



## Policy and Resources Committee

17 June 2019

<b>Title</b>	<b>Review of Capita Contracts</b>
<b>Report of</b>	Leader of the Council
<b>Wards</b>	All
<b>Status</b>	Public (except Appendix C, which is not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972, as it contains Information relating to the financial or business affairs of any particular person [including the authority holding that information])
<b>Urgent</b>	No
<b>Key</b>	Yes
<b>Enclosures</b>	<p>Appendix A – Previous Committee Resolutions</p> <p>Appendix Bi – Report on the Outcomes of Consultation</p> <p>Appendix Bii – Consultation Document</p> <p>Appendix Biii – Consultation Questionnaire</p> <p>Appendix C – Financial Analysis (contains exempt information)</p> <p>Appendix Di – Equality Impact Assessment (Finance and Strategic HR)</p> <p>Appendix Dii – Equality Impact Assessment (SHaW and SEED)</p>
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### Summary

This report provides a further update on the review of the council's contracts with Capita. It summarises the outcome of the public and best value consultation exercise that took place between 19<sup>th</sup> December 2018 and 15<sup>th</sup> February 2019. It also confirms the successful

transition of the Finance and Strategic HR services back to the council, which took place on 1<sup>st</sup> April 2019, following consideration of the consultation outcomes and publication of a Delegated Powers Report.

The report proposes that the Director of Place role and the Skills, Employment and Economic Development (SEED) team from within the Regeneration service, and the Safety, Health and Wellbeing (SHaW) service, be returned to the council, subject to completion of the necessary financial due diligence, and the report sets out the business case for so doing. This will have a direct impact on approximately 10 employees in total. It sets out a business case for strengthening the management arrangements for the Highways service. It also notes serious issues with the Pensions Administration service and sets out the proposed approach for ensuring that the service is delivered to the required standard in future.

Finally, the report proposes that the review of remaining services be conducted alongside the year 6 (CSG) and year 7 (RE) contract reviews.

#### **Officer Recommendations**

##### **That the Committee:**

- 1. Notes the outcome of public and best value consultation and updated Equality Impact Assessments.**
- 2. Notes the successful return of Finance and Strategic HR services to the council.**
- 3. Agrees that the Director of Place role and the Skills, Employment and Economic Development team from within the Regeneration service should be returned to the council, subject to the outcome of the necessary financial due diligence.**
- 4. Agrees that the Safety, Health and Wellbeing service should be returned to the council, subject to the outcome of the necessary financial due diligence.**
- 5. Authorises the Chief Executive to take the necessary action to conclude negotiations and effect the transfer of these two services.**
- 6. Notes the proposed arrangements to strengthen the management of the Highways service.**
- 7. Agrees that the Director of Finance should continue to work with Capita to achieve the necessary improvements to the Pensions Administration service.**
- 8. Instructs the Director of Finance to put appropriate measures in place to enable alternative service provision arrangements to be made for Pensions Administration, should the need arise, with a view to bringing a further report to Policy and Resources Committee in due course.**

- 9. Authorises the Deputy Chief Executive to review the future contractual arrangements with Capita for those staff involved in the management and governance of the Brent Cross Cricklewood (Brent Cross) development scheme.**
- 10. Further authorises the Deputy Chief Executive to commence staff consultation on any proposed changes arising out of that review and to report the outcome of the review and consultation to the Assets, Regeneration and Growth Committee, for noting, in due course, with any decisions to be referred to Policy and Resources.**
- 11. Agrees that the review of remaining services be carried out through the year 6 (CSG) and year 7 (RE) contract reviews commencing in the autumn of 2019, with terms of reference and progress being reported to the Financial Performance and Contracts Committee. Any resulting recommendations would be made in a further report to the Policy and Resources Committee.**

## **1. WHY THIS REPORT IS NEEDED**

### **Background**

- 1.1. At its meeting on 11 December 2018, Policy and Resources Committee considered a report setting out the work that had been carried out on developing the business case for realignment of the Capita contracts as originally agreed by the Committee on 19 July 2018. That report set out the findings of the analysis of the three options identified in the July report, which were:
  - Option 1: Maintain the status quo in relation to the contracts.
  - Option 2: Re-shape the contracts to better align service delivery to the council and Capita's strengths and priorities.
  - Option 3: Bring the partnership to an end and either bring services back in house or re-procure them.
- 1.2. The December report concluded that further detailed analysis would be needed to form the basis of a recommendation to the Committee in relation to the totality of the Customer Support Group (CSG) and Development and Regulatory Services (DRS) contracts.
- 1.3. Based on detailed analysis of the Finance and strategic Human Resources (HR) services, the report recommended that these services be returned to the council as a matter of priority, subject to the outcome of public and best value consultation.

- 1.4. The report also noted that the development of a comprehensive full business case covering all services would require significant further work. Consequently, it recommended that future delivery arrangements should be considered for prioritised groups of services in turn; and that the findings of each phase of analysis be reported to this Committee for decision.
- 1.5. The report recommended that, in the meantime, the council should continue to work collaboratively with Capita on the future of services, using existing partnership working and contractual levers to drive service improvement.
- 1.6. Finally, the report recommended public and best value consultation on the approach set out in the paper and the future of services.
- 1.7. The full resolutions from both the July and December Committee meetings are set out in Appendix A.

### **Public and Best Value Consultation**

- 1.8. Public and best value consultation, involving an on-line questionnaire and two focus groups, was conducted between 19<sup>th</sup> December 2018 and 15<sup>th</sup> February 2019. An independent research organisation, ORS, was commissioned to conduct the focus groups and analyse the questionnaire responses. 21 people took part in the focus groups and there were 343 completed questionnaires submitted. ORS have conducted detailed analysis, as set out in their report, which is attached as Appendix B. The main findings are summarised in the following paragraphs.
- 1.9. Of the 248 respondents that answered the relevant question, 224 identified themselves as a “Barnet resident”, 11 as “a person working within the London Borough of Barnet area” and nine as “other”. There were four responses received on behalf of voluntary/community organisations:
  - Barnet Residents Association
  - The Barnet Society
  - An unnamed social housing residents’ association
  - One other unnamed organisation
- 1.10. Members of the Barnet Alliance for Public Services participated in one of the focus groups, which was specifically aimed at residents that have previously engaged with the council on the subject of the Capita contracts.

1.11. The consultation sought views on the three strategic aims for the review, which had been agreed by the Policy and Resources Committee. These were to:

- i. Deliver high quality services;
- ii. Secure best value for money for Barnet's residents; and
- iii. Strengthen the council's strategic control of services.

1.12. In response to questions on these strategic aims:

- a. Just over three fifths (63%) agreed that the three aims should be the basis on which future service delivery arrangements are assessed. A tenth (11%) disagreed.
- b. There was highest agreement with the "delivering high quality services" aim (65%), although there was also majority agreement with the "value for money" aim (59%) and the "strategic control" aim (60%).
- c. The level of disagreement with each of the three aims was consistent (15% or 16%).
- d. Whilst there was general support for the proposed aims, this was not without questions and comments. In particular, there were concerns expressed about whether the council's criteria for "value for money" adequately considers service quality. There was also comment that they are "motherhood and apple pie" aims that are difficult to disagree with.

1.13. On the proposed phasing of the review:

- a. Respondents were more or less evenly split in terms of their overall view on the proposed phasing of the review, with 43% agreeing with the proposed phasing and 42% disagreeing. However, a clear majority (approximately 58%) agreed with the services that were being prioritised in Phase 1. This is a higher level of agreement than for the other Phases.
- b. However, there is criticism of the phased approach itself, for example on the basis that it wastes costs, does not take account of services being dependent on each other and will have a negative impact on delivery. In general, there was a view that all services should be brought in-house, although there was recognition that this would present significant practical challenges.

- 1.14. Questions were also asked about the council's approach to a mixed economy on in-house and outsourced provision, where the most appropriate provider for a particular service is decided on its merits. Three-quarters of respondents opposed this approach, with in-house provision being the clear preference. There is little support for a mixed economy approach, although there was some recognition that, done well, outsourcing works.
- 1.15. Respondents were also asked for their views on the quality of services provided through the contracts. These views were largely negative and, taken together with the level of agreement with the "delivering high quality services" aim, suggests that improving service performance should be one of the key priorities for the council.
- 1.16. Responses have informed the remainder of this report.

### **Insourcing of Finance and Strategic HR Services**

- 1.17. In accordance with the recommendations that were agreed by Committee in December, work progressed on the preparation for returning the Finance and Strategic HR services in parallel with the conduct of public and best value consultation. Following the conclusion of the consultation exercise on 15 February 2019, the Chief Executive, in consultation with the Chairman of the Policy and Resources Committee, duly considered the responses from the consultation, together with an updated equality impact assessment, and concluded that returning the Finance and Strategic HR services to the council should proceed on 1<sup>st</sup> April 2019, subject to completion of the necessary due diligence and contract change documentation. This decision was documented in a Delegated Powers Report, dated 27 March 2018. The contractual due diligence was completed and the necessary Contract Change Notice signed on 29 March 2019, thus enabling the transfer to take place on 1 April 2019.
- 1.18. The Change Notice with its appendices runs to some 400 sides of A4 and covers the critical contractual changes only, including revised output specifications and method statements. A further, supplementary Notice is required to confirm some of the supporting detail and it is anticipated that this will be completed by the end of June 2019. Once completed, these documents will be published (redacted as required) on the Open Barnet portal.
- 1.19. Due to the significant efforts of the teams from both parties, the transfer of staff and associated technology took place smoothly on 1 April 2019. The initial induction and integration of the transferring teams has gone well and the focus now is on delivering the necessary service improvements.

- 1.20. The business case for returning these services was centred on the need to improve strategic control in respect of these services. As identified in the December report, returning these services to the council has resulted in an increased cost of provision of £400k per annum. This has been confirmed through the financial due diligence work that was carried out prior to service transfer.
- 1.21. The December report also identified costs for continuation of the Strategic Contract Review that were anticipated to be approximately £350k, in addition to the £300k highlighted in the July 2018 Committee report. Against this total budget of £650k, the actual direct cost of conducting the contract review, including managing the transfer of these services, from July 2018 to April 2019 has been c.£390k. This relates primarily to the cost of the temporary programme team and legal advice. In addition, there was approximately 250 days of input from members of the council's commercial, finance, IT and HR teams. On the basis of an average cost of £500 per day (including all overheads), this equates to an opportunity cost of approximately £125k.
- 1.22. A "lessons learned" report on the insourcing process will be considered by the Financial Performance and Contracts Committee on 19<sup>th</sup> June 2019.

### **Phase II of the Contract Review**

- 1.23. Since the December report, alongside work on the transfer of Finance and Strategic HR services, work has also been carried out on assessing the options for the future delivery of Regeneration and Highways services. This has included analysis of the detailed financial information in respect of these services, as well as giving more in-depth consideration to the issues that prompted consideration of the need to make changes in the current delivery arrangements.
- 1.24. In broad terms, it has been concluded that there is a need to strengthen strategic control of the SEED team from within the Regeneration service, to achieve greater flexibility and agility in the deployment of resources to meet emerging needs. On behalf of the council, the SEED team are responsible for coordinating the provision of business engagement and support, working with development partners and the Department of Work and Pensions to deliver training and apprenticeship projects, managing the relationship with town teams and leading on the preparation and implementation of town centre strategies.

- 1.25. The financial analysis suggests that this can be achieved at no additional cost to the council. It is therefore proposed that this service be returned to the council, subject to the conclusion of the necessary negotiations and financial due diligence.
- 1.26. With respect to Highways, key concerns relate to service quality. The service has suffered from a lack of senior leadership and, in particular, there not being a highways director in post for some considerable period. A highways director is being recruited and it is hoped that the post will be filled by the end of June 2019. It has been concluded that the nature of the quality concerns is such that they are no more likely to be resolved through the service being returned to the council than they are through jointly strengthening management arrangements, including the appointment of the highways director, and further improving the approach to performance management. Furthermore, it is clear that the service would cost more to deliver in-house, without very significant reconfiguration, and that the commercial complexities associated with the income guarantee would be extremely difficult to resolve. It is, therefore, proposed that the available resource in both the RE and council teams should focus on service improvement as the priority, rather than seeking to insource and reconfigure the service.
- 1.27. In addition to these two services, officers have also considered the future delivery arrangements for the Safety, Health and Wellbeing (SHaW) service and the Pensions Administration service.
- 1.28. The first contact advisory and some support service elements of the SHaW service are delivered from outside of Barnet. As a largely advisory service, this has led to some issues about consistency in support and a lack of sufficient strategic control. Current out of borough arrangements are due to end in July and there is some uncertainty about how these arrangements will be delivered in the future. It is considered that an in-house service will allow for more flexibility to align it to changing health and safety priorities. It is, therefore proposed that the service be brought back in-house, subject to being able to reach an agreement that provides reasonable value for money for Barnet residents.
- 1.29. Members of the Committee will be aware of the significant issues that have occurred with the Pensions Administration service, notably in respect of data quality and outstanding casework. Relevant contractual notices have been issued and an improvement plan is in place, delivery of which is being monitored by council officers. However, whilst it is recognised that Capita have made progress over recent months in addressing these issues, it is clear that the service is not currently in an acceptable position. This is further evidenced by the fact that the Pensions Regulator has recently issued the

council with a notice, which sets out a range of improvements that are required. Council officers will continue to work with Capita colleagues to achieve the necessary improvements. However, it is acknowledged that, if this does not happen within a reasonable timeframe, the council will have to make alternative arrangements for the future provision of the service. It is, therefore, proposed that the Committee also instructs the Director of Finance to put appropriate contingency measures in place to enable alternative service provision arrangements to be made, should the need arise.

### **Remaining Phases of the Review**

- 1.30. The outcome of public and best value consultation suggests that the priority for residents is improving service quality. It is, therefore, proposed that the immediate, principal focus should be on service improvement, particularly in Highways and Pensions Administration.
- 1.31. There is also little support for a phased approach to reviewing the contracts, with particular concerns being expressed about the need to review inter-related services together. It is, therefore, proposed that the remaining phases of the review be conducted through the year six (CSG) and year seven (RE) contract reviews, which are due to commence in the autumn. This will enable a more holistic approach to be taken to the review, as well as further consideration to a broader range of delivery options, such as partnerships with other councils, as suggested in the public and best value consultation. It is further proposed that the terms of reference and progress on these reviews be reported to the Financial Performance and Contracts Committee. Any resulting recommendations would be made in a further report to the Policy and Resources Committee.
- 1.32. The detailed rationale for these proposals is set out in section 2 of this report.

## **2. REASONS FOR RECOMMENDATIONS**

- 2.1. The council's project management toolkit requires that a Full Business Case sets out, for each option, the advantages, disadvantages and risks of that option; and that for the preferred option a detailed financial appraisal is undertaken. For more significant projects, best practice is to adopt the Treasury's 'Five Case Business Model Approach', which involves:

- A **strategic case** – a robust and evidence-based case for change, including the rationale for intervention, and a clear definition of the outcomes to be achieved.
- An **economic case** – identifying and appraising a ‘long list’ of realistic and achievable options, to assess how well they meet the objectives and critical success factors agreed for the scheme; and subjecting a short list of options to cost benefit analysis to identify a “preferred option”.
- A **commercial case** – typically this focuses on ensuring that the preferred option will result in a viable procurement and well-structured deal. In this case, the emphasis is on commercial deliverability, given the starting point of the existing contractual relationships.
- A **financial case** – to demonstrate that the preferred option will result in a fundable and affordable deal.
- A **management case** – to demonstrate that the preferred option can be delivered successfully.

## **Regeneration Service**

### Strategic case

- 2.2. The December report proposed that the Regeneration service be reviewed in phase II, primarily due to the financial control issues that had been identified as a result of the fraud that had taken place within the service. The recommendations that were made by Grant Thornton in respect of the service have now been implemented and verified by internal audit. The review has, therefore, focussed on the extent to which the service meets the three key aims identified in paragraph 1.11 of this report.
- 2.3. There are three main elements to the core Regeneration service:
  - 2.3.1. Director of Place role, which provides strategic direction and oversight to the service;
  - 2.3.2. Clienting partners to deliver major estate regeneration (Grahame Park, Dollis Valley, West Hendon) and growth programmes (Mill Hill East, Colindale), as well as developing smaller infill schemes (Granville Road, Upper and Lower Fosters); and
  - 2.3.3. Skills, employment & economic development (SEED), including Town Centre improvement.
- 2.4. In addition, there is a team that provides client and programme management services on the Brent Cross development scheme, which is now contracted and funded as a separate Special Project (SPIR). RE is also delivering the Brent Cross Thameslink scheme as a separate SPIR.

- 2.5. The service is, in many respects, performing well. It is delivering one of the most ambitious regeneration programmes in London, including a number of innovative projects such as at North Finchley Town Centre, and has a core of skilled and dedicated staff.
- 2.6. In terms of value for money, the service is largely funded through contributions from third party developers. The process of initiating Special Projects can be inefficient, both directly as a bureaucratic overhead, but also because it can be unnecessarily expensive to redeploy resources quickly as priorities change.
- 2.7. The Regeneration service is one of the council's main tools for creating the kind of place envisaged in our corporate plan. A timely and flexible response to emerging opportunities and challenges is essential. In particular, the SEED function is a key service for any rapid response in the event of an economic downturn. The current delivery arrangements do not provide sufficient flexibility in the deployment of resources and the consequent agility to respond quickly to emerging opportunities and changing needs. This is particularly the case with the SEED service and is exacerbated by the fact that the bulk of the "commissioning" resource and expertise sits within RE, rather than within the council. This includes the Director of Place, which is a key role in the management process for both Brent Cross and the broader Regeneration service. This role has been seconded to the council since March 2019, which has already generated benefits in terms of increased client and management capacity.
- 2.8. It is, therefore, considered that there is a strong case for change, to introduce more strategic control to the service and a shift of management resources from RE to the council.

#### Economic case

- 2.9. In respect of the core Regeneration service (i.e. excluding the Brent Cross teams), three options have been identified and assessed in terms of their ability to address the issues identified above:
  1. Status quo
  2. Return key commissioning and management elements of the service (Director of Place role and Skills, Employment and Economic Development team) to the council
  3. Returning the whole Regeneration team (excluding Brent Cross) to the council
- 2.10. Work to develop the economic case has focused on the financial costs of each option based on a negotiated solution with RE for options 2 and 3. For

option 1, the current ongoing running costs for these services are the management fees that are paid for the delivery of services, along with any fees for additional services. To model the potential impact of option 2 and 3, RE actual costs have been used.

- 2.11. Management fees were set at the time the contracts were let, with any adjustments to reflect agreed changes in service levels actioned through contract change notices. The apportionment of the management fees is defined as commercially sensitive material under Schedule 21 of the DRS contract, actual costs are also commercially sensitive. Costs are therefore set out in Appendix C, which is exempt from publication.
- 2.12. A number of assumptions have been made in assessing the economic case. The RE financial model cannot be broken down by cost per post, making comparison of different options challenging, and therefore RE's actual costs shared with the council have been used. The monies that would transfer to the council in respect of such posts would be subject to further commercial negotiation. The interaction with the RE Guaranteed Income is also a consideration. Under option 2, there is minimal interaction with the Guaranteed Income, whereas under option 3 there is a much greater impact and a commercial negotiation would be required to agree any amendment to Guaranteed Income levels going forward. A prudent view has been taken in the modelling.
- 2.13. Pension costs for staff who acquire the right to join the Local Government Pension Scheme, when they enter council employment, are the primary source of additional costs for the council associated with insourcing these services. The additional ongoing running costs associated with option 3 are comparatively higher than those for option 2, primarily due to the larger number of staff involved and therefore greater impact of increased pension costs.
- 2.14. Options 2 and 3 would both create opportunities to reduce costs by deleting currently vacant council posts and this has been factored into the modelling. In addition, the impact of funding streams needs to be considered. Option 3 is part funded by Principal Development Agreement (PDA) income and, therefore, there is less certainty about funding streams and the potential for pressure to be created on the council's general fund budget.
- 2.15. Exit and transition costs would primarily be made up of project team resource, including HR support and legal advice, and could be contained within the monies already allocated to the Strategic Contract Review for either option 2 or 3. It is estimated these costs would be in the region of £80k. Option 1 would not incur any such costs.

2.16. Cost estimates indicate that:

- Option 1 – the status quo would have no direct financial implications
- Option 2 – running costs could be contained within the monies it is anticipated could be negotiated with Capita for the returning services, as any increase in pension costs would be off-set by savings on currently vacant posts within the council. There would be a one-off implementation cost as noted above.
- Option 3 – running costs could be around £200k higher than the monies it is anticipated could be negotiated with Capita for the returning services. There would be a one-off implementation cost as noted above. This option has more financial risk, as it would be subject to commercial negotiation around the RE Guaranteed Income and there is potential for a budget pressure arising from PDA income, depending on how the service is configured.

2.17. In terms of non-financial benefits, the primary benefit of options 2 and 3 would be increased flexibility, as an in-house team arguably has more flexibility to respond to changing priorities than one operating within the constraints of a contractual relationship. However, an outsourced team operating within a larger pool of specialists has a greater ability to manage peaks and flows of work.

#### Commercial case

2.18. The aim of the commercial case is to demonstrate that the preferred solution can be delivered commercially. Both options 2 and 3 would involve negotiating a price reduction from the RE contract, whereas option 1 would not. It is anticipated that a mutually acceptable price could be agreed for option 2.

2.19. Option 3 is commercially challenging, as it would also involve negotiating the impact on the Guaranteed Income. This could take significant time and an outcome favourable to the council is not assured. Option 2 would have a marginal impact on Guaranteed Income, which is more straightforward commercially.

#### Financial case

2.20. The economic case assesses which option offers the best balance of costs and benefits, whereas the role of the financial case is to test that the preferred option is affordable. Option 2 is considered to be deliverable at no additional cost to the council, subject to negotiation of a suitable price reduction. This would be achieved in part through economies of scale, i.e. deleting vacant council posts that would not require filling if resources from RE transferred.

- 2.21. Option 3 would incur additional, ongoing costs for the council, in the order of £200k per annum. This would create a budget pressure that would need to be considered alongside other demands on the council's resources.

#### Management case

- 2.22. Option 2 impacts on six employees, functioning as a discrete team, all of whom are based in Barnet. This is in addition to the Director of Place, who is currently seconded to the council. It is, therefore, considered to be achievable from a management point of view. Option 3 is more complex, due to the greater degree of integration with the wider RE and Capita organisation.

#### Conclusion

- 2.23. Whilst both options 2 and 3 would meet the strategic aim of improving strategic control, option 3 would involve significantly greater commercial complexity and cost. It is considered that the key strategic control and flexibility benefits would be achieved by insourcing the Director of Place role and the SEED team, which is consistent with comments made in the public and best value consultation. Any additional benefits that would be accrued by insourcing the whole service are not considered to be justified by the additional cost and complexity involved. Whilst there were concerns raised in the consultation around service dependency, it is noted that the interface between the Director of Place and the wider regeneration team has been tested through the secondment process and found to work successfully.
- 2.24. It is, therefore, proposed that the Committee agree that the Director of Place role and the SEED team be returned to the council, subject to the outcome of further financial due diligence and negotiation with Capita. The element of the Regeneration team that manages the programme of estate renewals would remain with RE. The return of the Director of Place role will improve clarity of accountability and also strengthen the council's capacity to manage the delivery of the planning service, both of which were raised as concerns in the public and best value consultation.

#### Brent Cross Cricklewood

- 2.25. Re provides services in relation to Brent Cross as part of the RE contract through Special Projects. There are two key services: a central team that provides integrated project management, planning support and a clienting function across the Brent Cross programme; and a Brent Cross Thameslink delivery team managing procurement and delivery of a train station and associated infrastructure, waste transfer station and Train Operating Company accommodation. The Special Project related to the central Brent Cross team is in the process of being agreed until September 2019, with the option of the Special Project then being further extended, or being subject to an alternative arrangement. The council is under no obligation to extend the

Special Project arrangement with RE. The other Brent Cross Thameslink Special Project is at a crucial stage in its delivery and utilising expertise from within the wider Capita Group to deliver the services.

- 2.26. It is recommended that the Special Project in relation to the central team is reviewed to ensure that delivery and governance arrangements are appropriate as the wider Brent Cross programme moves into the delivery phase. No changes to the arrangements for the Thameslink Special Project are proposed. This report recommends that authority is delegated to the Deputy Chief Executive to conduct this review. The review will take into account comments made in the public and best value consultation, particularly as they relate to accountability. As the outcome of that review may result in a TUPE transfer, it is further proposed that the Deputy Chief Executive be authorised to commence any consultation process that is required, to avoid any unnecessary delay in implementing the outcome of the review, and to report on the outcomes of the review and consultation to the Assets, Regeneration and Growth Committee in due course.

## **Highways Service**

### Strategic case

- 2.27. Highways was included in phase II of the review, because of significant ongoing performance issues with some aspects of the service. In respect of the public and best value consultation, it is noted that Highways was rated the second-worst public-facing service (after Social Care Direct). Specific comments were made about reports of poor maintenance and damage (such as potholes and broken pavement slabs) either being ignored, or the repairs being sub-standard, resulting in problems reoccurring. Comments were also made about badly organised roadworks and, within the general public focus group, there were extensive complaints about the current condition of the borough's roads.
- 2.28. Whilst large parts of the service are performing to the required level, RE has acknowledged and acted upon the need to change, to resolve the areas that are not performing to the required standard. To that end, an improvement plan has been developed and is in the process of being refined and implemented. This identifies the following key matters to be addressed:
1. Leadership of the service as a whole;
  2. Effective management of the Conway Aecom sub-contractor;
  3. Improving processes to provide better customer service;
  4. Improving support and information to Area Committees;
  5. Improving arrangements for flood management works; and

6. Improvements to the Network Recovery Plan (NRP) programme.

- 2.29. Until recently, a recurring and underlying problem has been Capita's inability, for a variety of reasons, to recruit to key senior roles in the service and to address the general level of vacancies. This has resulted in a lack of direction and capacity within the service. With respect to Conway Aecom, there is some disparity between the key performance indicators contained in that contract and those within the contract with RE. Whereas service credits can be applied to RE for service failures, there is no corresponding arrangement with the Conway Aecom contract, which weakens RE's ability to enforce standards. Information systems have also been identified as a weakness.
- 2.30. Significant progress has been made filling vacancies within the service, with the vacancy rate falling significantly over recent months. Capita is also nearing completion of the process to appoint a new director of highways, which is considered to be critical to delivering the required improvements to the service and tackling the performance of Conway Aecom. Good progress is also being made across other aspects of the improvement plan.
- 2.31. Whilst there are no specific issues with respect to the value for money and strategic control aims, there is clearly a case for change in order to ensure that the service is in a position to continue to deliver the improvement plan and meet the aim of delivering high quality services.

Economic case

- 2.32. For the Highways service, three options have been identified and assessed in terms of their ability to drive service improvement:
1. Status quo
  2. Strengthen performance management arrangements
  3. Return the service to the council
- 2.33. Option 2 would involve implementing additional performance management mechanisms, including a joint service improvement board and revised arrangements for the partnership operations board, to ensure an increased focus on Highways matters and improved planning of the programme of work. Using existing contractual mechanisms, key performance indicators and associated service credits would be reviewed and amended, as appropriate, to ensure they encourage the appropriate focus. The council's commercial team would work with the incoming director to develop a plan of action to ensure that Conway Aecom can be held to account for their performance and, in the longer term, to develop a re-procurement strategy for that contract.

- 2.34. As with the Regeneration service, work to develop the economic case has focused on the financial costs of each option based on a negotiated solution with RE for options 3. For options 1 and 2, the current ongoing running costs for these services are the management fees that are paid for the delivery of services, along with any fees for special projects or additional services. To model the potential impact of option 3, RE actual costs have been used.
- 2.35. Management fees were set at the time the contracts were let, with any adjustments to reflect agreed changes in service levels actioned through contract change notices. As stated above, the apportionment of the management fees is defined as commercially sensitive material under Schedule 21 of the DRS contract, actual costs are also commercially sensitive. Costs are therefore set out in Appendix C, which is exempt from publication.
- 2.36. There are a number of uncertainties in assessing the highways economic case. In particular, the impact on the RE Income Guarantee, under which RE make up any shortfall against the contractually agreed level of guaranteed income, a figure of approximately £1m in 2018/19. Highways is the largest service within the RE contract and there is a significant risk that the council and RE would not be able to agree a mutually acceptable apportionment of the Guaranteed Income targets. The most likely scenario to implement option 3 would therefore be a termination 'at will' i.e. one at the council's discretion that would result in considerable exit costs for the council, including RE's loss of profit. 'At will' exit costs would be avoided in an option 1 or 2 scenario.
- 2.37. For options 1 and 2 there would be no direct implementation costs, although option 2 would require some additional internal support to strengthen the existing performance management arrangements. There would also be no additional running costs for option 2.
- 2.38. For option 3, as for Regeneration, the pensions uplift would be the most significant additional cost. An assessment of the impact of this can be found in the exempt report. The impact of any change to the Guaranteed Income would likely place a significant financial pressure on the council. This strengthens the economic case for option 1 or 2.
- 2.39. Overall, cost estimates indicate that options 1 and 2 would not incur any direct additional cost. However, due to the scale of the service and the associated pensions cost, option 3 is estimated to cost up to an additional £1m per annum. This could be mitigated to some extent by reconfiguring the service, but it is considered that this would be a costly and disruptive exercise, which would distract efforts from service improvement. In addition, it is also probable that there would be a significant adverse financial impact due to the

impact of the Guaranteed Income and exit costs associated with a termination 'at will'.

#### Commercial case

- 2.40. Option 1 has no commercial impact, as it simply requires continuation of the current contractual arrangements. Option 2 would require a degree of negotiation to implement revised performance management measures, particularly in relation to key performance indicators and service credits, but this is considered to be achievable.
- 2.41. As described in the economic case, if the council were to decide to implement option 3 as matters currently stand, this would be a termination at will and result in significant costs for the council, including an ongoing pressure from a portion of shortfall in guaranteed income that is currently being met by RE. Furthermore, due to the size of the Highways service, option 3 could undermine the viability of the RE contract.

#### Financial case

- 2.42. As set out in the economic and commercial cases, it is not considered to be financially viable to bring the Highways service back in-house.

#### Management case

- 2.43. From a management perspective, both options 1 and 2 are deliverable. Due to the scale of the service (employing approximately 85 people) and the fact that it is not entirely based in Barnet, option 3 would be more complex and would, therefore, take longer and cost more to implement.

#### Conclusion

- 2.44. Option 1 is not considered to be appropriate, as it does not address the concerns about service performance that were raised in the public and best value consultation exercise. There is also no sound business case for option 3, as it would likely result in significant additional running costs, as well as one-off implementation costs. Furthermore, it would be commercially complex to achieve and there is no evidence to suggest that the service issues would be resolved simply by bringing the service back in-house. Indeed, considerable further work would be required, which could not commence until after service transfer, which would itself take at least three months. Option 2 is affordable and deliverable and is considered to be the option most likely to meet the aim of achieving service improvement.

## Other Services

2.45. The December report delegated authority to the Chief Executive to bring services forward in the review process. Having considered the outcome of public and best value consultation, the future delivery arrangements for the following services have also been considered:

- a. Safety, Health and Wellbeing (SHaW); and
- b. Pensions Administration.

### Safety, Health and Wellbeing

2.46. The Safety, Health and Wellbeing (SHaW) service is very small (less than three FTEs in total) and the first contact advisory and some support services are provided from outside of Barnet. Due to changes elsewhere within Capita, which will result in these arrangements ending in July, there is currently some uncertainty about how this service will be delivered in the future. It is a largely advisory service and the remote delivery arrangements have led to some issues about consistency in support and a lack of sufficient strategic control and flexibility in prioritising resources.

2.47. It is considered that there is a strategic case that an in-house service would allow for more flexibility to align the service to changing health and safety priorities. Co-location of advisory and support staff would also provide a more cohesive service, with a closer working relationship with council managers. Furthermore, direct management by the council's statutory health and safety officer (the Head of SHaW) would enable rapid and targeted deployment of resources in the event of significant emerging issues, risks or incidents. Direct management would also mean that the council had more strategic control of the services which links to the consultation responses.

2.48. Officers are in the early stages of assessing the detailed economic and financial implications of returning the SHaW service to the council. It is a relatively small, discrete service and indications are that it would be economically, financially and commercially viable. It would also be relatively straightforward from a management perspective. However, there is a risk that the actual cost of running the service is higher than the management fee paid to Capita and agreement of the reduction in the management fee would be subject to commercial negotiation.

2.49. It is, therefore, proposed that the service be returned to the council, subject to being able to reach an agreement that provides reasonable value for money for Barnet residents.

2.50. A financial review is set out in Appendix C, which is exempt from publication.

### Pensions Administration

- 2.51. Members of the Committee will be aware that there are significant issues with the Pensions Administration service, which have been a matter of concern for some time. These issues relate primarily to data quality and completeness, which has a significant impact on the actuary's ability to value the Pension Fund and set employer contribution rates with any degree of accuracy. It has also affected Capita's ability to issue accurate and timely annual benefit statements to scheme members. It is also the case that admission agreements and bonds for third party employers (for example, schools) are not all in place. In addition, there is a significant backlog of outstanding casework, which can create unnecessary stress and concern for the scheme members involved.
- 2.52. The Pensions Regulator has been in correspondence with the council about these issues for the last two years. In March 2017 the Regulator fined the council (as Scheme Manager) for failing to provide a Scheme Return in accordance with legal requirements. Most recently, the Regulator has issued a notice, which sets out a number of actions that the Regulator considers to be necessary to provide assurance on the adequacy of internal controls in respect of the data quality issues.
- 2.53. Alongside the Pensions Regulator's attention, the council has been applying the appropriate contractual mechanisms in order to improve Capita's performance. There is currently a Final Warning Notice in place, along with an improvement plan. The council has also employed a pensions consultant, who is working with the council's Director of Finance and commercial colleagues to monitor progress against that plan.
- 2.54. It is recognised that Capita has made progress over recent months on correcting data inadequacies. In particular, locally based Capita colleagues have put significant effort into working with colleagues in Darlington, from where the service is provided, to drive the necessary improvements. However, despite these efforts, it is clear that the service is not yet in an acceptable position and there remains substantial work to be done to achieve this. With the upcoming round of annual benefit statements and the triennial valuation due to take place over the summer, it is essential that council officers continue to work with Capita colleagues to deliver the necessary improvements to meet the requirements of the fund actuary and the Pensions Regulator. Seeking to change the current delivery arrangements for the service, at this point in time, would disrupt the valuation process and would not, in itself, immediately resolve the outstanding data issues.

- 2.55. However, it is considered prudent that the council should take the necessary measures to prepare for a situation where it becomes necessary to secure alternative service provision. This would include obtaining the information from Capita that would be needed to assess the feasibility of either bringing the service back in-house or procuring an alternative provider, as well as preparing the initial documentation that would enable prompt commencement of a procurement exercise to secure an alternative external provider, should the need arise. It would also include market testing to investigate the likely appetite of other public and private sector suppliers to take on the provision of this service.
- 2.56. It is, therefore, proposed that the Committee instructs the Director of Finance, whilst working with Capita to improve matters, to also put appropriate contingency measures in place to enable alternative service provision arrangements to be made within a reasonable timeframe, should the need arise. The actual implementation of any alternative arrangements would require a further decision from Committee.
- 2.57. This proposal is considered to be consistent with the strategic aims of delivering high quality services and strengthening strategic control, as well as consultation responses regarding service performance, accountability and control.

### **Remaining Phases of the Review**

- 2.58. The December report proposed a further two phases for the Review. Phase III would cover Barnet-based, customised services, such as Estates, Procurement and the Cemetery and Crematorium. Phase IV would cover transactional services, typically provided from outside of Barnet, including Revenues and Benefits, Payroll, Pensions Administration and Regulatory Services.
- 2.59. The outcome of public and best value consultation suggests that the priority for residents is improving service quality, which was the strategic aim that was most supported by respondents. Questionnaire respondents generally expressed negative views of all services that are being considered as part of the review and focus group participants were particularly critical of the Highways service. It is, therefore, proposed that the immediate, principle focus should be on service improvement, particularly in Highways and Pensions Administration.
- 2.60. The public and best value consultation also suggests that there is little support for the phased approach to reviewing the contracts. In particular, there were

concerns that related services were not being reviewed together and the proposed phasing was disjointed. It is acknowledged that consultation participants expressed an overall preference for services to be returned to the council, but it is also noted that there was some recognition that the council could not bring all or even a significant number of outsourced services back in-house without staggering the process. It is also noted that there was some support for a mixed economy approach, particularly if this involved other public-sector bodies, and an acknowledgement that outsourcing services can be appropriate in some circumstances.

- 2.61. In order to directly address the concerns regarding inter-dependent services, it is proposed that the remainder of the review be conducted through the year six (CSG) and year seven (RE) contract reviews, which are due to commence in the autumn. Considering the services provided under each of the contracts in turn will enable a more holistic approach to be taken to reviewing related services. It will also facilitate further consideration of a broader range of delivery options, such as partnerships with other councils, as suggested in the public and best value consultation, thereby resulting in a robust and coherent commissioning strategy for the future delivery of these services.
- 2.62. It is also proposed that the terms of reference and progress on these reviews be reported to the Financial Performance and Contracts Committee, with any resulting recommendations being made to the Policy and Resources Committee.

### **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1. The Committee could choose to maintain the status quo in respect of the services that have been considered as part of phase II of the report, but this does not meet the strategic aims of the review and is not consistent with the outcomes of public and best value consultation.
- 3.2. The Committee could choose to return all services to the council, or secure alternative voluntary or public-sector providers, which was mentioned in the public and best value consultation responses. However, having considered the views expressed in the consultation and balanced those against the strategic aims of the Review and the economic, financial and commercial considerations set out in this report and the July and December reports, this is not currently recommended, as it is not considered that it will provide best value for the borough's residents.

## **4. POST DECISION IMPLEMENTATION**

- 4.1. If the Committee agrees the recommendations, work will continue on concluding the necessary commercial negotiations and financial due diligence. Alongside this, work will commence on implementing the transition of the SEED and SHaW services back to the council. This will include carrying out informal briefing of staff, with formal TUPE consultation commencing upon conclusion of the commercial negotiations.
- 4.2. Whilst the primary focus over the summer will be on service performance improvement, notably in Highways and Pensions Administration, work will also commence on planning for the year six (CSG) and year seven (RE) contract reviews.

## **5. IMPLICATIONS OF DECISION**

### **5.1. Corporate Priorities and Performance**

- 5.1.1. The aims of this review, as set out in the December report and confirmed through the consultation process, have been designed to ensure high quality, good value services as envisaged in the council's Corporate Plan.

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

- 5.2.1. On 19<sup>th</sup> July 2018, Policy and Resources Committee agreed resources of £300k for the development of the Full Business Case. A further allocation of £600k was agreed by the Committee on 11<sup>th</sup> December 2018, to cover the period to June 2019. As set out in paragraph 1.14, actual direct expenditure to date of approximately £390k has been incurred.
- 5.2.2. At this stage, it is considered that the balance of £510k is sufficient to maintain the programme team and provide any additional resource required to support the performance improvement requirements across Finance, Strategic HR, Highways and Pensions Administration, through to the autumn.
- 5.2.3. It should be noted that the initiation of the year six (CSG) and year seven (RE) contract reviews may result in additional resource requirements.
- 5.2.4. The costs involved are justified by the scale of the contracts and the importance to the council of delivering best value going forward. The costs are being funded from reserves, which were enhanced by the £4.12m commercial settlement agreed by the Urgency Committee on 30 November

2018.

### **5.3. Social Value**

5.3.1. The Public Services (Social Value) Act 2013 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.

5.3.2. The contracts include several requirements that relate to social value, for example the provision of apprentices. The importance of at least maintaining these benefits will be reflected in the transfer of any service.

### **5.4. Legal and Constitutional References**

5.4.1. Council Constitution, Article 7 (Committees, Forums, Working Groups and Partnerships) provides that the Policy and Resources Committee is responsible for 'Strategic Partnerships'.

5.4.2. Detailed legal support is being provided to ensure that the council meets its legal obligations, for example in relation to public procurement regulations.

5.4.3. Under the Local Government Act 1999 there is a duty to consult:

3.— The general duty.

(1) A best value authority must make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

(2) For the purpose of deciding how to fulfil the duty arising under subsection (1) an authority must consult—

(a) representatives of persons liable to pay any tax, precept or levy to or in respect of the authority,

(b) representatives of persons liable to pay non-domestic rates in respect of any area within which the authority carries out functions,

(c) representatives of persons who use or are likely to use services provided by the authority, and

(d) representatives of persons appearing to the authority to have an interest in any area within which the authority carries out functions.

(3) For the purposes of subsection (2) "representatives" in relation to a group of persons means persons who appear to the authority to be representative of that group.

- (4) In deciding–
- (a) how to fulfil the duty arising under subsection (1),
  - (b) who to consult under subsection (2), or
  - (c) the form, content and timing of consultations under that subsection,
- an authority must have regard to any guidance issued by the Secretary of State.

#### Revised Best Value Statutory Guidance - 2015

In considering the duty above, overall value should be considered, including economic, environmental and social value. The guidance reminds the reader about the duty to consider social value at pre-procurement stage (Social Responsibility duty). For the duty to consult the council should consider the involvement of local voluntary and community organisations and small businesses in the consultation.

As a matter of public law, the duty to consult with regards to proposals to vary, reduce or withdraw services will arise in four circumstances:

- i. Where there is a statutory requirement in the relevant legislative framework as there is in this case.
- ii. Where the practice has been to consult, or, where a policy document states the council will consult, then the council must comply with its own practice or policy
- iii. Exceptionally, where the matter is so important that there is a legitimate expectation of consultation
- iv. Where consultation is required to complete an equalities impact assessment.

Regardless of whether the council has a duty to consult, if it chooses to consult, such consultation must be carried out fairly. In general, a consultation can only be considered as proper consultation if:

- Comments are genuinely invited at the formative stage
- The consultation documents include sufficient reasons for the proposal to allow those being consulted to be properly informed and to give an informed response
- There is adequate time given to the consultees to consider the proposals
- There is a mechanism for feeding back the comments and those comments are considered by the decision-maker / decision-making body when making a final decision
- The degree of specificity with which, in fairness, the public authority should conduct its consultation exercise may be influenced by the identity of those whom it is consulting

- Where relevant and appropriate, the consultation is clear on the reasons why and extent to which alternatives and discarded options have been discarded. The more intrusive the decision, the more likely it is to attract a higher level of procedural fairness.

## 5.5. Risk Management

- 5.5.1. The key risk associated with any review of these contracts relates to their scale and complexity. Many months of detailed work and due diligence went into developing the detailed financial models and mechanisms that underpin the contracts. Understanding these, and how they relate to the current setup and operation of services, is critical to making sound decisions in relation to future delivery options. There is a very high risk that decisions may be based on incomplete or flawed data, leading to the council taking on services that it does not understand and/or cannot afford to operate.
- 5.5.2. A significant risk is that there is further deterioration in service quality, as key people, from both the council and Capita, focus their time and attention on the review process. Alongside the review work, the council is maintaining the established contract management mechanisms and continues to respond robustly to emerging performance issues.
- 5.5.3. There are further risks associated with the uncertainty created by the review process, which may lead to the loss of key personnel. The council is working with Capita to ensure that there is regular, joined-up, communication regarding progress. Dependent upon the outcome of the review process, there is also a risk that some Capita personnel may choose not to move across to the council. This is particularly likely with those staff that are based outside of London. Low unemployment locally is likely to make it hard to recruit to consequent vacancies.
- 5.5.4. Through the process of developing the business case and beyond, it is important that the council continues to comply with its obligations under the contract. For example, should the council behave as if the contract is terminated, it would risk a claim for “repudiatory breach”, which could entitle Capita to recover significant costs and damages. The council is complying, and intends to continue to comply, with its obligations under the contracts so that a such a scenario does not occur.
- 5.5.5. Comprehensive programme governance arrangements have been established. As part of these arrangements, a detailed risk register has been prepared and this is reviewed and updated on a regular basis.

## 5.6. Equalities and Diversity

5.6.1. Equality and diversity issues are a mandatory consideration in the council's decision-making process. Decision makers should have due regard to the public-sector equality duty in making their decisions. The equalities duties are continuing duties they are not duties to secure a particular outcome. The equalities impact will be revisited on each of the proposals as they are developed. Consideration of the duties should precede the decision. It is important that Policy and Resources Committee, or the officer decision maker if the decision is delegated to them, has regard to the statutory grounds in the light of all available material such as consultation responses. The statutory grounds of the public-sector equality duty are found at section 149 of the Equality Act 2010.

A public authority must, in the exercise of its functions, have due regard to the need to:

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

- (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
- (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
- (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

- (a) Tackle prejudice, and
- (b) Promote understanding.

Compliance with the duties in this section may involve treating some persons more favourably than others; but that is not to be taken as permitting conduct that would otherwise be prohibited by or under this Act. The relevant protected characteristics are:

- Age
- Disability
- Gender reassignment
- Pregnancy and maternity
- Race,
- Religion or belief
- Sex
- Sexual orientation
- Marriage and Civil partnership

5.6.2. An updated initial Equalities Impact Assessment for the decisions proposed in this report is attached at Appendix D. It has been drafted taking into account the consultation responses.

## 5.7. **Corporate Parenting**

5.7.1. Capita provide a small number of services to care leavers living in Barnet, most notably in relation to the revenues and benefits service. The continued focus on high quality services through the review process will ensure that these services continue to be provided.

## 5.8. **Consultation and Engagement**

### *Public consultation and Best Value consultation*

5.8.1. The Best Value consultation was with the groups identified in paragraph 5.6, above.

5.8.2. A detailed report of the consultation responses is attached at Appendix B. The public and Best Value consultation focused on:

1. Do consultees agree with the strategic aims of: delivering high quality services; securing best value for money, strengthening the council's strategic control of services and that these should be the basis for assessing the future delivery arrangements for each service?
2. Are there any other factors that should be considered by the council in reaching a decision on future service delivery arrangements?

3. The proposed prioritisation and phasing of services for detailed analysis.

5.8.3. The public and Best Value consultation commenced on Monday 17<sup>th</sup> December 2018 and concluded on Friday 15<sup>th</sup> February 2019. The consultation process has informed the phasing of the remainder of the review and recommendations in respect of the future delivery of services.

#### *Staff consultation*

5.8.4. Any proposals that involve the transfer of services from one provider to another (including transfer in-house or to alternative providers) will entail a statutory requirement to provide information and consult with staff representatives under the Transfer of Undertakings (Protection of Employment) Regulations (TUPE). These requirements will be triggered once a decision to transfer services has taken place and prior to any transfer being effected.

5.8.5. However, it should be noted that it is good practice to engage with all staff from the point at which any potential for transfer of services becomes generally known, throughout the decision making and transition periods and for a period post transfer (if a transfer takes place). Early engagement with staff assists in managing the risks of staff becoming unsettled or distracted as outlined above. It also assists in preventing loss of key staff during the decision making and transition periods, as well as ensuring the council continues to attract high calibre individuals by maintaining its reputation as an employer of choice.

5.8.6. Likewise, early engagement and ongoing dialogue with staff representatives is also good practice, with the aim of early identification and resolution of issues, reaching agreement on processes and approach to managing the workforce aspects of transfer and addressing any issues that may arise at the earliest opportunity so that statutory consultation and the transition itself can run smoothly for affected staff.

## 5.9. **Insight**

5.9.1. The analysis undertaken to date has been based on the current contractual model, information provided by Capita, and legal review of the contract.

## 6. **BACKGROUND PAPERS**

6.1. Approval of NSCSO full business case:

<http://barnet.moderngov.co.uk/documents/s6649/NSCSO.pdf>

- 6.2. Approval of preferred bidder for DRS services:  
<https://barnet.moderngov.co.uk/documents/s9226/DRS%20Cabinet%20Report.pdf>
- 6.3. Capita transformation update:  
<https://www.capita.com/news/news/2018/transformation-update-and-proposed-fully-underwritten-701m-rights-issue/>
- 6.4. Year three review of CSG contract:  
<http://barnet.moderngov.co.uk/documents/s35999/PCM%20report%20November%202016%20FINAL.pdf>
- 6.5. Year four review of RE contract:  
<http://barnet.moderngov.co.uk/documents/s43591/PCM%20RE%20Contract%20Review%20Report%20Nov%202017.pdf>
- 6.6. Report to Financial Performance and Contracts Committee – End of Year 2017-18 Contracts Performance Report:  
<https://barnet.moderngov.co.uk/documents/s47149/EOY%202017-18%20Contracts%20Performance%20Report.pdf>
- 6.7. Report to Audit Committee, CAFT annual report:  
<https://barnet.moderngov.co.uk/documents/s46044/Appendix%201%20-%20CAFT%20Annual%20Report%20201718.pdf>
- 6.8. Reports to Performance and Contract Management Committee  
  
Quarter 3 2017-18 Performance Monitoring Report (Part C: Contract Performance):  
<https://barnet.moderngov.co.uk/documents/s45224/Q3%202017-18%20Report.pdf>  
  
Quarter 2 2017-18 Performance Monitoring Report (Part C: Contract Performance):  
<https://barnet.moderngov.co.uk/documents/s43586/Quarter%202%20201718%20Performance%20Monitoring%20Report.pdf>  
  
Quarter 1 2017-18 Performance Monitoring Report (Part C: Contract Performance):  
<https://barnet.moderngov.co.uk/documents/s42044/Q1%202017-18%20Performance%20Monitoring%20Report%20010917.pdf>

- 6.9. Report to Policy and Resources Committee, Review of Capita Contracts – Strategic Outline Case:  
<http://barnet.moderngov.co.uk/documents/s47263/Capita%20Realignment.pdf>
- 6.10. Report to Audit Committee, Report of the Chief Executive (Grant Thornton report):  
<http://barnet.moderngov.co.uk/documents/s49672/Report%20of%20the%20Chief%20Executive.pdf>
- 6.11. Report to Urgency Committee, Commercial Settlement of Historic Issues:  
<http://barnet.moderngov.co.uk/documents/s49973/21.11.2018%20Capita%20Commercial%20settlement%20-%20Urgency%20Committee%20Report.pdf>
- 6.12. Report to Policy and Resources Committee, Review of Capita Contracts  
<http://barnet.moderngov.co.uk/documents/s50134/Review%20of%20Capita%20Contracts.pdf>