partnerships over the next 12 months.

In discussing KPI measures for the proposed NCSCO contract, Members requested that detailed information on the KPIs that the Council would be measuring Capita's performance against be provided to the Committee so that the methodology could be understood. The Commercial Director reported that a price-performance mechanism was in place for KPIs. KPIs were weighted and failure to meet targets in some areas would result in financial penalties.

Responding to a question, the Commercial Director reported that KPIs with a red or amber status would be reported to the Committee. Members requested that consideration be given to how the Committee would access the full set of KPIs to monitor the overall performance of major commercial relationships.

The Committee noted a correction to Section 4.2 of the report. The word 'appropriate' should be replaced with 'respective' as each contract had its own partnership governance board.

Members were advised that the full risk register associated with each contract would be reported to them as part of the quarterly performance monitoring reporting to this Committee. Officers were requested to consider how the Chairman and Vice-Chairman

could be involved in more regular performance monitoring arrangements to ensure that they had an appropriate level of oversight.

Following a question on the availability of personnel to attend Committee, officers confirmed that the relevant officer from the Commercial Team would be available to attend future meetings and the expectation was that the Cabinet Member, Operations Director for the partner (Capita/Capita Symonds Partnership Directors) and the Council's Partnership Manager would also be reporting regularly to Committee to give account on contract performance.

At the request of the Committee, the Commercial Director confirmed that the HB Public Law was being contract managed by the Commercial Team and not the Assurance Group.

The Committee expressed concern that the terms of reference of the Committee were limited to NSCSO, DRS, The Barnet Group Ltd, HB Public Law and NSL (Parking) and requested that the terms of reference be widened to include other major contracts such as the street lighting PFI contract and the Kier PFI contract. Members agreed that the Chairman, Councillor Harper and Councillor Moore should develop proposals outside of the meeting for reporting to the Constitution, Ethics and Probity Committee on 8 July 2013.

RESOLVED that:

- 1. The Committee note the report on Managing the Council's Major Commercial Partnerships;**
- 2. The quarterly performance report to the next meeting of the Committee provides details on the resources dedicated to managing each key contract (including finances, staffing and structure); and,**
- 3. The Chairman, Councillor Moore and Councillor Harper be delegated authority to agree a proposed amendment to the Terms of Reference of the Committee with a view to expanding the remit of the Committee to include other key contracts and that this proposal be reported to the Constitution, Ethics and Probity Committee on 8 July 2013**

6. THE BARNET GROUP END OF YEAR PERFORMANCE REPORT 2012/13

The Committee considered the Barnet Group Annual Report 2012/13 which detailed the overall performance outcomes for the Barnet Group which included Barnet Homes and Your Choice Barnet.

Barnet Homes

The Director of Operations for Barnet Homes, Derek Rust, introduced the item by highlighting the main areas of performance for Barnet Homes. The Committee were advised that there had been particularly strong performance on lettings management with an average of 19 days turn around for re-letting properties. It was noted that there had been a number of national and local challenges associated with housing including increased rents, a lack of affordable housing and high demand for homelessness related placements. The implementation of fixed tenancies had been a successful new initiative.

A Member emphasised that there had been a number of positive developments in the Housing Options Service since the service was incorporated into the Barnet Group in April 2012 such as the private rented sector procurement strategy, the Let2Barnet Management service and homeless prevention work. It was questioned why these had not been referred to in the report. The Director of Operations for Barnet Homes confirmed that all of these developments had been initiated by the Housing Options service when it was an in-house Council service. He added that now the service came under Barnet Homes there was greater freedom and flexibility to respond to issues. It was highlighted that the Let2Barnet Management Service had been revamped, rebranded and heavily publicised. Whilst there had been an increased demand on the Homeless Service, there had been a greater focus on homelessness prevention through a proactive approach to preventative measures such as Discretionary Housing Payments. The Committee were advised that targets had now been set to reduce homelessness further and to speed up the decision making process when dealing with service users. Homelessness prevention would be a measured performance indicator over the next twelve months.

Responding to a question on the nature of support given to applicants that were not statutorily supported by the Housing Options Service, the Committee were informed by the Head of Housing Options, Kate Laffan, that the Broadway service was continuing to provide advice for single or non-priority housing applicants.

An explanation was sought as to the reason why arrears in tenancy payments from black tenants were reported, yet no other ethnic groups were represented. It was explained that there was a significantly higher rate of rent arrears in this group. Barnet Homes had recently received a lottery grant to fund outreach work designed to raise awareness of benefits rights to this group and to understand whether there were any particular reasons for the disproportionately high rent arrears.

A Member asked how the lack of availability of small units, which were in high demand, was being addressed by Barnet Homes and the Council. The Director of Operations for Barnet Homes reported that mutual exchange programmes were being encouraged and a new build programme was hoped to be in place. The lack of small units was an issue across the sector.

The Committee also heard how discretionary housing payments had been higher in the previous year than prior years. It was noted that in future years there would be no budget availability for discretionary housing payments as this was to be funded by the Revenues and Benefits Service.

Regarding questions on the Right to Buy scheme, officers commented that the number of applications had increased at the start of the year and had remained consistently high. It was hoped that new build housing would replace some of the sold stock.

A Member suggested that it be recommended to Cabinet that investment in the new build programme be driven forward and queried whether it was possible to mitigate rent arrears expected due to changes to the welfare system. The Director of Operations for Barnet Homes responded that it was an ambition of Barnet Homes to increase capacity through the building of around 200 properties per year over the next three to four years. With regards to rent arrears, the Committee were advised that there was around £50,000 total additional debt and rent arrears were now around two thirds, whereas before the bedroom tax the figure stood around 50%. Additional staff were being engaged to advise

on available benefits and options though it was acknowledged that it was a difficult period with the benefits cap coming in to effect later in the year .

Looking forward to the next annual report, new build sites would see three new properties in Alexandra Road during August, with proposals for a further four schemes which would deliver another 38 properties due to be considered by the Cabinet Resources Committee in June. A new Leasehold Strategy was being established to raise leaseholder satisfaction and property prices through renewal programmes and fire risk assessments.

Regarding the position of flexible tenancy arrangements, which had been in place since July 2012, Members were advised that very few issues had been reported. It was however noted that a clearer picture would develop at the six to nine month tenancy review period. Extra support would be provided to tenants as the review period came about.

Your Choice Barnet

The Head of Care and Support for Your Choice Barnet, Karen Patten, highlighted that not all performance indicators relating to Your Choice Barnet services had been included in the report to the Committee. It was proposed that an increased number of indicators should be presented in future reports which focussed on value for money and quality assurance.

A Member requested information on what activity had taken place over the year to promote the service to self-funders and the internal scrutiny arrangements that had been reported as involving parents and carers. The Head of Care and Support outlined plans to work with relatives to carry out quality assurance visits to standards that were similar to Care Quality Commission. Focus was turning towards the promotion of services to new customers in order to grow the service. The Committee highlighted that information included in the report on the number of safeguarding incidents could be more detailed and requested that future reports provide more information in this area.

RESOLVED that:-

- 1. The Committee note the Barnet Group Annual Report (April 2012 – March 2013); and**
- 2. The Committee request that the Cabinet Member for Housing and the Cabinet Member for Planning note the challenge and impact of the lack affordable housing in the borough and recommended that the Council redouble its efforts to increase the supply.**

7. PARKING SERVICES PERFORMANCE

The Committee welcomed the Cabinet Member for Environment, Councillor Dean Cohen, the Street Scene Director, Lynn Bishop, and the Highways Manager – Traffic and Development, Paul Bragg, who were in attendance to present a report on the performance of parking services. The Committee requested that a representative from NSL be in attendance at the next meeting when parking services performance was considered.

Officers reported that there had been a number of performance issues over the previous six months and that steps were being taken to address these. Members were advised that the purpose of parking enforcement was to improve the flow of traffic. It was noted that there was a national trend for increases in paid for parking and a decrease in penalty charge notices (PCNs).

The Committee expressed concern that the Council had not properly assessed the risk of no back office staff transferring to NSL, an issue which had created unexpected pressure in the initial period after service transfer. Officers identified that NSL had not anticipated many staff transferring, but had expected that some would. It was emphasised that that should have been a contingency arrangement in place to manage this risk because the recruitment and training of new staff had affected service performance.

Responding to a question regarding KPI 2 (Volume and Effectiveness of Input Resources), officers informed the Committee that there were no targets or incentives for the contractor to issue PCNs. As part of the contractors bid, they were required to identify the resources required to enforce controlled areas. PCN projections were used to identify the resources required to enforce, rather than monitor performance.

Referring to KPI 12 (Lines and Signs Maintenance), the Committee questioned whose responsibility it was to maintain signs and lines. Officers advised the Committee that NSL reported non-compliance (e.g. where signs and lines were deficient and prevented PCNs from being issued) and the Council would be responsible for bringing these up to standard. It was noted that NSL could be commissioned to deliver signs and lines improvements, but their rates for this work were not currently cost effective. The Committee noted that performance reporting against KPI 12 would not commence until month 26 of the contract.

The Committee noted that there had been an increase in the number of appeals going to the Parking and Traffic Appeals Service and the increased number of successful appeals had resulted in a higher cost to the authority. Members noted there were KPIs in the contract relating to issuing good quality PCNs to minimise instances of successful appeals.

Officers reported that to date there had been no financial penalties issued to NSL due to failure to adhere to contractual terms.

RESOLVED that:-

- 1. The Committee note the Parking Service Performance report.**
- 2. Officers be requested to provide details of enforcement areas requiring signs and lines improvements and a schedule for completing these works.**
- 3. The Committee request that the Cabinet Member for Environment, Housing & Environment Lead Commissioner and Street Scene Director undertake a root and branch review of parking service operations (paragraph 9.10 refers) with a view to rationalising the operation to improve the customer journey.**

8. FUTURE WORK PROGRAMME

RESOLVED that the Committee note the Forward Work Programme and request that it be reviewed, subject to the Constitution, Ethics and Probity Committee and full Council agreeing to amend the terms of reference of the Committee to include other major contracts.

9. ANY OTHER ITEMS THE CHAIRMAN DECIDES ARE URGENT

None.

The meeting finished at 9.52 pm