

RE Member Working Group 26th October 2017

Item 2 – Review outcomes

The RE contract review is reaching its conclusion and is due to be reported to the Performance and Contract Management Committee in November. The purpose of this note is to set out the main findings and conclusions from the Review.

In summary, the Review has concluded that:

- 1. The contract is on track to deliver significant savings to the council, in the order of £39m over the 10-year term, in accordance with the original business case;**
- 2. Services are generally of reasonable to good quality, based on performance against KPIs (82% achieved or exceeded target in last full year), and are typically in the upper quartile, where comparative data from other London Boroughs is available;**
- 3. However, there have been some significant service issues, particularly in Highways and Planning Enforcement, which have impacted some residents. These have been addressed as part of the Review, but will require continued close monitoring to ensure that continuous improvement is sustained.**

The terms of reference for the Review identified four key areas for consideration:

1. Service improvements – particularly in highways and planning enforcement;
2. Partnership arrangements – how RE operates, governance arrangements, ambition and approach to growing the business, sharing of management information etc., insofar as these matters impact on the delivery of the contract;
3. Contractual amendments – including refreshed KPIs, updated commitments and pay and performance mechanism, along with any other contractual issues that need reviewing; and
4. Clienting arrangements – including clarity of roles, effectiveness of monitoring arrangements and effectiveness of project commissioning arrangements.

The Review has focussed primarily on the core contract and, within that, on four key service areas. The key outcomes are set out below.

Service improvements

General points

- Benchmarking shows that services are typically low cost (i.e. lower quartile) compared to other London Boroughs, with performance being generally of reasonable to good quality, where data is available
- As a result of the Review, RE offered a £500k discount against pre-payment of the management fee. This was accepted by Policy and Resources Committee in June, who decided that this should be spent on free school meals and street cleansing

APPENDIX A – key findings and conclusions

- This is a wide-ranging contract and it should be noted that it does provide for ongoing review and continuous improvement. The report will affirm that this will continue to take place through the established contract mechanisms
- The RE contract is a wide-ranging and complex commercial structure, which has created challenges regarding interpretation and understanding. The review has been particularly beneficial in terms of securing better awareness of this structure and thereby resolving a number of matters relating to interpretation and understanding of various elements of the contract

Regulatory Services (for example Trading Standards, Environmental Health)

- Regulatory services are performing well and Members of the Working Group considered that they are generally well regarded
- The Review has resulted in raised awareness of service performance through improving reporting to Members
- Improvements have been made to secure a more strategic approach to complex, cross-service problems, for example by including RE representation on the Community Safety Strategy Board

Highways

- There have been significant issues on highways service delivery, which is in part due to the complexity of the arrangements between RE, Conways and the Highways DLO
- Carriageway surface dressing has caused particular issues for residents on the affected roads
- The service improvement plan has delivered improvements and the contractual arrangements with Conways have been improved
- A continuous improvement plan is being developed, to ensure that these improvements are embedded in the service
- Significant efforts have been made over the last six months to put more robust arrangements in place for communicating with local Members

Planning

- There have also been significant issues with planning enforcement that have been addressed through a service improvement plan, which has also addressed issues of communication with Members
- On development control, the volume of planning applications has increased significantly since contract start and performance is generally good
- As part of the review, we sought the views of members of the public and held a meeting of the Working Group in public. The majority of the comments that were received related to planning and planning enforcement. The Working Group concluded that:
 - Planning enforcement needs to be more responsive;

APPENDIX A – key findings and conclusions

- Accessibility to planning applications needs to be improved, particularly on larger applications with high volumes of associated documents;
- Communication between planning and the public needs to be improved; and
- There is a need to ensure that the consultation system is operating effectively (i.e. residents receive consultation letters in accordance with the policy); and
- The Planning Committee may wish to consider the policy in terms of the extent of consultation.

Regeneration

- The regeneration service has delivered significant benefits to the Borough and has grown significantly since contract start
- This does mean that the output specification does not necessarily reflect current priorities and there have been ongoing disagreements about what services are covered by the management fee
- Work is continuing to address this, including the development of flexible four-year workplans

Projects

- In addition to the core contract, there is substantial expenditure on projects and the Review brief anticipated that the Review would pay some attention to this aspect. However, timelines have not permitted detailed reviews of individual projects, so the focus has been on value for money
- There has been a benchmarking exercise, which shows that RE's day rates generally compare favourably to the market
- Despite the use of external support, it has proved difficult to obtain sufficient information to conclude whether or not overall project costs represent good value for money and it is proposed that officers should explore this further
- The report will also propose that officers review project proposals on a case by case basis, with a view to securing external support to review proposals and/or carrying out market testing where appropriate

Partnership arrangements

- There has been some consideration of aspirational income generation and whether or not any changes are needed to support this
- It has been agreed that these aspects are best taken forward through the JV Board and the Board has already commenced discussions on these issues
- Capita's internal organisational structure (known as "the towers") has been identified as a layer of complexity that potentially impacts on day to day service delivery and a further exploration of this is recommended (report will include specific examples)

Contractual amendments

- The main concerns regarding the contract itself related to output specifications. It has been agreed that, rather than re-writing these, priorities will be defined through annual workplans for services where these change on a regular basis (notably regeneration and elements of highways)
- The key areas where KPIs require amendment are in highways and planning enforcement. Work is progressing on finalising proposals and it is proposed that these be taken forward through consultation with Theme Committee Chairmen and Lead Member of the Opposition and that final proposals are circulated to Members of the Working Group. A further ad hoc meeting of the Group may then be arranged, if required
- Contractual commitments have been reviewed and the majority have been delivered
- There are arrangements in place to monitor delivery of those that have not yet been delivered and these will be incorporated into the relevant annual workplans

Clienting arrangements (how Barnet manages the contract)

- The Strategic Partnership Boards for the CSG and RE contracts have been merged to improve the effectiveness of working arrangements across the partnership as a whole
- Alongside this process, officers have been conducting a separate review of performance governance arrangements across the council, which has resulted in further improvements to contract management arrangements, including formalising the process of regular contract performance reviews at service level