

	<p><b>Financial Performance and Contracts Committee</b></p> <p><b>11 March 2019</b></p>
<p><b>Title</b></p>	<p><b>Quarter 3 2018/19 Contracts Performance Report</b></p>
<p><b>Report of</b></p>	<p>Commercial Director</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>None</p>
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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 3 (Q3) 2018/19 Themed Performance Reports.

### Officers Recommendations

The Committee is asked to review the Quarter 3 (Q3) 2018/19 performance in relation to back office functions delivered by the Customer and Support Group (CSG) and Planning delivered by Regional Enterprise (Re) and note any recommendations to Policy and Resources Committee or Theme Committees on issues arising from this review.



## 1. PURPOSE OF REPORT

### Introduction

- 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 Q3 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 Q3 2018/19 Strategic Performance Report to Policy and Resources Committee on 20 February 2019. There is also a separate Chief Finance Officer report to this Committee.

### Back office functions (CSG)

#### Overview

- 1.4 Preparations have been taking place for the insourcing of Strategic HR and Finance functions, subject to the outcome of public consultation. The quality of all CSG services continues to be closely monitored. Payroll accuracy has improved during Q3 and is now on target, customer services demand reduction initiatives are starting to show results, and Housing Benefit Overpayment recovery has increased by 72% when compared to the same time last year (£1,458,074 from £848,426). However, there are particular concerns about **Finance, Pensions and audit action completion**.
  - In terms of **Finance**, progress against the financial controls improvement plan was reported to Audit Committee on 31 January 2019. Whilst good progress had been made some key outstanding areas remain, including the capital budget monitoring process and the accounts payable process of approving new suppliers (both one-time vendors and master data).
  - A **Pensions** improvement plan remains in place. Data quality has improved, but there are remaining data quality issues and significant shortcomings in terms of admission agreements and bonds. The Pensions Regulator is keeping Barnet under close scrutiny.
  - As reported to Audit Committee on 31 January 2019, there are several overdue **audit actions** relating to CSG services, primarily Finance and HR (accounts payable, onboarding, teachers' pensions, and temporary and interim workforce). Work on most of these actions is in progress and officers have committed to significant progress being reported to the next Audit Committee.

- 1.5 In terms of the other CSG services, performance has been broadly satisfactory, with the significant exception of **user and commissioner satisfaction**. The upper quartile targets for satisfaction have not been met since the CSG contract began. More detail on this can be found in paragraph 1.35. An update on each of the CSG services is provided below in paragraphs 1.6 to 1.32.

## Finance

- 1.6 The upgrade of system e-forms has been successfully delivered, directly addressing internal **audit action** requirements. A significant portion of the work arising from the Grant Thornton Internal Controls report has been implemented; however there remain a number of significant issues requiring final sign-off such as capital budget monitoring and the accounts payable process where a project has been initiated to understand the issue further with a view to resolving it urgently.
- 1.7 The **closing of accounts** is progressing effectively with a detailed plan established and stakeholders fully engaged. Risks to delivery are being managed through the increased resourcing of the team funded by both Capita and the council.
- 1.8 Plans for the **insourcing of Finance** (subject to the outcome of public consultation) are underway including staff engagement and transition planning. Independent to the transition, staffing changes have been made across the Business Partnering function to improve capacity and performance of the service. A range of activities to improve financial management skills of staff in the organisation are underway. These activities should also strengthen the Finance team and improve service delivery and perception across the council.

## Pensions

- 1.9 Following the appointment of a specialist Pensions Consultant by the council, further focus has been placed on **pensions administration**. Despite considerable effort to address the quality of pensions administration and some improvements made, further issues have emerged including some admission agreements and bonds not being in place. These are being followed up urgently.
- 1.10 Data cleanse activity to date has improved data quality, but significant data quality issues remain. Independent analysis of data conducted by Hymans Robertson has confirmed known critical issues outstanding that are being addressed through the action plan in place. A conditional data cleanse plan was drafted in January 2019 and sent to the Pensions Regulator.
- 1.11 The scheme remains under scrutiny by the Pensions Regulator and considerable effort is going into ensuring CSG internal controls are robust and into reporting Scheme Manager activity back to the Pensions Regulator.

## Human Resources

- 1.12 The new agency/temporary staff contract with Matrix went live in October 2018. Several high priority **audit actions** relating to DBS requirements for temporary worker roles remain outstanding, as reported to Audit Committee on 31 January 2019. However, officers reported to the Committee that no staff requiring a DBS check currently employed by the council do not have one.

- 1.13 The iTrent payroll system for schools went live and training took place in Q3. The new e-recruitment system (Vacancy Filler) went live in November 2018. The Core HR system upgrade has been completed on time, which will facilitate desktop reporting for managers. Work to identify operational and strategic workforce data requirements is being undertaken as part of the strategic contract review.
- 1.14 There has been an improvement in **Payroll accuracy**. The KPI passed in Q3 (0.02% against a target of 0.1%), with only one payroll error out of 6,852 transactions. The improvement plan provided by Capita is monitored monthly.
- 1.15 An interim Director for CSG HR started in October 2018 and a new Account Director has also started, providing the liaison and client relationship management for offsite HR services. CSG Strategic HR are reporting resource constraints and priority is being given to the work underway to effectively plan for the proposed return of Strategic HR to the council, subject to the outcome of consultation.

### Corporate Programmes

- 1.16 During Q3, work continued on key programmes, notably leisure centres, schools and The Way We Work (TW3).
- **Investment in leisure centres** – Mechanical and Electrical work is almost complete on the two new leisure centres at New Barnet and Copthall. Both leisure centres are scheduled to be handed over on the 5 July and 1 August 2019 respectively.
  - **Blessed Dominic and St James' school expansion** - Significant works have taken place in Q3, with external walls for parts of the school complete and windows installed, and the elevation of the North, East and South areas completed.
  - **TW3** - Work has continued on the new office build in Colindale. However, a dispute with the builder about the final fit-out and costings has the potential to impact on the completion date and office move. A separate paper on the Colindale office move is on the agenda for this Committee. The Staff Development Programme, Changing the Way We Work, has been piloted amongst change champions and early adopters ahead of a full roll-out in January 2019. 'Team Principles' have been drawn up and adopted across the organisation to stimulate discussion and agree on how teams will work now and in the future with changing work practices. A competition has been undertaken to name the meeting rooms at Colindale, with some excellent suggestions put forward. Further Skype training sessions have been held to support those who did not attend the original sessions or required further assistance to get the best from this tool.

### Customer Services

- 1.17 The focus has remained on reducing telephone contacts and costs. The expected benefits and delivery dates of a range of **demand reduction initiatives** have been agreed between CSG and the council. The baseline against which demand is calculated has also been revised to reflect the impact of these initiatives and a tracker is in place to monitor progress. These initiatives ensured no additional contract costs were incurred in Q3. It is anticipated that this cost-neutral position will be maintained in Q4 and savings will be generated in 2019/20.

- 1.18 **Website satisfaction** at 30% has again missed target (55%) in Q3. The change in bin collection rounds had a negative impact on ratings, as did issues with My Account. There has been an improvement in January 2019, with web satisfaction at 34.9%, as a result of improved bin operations and work is ongoing to resolve issues with passwords. The new council website launched in February 2019 and should improve satisfaction ratings.

## Information Systems

- 1.19 The KPIs have been met with most incidents and requests resolved in a timely manner. Dedicated Wi-Fi has been set up for Members, which should enable Members to login and connect without the requirement of re-authenticating. The roll-out of the latest version of Microsoft Windows 10 has continued, with c.1000 staff now live.
- 1.20 A lessons learned document has been produced on the Office 365 roll-out and a strategy recommending next steps has been completed. A detailed review of the **user and commissioner satisfaction survey** results has been carried out and an improvement plan is being put in place as a result of this. A paper will be brought to a future meeting of the Committee.

## Procurement

- 1.21 The most significant change this quarter has been the removal of **procurement gainshare and guarantee arrangements** from the CSG contract, as agreed by Urgency Committee on 30 November 2018. Internal processes are being revised in line with this and performance of the procurement service is being closely monitored to ensure that savings continue to be secured.
- 1.22 Progress is being made against the strategic workplan for the year. Following a series of workshops with service areas to identify upcoming procurement requirements, the Procurement team prepared the 2019/20 Annual Procurement Plan, which was approved by Policy and Resources Committee on 11 December 2018. A new Contract Management Toolkit has been agreed with service areas and has started to be rolled-out across contracts; and further training and progression of an e-KPI pilot has taken place with service areas.
- 1.23 There were 25 live procurement projects in Q3, including:
- Award of a new Corporate Cleaning and Washroom Contract
  - Go live of the new agency/temporary staff contract on 1 October 2018. Audit actions in relation to the previous contract have been reflected in the new contract with Matrix and are being progressively implemented as the contract embeds. Progress was reported to Audit Committee on 31 January 2019. A paper on the mobilisation of the new contract with Matrix is on the agenda for this Committee
  - Co-design workshops have been held with parents, carers and providers to develop specifications for Short Breaks

- Market events have been held to communicate opportunities for Homecare and Short Breaks to potential providers and provide training and guidance on how to bid for these opportunities.

## Revenue and Benefits

1.24 The four-yearly **collection targets** for council tax and business rates have been met. Both are on track to achieve the end of year target. However, there is currently no benchmarking data available for four-year collection rates, which makes it difficult to know how well Barnet is performing in comparison with other London Boroughs and nationally. This creates a potential financial risk to the council by increased bad debt provisions owing to aged debt being more difficult to collect. The benchmarking data available from MHCLG for in-year collection rates is set out in table 1 below. This shows that in-year collection rates for Barnet have been behind the Outer London Boroughs for some time. In-year collection is a focus for future work.

**Table 1: In-year collection rates for council tax and business rates**

Council tax collection (in-year)			Business rate collection (in-year)				
	Barnet	Outer London	England		Barnet	Outer London	England
15/16	96.1%	96.8%	97.1%	15/16	96.7%	98.4%	98.2%
16/17	96.1%	97.0%	97.2%	16/17	97.0%	98.6%	98.2%
17/18	96.0%	97.1%	97.1%	17/18	96.9%	98.7%	98.4%

- 1.25 **Housing Benefit Overpayment recovery** has increased by 72% when compared to the same time last year (£1,458,074 from £848,426) providing an increased income to the council.
- 1.26 The introduction in May 2018 of Full Service **Universal Credit (UC)** has continued to generate large volumes of additional work, resulting in resourcing issues for CSG. Currently, notification of changes to UC entitlement are received daily which requires officers to check the document over to ensure the changes don't impact on the Council Tax Support (CTRS) award. This can be time consuming as some of the income included within the UC notice is ignored for CTRS i.e. housing costs. On a lot of the occasions the decision notice doesn't impact on the award of CTRS but the checking is still required. The Council Tax Support scheme will be changing from April 2019, which should provide an opportunity to reduce this pressure as the simpler nature of the banded scheme will allow automatic processing of the UC award notices as it will be looking solely at the earned income field.
- 1.27 Work has progressed to introduce a new suite of **digital forms** for Council Tax. These will be 'live' before the end of March 2019 and should bring an improved customer experience. Following annual billing, the council will work with Capita to introduce e-billing.
- 1.28 The **annual housing benefit subsidy audit** identified a historic error in the system, which has led to the claim being qualified. With assistance from Capita, the council has put a representation forward to the Department of Works and Pensions that the reclaim should be less (£588k) and await their feedback. Under the current contractual terms should the council be requested to repay any subsidy, Capita will be required to meet this cost.

- 1.29 The council is required to submit a **quarterly return to MHCLG** on council tax and business rates collection performance. The Q2 return, which was due in October 2018, was not submitted until after the deadline by CSG. A stronger process is being put in place to ensure future deadlines are met.
- 1.30 Benefits complaints have increased slightly to 39 (from 36 in Q1 and 31 in Q2), with **complaints upheld partially or in full** at 67% (from 53% in Q1 and 39% in Q2). Information on the reasons for complaints and the reasons why they were upheld has been requested from CSG; and analysis will be carried out to understand and address the underlying causes.

### Safety, Health and Wellbeing (SHaW)

- 1.31 The service remains on target to meet its annual work plan. The risk profiling heat map has been reviewed by the council and is being finalised. Discussions will take place to review next steps, identify risk areas and evolve service delivery around the actions required to support the business to reduce risk. The service is continuing to deliver support, guidance and advice to staff as well as carrying out monitoring activities such as audits, inspections and investigations. There has been an increase in training being provided to council employees and schools, for which positive feedback has been received.
- 1.32 The Workplace Health and Wellbeing Steering Group has met to drive the council's workplace wellbeing strategies. Health checks have been made available to staff in January 2019. A recent staff survey was carried out to gain information on the type of wellbeing activities staff were keen to be made available for staff. The survey had a good response with many suggestions and offers of support. Three open hours have been arranged for likeminded staff to get together and find ways of organising these activities.

### Key Performance Indicators (KPIs)

	Green	Amber	Red	Monitor only	Improved/Same	Worsened	No. indicators
KPIs <sup>1</sup>	23	2	9	1	21	10	35

- 1.33 35 KPIs were reported in Q3. 11 did not meet the quarterly target. These were **accuracy of benefits assessments** (see paragraph 1.34) and 10 (of 11) **user and commissioner satisfaction** indicators (see paragraph 1.35).
- 1.34 **Accuracy of benefit assessments (RAG rated AMBER)** – 93.9% against a target of 95%. The methodology for this KPI has been updated to improve accuracy check benefit assessments carried out by CSG Revenue and Benefits service. Using the updated methodology, the KPI failed to meet its target of 95%. LLB and CSG have agreed to work together between now and the end of Q1 2019/20 to put appropriate measures in place to achieve the required levels.

<sup>1</sup> Includes indicators in the Corporate Plan reported to Policy and Resources Committee.

Indicator <sup>2</sup>	Polarity	17/18 EOY	18/19 Target	Q3 18/19			Q3 17/18
				Target	Result	DOT	Result
Accuracy of benefit assessments	Bigger is Better	96.4%	95%	95%	93.9% (A)	New for 18/19	New for 18/19
Payroll Accuracy - error rates	Smaller is Better	0.3%	0.1%	0.1%	0.02% (G)	↑ I -78%	0.11%
Incident resolution	Bigger is Better	92.8%	95%	95%	95.7% (G)	↑ I +2.8%	93.0%
Compliance with Authority policy	Bigger is Better	Fail	Pass <sup>3</sup>	Pass	Pass (G)	↓ W	Fail
Customers who rate phone calls, emails and face-to-face service as good (GovMetric)	Bigger is Better	90.3%	89%	89%	90.0% (G)	↑ I +0.2%	89.9%
Customers satisfied following case closure	Bigger is Better	69.2%	65%	65%	76.9% (G)	↑ I +14%	67.6%
Customer Services closing cases on time	Bigger is Better	97.4%	94%	94%	95.2% (G)	↓ W -0.3%	95.4%
Customer Services closing cases on time (Customer Advocacy Service)	Bigger is Better	100%	95.2% <sup>4</sup>	95.2%	100% (G)	→ S	100%
Cases/transactions completed via self-service channels	Bigger is Better	New for 18/19	48% <sup>5</sup>	48%	48.3% (G)	New for 18/19	New for 18/19
Budget forecasting - variance to budget	N/A	Fail	Pass	Pass	Pass	→ S	Pass
Budget savings monitoring report produced	Bigger is Better	Pass	Pass	Pass	Pass	→ S	Pass
DBS verification audits	Bigger is Better	99.7%	100%	100%	100% (G)	→ S	100%
Absence projects and Interventions <sup>6</sup>	N/A	Pass	Pass <sup>6</sup>	Pass	Pass	→ S	Pass
Critical system availability	Bigger is Better	99.9%	99.5%	99.5%	99.9% (G)	↓ W -0.01%	100%
Facilities management incident resolution	Bigger is Better	100%	100%	100%	100% (G)	→ S	100%

<sup>2</sup> No benchmark data available for CSG KPIs.

<sup>3</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).

<sup>4</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>5</sup> Target changed from 77% to 48%. The methodology previously included self-service i.e. web forms but also included 'web sessions' i.e. users browsing the website as self-service. 'Web sessions' was removed as a form of self-service and the target was revised down.

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

Indicator <sup>2</sup>	Polarity	17/18 EOY	18/19 Target	Q3 18/19			Q3 17/18
				Target	Result	DOT	Result
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%	100% (G)	↑ I +0.1%	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	85 (G)	↑ I +31%	65
London Procurement Pledge - cumulative work experience <sup>10</sup>	Bigger is Better	258	240	240	353 (G)	↑ I +37%	258
Speed of processing new claims	Smaller is Better	22	22	22	20 (G)	↑ I +10%	22
Speed of processing changes	Smaller is Better	5	6	6	6 (G)	→ S	6
Statutory compliance with civic estate (planned inspections)	Bigger is Better	100%	100% (1861) <sup>11</sup>	Monitor	492 (1300 YTD)	N/A	N/A <sup>12</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%

1.35 **User satisfaction and commissioner satisfaction indicators (nine RAG rated RED and one RAG rated AMBER).** Two surveys are carried out each year on internal customer satisfaction with the services provided by Capita – one for service users and one for commissioners (i.e. those who use the strategic aspects of services). The contractual target is for satisfaction to be in the upper quartile for councils using a CIPFA benchmark. Capita has not hit the targets for satisfaction, but there have been incremental improvements in most areas, with some notable exceptions such as finance where satisfaction has declined. This is in the context of significant savings being delivered through the Capita contract. Satisfaction improvement plans are in place for each service area, and Capita has been asked to evidence that feedback from the satisfaction survey and other more regular surveys are used to inform continuous service improvement activity.

<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.

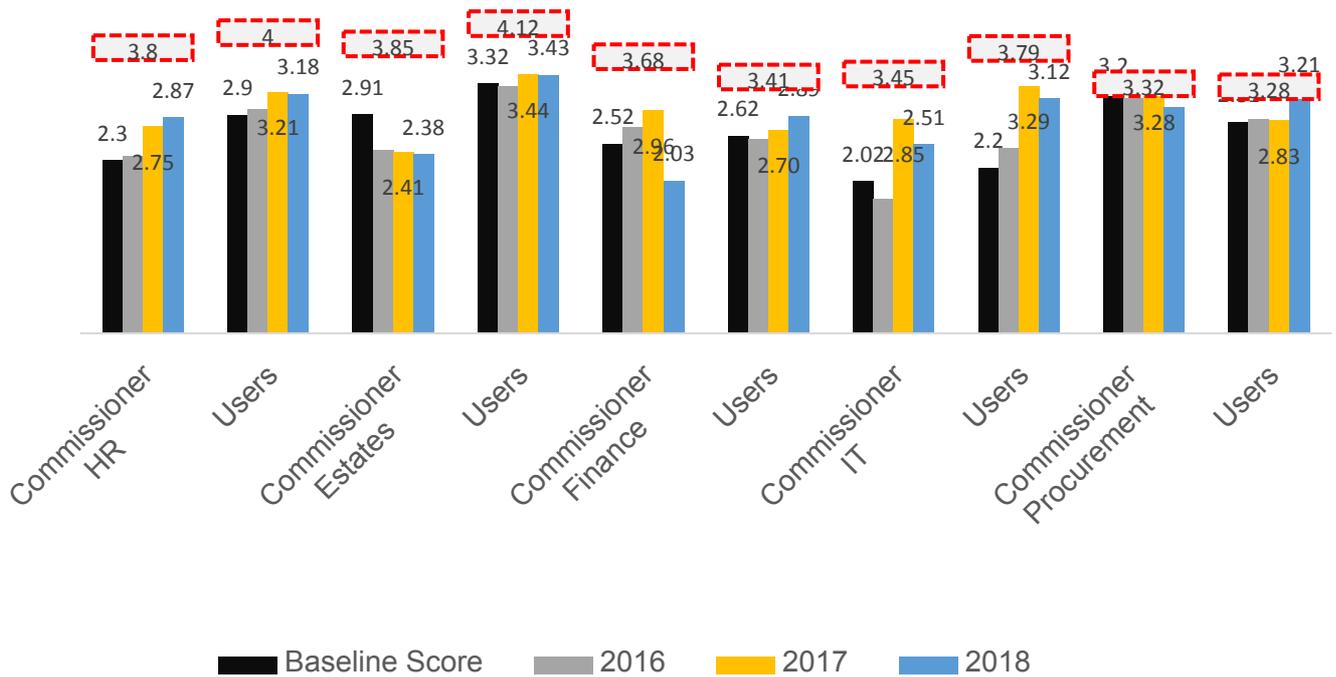
<sup>9</sup> Cumulative refers to the start of the contract - September 2013.

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

<sup>11</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>12</sup> 2017/18 programme covered five buildings. Q3 2017/18 result not available. The programme in Q3 2018/19 covers 94 buildings.

### Trend analysis of survey results from 2016 to 2018



Indicator	Polarity	Baseline	17/18 EOY <sup>13</sup>	18/19 Target	Q3 18/19			Q3 17/18 <sup>14</sup>
					Target	Result	DOT	Result
User Satisfaction - IT	Bigger is Better	2.2	3.27	3.79 (Upper quartile score)	3.79 (Upper quartile score)	3.12 (R)	↓ W -5.2%	3.29
User satisfaction - HR	Bigger is Better	2.9	2.82	4 (Upper quartile score)	4 (Upper quartile score)	3.18 (R)	↓ W -0.9%	3.21
User satisfaction -Procurement	Bigger is Better	2.81	2.47	3.28 (Upper quartile score)	3.28 (Upper quartile score)	3.21 (R)	↑ I +13%	2.83
User satisfaction - Estates	Bigger is Better	3.32	3.14	4.12 (Upper quartile score)	4.12 (Upper quartile score)	3.43 (R)	↓ W -0.3%	3.44
User satisfaction - Finance	Bigger is Better	2.62	2.49	3.41 (Upper quartile score)	3.41 (Upper quartile score)	2.89 (R)	↑ I +7.0%	2.70

<sup>13</sup> Result as reported in 2017/18.

<sup>14</sup> Methodology note - Users and commissioners (primarily senior management) are asked to rate services on a scale of 1 to 5 with 1 being strongly disagree and 5 being strongly agree. In 2016's survey those who responded 'not applicable', as they did not use the service, were marked as a 0 and included in the score; this skewed the average score and therefore showed satisfaction as lower than it was. 2018's data has been calculated excluding those who responded 'not applicable' and 2016 and 2017's data has been amended in line with this to ensure consistency. None of the KPIs have been met since contract commencement and the re-calculation does not change this.

Indicator	Polarity	Baseline	17/18 EOY 13	18/19 Target	Q3 18/19			Q3 17/18 <sup>14</sup>
					Target	Result	DOT	Result
Commissioner Satisfaction - Corporate IS	Bigger is Better	2.02	2.75	3.45 (Upper quartile score)	3.45 (Upper quartile score)	2.51 (R)	↓ W -12%	2.85
Commissioner Satisfaction – HR	Bigger is Better	2.3	2.36	3.8 (Upper quartile score)	3.80 (Upper quartile score)	2.87 (R)	↑ I +4.4%	2.75
Commissioner Satisfaction - Procurement	Bigger is Better	3.2	2.4	3.32 (Upper quartile score)	3.32 (Upper quartile score)	3.01 (A)	↓ W -8.2%	3.28
Commissioner Satisfaction - Estates	Bigger is Better	2.91	1.69	3.85 (Upper quartile score)	3.85 (Upper quartile score)	2.38 (R)	↓ W -1.2%	2.41
Commissioner Satisfaction – Finance	Bigger is Better	2.52	2.62	3.68 (Upper quartile score)	3.68 (Upper quartile score)	2.03 (R)	↓ W -31%	2.96

## High level risks

1.36 There are two high level risks (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 score 15).** Inadequate resourcing and/or poor processes could lead to incomplete or misleading financial information. Additionally, instances of performance failure have occurred within the Accounts Payable function (such as failed payment runs and lost invoices) leading to potential impacts on the council's functions and service users, its reputation with suppliers and officer time spent dealing with complaints. CSG Management Team are working closely with the client team to manage the risk and ensure resources are deployed in the most effective manner.
- CSG08 - Misstatement of Pension Fund (residual score 15 – increased from 12).** The lack of appropriate resourcing and non-escalation of issues to the appropriate manager could lead to a misstatement of pension fund statutory accounting and reporting (errors and delays) resulting in a qualified audit report. The ongoing audit issues relating to the data quality of membership information for 2017/18 have continued. Errors identified during the audit of Schools Pensions data have led to an increase in the likelihood score from 4 to 5, resulting in an increased residual score of 15 from 12.

## Planning (Re)

### Development Management

- 1.37 The Development Management service has continued to perform highly, dealing with the 2<sup>nd</sup> highest number of planning applications in London and delivering 85.7% of applications within timescales against a 75% target.
- 1.38 A review of the effectiveness of the proactive enforcement post took place; a capacity funded through the increase to planning fees since January 2018. Environmental health and council tax data was used to investigate non-compliance dating back to 2014. During the period, 244 cases were investigated including 132 Houses in Multiple Occupation. This has resulted in 15 enforcement notices being served and 39 planning applications to regularise works.
- 1.39 Considering that 60% of cases (143) are still open and subject to ongoing investigation, the investment has had substantial impact. It has therefore been agreed to fund a second officer in 2019 to provide supplementary capacity and enable a broadening of planning enforcement activities to other sources of data.

### Building Control

- 1.40 Performance of the service has been high with 100% of applications being completed within timescales. Marketing exercises have continued to target improved market share of building control activities. As part of this programme of activity the schedule of fees and charges were thoroughly re-worked to ensure fairness of recharging between types of services provided.
- 1.41 The pilot for mobile working technology began, if it proves successful then all building control staff will be able to move across to more flexible mobile devices that will enable more activities to be completed on site (e.g. capturing of photos directly into case notes, and issuing certificates to clients).

### Strategic Planning

- 1.42 Work on the Local Plan has continued including several meetings of the Members Advisory Group and production of the first complete Regulation 18 draft of the Plan for internal review. The draft plan is expected in spring 2019.
- 1.43 In December 2018, Council approved the Regulation 19 draft North London Waste Plan and the Brownfield Land Register (2018 update) was approved by Planning Committee.
- 1.44 During Q3, the council secured £4.5m Community Infrastructure Levy (CIL), a further significant contribution from new developments. This will fund projects within the capital programme, including parks investment in Colindale and re-development of leisure centres.

## Key Performance Indicators (KPIs)

	Green	Amber	Red	Monitor only	Improved/Same	Worsened	No. indicators
KPIs	5	0	0	1	3	3	6

- 1.45 Six KPIs were reported in Q3 and all met target. One is a 'Monitor only' indicator for the quarter and has worsened since last year.
- 1.46 **Section 106 cases cleared annually - payment of Section 106 obligations by developers to the Authority (Monitor only).** This is an annual indicator monitored on a quarterly basis. The Q3 result was 87.5%, slightly lower than last year (91.7%) but well above the annual target. The KPI is expected to meet the annual target at year-end.

Indicator <sup>15</sup>	Polarity	17/18 EOY	18/19 Target	Q3 18/19			Q3 17/18
				Target	Result	DOT	Result
Decisions made within building regulation statutory timescales	Bigger is Better	97%	96%	96%	100% (G)	↑ I +9.4%	91.4%
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	2.7 days (G)	↓ W -3.2%	2.61 days
Compliance with planning application statutory timescales for major, minor, other applications	Bigger is Better	85.6%	75%	75%	84.8% (G)	↑ I +0.8%	84.1%
Strategic planning documents completed and signed off	Bigger is Better	100%	100%	100%	100% (G)	→ S	100%
Section 106 cases cleared annually (payment of Section 106 obligations by developers to the Authority) (Annual)	Bigger is Better	88.9%	80%	Monitor	87.5%	↓ W -4.5%	91.7%
Community Infrastructure Levy (CIL) cases cleared annually (payment of overall CIL obligations by developers to the Authority)	Bigger is Better	83.1%	80%	80%	84.4% (G)	↓ W -9.2%	100%

## High level risks

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

<sup>15</sup> No benchmark data available for Planning KPIs.

## **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 Q3 2018/19 Themed Performance Reports. The Committee is asked to review the Q3 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 Q3 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 and Re Planning 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.