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|  | <h2>Environment Committee</h2> <h3>2 June 2021</h3> |
| Title | Review of Re Highways KPI Suite |
| Report of | Chairman of the Environment Committee |
| Wards | All |
| Status | Public |
| Urgent | No |
| Key | Yes |
| Enclosures | None |
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Summary

This report updates Members with the need to review the Highways Key Performance Indicators (KPIs) under the Development and Regulatory Services (DRS) contract with Regional Enterprise (Re) following the award of the Highways term maintenance contract (TMC) to TarmacKier Joint Venture (TarmacKier) which went live on 1 April 2021.

Officers Recommendations

- 1. That the Environment Committee notes the suspension of 6 KPIs under the DRS contract with Re for Quarter 1 2021/22.**
- 2. That the Environment Committee notes the review being carried out by officers of the Re KPI suite to ensure that it better aligns with KPIs in the new Highways TMC, and reflects Re's Managing Agent role under the DRS contract.**
- 3. That the Executive Director, Environment is authorised to agree a revised KPI suite in consultation with the Chair of the Committee, to be reported from Quarter 2 2021/22.**
- 4. That the Environment Committee receives a further report at the September 2021 meeting on the revised KPI suite.**

1. PURPOSE OF REPORT

- 1.1 The Highways Term Maintenance Contract from 1st April 2021 was awarded to TarmacKier as reported to Environment Committee on 18 January 2021.
- 1.2 Work is underway with TarmacKier to implement a new KPI suite under the terms of that contract, from Q2 2021/22.
- 1.3 The purpose of this report is to notify the Committee that the KPI suite under the DRS contract with Re is also being reviewed in light of the above and to ensure it aligns with the TMC and is reflective of Re Highway's responsibility as the Council's Managing Agent for the TMC.

2 REASONS FOR RECOMMENDATIONS

- 2.1 The Highways TMC contains a range of KPIs, including a number such as defect rectification and gulley cleansing, which are now directly the responsibility of TarmacKier. The KPI suite with TarmacKier will be implemented from Q2 2021/22.
- 2.2 The review of the KPIs with Re is being undertaken in the light of this and to reflect Re's role as the Managing Agent under the DRS contract. The Managing Agent responsibilities under the DRS contract are to ensure that the ThirdParty Contractors are complying with the terms of their contracts. It includes monitoring managed contracts and related KPIs and PIs including quality of service delivery (employing technical experts where necessary), cost (including budget, efficiency and cost effectiveness) and performance.
- 2.3 The review is also mindful of the recent concerns raised by members around a number of the KPIs, as reported to Financial Performance and Contract Committee (FPCC) and referred to Environment Committee in the last year.
- 2.4 The review is being carried out jointly between the Council and Re. The intention is that the KPIs will cover Re's responsibilities for receiving defect reports, verifying and packaging them into work orders in a timely and efficient manner that enables TarmacKier to fulfil the repairs under its contract.

- 2.5 Officers have agreed to suspend 6 Highways KPIs under the DRS contract for the first quarter of 2021/22, as they are no longer directly applicable to Re. This will allow for the review to be carried out and to align the two KPI regimes. This is also being reported to the FPCC.
- 2.6 The suspended KPIs are:
- Annual programme of Gulley Cleansing
 - Emergency Defects Rectification Timescales completed on time
 - Category 1 Defects Rectification Timescales completed on time
 - Category 2 Defects Rectification Timescales completed on time
 - Timely construction of Vehicle Crossovers following receipt of payment
 - Response to complaints relating to a drainage malfunction and/or flooding event
- 2.7 The new Highways KPI suite will be reported at the Environment Committee and the FPCC September 2021 meetings.
- 2.8 Although the 6 KPIs are suspended, activity will continue and will still be monitored, but not reported against any target.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 None.

4 POST DECISION IMPLEMENTATION

- 4.1 Once the Committee approves the recommendation, officers will complete the review of Highways KPIs with Re and with approval of the Executive Director, Environment will implement the new KPI suite from July 2021.

5 IMPLICATIONS OF DECISION

5.1 Corporate Performance

5.1.1 Performance monitoring is essential to ensure that there are adequate and appropriately directed resources to support delivery and achievement of corporate priorities as set out in the Corporate Plan (Barnet 2024) and our strategic contracts.

5.1.2 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 suspended KPIs will be excluded from any performance report and will be removed from any potential financial penalty. While there is no budget forecast based on failed KPIs, any service credits received under the contract contribute to the financial position. Budgetary information is part of the Chief Finance Officer report to the FPCC.

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.

6. Legal and Constitutional References

- 6.1 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.
- 6.2 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.
- 6.3 The Council's Constitution, under Article 7 (Committees, Forums, Working Groups and Partnerships), sets out the functions and responsibilities of the Environment Committee and these include: (1) Responsibility for all borough-wide or cross-constituency matters relating to the street scene including, parking, road safety, lighting, street cleaning, transport, waste, waterways, refuse, recycling, allotments, parks, trees, crematoria and mortuary, trading standards and environmental health and (4) To receive reports on relevant performance information and risk on the services under the remit of the Committee.
- 6.4 Under the Council's Scheme of Delegation, the Executive Director for Environment has responsibility for the leadership, strategy and direction on the Council's social, environmental and economic objectives to make Barnet's local environment clean, attractive, and safe with well-maintained roads and pavements, flowing traffic, increased recycling and less waste. This is done through engaging in strategic and delivery partnerships in order to achieve the best outcomes for residents and businesses.

7. Risk Management

- 7.1 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 Policy and Resources Committee.

8. Equalities and Diversity

8.1 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.

8.2 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.

8.3 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.

8.4 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>

9. Corporate Parenting

9.1 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.

10. Consultation and Engagement

10.1 Obtaining customer feedback is part of the contract management process to inform service delivery, service development and service improvement.

11. Insight

11.1 The report identifies revised performance information in relation to the council's contracted services. The report covers delivery from Regional Enterprise (RE) (Capita).

12. BACKGROUND PAPERS

12.1 Procurement of Highways Term Maintenance Contractor Supplementary Report 20th

January 2021:

<https://barnet.moderngov.co.uk/documents/b36766/Item%2010%20-%20LoHAC%20replacement%20Supplemental%20Report%2018th-Jan-2021%2018.00%20Environment%20Committee.pdf?T=9>

Referral from the Financial Performance and Contracts Committee 20th January 2021:

<https://barnet.moderngov.co.uk/documents/s62791/Referral%20from%20FPC%20Committee%20to%20Environment%20Committee.pdf>