



Housing & Growth Committee

5 September 2022

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Report of	Chair of Housing & Growth Committee
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Summary

This report provides an overview of Quarter 1 (Q1) 2022/23 performance for the contracted services delivered by Regional Enterprise (Capita) and Barnet Homes (The Barnet Group) that fall under the remit of this committee.

Overall, performance is going well, with the vast majority of KPIs achieving their targets. The council continues to work with its contracted partners to address areas of concern, particularly on ensuring that progress is being made where backlogs have occurred due to the impact of the Covid-19 pandemic.

Officers Recommendations

The Committee is asked to note the Quarter 1 (Q1) 2022/23 performance for the contracted services delivered by Regional Enterprise (Capita) and Barnet Homes (The Barnet Group) that fall under the remit of this committee.

1. PURPOSE OF REPORT

Introduction

- 1.1 This report provides an overview of Quarter 1 (Q1) 2022/23 performance for the contracted services delivered by Regional Enterprise (Capita) and Barnet Homes (The Barnet Group) that fall under the remit of this committee (listed in alphabetical order):

Regional Enterprise (Re)

- Private Sector Housing (Enforcement)
- Private Sector Housing (Grants)
- Regeneration

Barnet Homes

- Homelessness
- Quality Housing
- Safe and Secure Homes

- 1.2 The report does not include budget information, which is provided separately to Policy and Resources Committee.

Overview

- 1.3 Re services have performed well in Q1, with most KPIs for Housing Enforcement, Housing Grants and Regeneration achieving target. Those that were below target continued to be affected by the backlogs created by Covid-19 restrictions.
- 1.4 Barnet Homes performance was mixed, with four of the nine KPIs not achieving target in Q1. Whilst the number of households in temporary accommodation (TA) continued to fall (2,094 in Q1 from 2,115 in Q4), adverse market conditions impacted on several areas of performance, with build cost inflation and increasing interest rates affecting the acquisitions and development programmes and procurement of private rented properties, where demand is outstripping supply.

Notes on tables

- 1.5 The targets listed for Re are both for the year 2022/23 and the current reporting period, Q1 2022/23. Several KPIs are reported annually but monitored on a quarterly basis; for this reason these are included in the performance tables but are not given a RAG rating until the end of the year.
- 1.6 The targets for Barnet Homes are cumulative unless otherwise stated and so both the annual targets and incremental targets for the current period have been included in the performance tables.

2. REGIONAL ENTERPRISE

Private Sector Housing (Enforcement)

Indicator	Polarity	Unit	Target	Current Period Actual	Actual for Same Period Last Year	DoT on Last Year
Number of empty properties brought back into residential use	Bigger is Better	Number	125	5	0	Improved
Number of private tenanted properties with Category 1 hazards reduced (to Category 2 hazards)	Bigger is Better	Number	200	15	0	Improved
Compliance with Environmental Health Service standards (Priority 1 incidents and service requests)	Bigger is Better	%	100	100	100	Same
Compliance with Environmental Health Service standards (Priority 2 incidents and service requests)	Bigger is Better	%	95	95.8	96.4	Worsened

- 2.1 There are four KPIs for Private Sector Housing (Enforcement). Two achieved the Q1 target and two are 'monitor only' for the quarter.
- 2.2 Performance on empty properties and private tenanted properties with category 1 hazards have been affected by vacancies/recruitment difficulties and the legacy of Covid-19.
- 2.3 Most empty property work involves gathering local intelligence via door knocking and visiting neighbours, which was not possible during the lockdowns. Whilst this has been flagged as part of the backlog, the work does not leave residents at risk and has not been included in the special project to tackle the backlog.
- 2.4 Work on private tenanted properties has been tied up with the HMO backlog, with all HMO Enforcement staff working on the Homes for Ukraine (HFU) project and vacancies in the Housing Enforcement team. Whilst an interim has been recently brought in to work on the HFU project; recruitment is ongoing to fill the other vacancies.
- 2.5 A review has commenced on the properties inspected to date for the HFU project to ensure they are suitable for a 12-plus months stay rather than the original six months. The extra challenge of unaccompanied minors has also to be considered and some rematching of properties/guests will be required.

Private Sector Housing (Grants)

Indicator	Polarity	Unit	Target	Current Period Actual	Actual for Same Period Last Year	DoT on Last Year
Reduction of unit costs of disabled adaptations	Smaller is better	£	£12,500	£8,905	£7,734	Worsened ▼

- 2.6 There is one KPI for Private Sector Housing (Grants) and this achieved the Q1 target.
- 2.7 Consideration is being given to new guidance and the Adult Social Care White Paper with a view to shaping the long-term delivery of Disabled Facilities Grants to support adults and children.

Regeneration

Indicator	Polarity	Unit	Target	Current Period Actual	Actual for Same Period Last Year	DoT on Last Year
Delivery of affordable housing completions	Bigger is Better	Number	525	73	85	Not comparable —
Regeneration budgetary and financial controls (% of invoices sent within timescales)	Bigger is Better	%	85	100	100	Same ♦
Delivery of Regeneration projects' deliverables and milestones to meet outcomes and achieve benefits	Bigger is Better	%	90	120	120	Same ♦

2.8 There are three KPIs for Regeneration. Two achieved the Q1 target and one is 'monitor only' for the quarter. (*The delivery of affordable housing completions is an annual KPI reported quarterly. As the programme changes year-on-year, comparative data is provided for information only.*)

2.9 During Q1, the service continued to work in partnership with Barnet Homes on decanting activities on the Dollis Valley and Grahame Park Estates.

2.10 The service provided support to the council to submit a Transport for London (TfL) partnership bid to the Levelling Up Fund. As part of the bid development, advice was provided on context and background on funding levels to date including existing Section 106, other investments in the area and other housing data.

2.11 A successful and well attended opening event was held on 25 June 2022 for Montrose, Silkstream, and Colindale parks.

3. THE BARNET GROUP

3.1 The Annual Delivery Plan sets out the framework for the delivery of housing services provided by Barnet Homes, including for the following strategic priorities:

- Tackling and preventing homelessness and rough sleeping
- Ensuring decent quality housing that buyers and renters can afford, prioritising Barnet residents
- Safe and secure homes.

Homelessness (Tackling and preventing homelessness and rough sleeping)

Indicator	Polarity	Unit	Annual Target	Current Period Target	Current Period Actual	Actual for Same Period Last Year	DoT on Last Year
Number of homelessness preventions	Bigger is Better	Number	1450	360	295	272	Improved
Number of households in Temporary Accommodation	Smaller is Better	Number	2400	2250	2094	2371	Improved
Households placed directly into the private sector by Barnet Homes	Bigger is Better	Number	615	152	109	140	Worsened
Rough sleeper count (every other month)	Smaller is Better	Number	N/a – snapshot	20	11	14	Improved

3.1 There are four KPIs for the Homelessness service. Two achieved the Q1 target and two did not.

- 3.2 The number of homeless preventions achieved in Q1 was 295, 65 below the target. The procurement of private rented properties has become increasingly challenging with demand across the market outstripping supply and landlords have a greater pool of potential tenants to choose from. Rent increases in Q1 were likely attributed in large part to inflationary pressures, however as the Local Housing Allowance Rate has not increased, the private rented market remains a challenging operating environment.
- 3.3 The number of households in temporary accommodation (TA) reduced marginally in Q1 (2,094) from the Q4 result (2,115), continuing the positive trend in this area and representing the lowest level in TA for over a decade. This has been due to a combination of previously reported factors: stable demand from the private rented sector, effective prevention, support through BOOST and effective affordable housing supply. Moving forward there are anticipated increased challenges with the cost of living crisis being faced by households, coupled with the lack of affordable housing supply to facilitate placements into the private rented sector. Consequently, significantly increased demand from the private rented sector is expected to manifest towards the end of Q2.
- 3.4 Let2barnet has had a challenging start to the year, with many external factors contributing. Procuring private rented properties has become increasingly challenging as previously mentioned. In addition, the Rightmove rental price tracker confirms that year-on-year rents in London have increased by 14.4% and “Tenant demand is up by 81% and available rental properties down by 47% in London compared to the more normal 2019 market”¹.
- 3.5 The position in Barnet is replicated across other boroughs with most experiencing challenges in securing private rented sector placements as the scarcity of available properties continues to fuel increases in private sector rents. Following a benchmarking exercise with other London local authorities, work is underway to reassess the incentive rates being offered to landlords in order to ensure the offer is competitive.
- 3.6 The most recent rough sleeper street count was completed in June 2022, with a good result of 11, an improvement on the same time last year.

Risks

- 3.7 There was one high-level (scoring 15+) joint risk related to Homelessness in Q1, which is being managed in accordance with the council’s risk management framework.

Title	Description	Score	Review Summary
Increased demand for temporary accommodation	Failure to prevent households becoming homeless and a lack of suitable affordable accommodation options could lead to an increased demand for expensive temporary accommodation resulting in increased budget pressures in the General Fund.	16	Overall numbers in temporary accommodation continued to reduce in Q1, reaching the lowest level in over a decade of 2,094. Whilst positive, there are a number of factors which put this area at risk: rental inflation in the private rented sector; increased likely demand linked to the cost of living/inflationary pressures on household finances; and slowing of acquisition activities due to market challenges and interest rate increases.

¹ <https://www.rightmove.co.uk/news/rental-price-tracker/>

Quality Housing (Ensuring decent quality housing that buyers and renters can afford, prioritising Barnet residents)

Indicator	Polarity	Unit	Annual Target	Current Period Target	Current Period Actual	Actual for Same Period Last Year	DoT on Last Year
Number of homes purchased for use as affordable accommodation	Bigger is Better	Number	125	25	25	25	Same
Supply a range of housing available for care leavers, in particular for those ready to move into independent living	Bigger is Better	Number	62	15	12	15	Worsened
Affordable housing delivered on council owned land (TBG schemes)	Bigger is Better	Number	45	20	10	50	Worsened

3.8 There are three KPIs for Quality Housing. One achieved the Q1 target and two did not.

3.9 25 properties were purchased in Q1, with 10 properties acquired into the Housing Rent Account (HRA) council stock and 15 properties purchased through Opendoor Homes.

3.10 Three Care Leavers were given an offer for a suitable property in June 2022, but the tenancies had not been finalised by the end of the month, affecting the quarterly figure. Based on the expected pipeline of properties, it is anticipated that the target will be achieved for Q2 and beyond.

3.11 Overall the acquisitions and development programmes are subject to increasingly adverse market conditions, particularly build cost inflation and increasing interest rates. Two development schemes completions slipped this quarter but are anticipated to be completed by the end of Q2 (11 further completions are due at Friern Court and 14 at Summers Lane). This relates entirely to poor response rates from statutory utility companies and has been escalated through a number of routes, including the GLA but remains an unresolved issue more generally.

3.12 Four completions took place in April 2022 at the Mount Parade scheme and six took place in May 2022 at Warwick Close.

Risks

3.13 There was one high-level (scoring 15+) joint risk related to Quality Housing in Q1, which is being managed in accordance with the council's risk management framework.

Title	Description	Score	Review Summary
Viability of the Housing Revenue Account business plan	External pressures such as above projected interest rates, changes in legislation and carbon neutrality on the Housing Revenue Account (HRA) could lead to the HRA business plan becoming economically unviable resulting in a reduction in service provision to residents or the general fund needing to support the HRA.	16	Barnet Homes Asset Management Strategy approved March 2022 and implemented. Workshop on HRA business plan to be held.

Safe and Secure homes

Indicator	Polarity	Unit	Annual Target	Current Period Target	Current Period Actual	Actual for Same Period Last Year	DoT on Last Year
Scheduled fire risk assessments completed (council housing) on time	Bigger is Better	%	100	100	100	100	Same
Priority 0 and 1 fire safety actions completed on time	Bigger is Better	%	92.5	92.5	100	100	Same

3.14 There are two KPIs for Safe and Secure Homes. Both achieved the Q1 target.

3.15 Scheduled fire risk assessments (FRAs) at council housing blocks and the completion of high priority actions resulting from FRAs continued to remain at or above target. Risk assessments and resultant actions are monitored closely to ensure where lead-in timescales for the ordering of relevant building components is needed, this is actioned as early as possible.

3.16 Good progress continued to be made with the delivery of the fire safety investment programme to high priority homes in the last year of the programme. The recently approved programme to low and medium rise blocks is also to commence this year: a significant amount of preliminary works including starting the design process and preparing the programme has been undertaken and works have started on properties linked to Electrical Rising Mains works currently onsite. The first individual sites for the fire safety programme, around Hendon, will commence in October 2022.

Risks

3.17 There was one high-level (scoring 15+) joint risk related to Safe and Secure Homes in Q1, which is being managed in accordance with the council's risk management framework.

Title	Description	Score	Review Summary
Health, safety and compliance issues	Barnet Homes' failure to achieve regulatory requirements for the housing stock could lead to health, safety and compliance issues resulting in death to residents, staff and public, legal challenges and financial costs.	15	Good progress on delivery of the £52m fire safety programme continued during Q1, with sprinkler and alarm systems to tower blocks now complete. Risk mitigation works at LPS blocks Stanhope and Holmsdale in N11 continue to progress. Member briefings in respect of redevelopment proposals for LPS blocks are currently being arranged

4. REASONS FOR RECOMMENDATIONS

4.1 This report provides an overview of Quarter 1 (Q1) 2022/23 performance for the contracted services delivered by Regional Enterprise (Capita) and Barnet Homes (The Barnet Group) that fall under the remit of this committee

5. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

5.1 None

6. POST DECISION IMPLEMENTATION

6.1 None.

7. IMPLICATIONS OF DECISION

8. Corporate Priorities and Performance

- 8.1 Performance monitoring is essential to ensure robust management of the council's strategic contracts and supports commercial discussion and decision-making. It also ensures resources are adequately and appropriately directed to support delivery and achievement of corporate priorities.
- 8.2 Relevant council strategies and policies include the following:

- Re Contract
- Barnet Homes Management Agreement and Annual Delivery Plan

9. Resources (Finance and Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 9.1 The report does not include budget information, which is provided separately to Policy and Resources Committee.

10. Legal and Constitutional References

- 10.1 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. Robust contract management assists with ensuring the proper administration of the council's financial affairs.

- 10.2 The council's Constitution, Article 7.5 Committees, Forums, Working Groups and Partnerships, sets out the functions of the Housing and Growth Committee.

(1) Responsibility for:

- Housing (including housing strategy; homelessness; social housing and housing grants; private sector housing and leasing; housing licensing and enforcement; HRA Revenue Account and Capital Programme);
- Regeneration Strategy and Overseeing Major Regeneration Schemes
- Asset Management
- Development of Council Land
- Fire Safety
- Economic Development including Employment Strategy; Business Support and Engagement; and Town Centres

- (2) To submit to the Policy and Resources Committee proposals relating to the Committee's budget (including fees and charges) for the following year in accordance with the budget timetable.

- (3) To make recommendations to Policy and Resources Committee on issues relating to the budget for the Committee, including virements or underspends and overspends on the budget. No decisions which result in amendments to the agreed budget may

be made by the Committee unless and until the amendment has been agreed by Policy and Resources Committee.

- (4) To receive reports on relevant revenue and capital expenditure, contracts, performance information and risk on the services under the remit of the Committee.

11. Insight

- 11.1 The report identifies performance information in relation to the council's strategic contracts for Quarter 1 (Q1) 2022/23. The report covers delivery from Regional Enterprise (Capita) and Barnet Homes (The Barnet Group).

12. Social Value

- 12.1 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.

13. Risk Management

- 13.1 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-level (scoring 15+) joint risks with strategic contractors are included in this report, as well as being reported to Policy and Resources Committee as part of a wider corporate risk report.

14. Equalities and Diversity

- 14.1 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.

- 14.2 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.

- 14.3 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.

- 14.4 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>

15. Corporate Parenting

- 15.1 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.

16. Consultation and Engagement

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

17. Environmental Impact

- 17.1 There are no direct environmental implications from noting the recommendations. Implementing the recommendations in the report will lead to a positive impact on the Council's carbon and ecology impact, or at least it is neutral.

18. BACKGROUND PAPERS

- 18.1 None