

	<h2>Financial Performance and Contracts Committee</h2> <p>17 December 2018</p>
<b>Title</b>	<b>Quarter 2 2018/19 Contracts Performance Report</b>
<b>Report of</b>	Commercial Director
<b>Wards</b>	All
<b>Status</b>	Public
<b>Urgent</b>	No
<b>Key</b>	No
<b>Enclosures</b>	None
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### Summary

This report provides an overview of performance for the key strategic contracts, where information has not been reported to a Theme Committee as part of the Quarter 2 (Q2) 2018/19 Themed Performance Reports.

### Officers Recommendations

**The Committee is asked to review the Quarter 2 (Q2) 2018/19 performance in relation to back office functions delivered by the Customer and Support Group (CSG) and to note any recommendations to Policy and Resources or Theme Committees on issues arising from this review.**

## 1. PURPOSE OF REPORT

- 1.1 This report provides an overview of performance for the key strategic contracts, where information has not been reported to a Theme Committee, as part of the Q2 2018/19 Themed Performance Reports.
- 1.2 Contract performance for **The Barnet Group** (including Barnet Homes and Your Choice Barnet), **Cambridge Education** and **Regional Enterprise (Re)**, including relevant performance indicators and high level joint risks, has been reported to the Theme Committees. One matter in relation to the Highways service (Re) has been referred to this Committee, which has been set out in a separate paper.
- 1.3 As there is no Theme Committee that considers the **back office functions** delivered by the **Customer and Support Group (CSG)** nor **Planning (Re)**, performance and risk information relating to these services is reported here. Budget forecasts have been included in the Q2 2018/19 Strategic Performance Report to Policy and Resources Committee on 11 December 2018. There is also a separate Chief Finance Officer report to this Committee.

### Back office functions (CSG)

#### Overview

- 1.4 There have been three key areas of concern in terms of service quality: Finance, Pensions and Payroll.
  - In terms of **Finance**, progress has been made in Q2 against the improvement plan on financial controls, which was reported to Audit Committee on 22 November 2018. Concerns remain around the quality of financial support and additional resources have been put in place to help address this, including the recruitment of secondees from Central Government from October 2018.
  - A **Pensions** improvement plan remains in place. While progress has been made, including an improvement in data quality, the Pensions Regulator is keeping Barnet under close scrutiny. Further work is required to clarify the roles and responsibilities of Finance, Pensions Administration, HR Payroll and the council.
  - Issues with **Payroll** accuracy have persisted throughout Q2. An improvement plan has been provided and significant improvements have been seen in October 2018, with only one error out of 6852 transactions (0.015%).
- 1.5 In terms of the other CSG services, performance has been broadly satisfactory. Preparations are underway for a new council website with enhanced digital forms, including for Council Tax, which will go live in 2019. An update on each of the CSG back office functions is provided below in paragraphs 1.6 to 1.27.

#### Finance

- 1.6 Work to tighten internal **financial controls** has progressed, with actions from the Grant Thornton report mostly carried out and communicated to staff. Progress has been monitored through regular meetings and reported to Audit Committee on 22 November 2018. The report is available online at:

<https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=144&MId=9494&Ver=4>. The updated Scheme of Delegation has been uploaded to the staff intranet; and internal audits are taking place to identify whether the new financial controls have been implemented effectively.

- 1.7 The main **Accounts** were closed on time. A 'lessons learned' document and timeline for the 2018/19 closure has been prepared. The **Pensions Fund** accounts, which were delayed due to issues with the quality and timeliness of membership data, are now closed after a challenging audit process. A 'lessons learned' session with external audit and Capita Pensions was held in November 2018.
- 1.8 An Integra upgrade was implemented on 22 October 2018 following successful user acceptance testing (UAT), with no disruption to normal operations. This improves the e-forms functionality and reduces manual processes. Drop-in sessions for system users; additional user groups; and Integra training were held in Q2. There has been an increase in open service calls from 105 in August 2018 to 188 at the end of November 2018, although 50% of these were awaiting user confirmation that the issue had been resolved. Additional Integra resource is being deployed to reduce the remaining open calls.
- 1.9 **Budget monitoring** for Q2 was undertaken and Finance Business Partners have reviewed all savings proposals for the Medium Term Financial Strategy (MTFS), which was reported to Policy and Resources Committee on 11 December 2018.

## Pensions

- 1.10 In Q1 it was reported that 447 of circa 9000 **Annual Benefits Statements** (ABS) had not been issued on time due to outstanding queries with employers. The failure to produce these statements constituted a breach of law and a report has been issued to the Pensions Regulator. The Pensions team and the council's lead officer for pensions have continued to engage with the employers to gather the necessary information to enable the remaining statements to be issued. An employer forum was held in October 2018 and the website has been updated with procedures manuals for employers and FAQ for scheme members. Drop-in sessions have also been held for staff with pension queries relating to the statements. The Local Pensions Board has also agreed to take a more robust approach with employers who fail to comply with pensions regulations and the provision of employee information to the Pensions team. This additional activity has been reflected in a reduced risk score for CSG057 (Pension administration getting accurate data).
- 1.11 A meeting has been planned to discuss 'lessons learned' from the **annual external audit report** on the Pensions Account, including the **strengthening of internal controls** across all aspects of Pensions Administration. This includes the clarification of roles and responsibilities between all parties (Finance, Pensions Administration and the Scheme's actuary, Hymans Robertson) to ensure future activity and projects have clear ownership of tasks. This will help to ensure employer contributions are made and reconciled in a timely way; employer bonds are in place and renewed on time; and admission agreements/terminations are processed in a timely way. A monthly (rather than annual) employer return process will be introduced from January 2019 to assist employer compliance with the notification of new starters and leavers (something that has impacted on data quality). The first draft of the plan for the triennial valuation has been completed and shared with stakeholders.
- 1.12 The **common data cleanse project** to ensure scheme member data is up-to-date has been completed with an improvement in data quality; and this has been reflected in a

reduced risk score for CSG056 (Pension scheme member data inaccurate). Further work will be required to improve conditional data and then maintain data quality going forward.

- 1.13 The new agency/temporary staff contract with **Matrix** went live in October 2018.
- 1.14 The Trent payroll system for schools also went live and training will take place in Q3. The new e-recruitment system will go live in November 2018. The Core HR system upgrade, which will enable desktop reporting for managers, has been completed on time and with no issues.

## Payroll

- 1.15 Payroll has continued to experience challenges with accuracy and remains a key concern. In response, Capita has provided an improvement plan which will be agreed and monitored on a monthly basis with appropriate contractual levers being applied if improvement is not shown. The latest KPI result (October 2018) shows an improvement, with a pass rate of 0.015% (one error out of 6852 transactions).
- 1.16 Two key senior staff left CSG in Q2 and the service had reported resource constraints creating some challenges operationally. An interim Director for CSG HR has been appointed and started on 15 October 2018.

## Corporate Programmes

- 1.17 Various projects have been completed and work progressed on the larger scale transformation and capital programmes, including TW3, leisure centres and schools.
  - **The Way We Work (TW3) programme** encompasses the council moving to Colindale offices and changing ways of working. As reported to Policy and Resources Committee on 11 December 2018, the move to Colindale has been delayed by approximately four months due to a delay in the construction partner reaching practical completion and is now due to take place from May 2019. The Office 365 project has concluded. Over 90% of staff are using Office 2016 and Skype for Business, including Skype telephony. Over 900 staff attended Skype training sessions held between May and August 2018. Following the conclusion of the Skype training, staff continued to be supported through floorwalking activity across NLBP and Barnet House to resolve any queries.
  - **Investments in leisure centres** – as reported to Adults and Safeguarding Committee on 26 November 2018, the council's investments at Barnet Copthall and New Barnet leisure centres are progressing well. The construction programme has completed work on the steel frame and infrastructure at both sites; and has successfully completed the pool integrity testing. The facilities are on track for completion by summer 2019.
  - **Expansion of Blessed Dominic and St James' Schools** continues to be on track to deliver new pupil places for September 2019.

## Customer Services

- 1.18 The focus has been on service engagement to reduce contacts and costs, particularly with high volume services such as Council Tax, Parking, Assisted Travel, Street Scene and Social Care Direct and demand reduction initiatives have been agreed. A benefits tracker has been created to measure the success of these initiatives, which will be enabled by digital improvements and a reduction in avoidable contact. Website satisfaction has

missed target for the third consecutive quarter. An action plan has been put in place to address this, with a new council website due to go live in early 2019. Actions carried out by the officer web performance group have started to have a positive impact on website satisfaction, which marginally improved in Q2 (33% compared with 32% in Q1). This went up again (marginally) in October 2018 to 34%.

## **Information Systems**

- 1.19 The low number of major incidents on critical applications has been maintained in Q2. The Office 365 project has concluded and has transitioned to the Operations team as business as usual. Work is taking place to develop an Office 365 Strategy to look at other functionality available from Microsoft on this platform.
- 1.20 The latest version of Microsoft Windows10 has been configured to Barnet laptop devices and has been signed off by an independent third party to ensure the council is complying with best practice. The latest update from Microsoft is being rolled-out and circa 500 devices will be refreshed in Q3 and Q4 as part of a refresh programme.
- 1.21 A solution allowing staff to use their own mobile device is being considered to minimise the number of devices required and support savings initiatives.

## **Procurement**

- 1.22 The council's Contracts Register has been reviewed and updated and a new contract management checklist to help improve the quality of contract monitoring and management of contracts has been agreed. User feedback is being sought after each procurement; feedback in September and October 2018 from six users was positive overall about the support from procurement. Procurement training will be updated to reflect development points.
- 1.23 Work has progressed on over 20 procurements. Two key contracts were awarded in the quarter: Parking and Traffic Enforcement; and Temporary and Interim Labour. Key procurement activity during the quarter also included the Adults Extra Care tender, which is out to market after development of a new pricing model and specification and the Upper and Lower Fosters programme for which a market engagement event was held in October 2018.

## **Revenue and Benefits**

- 1.24 The rolling four-year collection targets for both Council Tax and Business Rates have been met, with good progress made towards next year's target. All Housing Benefit audit recommendations have been implemented or have agreed completion dates and are on track for delivery. The recovery of overpayments of Housing Benefit to benefit claimants has risen by 64% (to £877,157 from £533,493 last year) providing an increase in income to the council. Work has progressed to introduce a new suite of digital forms for Council Tax with an expected go-live date in early 2019.

## **Safety, Health and Wellbeing (SHaW)**

- 1.25 The service is on target to meet its annual strategic work plan. A risk profiling exercise has been carried out to identify key risk areas which will allow targeted guidance/training to staff to minimise the risks identified. A draft risk profiling heat map has been developed and discussions are taking place to develop next steps and ensure that actions support the

business to reduce risk. The service has continued to perform reasonably well in terms of delivering support, guidance and advice to staff as well as carrying out audits, inspections and investigations.

- 1.26 A Workplace Health and Wellbeing Steering Group has been re-established with representation from across the council to oversee the delivery of a range of actions. These include the launch of a digital Health and Wellbeing Hub, promotion of health and wellbeing initiatives and provision of/signposting to opportunities for health assessment and health services. Flu immunisation has been available for staff. Health checks will be available to staff in January 2019 and a campaign will coincide with the move to Colindale to promote healthy habits in the new premises.

## Key Performance Indicators (KPIs)

	Green	Amber	Red	Monitor only	Improved/Same	Worsened	No. indicators
KPIs <sup>1</sup>	21	1	1	1	17	4	25

- 1.27 24 KPIs were reported in Q2. Two did not meet the quarterly target.

- **Payroll accuracy - error rates (RAG rated RED)** – 2.2% against a target of 0.1% (147 errors out of 6747 transactions). All issues were investigated and the HR system and human errors were established as the root cause. The human errors were made by new staff, so additional coaching, quality checking and reporting controls have been put in place. The HR system has been upgraded to improve payroll accuracy.
- **Incident resolution<sup>2</sup> (RAG rated AMBER)** - 90.3% against a target of 95%. Despite a near doubling of telephone and Skype call volumes to 6128 (compared to 3259 last year), there was only a slight drop in incident resolution. Workshops have been organised with staff to encourage best practice going forward.

Indicator <sup>3</sup>	Polarity	17/18 EOY	18/19 Target	Q2 18/19			Q2 17/18
				Target	Result	DOT	Result
Payroll Accuracy - error rates	Smaller is Better	0.3%	0.1%	0.1%	2.2% (R)	↓ W -200.2%	0.7%
Incident resolution	Bigger is Better	92.8%	95%	95%	90.3% (A)	↓ W -2.5%	92.6%
Compliance with Authority policy	Bigger is Better	Fail	Pass <sup>4</sup>	Pass	Pass (G)	→ S	Pass
Customers who rate phone calls, emails and face-to-face service as good (GovMetric)	Bigger is Better	90.3%	89%	89%	89.4% (G)	▼ W -0.7%	90.0%

<sup>1</sup> Includes indicators in the Corporate Plan reported to P&R Committee.

<sup>2</sup> An incident is defined as any event which is not part of the standard operation of a service and which causes, or may cause, an interruption to, or a reduction in, the quality of that service.

<sup>3</sup> No benchmark data available for any CSG KPIs.

<sup>4</sup> This is a qualitative measure. It measures non-compliance with authority policy that could lead to adverse impact (serious risk of death, a judgement against the council by a statutory or regulatory body; a fine, disciplinary measure, successful claim or other award against the council).

Indicator <sup>3</sup>	Polarity	17/18 EOY	18/19 Target	Q2 18/19			Q2 17/18
				Target	Result	DOT	Result
Customers satisfied following case closure	Bigger is Better	69.2%	65%	65%	65.1% (G)	↓ W -3.5%	67.5%
Customer Services closing cases on time	Bigger is Better	97.4%	94%	94%	96.7% (G)	↑ I 0.7%	96.0%
Customer Services closing cases on time (Customer Advocacy Service) <sup>5</sup>	Bigger is Better	100%	96.7% <sup>5</sup>	96.7%	100% (G)	→ S	100%
Cases/transactions completed via self-service channels	Bigger is Better	New for 18/19	77%	77%	77.9% (G)	New for 18/19	New for 18/19
Budget forecasting - variance to budget	N/A	Fail	Pass	Pass	Pass (G)	↑ I	Fail
Savings implemented	Bigger is Better	Pass	Pass	Pass	Pass (G)	→ S	Pass
DBS verification audits	Bigger is Better	99.7%	100%	100%	100% (G)	↑ I 0.9%	99.1%
Absence projects and Interventions <sup>6</sup>	N/A	Pass	Pass <sup>6</sup>	Pass	Pass (G)	→ S	Pass
Critical system availability	Bigger is Better	99.9%	99.5%	99.5%	99.9% (G)	→ S	99.9%
Facilities management incident resolution	Bigger is Better	100%	100%	100%	100% (G)	→ S	100%
Contract compliance - new contracts over £25k <sup>7</sup>	Bigger is Better	100%	100%	100%	100% (G)	→ S	100%
Contract compliance - legacy contracts over £25k <sup>8</sup>	Bigger is Better	99.9%	98.9%	98.9%	99.9% (G)	→ S	99.9%
Effective contract management - complex legacy contracts (Contract Procedure Rules)	Bigger is Better	100%	60%	60%	100% (G)	→ S	100%
London Procurement Pledge - cumulative apprenticeships <sup>9</sup>	Bigger is Better	65	60	60	65 (G)	→ S	65
London Procurement Pledge - cumulative work experience <sup>10</sup>	Bigger is Better	258	240	240	258 (G)	→ S	258
Speed of processing new claims	Smaller is Better	22	22	22	19 (G)	↑ I -13.6%	22

<sup>5</sup> The target for this KPI is to achieve more than the period's result for the Customer Services closing cases on time KPI.

<sup>6</sup> This is a qualitative measure and it refers to completion of projects/interventions that have been agreed in a rolling quarterly programme of work to positively reduce the Authority's staff sickness absence

<sup>7</sup> Percentage of the value of new contracts over £25k awarded and managed in accordance with CPR's and procurement legislation

<sup>8</sup> Percentage of the value of legacy contracts over £25k managed in accordance with CPR's and procurement legislation.

<sup>9</sup> Cumulative refers to the start of the contract - September 2013.

<sup>10</sup> Cumulative refers to the start of the contract - September 2013.



Indicator <sup>3</sup>	Polarity	17/18 EOY	18/19 Target	Q2 18/19			Q2 17/18
				Target	Result	DOT	Result
Speed of processing changes	Smaller is Better	5	6	6	5 (G)	→ S	5
Accuracy of benefit assessments	Bigger is Better	96.4%	95%	95%	TBC <sup>11</sup>	N/A	96.7%
Statutory compliance with civic estate (planned inspections)	Bigger is Better	100%	100% (1861) <sup>12</sup>	Monitor	384	N/A	N/A <sup>13</sup>
Lease renewals	Bigger is Better	100%	100%	100%	100% (G)	New for 18/19	New for 18/19
Payroll - correct pay date	Bigger is Better	100%	100%	100%	100% (G)	→ S	100%

## High level risks

- 1.28 There was one high level risk (scoring 15+) on the joint risk register with CSG, which is being managed in accordance with the council's risk management framework.
- **CSG007 - Quality of CSG finance support falls below required standard (residual risk score 15 – reduced from 20).** Inadequate resourcing and/or poor processes could lead to incomplete or misleading financial information. Mitigations have been put in place to eliminate known weaknesses in client resourcing, including additional resources for key areas and an action plan to deliver improvements.

## Update on Planning (Re)

### Development Management

- 1.29 A review of the interface between Planning (Re) and Harrow and Barnet Public Law (HBPL) has identified that services are working well together. In November 2018, they are dealing with a very high volume of casework, with HBPL handling 139 application-related cases and reviewing/taking forward 35 cases for prosecution. Generally, there is a good level of collaboration between the services and where issues have arisen they are being escalated and addressed appropriately.
- 1.30 Recently, a high number of **planning enforcement prosecutions** were progressed through the Court system, including nine enforcement notice offences at five properties. Some of these were particularly complex cases, which took up a considerable amount of time. A further six trial dates were confirmed for Q3, including a case to be tried under the Proceeds of Crime Act estimated at £300,000. This focus on prosecutions has delayed the commencement of some planned Direct Action to ensure appropriate attention and resource was available to secure the prosecutions.
- 1.31 Third party management of the HBPL contract (for work undertaken for Re) is carried out centrally by Re, but a system is in place for regular direct service-to-service engagement

<sup>11</sup> The methodology for this KPI is being reviewed and will be reported in Q3.

<sup>12</sup> The annual target may change throughout the year because of the removal of buildings due to them being closed, fall under project works or have been leased out.

<sup>13</sup> 2017/18 programme covered five buildings. Q2 2017/18 result not available. The programme in Q2 2018/19 covers 94 buildings.



in relation to the planning enforcement portfolio. The review has shown that there were a few specific enforcement cases where improvements could have been made with Planning and HBPL taking forward the lessons learned.

## Building Control

- 1.32 Work was undertaken to strengthen links between Building Control and Development Management, with training provided to planners in July 2018.
- 1.33 The service continues to provide a high-quality working hours and out-of-hours service in relation to dangerous structures. They have dealt with several major dangerous structure incidents effectively over the past six months, including at Brent Street where falling masonry posed a risk to the public highway and a residential block where basement excavation at a neighbouring site undermined the foundations and residents had to be rehoused.

## Strategic Planning

- 1.34 Two decisions were received from the Planning Inspectorate in relation to Community Infrastructure Levy (CIL) appeals. One appeal was dismissed and the surcharge of circa £13,000 received. The other the surcharge was quashed but the CIL upheld and £37,000 was received. Delays in administering planning application and enforcement appeals by the Planning Inspectorate have impacted on residents' perceptions of the service. The Section 106 agreement for the new Allianz Park stand was signed after detailed discussion on the management plans.
- 1.35 Work on the Local Plan has continued and the service has begun delivering chapters of the plan to the Members Advisory Group; the Regulation 18 draft of the Plan is expected in early 2019. Other Local Development Scheme milestones have been met, including submission of reports to Policy and Resources Committee in October 2018 covering a Colindale Tube Station SPD and the Statement of Community Involvement. Whilst the Regulation 19 draft of the North London Waste Plan and an update on Residential Conversions policy will be submitted to Policy and Resources Committee in December 2018.

## Key Performance Indicators (KPIs)

	Green	Amber	Red	Monitor only	Improved/ Same	Worsened	No. indicators
KPIs	5	0	1	0	4	2	7

- 1.36 Seven KPIs were reported in Q2. One did not meet the quarterly target.
- Section 106 cases cleared annually (RAG rated RED)** – 66.7% against a target of 80%. Issues with the new finance system, along with an indexation payment being missed off an earlier payment and the CIL on a particular site being outstanding, impacted on performance.

Indicator <sup>14</sup>	Polarity	17/18 EOY	18/19 Target	Q2 18/19			Q2 17/18
				Target	Result	DOT	Result

<sup>14</sup> No benchmark data available for any Planning KPIs.

Indicator <sup>14</sup>	Polarity	17/18 EOY	18/19 Target	Q2 18/19			Q2 17/18
				Target	Result	DOT	Result
Decisions made within building regulation statutory timescales	Bigger is Better	97%	96%	96%	100% (G)	↑ I +0.8%	99.2%
Average time taken to process requests for Full Official Searches (online and post) in Land Charges	Smaller is Better	3 days	3 days	3 days	2.6 days (G)	↑ I +15%	3 days
Compliance with planning application statutory timescales for major, minor, other applications	Bigger is Better	85.6%	75%	75%	83% (G)	▼ W -1.2%	86.4%
Enforcement or breach of condition notices	Bigger is Better	86.6%	60%	60%	81% (G)	↑ I +10.4%	73.3%
Strategic planning documents completed and signed off	Bigger is Better	100%	100%	100%	No data <sup>15</sup>	N/A	No data
Section 106 cases cleared annually (payment of Section 106 obligations by developers to the Authority)	Bigger is Better	88.9%	80%	80%	66.7% (R)	▼ W -20%	83.3%
Community Infrastructure Levy (CIL) cases cleared annually (payment of overall CIL obligations by developers to the Authority)	Bigger is Better	83.1%	80%	80%	82.9% (G)	↑ I +17.5%	70.6%

## High level risks

1.37 There were no high level risks (scoring 15+) on the joint risk register with Re for Planning.

<sup>15</sup> No documents submitted for sign off.

## **2 REASONS FOR RECOMMENDATIONS**

- 2.1 The report provides an overview of performance for the key strategic contracts, where information has not been reported to a Theme Committee, as part of the Q2 2018/19 Themed Performance Reports. The Committee is asked to review the Q2 performance in relation to back office functions delivered by CSG and Planning delivered by Re, which are not reported to any Theme Committee.

## **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 Budget, performance and risk information for the key strategic contracts in relation to the priorities in the Corporate Plan have been reported to the relevant Theme Committees. One matter in relation to the Re contract has been referred to this Committee, which has been set out in a separate paper.
- 5.1.2 The Q2 2018/19 results for all KPIs are published on the Open Barnet portal at <https://open.barnet.gov.uk/dataset>
- 5.1.3 Robust budget, performance and risk monitoring are essential to ensure that there are adequate and appropriately directed resources to support delivery and achievement of council priorities and targets as set out in the Corporate Plan.
- 5.1.4 Relevant council strategies and policies include the following:
- Corporate Plan 2015-2020
  - Corporate Plan - 2016/17, 2017/18 and 2018/19 Addendums
  - Medium Term Financial Strategy
  - Performance and Risk Management Frameworks

- 5.1.5 The priorities of the council are aligned to the delivery of the Health and Wellbeing Strategy.

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

- 5.2.1 The budget forecasts for CSG are reported as part of the CFO paper to this 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. As set out in the council's Contract Procedure Rules, commissioners should use the Procurement Toolkit, which includes

Social Value guidance. The Contract Management Toolkit should also be used to help ensure that contracts deliver the expected services to the expected quality for the agreed cost. Requirements for a contractor to deliver activities in line with Social Value will be monitored through the contract management process.

## **5.4 Legal and Constitutional References**

5.4.1 Section 151 of the Local Government Act 1972 states that: “without prejudice to section 111, every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs”. Section 111 of the Local Government Act 1972, relates to the subsidiary powers of local authorities.

5.4.2 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.

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

5.4.4 The council’s Financial Regulations can be found at:

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

## **5.5 Risk Management**

5.5.1 The council has an established approach to risk management, which is set out in the Risk Management Framework. All high level risks (scoring 15 or above) associated with the CSG contract are outlined in the report.

## **5.6 Equalities and Diversity**

- 5.6.1 The Equality Act 2010 requires organisations exercising public functions to demonstrate that due regard has been paid to equalities in:
- Elimination of unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010.
  - Advancement of equality of opportunity between people from different groups.
  - Fostering of good relations between people from different groups.

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

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

This is also what we expect of our partners.

5.6.4 This is set out in the council's Equalities Policy 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.

5.6.5 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)

## **5.7 Corporate Parenting**

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

## **5.8 Consultation and Engagement**

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

## **5.9 Insight**

5.9.1 The report identifies performance and risk information in relation to the back office functions provided by CSG.

## **6 BACKGROUND PAPERS**

6.1 None.