

Public Comment(s)	
Request for a Public Comment has been received in relation to the following Agenda Items: (3 minutes per comment) Item 8 – Temporary Workers Contract Implementation	Mr. John Dix

Public Questions

Question	Agenda Item	Raised by	Question Raised	Answer
1	7	Mr John Dix	1.2 says that a £3.685m contribution to reserves from the Capita contract settlement. What happened to the other £0.435 million that formed part of the settlement, when was it paid and where is the record of the payment given that it is not shown as a credit in the monthly expenditure figures?	The full value of the settlement has been received. £3.685m of the settlement was immediately transferred into reserves. The remaining £0.435m was already assumed in the forecast outturn for items such as increased monitoring associated with financial controls.
2	7	Mr John Dix	What was the reason for the underspend of the forecast NLWA levy?	Over a number of years minor variances in the levy charge has caused an accumulation of balances held by the waste authority of c£0.9m. This has been recognised during 2018/19 and will be received by the council in the form of reduced levy payments in future years.
3	7	Mr John Dix	At 1.9 the report states that the average interest rate for the £304.08m of long term debt is 3.86%. How much of the long term debt is in Lender Option Borrower Option (LOBO) loans, what is the interest rate on those LOBO's and what steps have been taken to follow in Birmingham and other	The Council has borrowed £62.5 million from banks by way of LOBO loans (that is loans with interest rate options). The average rate of interest on these loans is 3.93%. Periodic discussions have been held with the lender banks who have indicated that they are seeking a

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			authorities' footsteps to extricate themselves from LOBO's and replace them with lower cost PWLB funding at a lower cost?	substantial premium to terminate either the loans or the interest rate options. The premiums being requested are considerably in excess of the interest rate savings in switching to new borrowing at current available rates. The Council has concluded that in the current environment in which the exercise of the options are unlikely that it is not appropriate to pay a premium to buy out the option provisions.
4	7	Mr John Dix	Re para 2.1.10, please can you explain in more detail why there is presently a backlog in raising invoices for income due to the service and why CSG is a significant debtor which could result in debt write offs being written back to the service?	For clarification, this debt relates to the Clinical Commissioning Group (CCG) which is part of the NHS and not Capita CSG. The invoice backlog was mostly due to delays in approval of client / service user linked funding, especially by the CCG. Given that invoices relate to the CCG's joint funding of care costs, the cases need to be approved by our health partner before any invoices are raised. Since month 9 there have been extensive negotiations with the CCG and the situation has improved. This will lead to a lower risk of bad debt and subsequent write off.
5	7	Mr John Dix	How much of the £293,000 overspend in HR is due to the high cost of interim agency staff in senior positions and please can you clarify how many agency/interim staff in HR are costing the council more than £100,000 per annum?	The £293k overspend is due to £58k staff costs for agreed Trade Union activities and £235k HR staff costs. One interim member of staff costs more than £100k. With strategic HR transferring back to the council and the upcoming permanent recruitment of a council HR lead, it is anticipated that the overspend linked to agency staff will not continue after the permanent recruitment.
6	7	Mr John Dix	Re para 2.1.20 please can you clarify on which specific retained income lines the £1.346m shortfall has occurred?	The month 9 forecast shortfall is due to: -£740k Schools traded services -£288k reduced Barnet Group SLA income; -£394k printing recharges; -£467k Corporate Programmes recharges

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				<p><i>Offset by:</i> -£548k Court Costs awarded -£5k Other minor variances</p> <p>These structural income shortfalls have been removed when setting the 2019/2020 budget.</p>
7	7	Mr John Dix	Can you clarify specifically how the housing benefit overpayments occurred in the first place, are the repayments anticipated or actual, and will the gainshare be paid before or after the repayments have been recouped?	<p>Housing Benefit overpayments primarily occur as a result of a delay by claimants in notifying us of a change in circumstances. They can also occur as a result of a delay in the council processing changes, however this is much less common and is an area closely monitored and reported to Central Government.</p> <p>The repayments are based on actual cash received and the gainshare is based on actual recovery above an established baseline.</p>
8	7	Mr John Dix	When you say that the misclassification of income between the General Fund and the HRA has been resolved in 2019/20 and going forward, does this mean that the authority will receive this income going forward or that the income has been reclassified so that we definitely know we won't receive the income?	<p>The general fund income target has been reduced to better reflect the amount which attributable to that fund. The council will still receive income within the HRA which is budgeted for separately. The change to budgets essentially removes a duplicated expectation of income.</p>
9	7	Mr John Dix	Can you clarify how you can reconcile Table 2 which shows an overspend on Streetscene of £1.147 million with Table 6 that shows Environment are still on budget to save £1.915 million and does this mean that additional cuts will have to be made from elsewhere in Environment to make up for the	<p>Overall the Environment Committee is expected to achieve a balanced budget in 2018/19 which includes savings of £1.915m. The Streetscene saving of £450k is now forecast to not be delivered however this is expected to be offset by increased income generation within the overall portfolio of services.</p>

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			overspend on Streetscene?	
10	7	Mr John Dix	Given that a significant debtor is Hammerson PLC owing over £1 million, that all of the invoices required more information and that two of these invoices are more than a year overdue, has all the requested information been provided and what steps will be taken to seek immediate payment?	The council believes it has provided all relevant information. The steps taken to recover outstanding debts will be in line with the debt recovery steps within the council's debt management policy.
11	7	Mr John Dix	Given that Barratt have failed to respond on 8 out of 10 invoices with a value of £600,000 what steps are you taking to recover this money immediately ?	Stringent efforts have been made to recover the £600,366 outstanding at the time of the report, with direct dialogue between Council and Barratt London resulting in successful recovery of the bulk of outstanding debt. Of the £600,366 outstanding at the time of the report; <ul style="list-style-type: none"> • Payments have been received totalling £463,803 (77% of the outstanding debt) • A debt totalling £4,397 was cancelled by credit note • The remaining debts, totalling £132,166, are currently subject to queries with ongoing dialogue taking place to expedite resolution and payment of any owed monies.
12	8	Mr John Dix	Why do the agency staff cost figures not tie into the actual staff cost invoices even taking into account when the invoices were paid?	The council has reviewed the data on the open data portal and can confirm that the invoices do reconcile when taking into account when the invoices were submitted and paid.

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13	8	Mr John Dix	Why does the average cost of employing agency staff vary by so much from month to month especially in Commissioning Group given there is so very little difference in the number of FTE staff employed?																									
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Answer: The costs vary due to hours worked in a month. In October, total hours worked in the Commissioning Group were 2517, in November it was 3343 hours, and in December 3702 hours.																												
14	8	Mr John Dix	Given that the agency costs do not include interim and agency staff employed outside Matrix contract, can you quantify what the additional spend is through agencies such as Hampton's Resourcing and Gatenby Sanderson, and what is the headcount for those agencies?	The council aims to quantify off contract spend as part of its ongoing work to improve usage of and expenditure on temporary workers, and will look to report to the committee in due course.																								
15	8	Mr John Dix	At point 1.11 it lists 8 areas where benefits were built into the new contract. Can you clarify why those benefits were not build into the Comensura contract either from the start	The council continually evaluates its contracts as part of best improvement practice, the benefits that were built into the Matrix contract are reflective of this continuous improvement.																								

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			or when a new contract was awarded to Comensura in 2016?	
16	8	Mr John Dix	How much do you believe these 8 benefits built into the new contract will save Barnet per annum?	These 8 measures were designed to reduce the council's need for interim workers. We expect that these measures will work to reduce the impact of IR35 and dependent on council's needs, reduce our expenditure in further years.
17	10	Mr John Dix	The report fails to identify why recruitment and retention is a problem. What has Re done to understand the causes of the problem, for example have Re undertaken Barnet staff satisfaction surveys, how many exit interviews have been carried out and what were the findings, is it a morale problem, is it a pay and benefits problem? Without knowing what is the cause of the problem how can any mitigation proposals have any chance of success?	<p>Staff surveys and exit interviews are undertaken. Sickness and absenteeism are lower than average and lower than Barnet as a comparator. Pay and benefits is not a reported issue, and in order to compete in the local government market Re offers enhanced terms and benefits. However, it is more difficult to attract senior staff.</p> <p>Levels of staff turnover are not generally above average although at the start of last year, the well-publicised issues of Carillion impacted on the ability to recruit. As a consequence of the natural turnover, the number of vacancies grew.</p> <p>The Strategic Contract Review and potential return of the service to the Council has also been a difficult message to manage, making it harder for Re to sell a future vision of development and stability to potential candidates.</p> <p>Although Re has given an increased focus to overcome these challenges, it has taken time to find suitable candidates.</p>

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18	10	Mr John Dix	Will the lower salary and pension costs arising from so many vacancies be reflected in lower charges made by Re to Barnet?	This is an output based contract and therefore the obligation is on service delivery and not on staff numbers. Any direct or indirect impact on service delivery is addressed through the performance management processes. Delivery of reactive repairs through the third-party contractor, is being affected by underlying IT issues which are being addressed and are reported regularly to the committee.
19	11	Mr John Dix	At 1.35 the report states “Capita has not hit the targets for satisfaction, but there have been incremental improvements in most areas ”. However, the report identifies that in 7 out of 10 satisfaction criteria the performance/direction of travel has actually worsened since last year. As such how can the statement “ incremental improvements in most areas ” be true?	Incremental improvements refer to the overall trend since the baseline score rather than 2018 specifically.
20	11	Mr John Dix	Given that none of the satisfaction KPIs have been met since contract commencement 5 years ago can you please explain what is the point of having KPI’s and what signal does this send to Capita about prolonged non compliance?	KPIs enable the council to monitor and challenge performance and provide a mechanism for financial redress where KPIs are not met. Prolonged non-compliance increases the financial impact for Capita through application of service credits which have a ‘ratchet’.
21	12	Mr John Dix	Seven different bus routes stop in close proximity to Barnet House and the Northern Line stop at Totteridge & Whetstone 5 minute’s walk from Barnet House make it very accessible to residents. How accessible will the new offices at Colindale be to	There are six bus routes running through Colindale and a seventh route is being added in the form of the new 125 route, which will run from Winchmore Hill via Finchley Central to the Colindale office - please see the attached bus route maps for details. The office is also accessible on the Northern Line to Colindale tube station. The station

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			residents in the East of the borough who have housing queries or want to inspect a planning application in person?	is approximately 5 minutes' walk from the office.
22	12	Mr John Dix	After June 2020 where will the family services in the be located in the East of the Borough and what reassurances can you give that funding for a permanent East Hub will be allocated?	The provisional plan is for a Family Friendly Hub to be created in the East Barnet Library, once the partnership library moves to the New Barnet Leisure Centre in the Summer. The allocation of funding and confirmation that East Barnet Library is a viable solution is subject to a successful capital bid and supporting business case, which is currently being developed.
23	12	Mr John Dix	Given that last week I was told that an exit from the Barnet House lease had not yet been agreed, why wasn't this identified as a risk in the report at section 1.16.7 and what is the scale of the financial risk – i.e. how many months will we have to keep paying rent for Barnet House once it has been vacated?	The business case for the move to Colindale assumes that LBB will continue to pay for the Barnet House lease all the way through until the end of that lease in 2032. This is because there are no breaks in the lease so surrendering the agreement is subject to negotiations with the landlord, which are by no means guaranteed to be successful. Nevertheless, reducing running costs and / or sub-letting the building is expected to result in significant savings.
24	12	Mr John Dix	What is the scale of the financial risk of not being able to vacate NLBP4 by June 2019?	£63k per month, assuming monthly extensions could be negotiated with the landlord.
25	12	Mr John Dix	Have you carried out any staff surveys to understand how many staff feel about the move to Colindale, how many staff will find the move difficult in terms of travelling/commuting and what estimates have been made on change in staff retention as a result of the move?	The Colindale tube station is 5 minutes away and a number of bus routes lead to and from the office (as shown on the attached TfL route maps). 290 parking spaces for essential car users have been secured in the vicinity of the new office and there will also be approximately 200 commuter parking spaces available in the locality, the furthest away of which is a 25 minute walk

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				<p>or a 7 minute cycle. In addition, 10 pool cars will be situated locally and spot-hire, hire cars will also be available; all for staff that require a vehicle to carry out their work. Personal travel planning advice has also been provided to staff, to assist them with making alternative travel plans following the move to the new office.</p> <p>In addition, we have been working on developing flexible working arrangements to help staff think about how a change in working patterns (e.g. working 1 or 2 days a week from home) could actually improve work/life balance and make commuting cheaper and more manageable. We have had lots of feedback from people that discussions with managers and training on flexible working has enabled people to become much more positive about the change. It is hard to give an overall figure on the likely staff turnover as a result of the move, as this is work that is being reviewed at a team and service level.</p> <p>There has also been a programme of engagement with staff for the last 15 months about all aspects of the move to Colindale. Surveys have been undertaken with specific groups for specific purposes, such as requirements and/or adjustments for staff with disabilities and the council continues to roll out a development programme for staff to assist them with making the adjustments required for working with new technology and in a new location.</p> <p>Impact assessments are carried out at regular intervals and staff turnover is being closely monitored; where exit interviews are undertaken the reasons for leaving cite the move to Colindale as a contributory factor and not the</p>

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				main factor.
26	12	Mr John Dix	Please can you clarify when (i.e. June 2019) you will have certainty on the scale of the financial risk of the contractual dispute with the building contractor so that it can be incorporated into the budget?	The scale of the risk is fully understood and is detailed in the Colindale Office Move – Update exempt paper. The precise timing of any settlement is yet to be finally determined and is dependent on whether a commercial agreement can be reached or whether the matters are referred to formal adjudication.