

	<p>Financial Performance and Contracts Committee</p> <p>29 January 2020</p>
<p>Title</p>	<p>Q2 2019/20 Contracts Performance Report</p>
<p>Report of</p>	<p>Director (Commercial and Customer 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>
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Summary

This report provides an overview of performance for key strategic contracts and shared services, where information has not been reported to a Theme Committee as part of the Quarter 2 (Q2) 2019/20 Themed Performance Reports.

Officers Recommendations

The Committee is asked to review the Q2 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 key strategic contracts and shared services, where information has not been reported to a Theme Committee as part of the Q2 2019/20 Themed Performance Reports. The report covers the **back-office functions** delivered by **CSG** (except Estates, which is reported to Housing and Growth), **Planning (Re)** and **Legal (HBPL)** services. It also includes contract KPIs¹ for Cambridge Education and The Barnet Group that did not meet target in Q2, which are escalated for scrutiny.

Back office functions (CSG)

Overview

- 1.2 Q2 was characterised by continued incremental improvement activity across most services as well as some major IT incidents. During Q2, significant progress was made on Pensions Administration.

Finance

- 1.3 Capita have continued to work with council colleagues on the **Accounts Payable (AP)** Task Force. Key actions are outlined below;
- Continuing review of issues raised by council service users, including missing items identified on the purchase ledger. The issue is under constant review to ensure payments are made in a correct and timely manner, so the council is not impacted reputationally
 - Implementation of the 'No PO, No Pay' policy introduced in June 2019 has improved controls. Feedback from stakeholders is that it has been implemented relatively smoothly and it is reducing unnecessary documentation in the system.
 - Work has taken place to clarify and implement an exemptions list for expenditure that does not require a purchase order due to the nature of the payment in question such as non-goods or services, for example insurance claims settlement.
 - The implementation ensures that processes are proportionate and do not adversely impact on the effective operation of services while ensuring effective controls are in place.
- 1.4 The 'Limited Assurance' audit on AP was reported to Audit Committee on 30 October 2019, with ownership of the majority of associated actions resting with the council's Finance team. An AP Task Force will remain in place to oversee the delivery of these actions and other incremental improvement activities. Internal audit are currently following up the high and medium actions and this will be reported to the audit committee at the end of January 2020.

¹ Key Performance Indicators

- 1.5 There are three new KPIs for Finance. Two KPIs met the Q2 target. A third KPI is not due to be reported until Q3

Indicator	Polarity	18/19 EOY	19/20 Target	Q2 19/20			Q2 18/19
				Target	Result	DOT	Result
Operational availability of financial system application (Integra) to the hosted network (q)	Bigger is Better	New for 19/20	98%	98%	99% (G)	New for 19/20	New for 19/20
Invoice documents in Accounts Payable processed within agreed timescales (q)	Bigger is Better	New for 19/20	90%	90%	95.5% (G)	New for 19/20	New for 19/20
Completion of audit recommendations by Capita in relation to their provision of finance services (q)	Bigger is Better	New for 19/20	100%	100%	Due Q3 19/20	N/A	New for 19/20

Pensions

- 1.6 The Pensions Regulator (TPR) has indicated that they are satisfied with the progress the Scheme Manager has made to improve the pension service in terms of internal controls in the service whilst recognising that there is still more work to be done. TPR has released a statement, which is available online at: www.tpr.gov.uk/en/document-library/enforcement-activity/regulatory-intervention-reports/london-borough-of-barnet-superannuation-fund-regulatory-intervention-report. TPR does not intend to take any further regulatory enforcement action against the pension fund in relation to the Improvement Notice based on the progress made.
- 1.7 The council has agreed a pensions administration remediation plan with Capita, detailing a number of key activities such as data cleansing and case management to be progressed. Progress against the plan is being tracked on a fortnightly basis. The plan to reduce the actionable² caseload (backlog of active cases) is on track with a plan now in place to also address the non-actionable caseload.
- 1.8 There are no KPIs for Pensions.

Human Resources

- 1.9 Work is ongoing to overhaul 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. It is envisaged that the solution will involve the use of workflows embedded in Office365 and further exploratory work on this is required before the project can progress further. In the meantime, compensating controls are in place whereby HR provide Finance with regular lists of starters, movers and leavers to enable a manual check of Integra. Further update has been provided in the January 2020 Audit Committee report.

² Actionable caseloads are cases within Pensions Administrator control and non-actionable are those that require more information from the employer.

1.10 Further to previous work to address internal controls and improve payroll accuracy, an internal controls assessment has been carried out. KPIs for Payroll are being met and the area remains under close review to ensure improvements are sustained. Capita are applying for independent assurance of the control environment via ISAE3402 (an external assurance framework) and this will take place in Q4.

1.11 Continued low take-up of all employee benefits such as salary finance, car lease, charitable giving, cycle to work and technology products, through the employee benefit portal has resulted in the agreement being terminated and new providers are being sought.

1.12 There are four KPIs for HR. All KPIs met the Q2 target.

Indicator	Polarity	18/19 EOY	19/20 Target	Q2 19/20			Q2 18/19
				Target	Result	DOT	Result
Payroll Accuracy - error rates and correct date (q)	Smaller is Better	New for 19/20	0.1%	0.1%	.01% (G)	New for 19/20	New for 19/20
Offer letters issued (q)	Bigger is Better	New for 19/20	100%	100%	100% (G)	New for 19/20	New for 19/20
Pre-Employment vetting (q)	Bigger is Better	New for 19/20	99%	99%	100% (G)	New for 19/20	New for 19/20
DBS verification audits (q)	Bigger is Better	New for 19/20	100%	100%	100% (G)	→ S	100%

Corporate Programmes

1.13 Throughout Q2, work continued across programmes and projects, including key programmes such as The Way We Work (TW3), leisure centres and schools:

- With the two new **leisure centres** at New Barnet and Barnet Copthall delivered, Capita are now managing the defects rectification process with the contractor. Alongside this, they are providing project management for the demolition of the old leisure centre at Copthall. These works include re-instatement and completion of improvements to the existing car parks.
- Capita are also managing the defects rectification process at Blessed Dominic Saint James. They are also managing the Pupil Referral Unit project, by liaising with the owners of an adjacent location to ensure access, engaging with the Department of Education around the temporary accommodation site plan, and liaising with the contractor around the design.
- For the ongoing programme management of the TW3 programme, Capita have supported Family Services' move from the 2nd floor to 1st floor at North London Business Park (NLBP), while developing a space plan for the service to move to Colindale. They have also provided continued support to help the transition into Colindale for staff and ongoing management of the furniture fit out, AV system and budget management.

- The **Customer Transformation Team** have continued to engage with residents and internal teams to determine the full scope for the next phase of the Customer Transformation Programme. A business case and detailed plan was produced and approved by Policy and Resources Committee in January 2020.

Customer Services

- 1.14 **Demand Management** – Q2 has seen positive progress made, with a further increase in residents using the website to transact with the council and an overall reduction in calls. All KPIs for the Q2 were achieved, with the self-serve KPI improving significantly on Q1. The phone menu system has been simplified to reduce the number of options available. There were challenges with telephony performance due to telephone hardware failures in July 2019, which prevented some residents making phone calls to the council (see further details in IT section). However, a full end to end ‘health check’ is underway to review the telephony infrastructure to understand what more can be done to mitigate any re-occurrence of the issues. Recommendations will be reported in the Q3 performance report.
- 1.15 **Web satisfaction** - following the launch of the new council website in February 2019, the measures below continued to show a positive direction of travel:
- Website usage has increased, with a 38% increase in 'user visits' 628,275 (Q2 19/20) compared to 452,380 (Q2 18/19)
 - Web content quality score (rating on readability, freshness, user experience and security) remained high at 94% (national average is 85%)
 - Customer satisfaction in phone, email and face-to-face channels has remained consistent (89.7% against the target of 89%).
- 1.16 New Government regulations in September 2019 require all public-sector websites and mobile apps to meet certain accessibility requirements (AA³). This means the council’s website must be usable by people with impaired vision, motor difficulties, cognitive impairments, learning difficulties, deafness or impaired hearing. To make sure information and online services are open to all, an evaluation has been carried out to assess accessibility of the website to the required standard and as a result, code and content accessibility issues are being fixed. The website accessibility score is currently 94.2%, in comparison to the local government benchmark of 77.4%. The aim is to achieve 100% compliance by the end of January 2020.
- 1.17 The KPIs for Customer Services have been reviewed and definitions updated in line with the council’s priorities and to ensure they remain fit for purpose. The new KPIs are outlined in the second table below. One KPI has met the Q2 target. The other three KPIs will be reported in Q3. All five of the original KPIs (in the first table below) met the Q2 target.

³ The Web Content Accessibility AA (known as WCAG 2.1) are an internationally recognised set of recommendations for improving web accessibility to everyone, including users with impairments to their vision such as severely sight impaired (blind), sight impaired (partially sighted) or colour blind people; hearing such as people who are deaf or hard of hearing; mobility such as people who find it difficult to use a mouse or keyboard; thinking and understanding such as people with dyslexia, autism or learning difficulties.

Indicator	Polarity	18/19 EOY	19/20 Target	Q2 19/20			Q2 18/19
				Target	Result	DOT	Result
Cases/transactions completed via self-service channels (q)	Bigger is Better	47.1%	48%	48%	53.7% (G)	New for 19/20	New for 19/20 ⁴
Customers who rate phone calls, emails and face-to-face service as good (GovMetric) (q)	Bigger is Better	90.0%	89%	89%	89.7% (G)	↑ I +0.3%	89.4%
Customers satisfied following case closure (q)	Bigger is Better	70.6%	65%	65%	82.1% (G)	↑ I +26%	65.1%
Customer Services closing cases on time (q)	Bigger is Better	96.9%	94%	94%	95.0% (G)	↓ W -1.8%	96.7%
Customer Services closing cases on time (Customer Advocacy Service) (q)	Bigger is Better	100%	96.9% ⁵	95% ⁶	100% (G)	→ S	100%

1.18 Three of the new KPIs will be reported in Q3.

Indicator	Polarity	18/19 EOY	19/20 Target	Q2 19/20			Q2 18/19
				Target	Result	DOT	Result
Customer satisfaction with phone, face-to-face, email and post case closure (q)	Bigger is Better	New for 19/20	89%	Due Q3 19/20	Due Q3 19/20	New for 19/20	New for 19/20
Web satisfaction (web performance and customer feedback) (q)	Bigger is Better	New for 19/20	55%	Due Q3 19/20	Due Q3 19/20	New for 19/20	New for 19/20
Customer Services closing cases on time (Customer Advocacy Service) (q)	Bigger is Better	New for 19/20	94% ⁷	Due Q3 19/20	Due Q3 19/20	New for 19/20	New for 19/20
Cases/transactions completed via self-service channels (CSG Customer Service only) (q)	Bigger is Better	47.1%	50%	50%	53.7% (G)	New for Q3 18/19	New for 19/20

Information Systems

1.19 During July and August 2019, there were major incidents (P1 and P2⁸) involving Infrastructure – Domain Name Server (website and Virtual Private Network (VPN));

⁴ The methodology changed in Q3 18/19 and the target changed from 77% to 48% in Q3 18/19. The methodology previously included web browsing and this added significant volumes that skewed the report positively without adding any value. The new methodology is now based on web forms usage only and the target has been revised down.

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

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 Target revised to reflect the change in volume.

⁸ P1 event will typically be an outage or the inability to access business critical systems that affects the entire authority or an entire delivery unit. The targeted resolution time is 4 hours. No e-mail traffic for the entire authority would be classified

Telephony/Contact Centre (no incoming or outgoing calls) and Network (disruptions in wi-fi for Members and Guests). The details of the incidents and actions taken are outlined below:

Applications - Children’s Social Care - The issue happened when the database was locked because it ran out of memory during a system upgrade thereby preventing user access. Discussion took place with the third-party supplier who recommended an increase in memory capacity and this was implemented to prevent re-occurrence.

- **Infrastructure** - The two major disruptive events, DNS (website) and Barnet Remote Access (VPN), were in relation to issues with security certificate renewals. Capita have reviewed all their certificates and this is being monitored regularly at contract monitoring meetings. Both were resolved within the SLA of four hours for a P1 incident). These issues were not a result of an underlying issue with the infrastructure.
- **Telephony/Contact Centre** - There were three major events in Q2 and all were related to total or partial hardware failures across three different vendors. Whilst hardware failures do happen, to have three separate occurrences across three different vendors in such proximity is unprecedented. A full end to end ‘health check’ is underway to review the telephony infrastructure to understand what more can be done to mitigate any re-occurrence of issues.

1.20 The service has continued to support office moves to Colindale and supported users still located at NLBP, alongside the Depot and Barnet House. All sites will be supported until the office moves are completed in March 2020.

1.21 The new “How Do I” surgeries have continued and new tools were introduced to enable IT to provide support to staff working remotely.

1.22 The service is upgrading devices to Windows 10, as Windows 7 is no longer being supported by Microsoft. The council has been given until 14 February 2020 to upgrade all devices. It is expected that the remaining 425 (out of 3100) devices will be upgraded before the deadline. The annual laptop refresh programme is underway and due to be completed at the end of Q3; over 500 users will be provided with a new device.

1.23 There are two KPIs for Information Systems. Both KPIs met the Q2 target.

Indicator	Polarity	18/19 EOY	19/20 Target	Q2 19/20			Q2 18/19
				Target	Result	DOT	Result
Incident resolution (q)	Bigger is Better	93.3%	95% ⁹	95%	95.3% (G)	↑ +5.5%	90.3%

as a P1. Outage of EHM/LCS would be a P1 as it is the primary line of business application for Family Services. P2 event would typically be an issue with a specific application that does not impact the entire authority or an entire delivery unit but a cohort within a delivery unit or is impacting a specific site or location. The targeted resolution time is 8 hours. Reports of no internet access at a satellite is likely to be classified as a P2 not a P1 provided it was isolated to that site. No mobile phone signal would not be classified as a P1 or P2, as it is not a service provided by CSG IT but the service would likely provide some form of communication.

⁹ The target was increased from 90% to 95% in 18/19 in line with the contractual provisions.

Indicator	Polarity	18/19 EOY	19/20 Target	Q2 19/20			Q2 18/19
				Target	Result	DOT	Result
Critical system availability (q)	Bigger is Better	99.9%	99.5%	99.5%	99.8% ¹⁰ (G)	↓ W -1.8%	99.9%

Procurement

- 1.24 A key focus this quarter has been on the Procurement service re-design and development of new processes and templates to support the new operating model. The aim is to take a proportionate approach, with most resources focused on higher value procurements, more use of the offsite procurement team for lower value procurements and an increased level of self-service. Templates and processes have been updated with the aim of creating a more consistent approach and to ensure they are easier to use. A series of workshops and training sessions took place in Q3 prior to the launch of the new operating model.
- 1.25 There has been an increased focus on improving supplier engagement and a survey was completed across suppliers to understand their experiences in engaging with the council. Feedback was varied, with some concerns expressed about the ease of finding and responding to bidding opportunities; large national suppliers were less content than SMEs and local suppliers. Following this, an action plan has been developed to drive improvements over the next 12 months. In addition, Procurement presented a workshop to local suppliers on working with the council at the London Growth Hub and a market event was held with local homecare providers in advance of the procurement for the new contract.
- 1.26 The Annual Procurement Planning process has commenced and Procurement have worked with services to understand procurement plans for 2020/21. The Procurement Forward Plan was approved by Policy and Resources Committee in January 2020.
- 1.27 30 procurements have been completed so far this year and a further 85 are being progressed. Some significant procurements include Brent Cross West Station, substance misuse, homecare, healthy schools and healthy early years, and short breaks for carers of disabled children.
- 1.28 The KPIs for Procurement have been reviewed and definitions updated to ensure they remain fit for purpose. The four KPIs that will report from Q3 are outlined in the second table below. Two KPIs remain unchanged and have met the Q2 target. The other two KPIs will be reported in Q3. All five of the original KPIs (in the first table below) met the Q2 target.

Indicator	Polarity	18/19 EOY	19/20 Target	Q2 19/20			Q2 18/19
				Target	Result	DOT	Result
Contract compliance - new contracts over £25k ¹¹ (q)	Bigger is Better	100%	100%	100%	100% (G)	→ S	100%

¹⁰ The KPI definition is under review to ensure it is consistent with the output specification.

¹¹ Percentage of the value of new contracts over £25k awarded and managed in accordance with CPR's and procurement legislation.

Indicator	Polarity	18/19 EOY	19/20 Target	Q2 19/20			Q2 18/19
				Target	Result	DOT	Result
Contract compliance - legacy contracts over £25k ¹² (q)	Bigger is Better	99.9%	98.9%	98.9%	100% (G)	↑ +0.1%	99.9%
Effective contract management - complex legacy contracts (Contract Procedure Rules) (q)	Bigger is Better	100%	60%	60%	100% (G)	→ S	100%
London Procurement Pledge - cumulative apprenticeships ¹³ (c)	Bigger is Better	65	70	60	94 (G)	↑ +44%	65
London Procurement Pledge - cumulative work experience ¹⁴ (c)	Bigger is Better	258	280	240	353 (G)	↑ +37%	258

1.29 The new KPIs will be reported in Q3.

Indicator	Polarity	18/19 EOY	19/20 Target	Q2 19/20			Q2 18/19
				Target	Result	DOT	Result
Compliant contracts – contracts over £25k (q)	Bigger is Better	New for 19/20	100%	Due Q3 19/20	Due Q3 19/20	Due Q3 19/20	New for 19/20
Effective corporate contract management (q)	Bigger is Better	New for 19/20	100% ¹⁵	Due Q3 19/20	Due Q3 19/20	Due Q3 19/20	New for 19/20
Cumulative apprenticeships (c)	Bigger is Better	65	70	60	94 (G)	↑ +44%	65
Cumulative work experience) (c)	Bigger is Better	258	280	240	353 (G)	↑ +37%	258

Revenues and Benefits

1.30 Four-yearly collection targets for both Council Tax (98.75% against a target of 98.5%) and Business Rates (99.32% against a target of 99%) were met. Direct Debit take up remained above target (66.38% against a target of 65%).

1.31 Housing Benefit Overpayment Recovery has increased by 6.4% to £877,623 from £822,009 in Q2 18/19), with a £55,614 increase in income. This is an improvement from Q1 where income had dropped. Four additional staff are being recruited by CSG, through a gainshare arrangement, to further improve cash collection.

¹² Percentage of the value of legacy contracts over £25k managed in accordance with CPR's and procurement legislation.

¹³ Cumulative refers to the start of the contract - September 2013.

¹⁴ Cumulative refers to the start of the contract - September 2013.

¹⁵ Subject to one quarter baselining period after which an improvement plan for Year 7 will be agreed to bring performance to 100% from April 2020 onwards.

- 1.32 Full Service Universal Credit has continued to generate increased volumes of additional work. The Council Tax Support Scheme was designed with this issue in mind and Capita has continued to automate transactions to manage the workload.
- 1.33 The council and Capita have worked jointly on the set up of a protocol with Citizens Advice (CA) to help protect vulnerable customers. Through this protocol the local CA will help establish entitlement to underlying benefits for council tax payers who are potentially exempt owing to Severe Mental Health Impairment. The introduction of this joint working protocol has resulted in one customer having an exemption backdated and a refund of £11,000 was made.
- 1.34 An additional business rates inspector is being appointed by Capita to ensure that new or adapted non-domestic properties are picked up and referred to the Valuation Office Agency promptly and rate payers are billed appropriately.
- 1.35 There are three KPIs for Revenues and Benefits. All three KPIs met the Q2 target.

Indicator	Polarity	18/19 EOY	19/20 Target	Q2 19/20			Q2 18/19
				Target	Result	DOT	Result
Accuracy of benefit assessments (q)	Bigger is Better	91.5%	95%	95%	95.0% (G)	N/A	New for 19/20
Speed of processing new claims (q)	Smaller is Better	20	22	22	17 (G)	↑ -11%	19
Speed of processing changes (q)	Smaller is Better	5	6	6	4 (G)	↑ -20%	5

Cross-cutting

- 1.36 There is one cross-cutting KPI. Compliance with Authority Policy met the Q2 target. This KPI relates to compliance with council's policies on Health and Safety, Equality and Diversity, Information Management, Human Resources and Governance.

Indicator	Polarity	18/19 EOY	19/20 Target	Q2 19/20			Q2 18/19
				Target	Result	DOT	Result
Compliance with Authority Policy (q)	N/A	Fail (Q1)	Pass	Pass	Pass ¹⁶ (G)	→ S	Pass

Planning and Building Control (Re)

- 1.37 In Building Control, the closing of one of the two insurance schemes used by approved inspectors has resulted in an increase in the number of reversion

¹⁶ Pass means compliance with Level 2 of the council or equivalent Service Provider Policies identified in Schedule 22 where there has not been non-compliance by the Service Provider that results in an event adversely impacting upon the Council. The adverse event could be; an event causing actual or serious risk of death, personal injury or harm towards any individual for whom the Authority has a duty of care; a judgement against the Authority by a statutory or regulatory body; a fine, disciplinary measure, successful claim or other award against the Authority or any individual employed by the Authority

applications¹⁷. The total is now up to 33 cases since April 2019 and has created an unexpected demand in resource from the service; while at the same time the team has dealt with 17 reports of unauthorised dangerous structures.

- 1.38 An update on the work of the Planning Enforcement team was presented to Planning Committee in October 2019, covering January to June 2019. The report is available online at: <https://barnet.moderngov.co.uk/mgChooseDocPack.aspx?ID=9898>. The caseload of the team has grown as the number of identified breaches of planning permission, relating to Houses in Multiple Occupation (HMOs), has been higher than anticipated; demonstrating a need to introduce a third officer to support the volume of casework generated through proactive HMO enforcement activities.
- 1.39 A review of customer service across the Development Management, Enforcement and Building Control services in September 2019 has identified a need for a dedicated Resident Liaison Officer to co-ordinate regular updates on the progress of casework to residents.
- 1.40 Changes to the KPI system for Development Management (DM) were implemented from Q2. This has brought together the former suite of DM PIs in two new KPI Baskets (Application and Enforcement baskets) to improve service quality and clarity of overall performance. There are nine KPIs (including the two Application and Enforcement baskets) that are not part of KPIs reported in the Theme Committee Annual Delivery Plans.
- 1.41 Two KPIs did not meet the Q2 target, including the Planning Enforcement basket KPI.
- **Decisions made within building regulation statutory timescales) (RAG rated AMBER) – 99% against Q2 target of 100%.** The KPI underperformed because of a single member of staff not following management instruction. Additional training and support has been provided for the staff member.
 - **Planning Enforcement Basket KPI (RAG rated RED) – 3 against Q2 target of 6.** Three of the six PIs in the Planning Enforcement basket KPI did not meet the Q2 target – see table in Appendix A.
 - **Referrals for prosecution and direct action (Planning) (RAG rated RED) – 22.7% against Q2 target of 75%.** The KPI underperformed because of an increase in the number of referrals (22) the team worked on in Q2. The council identified funding to enable a number of non-compliant properties to be faced with direct action if they still fail to make the required changes following an enforcement notice being upheld.
 - **Serving 215 notices (RAG rated AMBER) – 81.8% against Q2 target of 85%.** This PI missed the target due to a single case where discretion was exercised by the service director not to serve a notice at the time out of respect for the health and wellbeing of the resident.

¹⁷ Where the approved inspector is unable to continue dealing with a building control application, and therefore the developer may turn to Local Authority Building Control to take over the building control application.

- **Enforcement or breach of condition notices shall be served within timescales (180 days) (RAG rated AMBER) – 91.3% against Q2 target of 95%.** This PI missed target due to historic casework being assessed against the new measure. This new PI measure focuses attention on improving the progression of long-standing and more complex casework.

Indicator	Polarity	18/19 EOY	19/20 Target	Q2 19/20			Q2 18/19
				Target	Result	DOT	Result
Decisions made within building regulation statutory timescales (q)	Bigger is Better	99.7%	100%	100%	99% (A)	↓ W -1%	100%
Average time taken to process requests for Full Official Searches (online and post) in Land Charges (q)	Smaller is Better	2.5 days	3 days	3 days	2.9 days (G)	↓ W -11%	2.6 days
Compliance with planning application statutory timescales for major, minor, other applications (q)	Bigger is Better	84.4%	80%	80% ¹⁸	95.7% (G)	↑ I +13%	85.1%
Planning Application Basket KPI (6 PIs see complete list in Appendix A) (q)	Bigger is Better	New for 19/20	5	5	6 (G)	New for 19/20	New for 19/20
Planning Enforcement Basket KPI (6 PIs see complete list in Appendix A) (q)	Bigger is Better	New for 19/20	5	5	3 (R)	New for 19/20	New for 19/20
Section 106 cases cleared annually (payment of Section 106 obligations by developers to the authority) (q)	Bigger is Better	76% ¹⁹	80%	80%	93.3% (G)	↑ I +40%	66.7%
Community Infrastructure Levy (CIL) cases cleared annually (payment of overall CIL obligations by developers to the authority) (q)	Bigger is Better	82%	80%	80%	85.4% (G)	↑ I +3%	82.9%
Section 106 cases cleared annually (payment of Section 106 obligations by developers to the authority - top 20 payments cleared) (Annual)	Bigger is Better	85%	90%	N/A	Due Mar 2020	N/A	N/A
Community Infrastructure Levy (CIL) cases cleared annually (payment of overall CIL obligations by developers to the authority) (q)	Bigger is Better	90.0%	80.0%	80%	93%	↑ I +39%	66.7%

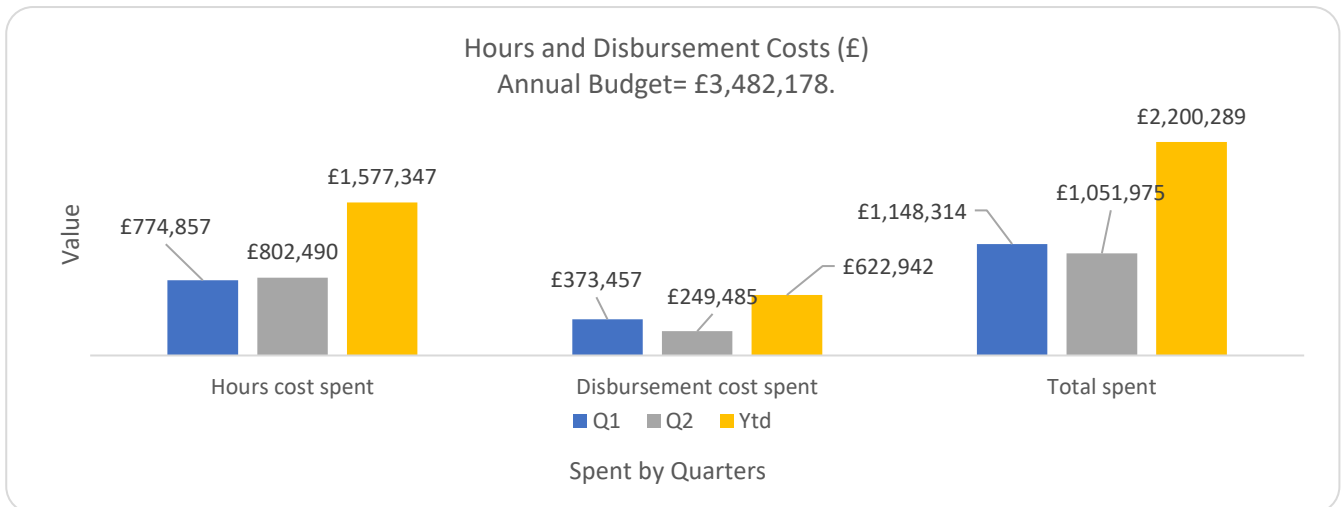
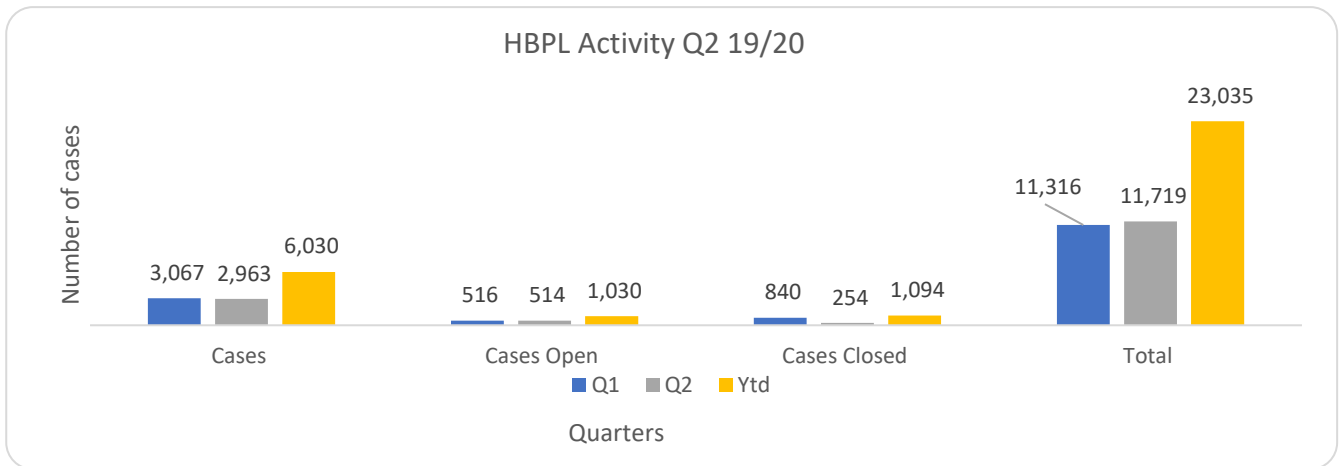
Legal (Harrow and Barnet Public Law)

1.42 Children's Services continued to have the highest number of chargeable hours at 4,010 in Q2 (compared to 3736 in Q1) at a cost of £274,604.80. The chargeable hours by service type is shown in the chart below.

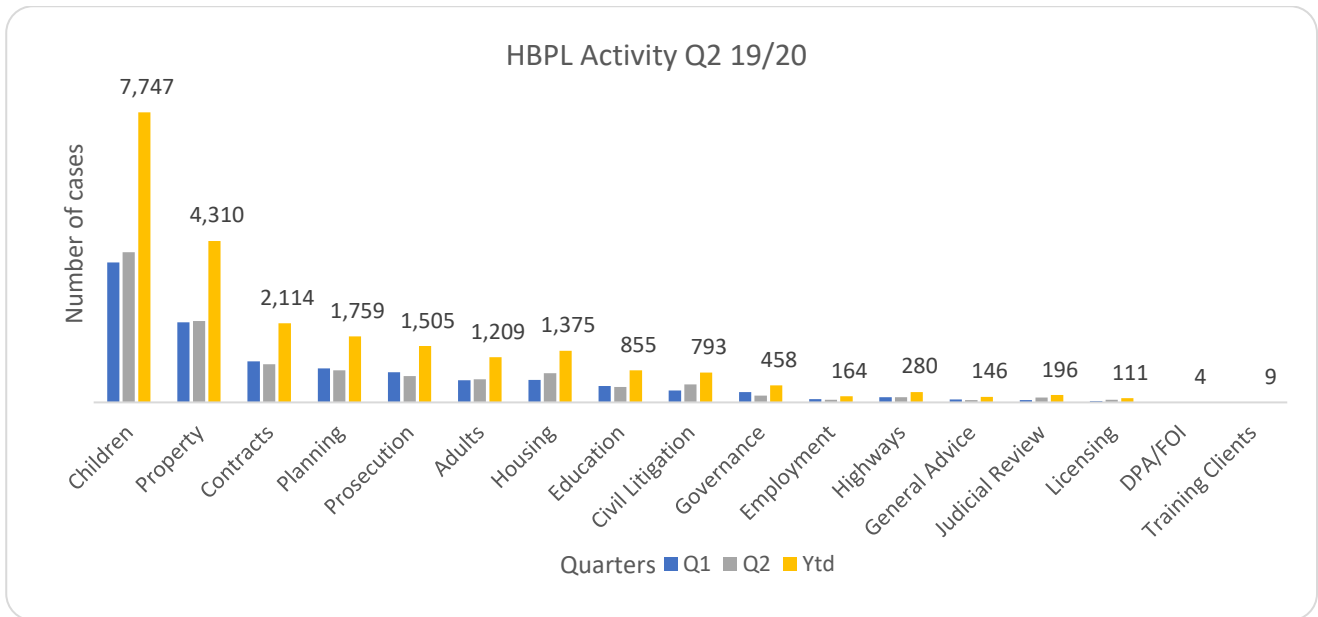
¹⁸ KPI target increased to 80% in Q2 19/20 from 75% as part of KPI review.

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

- 1.43 In Q2, Legal worked on 2,963 cases (compared with 3,067 in Q1). 514 new cases were opened (compared with 566 in Q1) and 254 cases were closed (compared with 840 in Q1). There were 11,719 chargeable hours (compared with 11,316 hours in Q1) at a cost of £802,490 (compared with £774,857 in Q1).
- 1.44 Disbursements have reduced by 33% to £249,485 from £373,457 in Q1²⁰ due to a lower use of external solicitors. Total spend in Q2 was £1,051,975 (compared to £1,148,314 in Q1), with year to date spend at £2,200,289 (compared to £2,265,667 in Q2 18/19). Monthly budget monitoring is undertaken by services to ensure that any overspend on legal costs are contained within the overall budget.



²⁰ This was previously reported as £301,654 in Q1 report. Figure has been corrected to include all disbursements such as printing and court costs.



1.45 Other activities in Q2 included:

- Leasing arrangements for parking spaces at the RAF Museum and Platts Hall were put in place to support the move to Colindale.
- Lease arrangements were completed with the Secretary of State for Education enabling construction to start for the new Saracens Secondary School.
- A wide range of contractual matters were supported, including completion of an agreement with the NHS for the Healthy Child Programme, advising Street Scene on a procurement to support the IT Transformation, and a Mobile CCTV Vehicle for fly-tipping.
- Secured confirmation of a compulsory purchase order following a two-day public inquiry for a further phase of the regeneration of the West Hendon Estate. The order will facilitate the assembly of land interests to deliver the final phases of the 2013 planning permission and the Silk Stream footbridge across the Welsh Harp.

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

1.46 This section presents any contract KPIs that are not part of the Theme Committee Annual Delivery Plans where they did not meet target in Q2. These KPIs are escalated to FPC Committee for scrutiny.

Cambridge Education

1.47 All 12 contract KPIs due to report Q2 met the target.

Re

1.48 Seven of the 77 contract KPIs due to report in Q2 did not meet target. Two KPIs are in the Planning section above and two have been reported in Environment Committee report. The remaining three are outlined below.

- **Compliance with Environmental Health Service Standards (Priority 1 incidents and service requests) (RAG rated RED) – 84.2% against Q2 target of 100%.** Resourcing issues within the Customer Service Hub affected performance. Staffing

shortages led to a backlog of emails that did not receive a response within the relevant time period. Measures have been put in place to provide additional resilience to the Customer Service Hub. Email monitoring is now improved.

- **Compliance with Environmental Health Service Standards (Priority 2 incidents and service requests) (RAG rated AMBER) – 94% against Q2 target of 100%.** See comment above
- **Appropriate response to statutory deadlines within the licencing and gambling Acts (RAG rated AMBER) – 99.6% against Q2 target of 100%.** A licence application was allocated to an officer who was not on duty, which led to the consultation not being sent within the 24 hours timeframe. The mistake was rectified within the consultation period.

Indicator	Polarity	18/19 EOY	19/20 Target	Q2 19/20			Q2 18/19
				Target	Result	DOT	Result
Compliance with Environmental Health Service Standards (Priority 1 ²¹ incidents and service requests) (q)	Bigger is Better	100%	100%	100%	84.2% (R)	↓ W -15%	100%
Compliance with Environmental Health Service Standards (Priority 2 ²² incidents and service requests) (q)	Bigger is Better	97.1%	95%	95%	94.0% (A)	↓ W -3%	97.1%
Appropriate response to statutory deadlines. (q)	Bigger is Better	99.6%	100%	100%	99.6% (A)	↓ W -0.4%	100%

The Barnet Group

1.49 Eight of the 31 contract KPIs²³ due to report in Q2 did not meet target. Three KPIs have been reported in Housing and Growth Committee. The remaining five are outlined below.

- **Current arrears as a percentage of debit (RAG rated AMBER) – 3.7% against Q2 target of 3.5%.** The arrears in financial terms were c.£96k off target on an annual rent roll of £55.3m. The single largest factor impacting on rent collection performance has been the continuing reductions of housing benefit payments being received, which has meant that more income has had to be collected directly from tenants. The housing benefit reductions have been due in part to the rollout of Universal Credit (UC) in the borough, with over 1000 tenants on UC at the end of Q2. However, as Barnet Homes have managed the rollout of UC well by keeping average arrears for tenants on UC to just £84 (as at Q2), UC has not had the negative impact it has for many other landlords.

Following the success of the UC rollout, Barnet Homes will be piloting a new Early Intervention and Prevention programme approach to all rent cases in Q3 and it is

²¹ Priority 1 incidents are food alerts, infectious disease control, legionella investigations, and fatal accident reports.

²² Priority 2 incidents include Health and Safety advice service, smoke free complaints, and public health hazards.

²³ This includes indicators in the Theme Committee annual delivery plans reported in Theme Committee performance reports.

expected that this will ensure the Q3 target is achieved for both general needs and temporary accommodation rent collection despite the challenge of continuing reductions in housing benefit payments.

- **Repairs survey (% satisfied customers) (RAG rated RED) – 85.6% against Q2 target of 96%.** Barnet Homes repairs and maintenance contractor Mears have not met a number of contractually agreed service levels during 2019 despite several commitments from their Managing Director to deliver improvements. This underperformance has contributed to a decision taken by the Barnet Homes board to issue formal termination notice on the contract and insource the service from April 2020. It is expected that by insourcing the service and the consequent tighter control of delivery, service to residents will improve significantly.

In the meantime, Barnet Homes have a robust demobilisation plan in place to manage the contract through to cessation throughout the remainder of the year, with a primary focus on managing active works volumes and utilising back-up contractors to deliver works where Mears are unable to. Whilst it is expected that there may be some delays for non-urgent repairs whilst they are reissued to backup contractors, tight monitoring of active jobs will ensure residents continue to receive a decent service, albeit contractual targets are unlikely to be achieved for the remainder of the year.

- **First Time Fix Repairs (RAG rated AMBER) – 89.3% against Q2 target of 92%.** As outlined above, Barnet Homes repairs and maintenance contractor Mears have not met a number of contractually agreed service levels during 2019 despite several commitments from their Managing Director to deliver improvements. This includes the First Time Fix measure, which marginally missed target for Q2.

Whilst Barnet Homes prepare for the service to be delivered directly from April 2020, a robust demobilisation plan is in place to manage the contract through to cessation throughout the remainder of the year. Whilst it is expected that there may be some delays for non-urgent repairs whilst they are reissued to backup contractors, the impact on first time fix performance is not expected to deviate from target more than the amber tolerance of 10% for the remainder of the year.

- **Number of families in B&B for 6 Weeks (or more) (RAG rated AMBER) – 1 against Q2 target of 0.** One family was in bed and breakfast (B&B) accommodation for more than six weeks whilst waiting for a tenancy within a new build to become available. The tenant was offered alternative temporary accommodation options but refused and chose to stay in the B&B to prevent the upheaval of moving twice.
- **Average re-let time for Major Works Lettings (RAG rated RED) – 49.9 against Q2 target of 43.** The target was not achieved due to a relatively small number of properties (8) requiring very extensive work including structural and gas main installations, the latter of which relies on the availability of network providers. All repairs have been completed and properties let to tenants.

Indicator	Polarity	18/19 EOY	19/20 Target	Q2 19/20			Q2 18/19
				Target	Result	DOT	Result
Current arrears as a percentage of debit (q)	Smaller is Better	3.2%	3.3%	3.5%	3.7% (A)	↓ W 5.7%	3.5%

Indicator	Polarity	18/19 EOY	19/20 Target	Q2 19/20			Q2 18/19
				Target	Result	DOT	Result
Repairs survey (% satisfied customers) (q)	Bigger is Better	95.1%	96%	96%	85.6% (R)	↓ W -13%	98.2%
First Time Fix Repairs (q)	Bigger is Better	92.1%	92%	92%	89.3% (A)	↓ W -4%	93.3%
Number of Families in B&B for 6 weeks (or more) (q)	Smaller is Better	0	0	0	1 (A)	↓ W	0
Average re-let time for Major Works Lettings (c)	Smaller is Better	44.3	40	43	49.9 (R)	↓ W 39%	42

Appendix A - PIs within Planning Application and Planning Enforcement Baskets

Indicator	Polarity	18/19 EOY	19/20 Target	Q2 19/20			Q2 18/19
				Target	Result	DOT	Result
Planning Application Basket KPI (6 PIs – see below)	Bigger is Better	New for 19/20	5	5	6 (G)	New for 19/20	New for 19/20
Compliance with Major planning application statutory timescales (q)	Bigger is Better	95.1%	80.0%	80.0%	93.3% (G)	↓ W -1 %	94.1%
Compliance with 'minor' planning application statutory timescales (q)	Bigger is Better	74.9%	75.0%	75.0%	96.5% (G)	↑ I +47%	65.8%
Discharging of conditions applications (q)	Bigger is Better	74.9%	75.0%	75.0%	79.9% (G)	↑ I +3.5%	77.2%
Compliance with prior approval statutory timescales (q)	Bigger is Better	98.6%	100%	100%	100% (G)	↑ I +1%	98.9%
Certificate applications (Section 191 and 192 with no amendments) within timescales (4 days) (q)	Bigger is Better	90.2%	75.0%	75.0%	85.7% (G)	↓ W -9 %	94.1%
Compliance with tree application statutory timescales (q)	Bigger is Better	90.7%	90.0%	90.0%	96.3% (G)	↑ I +6%	90.7%
Enforcement Application Basket KPI (6 PIs see below)	Bigger is Better	New for 19/20	5	5	3 (R)	New for 19/20	New for 19/20
Referrals for prosecution and direct action (Planning) (q)	Bigger is Better	39.5%	75%	75%	22.7% (R)	New for 19/20	No Referrals
Serving 215 notices (q)	Bigger is Better	New for 19/20	85.0%	85.0%	81.8% (A)	↑ I +23%	66.7%
Enforcement or breach of condition notices shall be service within timescales (180 days) (q)	Bigger is Better	New for 19/20	95%	95%	91.3% (A)	New for 19/20	New for 19/20
Enforcement or breach of condition notices shall be service within timescales (90 days) (q)	Bigger is Better	70.7%	65% ²⁴	65%	78.3% (G)	↓ W -3 %	81.0%
Notices served against development refused permission within timescales (30 days) (q)	Bigger is Better	85.7%	100%	100%	100% (G)	New for 19/20	New for 19/20
Closing cases alleged breaches of planning control where no action is necessary (q)	Bigger is Better	69.7%	70.0%	70.0%	70.0% (G)	→ S	70.0%

²⁴ KPI target increased from 60% to 65% as part of KPI review.

2 REASONS FOR RECOMMENDATIONS

- 2.1 The report provides an overview of performance for the key strategic contracts, where information has not been reported to a Theme Committee, as part of the Q2 19/20 Themed Performance Reports. The Committee is asked to review the Q2 19/20 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 Q2 19/20 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 and Safeguarding Committee; Children, Education and Safeguarding Committee; Community Leadership and Libraries Committee; Environment Committee; and Housing and Growth 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 and Resources Committee and/or theme committees on issues arising from the scrutiny of external providers
- At the request of the Policy and Resources Committee and/or theme committees consider matters relating to contract or supplier performance and other issues and making recommendations to the referring committee
- To consider any decisions of the West London Economic Prosperity Board which have been called in, in accordance with this Article.

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

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

5.5 Risk Management

5.5.1 The council has an established approach to risk management, which is set out in the

Risk Management Framework. 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. There are no 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 None.