

	<p>Financial Performance and Contracts Committee</p> <p>28 October 2019</p>
<p>Title</p>	<p>Q1 2019/20 Contracts Performance Report</p>
<p>Report of</p>	<p>Director (Commercial and IT Services)</p>
<p>Wards</p>	<p>All</p>
<p>Status</p>	<p>Public</p>
<p>Urgent</p>	<p>No</p>
<p>Key</p>	<p>No</p>
<p>Enclosures</p>	<p>None</p>
<p>Officer Contact Details</p>	<p>Elaine Tuck, Head of Commercial Management elaine.tuck@barnet.gov.uk</p> <p>Alaine Clarke, Head of Programmes, Performance and Risk alaine.clarke@barnet.gov.uk</p> <p>Bukky Adeosun, Performance Monitoring Manager olubukola.adeosun@barnet.gov.uk</p>

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 1 (Q1) 2019/20 Themed Performance Reports.

Officers Recommendations

The Committee is asked to review the Q1 2019/20 performance in relation to back-office functions delivered by the Customer and Support Group (CSG), Planning services delivered by Regional Enterprise (Re) and Legal services delivered by Harrow and Barnet Public Law (HBPL) 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 Q1 2019/20 Themed Performance Reports. The report covers the **back-office functions** delivered by **CSG** (except Estates, which is reported to Assets, Regeneration and Growth Committee), **Planning (Re)** and **Legal (HBPL)** services. It also includes contract KPIs¹ for Cambridge Education and The Barnet Group that did not meet target in Q1, which are escalated for scrutiny.

Back office functions (CSG)

Overview

- 1.2 Following the return of Finance and Strategic HR to the council on 1 April 2019, CSG remains responsible for transactional HR services, accounts payable, the finance system and services for schools. This report reflects performance on those services.
- 1.3 In relation to **finance**, progress has been made in implementing the financial controls action plan, including the development of capital budget monitoring for the council's finance system and roll out of a "No Purchase Order (PO) No Pay" policy with suppliers. At the beginning of October 2019, the internal audit service issued a 'Limited Assurance' audit over Accounts Payable, with the ownership of the majority of the associated actions resting with LBB Finance. This will be reported to Audit Committee on 30 October 2019. An Accounts Payable taskforce will remain in place to oversee the delivery of these actions and to deliver other incremental improvement activities.
- 1.4 Following launch of the new council **website**, there has been an increase in the web quality content score to 95%, compared with the national average of 85%, meaning that the website has high levels of readability, completeness, user experience and security. There has also been good take up of electronic forms for the Revenues and Benefits service (with between 50% to 95% take up rates depending on the form), going some way to help the service manage additional demand from the introduction of Universal Credit. A detailed customer experience survey was completed by over 2,000 residents in Q1 and will be used to inform investment activity in customer services going forwards. A provider survey was also sent out and feedback will be used to help shape procurement processes.
- 1.5 In terms of **HR**, payroll errors made during Q1 have been investigated to understand the root causes and to review the internal control environment. The council and Capita have commenced work on a project to improve the Starters, Leavers and Movers (SLAM) process for council staff, with the aim of providing a more joined-up and efficient process.

¹ KPI = Key Performance Indicator

- 1.6 **Pensions Administration** remains under scrutiny by the Pensions Regulator, following the issue of an Improvement Notice in July 2019, which stipulated improvements required by end August 2019. These improvements were substantially made. Annual Benefit Statements were substantially issued on time, with some follow up work taking place to encourage data submission from third party employers (such as schools). Fortnightly meetings are in place to monitor progress against the Improvement Plan, with significant further work to be undertaken by the end of the year.

Finance

- 1.7 **Financial controls** - following the Grant Thornton report issued in 2018, which identified the need for significant improvements in financial controls, most improvement actions have been implemented. This was a significant undertaking and progress has been reported to Audit Committee throughout the year. As of September 2019, the action plan had been substantially implemented, including improvements to the finance system to enable capital budget monitoring on the system. Two actions remain in progress, one relates to removing leavers from the council's finance system (this is linked to the aforementioned HR project that is underway on Starters, Leavers and Movers (SLAM)), and one relates to capital budget monitoring activity being undertaken budget managers and supported by LBB finance.
- 1.8 **Accounts Payable** – an Account Payable taskforce with representatives from the council and Capita has been set up to target service improvements, including resolution of multiple issues affecting service delivery. A “No PO No Pay” policy was introduced on 1 June 2019 and Capita led on external communications to suppliers. A backlog of 377 invoices without POs were cleared during Q1. In Accounts Payable an additional resource has been recruited and started in August 2019 to provide a permanent interface between the Accounts Payable team in Chichester and the council. At the beginning of October 2019, the internal audit service issued a ‘Limited Assurance’ audit over Accounts Payable, with the ownership of the majority of the associated actions resting with LBB Finance. This will be reported to Audit Committee on 30 October 2019. An Accounts Payable taskforce will remain in place to oversee the delivery of these actions and to deliver other incremental improvement activities.
- 1.9 **Traded Schools** – year-end deadlines were met for the 67 schools supported by the Traded Schools Service. A budget setting workshop was held in February 2019 with 68 staff attending from 35 schools. The transfer of the Traded Schools team into Entrust Education (the Capita Education Company) was discussed with the unions and staff, including any implications of the transfer.
- 1.10 Subsequent to the transfer of Finance back in-house, a review of the KPIs was undertaken to reflect the services that remain with Capita. There are three new KPIs for Finance, which will be reported from Q2.

Indicator	Polarity	18/19 EOY	19/20 Target	Q1 19/20			Q1 18/19
				Target	Result	DOT	Result
Operational availability of financial application to the hosted network	Bigger is Better	New for 19/20	98%	98%	Due Q2 19/20	New for 19/20	New for 19/20

Indicator	Polarity	18/19 EOY	19/20 Target	Q1 19/20			Q1 18/19
				Target	Result	DOT	Result
Invoice documents in accounts payable processed within agreed timescales	Bigger is Better	New for 19/20	90%	90%	Due Q2 19/20	New for 19/20	New for 19/20
Completion of audit recommendations by Capita in relation to their provision of finance services	Bigger is Better	New for 19/20	100%	100%	Due Q2 19/20	New for 19/20	New for 19/20

1.11 There were no high (15 to 25) level risks on the joint risk register with CSG for Finance in Q1.

Pensions

1.12 On 25 July 2019, The Pensions Regulator (TPR) issued the council with an Improvement Notice, which stipulated improvements in three main areas by the 31 August 2019. This was reported to the Pensions Fund Committee on 29 July 2019. The council did not appeal against the issue of the Notice. The Committee report is available at:

<https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=191&MId=9918&Ver=4>

1.13 The improvements stipulated for the Scheme Manager were:

- Implement monthly monitoring of contributions and demonstrate that an analytical review is being undertaken; and implement a series of checks on the data received in End of Year Certificates
- Ensure the first two phases of the Conditional Data Cleanse Plan provided to the Pensions Regulator in January 2019 have been completed
- Implement and operate adequate internal controls to provide accurate Annual Benefit Statements for financial year 2018/19.

1.14 The council submitted evidence to the Pensions Regulator to show that the required improvements were made by 31 August 2019, namely:

- An enhanced contribution monitoring process is in place with detailed returns to Capita from scheme employers being received on a monthly basis. All employers are now compliant in confirming outstanding contributions and late paying employers and, as at the end of the July 2019, 95% of employers covering 96% of contributing members were fully-compliant in their returns. Council and Capita officers are continuing to work with the remaining employers to ensure 100% compliance in providing outstanding contribution breakdown slips and carrying out contribution materiality and variance analysis.
- The first two phases of the Conditional Data Cleanse Plan have been completed. As at 22 August 2019, all of the amber and the majority of the red rated errors that emerged from the conditional data check performed in March 2018 (previously reported to TPR in January 2019) have been investigated and subsequently corrected or otherwise resolved. Work is continuing to resolve the remaining errors.

- Enhanced, detailed, sample testing of Annual Benefit Statements was undertaken by LGPS technical specialists who found no systemic errors in the production process. Annual Benefit Statements were despatched to all members due to receive a statement by the statutory deadline.

1.15 Two further matters of note were included in the letter to TPR:

1. The discovery of a population of 1880 deferred members whose Normal Pension Age (NPA) was incorrectly held on the administration system. This had come to light following queries from affected members. The records for the affected members were corrected in April 2019.
2. The service remediation plan, which has been put in place regarding the administration service provided by Capita. This covers a wide range of initiatives, including:
 - A backlog reduction plan aimed at eliminating the overdue actionable casework by the end of December 2019, and a plan to obtain the necessary data to bring currently non-actionable cases into a workable position
 - Annual independent controls assurance reviews to be undertaken to AAF01/06 standards
 - Enhanced staff training, awareness and education regarding the Barnet Pension Fund, including incentivisation to undertake professional qualifications
 - Improved data integrity delivered through monthly employer data capture and reconciliation
 - Enhanced monthly performance reporting
 - Improved resource planning and caseload management
 - Improved back office and front office co-ordination on call-handling.

1.16 Council officers are monitoring progress against the plan on a fortnightly basis, with weekly monitoring of the backlog reduction also in place.

1.17 A report on the outcome of the Annual Benefit Statement exercise, the scheme actuary's assessment of the data for the 2019 valuation, and progress on the reduction of the casework backlog and issuing of the remaining Annual Benefit Statements will be reported to TPR in the autumn 2019.

1.18 There are no KPIs for Pensions.

1.19 There were no high (15 to 25) level risks on the joint risk register with CSG for Pensions in Q1.

Human Resources

1.20 Work has taken place with Capita to look at the processes used for managing Starters, Leavers and Movers (SLAM) to make them more effective and reduce risks to the organisation (such as inappropriate access to IT systems, building access and incorrect salary payments). This workstream will cut across Finance, IT, HR and Estates.

1.21 Significant work has taken place to address internal controls and improve payroll accuracy; there have been some recent improvements and the area remains under

close review to ensure this is sustained. In support of this, Capita are applying for independent assurance of the control environment via ISAE3402², an external assurance framework.

1.22 Subsequent to the transfer of Strategic HR back in-house, a review of the KPIs was undertaken to reflect the services that remain with Capita. Two of the three KPIs that reported in Q1 met the target and one KPI did not meet the target

- **Payroll accuracy - error rates (RAG rated RED) – 0.32% against a Q1 target of 0.1% (62 errors out of 19,224 transactions).** These errors were caused by the HR system where staff had been automatically re-enrolled into the Pension scheme by the system without prior communication. The affected staff were paid by 3 May 2019 and removed from re-enrolment. Letters were sent to staff not enrolled on the Pension scheme to inform that automatic re-enrolment, in line with Government regulation, would take place in the July 2019 payroll. Actions have been taken to prevent a recurrence.

Indicator	Polarity	18/19 EOY	19/20 Target	Q1 19/20			Q1 18/19
				Target	Result	DOT	Result
Payroll Accuracy - error rates	Smaller is Better	0.65%	0.1%	0.1%	0.32% (R)	↓ W -146%	0.13%
Payroll - correct pay date ³	Bigger is Better	100%	100%	100%	100% (G)	→ S	100%
DBS verification audits	Bigger is Better	100%	100%	100%	100% (G)	→ S	100%

1.23 From Q2, these KPIs will be replaced with the four KPIs in the table below.

Indicator	Polarity	18/19 EOY	19/20 Target	Q1 19/20			Q1 18/19
				Target	Result	DOT	Result
Payroll Accuracy - error rates and correct date	Smaller is Better	N/A	0.1%	N/A	N/A	N/A	New for 19/20
Offer letters issued	Bigger is Better	N/A	100%	N/A	N/A	N/A	New for 19/20
Pre-Employment vetting	Bigger is Better	N/A	99%	N/A	N/A	N/A	New for 19/20
DBS verification audits	Bigger is Better	N/A	100%	N/A	N/A	N/A	100%

1.24 There were no high (15 to 25) level risks on the joint risk register with CSG for HR in Q1.

² The ISAE 3402 standard provides assurance to clients that the service organisation has appropriate controls in place.

³ No longer a KPI as from 1 July 2019

Corporate Programmes

- 1.25 Throughout Q1, work continued across programmes and projects, including key programmes such as The Way We Work (TW3), leisure centres and schools:
- The TW3 programme has been a priority, with the move into the new office at Colindale. Over 1,700 staff were transitioned into the new office. CSG developed the TW3 passport, enabling teams to identify needs before, during and after the move. CSG were the first point of contact for staff arriving at the new office building, providing initial IT support and floorwalkers, enabling a smooth changeover.
 - The two new **leisure centres** at New Barnet and Copthall were completed and opened to the public in August and September 2019. CSG have provided project management and technical advice.
 - CSG have provided project management and other technical services for Blessed Dominic and Saint James' schools to enable them to deliver an additional two forms of entry, further additional Sixth Form places, and replacement of two forms of primary entry. They have also provided advice on the re-location of the Pupil Referral Unit.
 - The **Customer Transformation Team** is working on the development of the next phase of the Customer Transformation Programme.
- 1.26 There were no KPIs or high (15 to 25) level risks on the joint risk register with CSG for Corporate Programmes in Q1.

Customer Services

- 1.27 **Demand Management** – the year-to-date phone volumes (calls to the council) remain within budget. Work is ongoing to improve digital content and transactional online form usage has increased. It is expected that overall phone and email volumes for the year will be less than 500,000 contacts for the first time since the start of the contract, despite the higher than forecasted volumes received for Street Scene and the European elections.
- 1.28 **Web satisfaction** - following the launch of the new council website in February 2019, the focus of the improvement programme has been on engaging staff and residents to ensure the changes work for them. Although it is still relatively early to measure the full impact of the changes, the measures below show a positive direction of travel:
- Users visits to the website went up by 10% to 1,673,364 in May 2019 from 1,520,668 in May 2018 and a 19% increase in use of the top five transactional forms
 - Over 56,000 people in total have signed up for a digital 'My Account'
 - Call volumes went down by 5.4% to 494,779 in May 2019 from 521,393 in May 2018
 - Web content quality score (rating on readability, completeness, user experience and security) has increased to 95% (national average is 85%)
 - Customer satisfaction in phone, email and face-to-face channels has remained consistent (above the target of 89%).
- 1.29 A **customer experience** survey was completed by over 2,000 residents in Q1 and the data has been analysed to understand what causes high levels of contact and

frustration for residents. Residents were asked to rank what was important to them, with the following aspects considered most important:

- Customers want to have confidence that issues would be dealt with right first time
- Customers want to transact completely online
- Customers want confidence that issues will be easy to deal with
- Customers want the 'safety net' of being able to speak to someone⁴.

1.30 This data will be used to target and prioritise interventions for the next phase of customer improvements that will be developed in the autumn. These are summarised as:

- A focus on whole customer experience improving the end-to-end process
- Improving transparency with better progress updates preventing the need to chase
- Ensuring frontline staff have the right information to prevent being passed around
- Improving communications and setting clearer expectations
- Improving process failures to ensure we get it right first time.

1.31 There are five KPIs for Customer Services. Four KPIs met the Q1 target. One KPI did not meet the Q1 target.

- **Cases/transactions completed via self-service channels (RAG rated AMBER) – 47.8% against Q1 target of 48% (103,020 out of 215,730 transactions).** There was a 2% improvement on Q4 (45.8%). The Q1 result was affected by performance in April 2019, which was 44.4%. This was due to a high volume of calls on the elections. If these calls (519 in April 2019 and 3551 in May 2019) were discounted the target would have been met (48.7% against a target of 48%).

Indicator	Polarity	18/19 EOY	19/20 Target	Q1 19/20			Q1 18/19
				Target	Result	DOT	Result
Cases/transactions completed via self-service channels	Bigger is Better	48.0%	47.1%	48%	47.8% (A)	N/A	New for 19/20 ⁵
Customers who rate phone calls, emails and face-to-face service as good (GovMetric)	Bigger is Better	90.0%	89%	89%	90.1% (G)	↑ I +0.2%	89.9%
Customers satisfied following case closure	Bigger is Better	70.6%	65%	65%	74.7% (G)	↑ I +4%	71.8%
Customer Services closing cases on time	Bigger is Better	96.9%	94%	94%	96.0% (G)	↓ W -2.4%	98.3%

⁴ Online is most often the first choice for simple transactions but where there is an emotional element, a case is being chased and/or re-assurance is sought, customers tend to use the phone.

⁵ The methodology changed in Q3 18/19 and the target changed from 77% to 48% in Q3 18/19. 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 added significant volume that skewed the results without adding any value and was removed as a form of self-service and the target was revised down. This will go up as demand is reduced.

Indicator	Polarity	18/19 EOY	19/20 Target	Q1 19/20			Q1 18/19
				Target	Result	DOT	Result
Customer Services closing cases on time (Customer Advocacy Service)	Bigger is Better	100%	96.9% ⁶	96.9% ⁷	100% (G)	→ S	100%

1.32 There were no high (15 to 25) level risks on the joint risk register with CSG for Customer Services in Q1.

Information Systems

1.33 During Q1, the service supported a range of activities related to the move to Colindale, including migration of services from NLBP4 to Colindale, as well as setting up the new office for staff and helping with the transition to the new office. CSG reported no major issues during the transition of staff to Colindale in Q1.

1.34 Alongside the regular IT Surgery, the Desktop Team has introduced 'How Do I' sessions on key themes that see a high number of visits to surgery. There continue to be issues with some staff using Skype and accessing systems remotely over the Virtual Private Network (VPN); investigation work is ongoing to improve stability. New tools have been introduced to enable IT to provide support remotely to staff with IT issues and increase the number of staff working away from the office.

1.35 The council engaged SOCITM (Society for IT practitioners in the public sector) in Q4 to carry out a benchmarking exercise to review IT costs, estate and performance, and a user satisfaction survey. This will enable the council to focus its IT investment and future improvement plan to maximise financial and customer benefit. The results will be available in Q3.

1.36 The proof of concept to introduce 'Bring Your Own Device' has progressed well and a wider roll out to Members and staff is anticipated in Q3. However, staff handling sensitive data on a regular basis will continue to receive and use a corporate device.

1.37 There are two KPIs for Information Systems. Both KPIs met the Q1 target.

Indicator	Polarity	18/19 EOY	19/20 Target	Q1 19/20			Q1 18/19
				Target	Result	DOT	Result
Incident resolution	Bigger is Better	93.3%	95% ⁸	95%	95.7% (G)	↑ I +4.8%	91.4%
Critical system availability	Bigger is Better	99.9%	99.5%	99.5%	100% (G)	→ S	100%

1.38 There were no high (15 to 25) level risks on the joint risk register with CSG for Information Systems in Q1.

⁶ The target for this KPI is to achieve more than the period's result for the Customer Services closing cases on time KPI.

⁷ The target for this KPI is to achieve more than the period's result for the Customer Services closing cases on time KPI.

⁸ The target was increased from 90% to 95% in 18/19 in line with the contractual provisions.

Procurement

- 1.39 There was a higher than normal volume of procurement activity in Q1, with 88 live procurements (compared with 62 in Q4). Procurement has also worked with the council on development of the Social Value Strategy, which will be embedded into procurement processes.
- 1.40 The Procurement service has reviewed its operating model and new procurement templates and processes will be developed in Q2 and Q3 with service users and providers. A supplier survey has been sent to those registered and seeking procurement opportunities from the council and through the Barnet branch of the Federation of Small Businesses (FSB), to seek feedback on their experiences of the procurement process.
- 1.41 Key procurement activity in Q1 included Brent Cross West Station, Electoral Service Print and Postage, Learning Disability Review, Short Breaks to Carers of Disabled Children, Tippers/Accessibility Buses/Supervisor Vans, Street Scene ICT and Advocacy Services.
- 1.42 Although there is no longer a target for procurement savings, savings achieved through procurement activity will be monitored going forward.
- 1.43 There are five KPIs for Procurement. All KPIs met the Q1 target.

Indicator	Polarity	18/19 EOY	19/20 Target	Q1 19/20			Q1 18/19
				Target	Result	DOT	Result
Contract compliance - new contracts over £25k ⁹	Bigger is Better	100%	100%	100%	100% (G)	→ S	100%
Contract compliance - legacy contracts over £25k ¹⁰	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 ¹¹	Bigger is Better	65	70	60	85 (G)	↑ I +31%	65
London Procurement Pledge - cumulative work experience ¹²	Bigger is Better	258	280	240	353 (G)	↑ I +37%	258

- 1.44 There were no high (15 to 25) level risks on the joint risk register with CSG for the Procurement service in Q1.

⁹ Percentage of the value of new contracts over £25k awarded and managed in accordance with CPR's and procurement legislation.

¹⁰ Percentage of the value of legacy contracts over £25k managed in accordance with CPR's and procurement legislation.

¹¹ Cumulative refers to the start of the contract - September 2013.

¹² Cumulative refers to the start of the contract - September 2013.

Revenue and Benefits

- 1.45 Four-yearly collection targets for both Council Tax (98.73%) and Business Rates (99.18%) were met. Direct Debit take up remains above target (66.02% against a target of 65%).
- 1.46 Housing Benefit Overpayment Recovery dropped by 7.5% from last year (from £471,707 in Q1 18/19 to £438,415 in Q1 19/20) with a £33,292 reduction in income. The council continues to work with CSG to finalise the proposal on gainshare arrangement.
- 1.47 Full Service Universal Credit in Barnet has continued to generate increasing volumes of additional work and the Department of Works and Pensions (DWP) has provided some funding to support this additional work. The council's Council Tax Support Scheme was designed with this issue in mind and CSG are working on automating transactions to manage the workload.
- 1.48 Since the launch of the council's new website and introduction of new improved e-forms, the council has seen an increase of up to 95% activity in customers completing forms online. It is, however, acknowledged that some form types still require additional work to increase the up-take of these forms. There has been good take-up of the new digital forms for Council Tax collection that went 'live' in March 2019. Some forms have shifted to 95% electronic communications whereas others have reached 50% only. More work is required to encourage and improve this channel shift for all forms but early indications are very positive.
- 1.49 Despite some earlier concerns, the 2017/18 Annual Housing Benefit Subsidy Audit has been finalised and DWP will recover just £2,045 of overpaid subsidy against the overall subsidy claim of £273million.
- 1.50 There are three KPIs for Revenue and Benefits. Two KPIs met the Q1 target. One KPI did not meet the Q1 target.
- **Accuracy of benefit assessments (RAG rated AMBER) – 94.7% against Q1 target of 95%.** This KPI slightly missed the Q1 target. There has been an improvement in the performance of this KPI since the methodology was updated in Q2 18/19 (91%) to make it more robust and improve the accuracy of benefit assessments carried out by CSG Revenue and Benefits service.

Indicator	Polarity	18/19 EOY	19/20 Target	Q1 19/20			Q1 18/19
				Target	Result	DOT	Result
Accuracy of benefit assessments	Bigger is Better	91.5%	95%	95%	94.7% (A)	↓ W -1.8%	96.4%
Speed of processing new claims	Smaller is Better	20	22	22	21 (G)	→ S	21
Speed of processing changes	Smaller is Better	5	6	6	5 (G)	↑ I +17%	6

1.51 There were no high (15 to 25) level risks on the joint risk register with CSG for Revenue and Benefits in Q1.

Safety, Health and Wellbeing (SHaW)

1.52 The service is on target to meet its annual plan; a risk profiling heat map has been developed and has been presented to the Council Management Team. Further discussions are now taking place with services to focus on the actions required to support areas of high risk. The service is continuing to deliver support, guidance and advice to staff, as well as carrying out audits, inspections and investigations.

1.53 A Workplace Health and Wellbeing Steering Group meets regularly. The group's current priority is to refresh the London Healthy Workplace Award. The council achieved 'excellent' rating in the last award in 2016 and is aiming to achieve the same rating by 2020.

1.54 The Policy and Resources Committee, at its meeting on 17 June 2019, agreed the recommendation to return the SHaW service back to the council. This will enable more strategic control of a vital support service; an in-house service will also allow for more flexibility to align it to changing health and safety priorities.

1.55 There were no high (15 to 25) level risks on the joint risk register with CSG for SHaW in Q1.

Cross-cutting

1.56 There is one cross-cutting KPI. **Compliance with Authority Policy** met the Q1 target.

Indicator	Polarity	18/19 EOY	19/20 Target	Q1 19/20			Q1 18/19
				Target	Result	DOT	Result
Compliance with Authority Policy	N/A	Fail (Q1)	Pass	Pass	Pass	↑ I	Fail

Planning and Building Control (Re)

1.57 Re continued to deliver an overall good and effective planning service that compares well with other councils. The service met all the KPIs that reported in Q1.

1.58 The Enforcement team continued to progress a significant number of cases and a number of complex cases; this included two stop notices being issued (an unusual tool to be used in practice) to address breaches relating to an unlawful travellers site and a car wash site. The service provided support to Planning Committees to ensure the soundness of decision-making.

1.59 The Building Control service has been supporting strategic outcomes alongside the day-to-day business, including sign-off of the new Colindale office, and built relationships to secure work from strategic partners such as Redrow and Saracens. Changes to the insurance schemes used by approved Building Control Inspectors have created uncertainty for developers in the market and the service is fielding questions and concerns. This issue will be monitored going forward.

1.60 Contract KPIs that are not part of the Theme Committees Annual Delivery Plans are presented in the table below. All five KPIs met the Q1 target.

Indicator	Polarity	18/19 EOY	19/20 Target	Q1 19/20			Q1 18/19
				Target	Result	DOT	Result
Compliance with planning application statutory timescales for major, minor, other applications	Bigger is Better	84.4%	75%	75%	83.4% (G)	↓ W -1.8%	85.0%
Decisions made within building regulation statutory timescales	Bigger is Better	99.7%	100%	100%	100% (G)	→ S	100%
Average time taken to process requests for Full Official Searches (online and post) in Land Charges	Smaller is Better	2.5 days	3 days	3 days	1.5 days (G)	↑ I +49%	2.9 days
Section 106 cases cleared annually (payment of Section 106 obligations by developers to the Authority)	Bigger is Better	76% ¹³	80%	80%	87.5% (G)	↑ I +27%	69.0%
Community Infrastructure Levy (CIL) cases cleared annually (payment of overall CIL obligations by developers to the Authority)	Bigger is Better	82%	80%	80%	89.2% (G)	↑ I +9%	81.8%
Enforcement or breach of condition notices shall be service within timescales	Bigger is Better	70.7%	60%	60%	Report due in Q2	N/A	81% (Q2 18/19)
Prosecution and direct action ¹⁴	Bigger is Better	39.5%	60%	60%	Annual	N/A	Annual

High level risks

1.61 There were no high (15 to 25) level risks on the joint risk register with Re for Planning in Q1.

Legal (Harrow and Barnet Public Law)

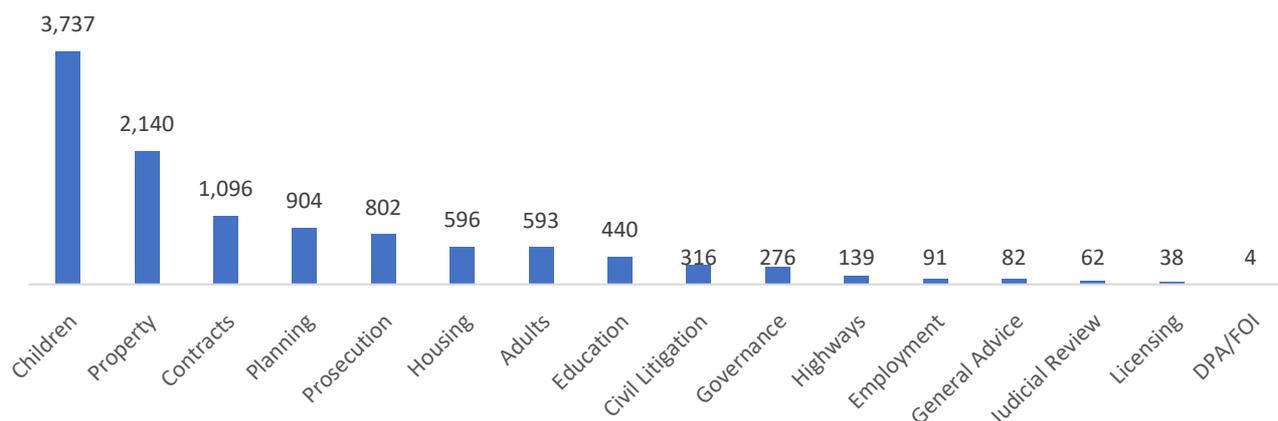
Contracts and Property transactions

1.62 During Q1, the Legal service worked on 3,067 cases. 556 new cases were opened and 840 were closed. There were 11,316 chargeable hours at a total cost of £775,000. The additional cost of external Solicitor & Barrister's and disbursements was £301,654. Children's Services had the highest number of chargeable hours due to the nature of the service, supporting vulnerable children and families. The chargeable hours by service type is shown in the chart below.

¹³ This was originally published in 18/19 EOY report as 74.5%.

¹⁴ The purpose of this KPI is to monitor the effectiveness of the Enforcement team in protecting the environment by prosecuting or taking direct action where the requirements of an effective notice have not been complied with within 3 or 6 months period of compliance expiring.

Chargeable Hours by service areas (Total Hours - 11,316)



1.63 HBPL had the following key achievements during Q1:

- Successfully transferred a contract with Freemantle for the delivery of services at three care homes to Your Choice Barnet at no cost to the council. The homes provide care to around 450 vulnerable residents whose continuity and quality of care is now secured.
- Supported the Corporate Anti-Fraud Team (CAFT) for non-occupation of a council property. A possession order was made on 28 March 2019. Permission to enforce was obtained in the High Court. Following an agreed suspension of the warrant, possession of a four-bed house was recovered in June 2019.
- Successfully defended a Judicial Review in respect of school placement and further grounds of appeal defeated.
- Won a number of cases including for fly tipping, breach of HMO licence conditions, Blue Badge misuse, Unlicensed Street Trading, and breach of planning enforcement notices, resulting in over £115,000 in fines and compensation being awarded to the council.

Escalated KPIs from Strategic Contracts – TBG, Cambridge Education and Re

1.64 This section presents any contract KPIs that are not part of the Theme Committee Annual Delivery Plans where they did not meet target in Q1. These KPIs are escalated to FPC Committee for scrutiny.

Cambridge Education

1.65 All 12 contract KPIs met the Q1 target.

The Barnet Group

1.66 Six of 33 contract KPIs did not meet the Q1 target.

- **Current arrears as a percentage of debit (RAG rated AMBER) – 3.7% against Q1 target of 3.4%.** The arrears in financial terms are c.£115k off target. This was

caused by a series of reduced payments from customers. New actions have been put in place to help address the issue, including improved prioritisation of cases, clearer performance data, clarity of information and roll out of automated letters.

- **Repairs survey (% satisfied customers) (RAG rated RED) – 86% against Q1 target of 96%.** There was a back log of repairs due to delays with the sub-contractor and this had an impact on resident satisfaction as surveys are carried out on recently completed jobs. An improvement plan is in place and most of the overdue jobs were completed at the end of July 2019 and the rest are expected to be completed by the end of Q2.
- **First Time Fix Repairs (RAG rated AMBER) – 88.1% against Q1 target of 92%.** There was a back log of repairs due to underperformance by the sub-contractor and this affected first time fix. An improvement plan is in place and most of the overdue jobs were completed at the end at the of July 2019 and the rest are expected to be completed by the end of Q2.
- **Calls answered within SLA (RAG rated RED) – 86.2% against Q1 target of 93%.** There were technical issues with Mitel, the phone system used, which have now been fixed. Also, additional training has been provided to staff on call handling to improve performance.
- **Emails responded to within 5 working days (RAG rated RED) – 83.3% against Q1 target of 95%.** The KPI did not meet target due to an increase in volume of emails resulting from an issue with the phones. The technical issue has been fixed and daily checks have been introduced to ensure emails are responded to within 5 working days.
- **Customers that rate website as ‘Good’ (RAG rated RED) – 39.7% against Q1 target of 45%.** This KPI did not achieve the Q1 target due to a variety of issues. The website has been updated following customer feedback, a number of new pages on overcrowding and complaints following repairs has been added and a secure site certificate (SSL) has been installed to ensure edited data is protected and secured when opening links on the website.

Indicator	Polarity	18/19 EOY	19/20 Target	Q1 19/20			Q1 18/19
				Target	Result	DOT	Result
Current arrears as a percentage of debit	Smaller is Better	3.2%	3.4%	3.4%	3.7% (A)	↑ I +6%	3.4%
Repairs survey (% satisfied customers)	Bigger is Better	95.1%	96%	96%	86% (R)	↓ W -13%	98.6%
First Time Fix Repairs	Bigger is Better	92.1%	92%	92%	88% (A)	↓ W -4.6%	92.2%
Calls answered within SLA	Bigger is Better	76.6% ¹⁵	93%	93%	86.2% (R)	↑ I +21%	71.4%

¹⁵ Q1, Q2 and Q3 average. No data in Q4.

Indicator	Polarity	18/19 EOY	19/20 Target	Q1 19/20			Q1 18/19
				Target	Result	DOT	Result
Emails responded to within 5 working days	Bigger is Better	82.8%	95%	95%	83.3% (R)	↑ +17%	71.4%
Customers that Rate website as 'Good'	Bigger is Better	35.3%	45%	45%	39.7% (R)	↑ +23%	32.4%

Re

1.67 Two of 71 contract KPIs did not meet the Q1 target.

- Compliance with Environmental Health Service Standards (Priority 1 incidents and service requests) (RAG rated RED) – 88.2% against Q1 target of 100%.** There was an issue with accessing the portal RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations), which places duties on employers to report certain serious workplace accidents, occupational diseases and specified dangerous occurrences (near misses). This resulted in two cases not being responded to within the agreed service standards of 24 hours. These cases have now been investigated and closed.
- Appropriate response to statutory deadlines within the licencing and gambling Acts (RAG rated AMBER) – 99.7% against Q1 target of 100%.** This failure related to one application only, where the consultation was not sent within the 24 hours prescribed by the legislation. The consultation was sent as soon as the issue was spotted and in time for any responsible authorities to comment.

Indicator	Polarity	18/19 EOY	19/20 Target	Q1 19/20			Q1 18/19
				Target	Result	DOT	Result
Compliance with Environmental Health Service Standards (Priority 1 incidents and service requests)	Bigger is Better	100%	100%	100%	88.2% (R)	↓ W -12%	100%
Appropriate response to statutory deadlines.	Bigger is Better	99.6%	100%	100%	99.7% (A)	↓ W -0.3%	100%

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 Q1 2019/20 Themed Performance Reports. The Committee is asked to review the Q1 2019/20 performance in relation to back-office functions delivered by CSG, Planning services delivered by Re and Legal services delivered by HBPL, 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 and Annual Delivery Plans have been reported to the relevant Theme Committees.
- 5.1.2 The Q1 2019/20 results for all Corporate Plan and Delivery Plan 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 corporate and committee priorities as set out in the Corporate Plan (Barnet 2024) and Annual Delivery Plans.
- 5.1.4 Relevant council strategies and policies include the following:
- Medium Term Financial Strategy
 - Corporate Plan (Barnet 2024)
 - Performance and Risk Management Frameworks.

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 to take actions which are calculated to facilitate, or are conducive or incidental to, the discharge of any of their functions.

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/ecSDDisplay.aspx?NAME=SD349&ID=349&RPID=638294>

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. Risks are reviewed quarterly (as a minimum) and any high (15 to 25) level risks are reported to the relevant Theme Committee and Policy and Resources Committee. All high (15 to 25) level joint risks with CSG, Re (Planning) and HPBL (Legal) 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; marriage and civil partnership.

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, which can be found on the website at: <https://www.barnet.gov.uk/your-council/policies-plans-and-performance/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, Planning services delivered by Re and Legal services delivered by HBPL.

6 BACKGROUND PAPERS

- 6.1 Grant Thornton review of financial controls, September 2018
<https://www.barnet.gov.uk/your-council/finance-funding-and-pensions/fraud-investigation/financial-controls>