



## Housing & Growth Committee

23 March 2023

<b>Title</b>	<b>Q3 2022/23 Contracts Performance Report</b>
<b>Report of</b>	Chair of Housing & Growth Committee
<b>Wards</b>	All
<b>Status</b>	Public
<b>Urgent</b>	No
<b>Key</b>	No
<b>Enclosures</b>	None
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### Summary

This report provides an overview of Quarter 3 (Q3) 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 most 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 3 (Q3) 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 3 (Q3) 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 was provided separately to Policy and Resources Committee in February 2023.

#### Overview

- 1.3 Re services have performed well in Q3 2022/23 with all quarterly measured KPIs for Housing Enforcement, Housing Grants and Regeneration achieving target. Two annual measures in Private Sector Housing (Enforcement) were off track for meeting the end of year target and continued to be affected by the backlogs created by Covid-19 restrictions. One annual measure in Regeneration was also off track, as a result of the economic downturn, interest rate rises, construction supply chain delays, and reports received from developers regarding financial viability.
- 1.4 Barnet Homes performance was mixed, with three of the nine KPIs not achieving target in Q3 2022/23. This was attributed to two major factors: firstly, procuring affordable private rented properties has become increasingly challenging within London, with demand far outstripping supply; and secondly, the expected increase in homelessness demand from families in the private rented sector (due to Covid-19 and the ongoing cost of living crisis) has just started to materialise in Q3 2022/23.

#### Notes on tables

- 1.5 The targets listed for Re are both for the year 2022/23 and the current reporting period, Q3 2022/23. Several KPIs are reported annually but monitored on a quarterly

basis; for this reason, they 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.
- 1.7 Performance is shown for the current reporting period, Q3 2022/23 and the same period last year, Q3 2021/22, along with the Direction of Travel (DoT).

## 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	18	1	Improved
Number of private tenanted properties with Category 1 hazards reduced (to Category 2 hazards)	Bigger is Better	Number	200	28	44	Worsened
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	96.3	87.3	Improved
Compliance with Licensing Requirements for Houses in Multiple Occupation (HMOs) - Licenced HMOs meeting legal standards	Bigger is Better	%	72	72.7	65.0	Improved

- 2.1 There are five KPIs for Private Sector Housing (Enforcement). Three achieved the Q3 2022/23 target. Two are 'monitor only' for the quarter, one of which improved and the other worsened when compared to the same time last year.
- 2.2 Performance on empty properties and private tenanted properties with Category 1 hazards has been affected by vacancies / recruitment difficulties and the legacy of Covid-19.
- 2.3 There was an increase in damp and mould cases brought forward from tenants following the high-profile case of Awaab Ishak in Rochdale. The Department of Levelling Up, Housing and Communities has conducted a data collection exercise related to this, which was responded to in full in January 2023. Following meetings with Barnet Council, Re and Barnet Homes, an additional post has been agreed in Public Sector Housing for homeless applications to Barnet Homes to try and improve accommodation and decrease homelessness applications. This post will also audit Barnet Homes inspections of temporary accommodation.

### Risks

- 2.4 There was one high-level (scoring 15+) joint risk related to Private Sector Housing (Enforcement) in Q3 2022/23, which is being managed in accordance with the council's risk management framework.

Title	Description	Score	Review Summary
Unsafe/unhealthy living accommodation in private rented sector	A backlog of HMO licensing casework built up during the pandemic and work on the Homes for Ukraine project could lead to identification of issues being slower and all proactive activity to search for unlicensed properties being delayed resulting in residents being exposed to unsafe/unhealthy living conditions.	16	Contractual arrangements are in place for additional resourcing for backlog and additional licensing workstreams. Recruitment continues to be a significant challenge in this sector. Confirmation of the accelerated return of service to LBB alongside a recruitment protocol between LBB and Capita would likely reduce the barriers to recruitment. Engagement between Barnet HR and Environmental Health Services has begun, to ensure that job descriptions are agreed and recruitment to vacancies proceeds ahead of the return of services. Although it is likely that outcomes envisaged in the SPIRs over the next three months may be limited by the extent of the staffing challenges.

## 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	£9,036.43	£9,297.36	Improved

2.5 There is one KPI for Private Sector Housing (Grants) which represents the average unit cost of disabled adaptations. This measure was reported as £9,036.43 for Q3 2022/23, achieving below the target of £12,500, and has improved on last year (£9297.36 in Q3 2021/22).

## 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	370	315	212	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	100	133.3	Worsened

2.6 There are three KPIs for Regeneration. Two achieved the Q3 2022/23 target and one was '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).*

2.7 There were 88 affordable housing completions in Q3 2022/23, and 315 for the year to date. As a result of the economic downturn, interest rate rises, construction supply chain delays, and reports received from developers regarding financial viability, the annual target (of 525) may not be met. However, units that are onsite but not delivered to target in this financial year will be delivered in the next financial year.

2.8 Regeneration of budgetary and financial controls achieved 100%, with all invoices being raised within two months of the end of Q2 2022/23 (this measure is reported one quarter in arrears).

### 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.

3.2 The Annual Delivery Plan for 2023/24 is being presented at this committee.

#### Homelessness (Tackling and preventing homelessness and rough sleeping)

Indicator <sup>1</sup>	Polarity	Unit	Annual Target	Year to Date Target	Year to Date Actual	Actual for Same Period Last Year	DoT on Last Year
Number of homelessness preventions	Bigger is Better	Number	1450	1080	796	952	Worsened
Number of households in Temporary Accommodation	Smaller is Better	Number	2400	2350	2111	2142	Improved
Households placed directly into the private sector by Barnet Homes	Bigger is Better	Number	615	457	254	437	Worsened
Rough sleeper count (every other month)	Smaller is Better	Number	N/a – snap shot	20	8	9	Improved

3.3 There are four KPIs for the Homelessness service. Two achieved the Q3 2022/23 target and two did not.

3.4 The number of homelessness preventions remained below target in Q3 2022/23 and this will continue in Q4 2022/23. The targets for 2022/23 were based on projections of significant increased demand compared to the previous year, and this began to materialise in Q3 2022/23. In addition, procuring affordable private rented properties became increasingly challenging within London, with demand far outstripping supply. Many landlords exited the private rented sector, and those landlords remaining were less receptive to previously successful negotiation and mediation strategies to sustain tenancies. With cost-of-living pressures expected to increase the service is projecting homelessness demand to accelerate significantly in Q4 2022/23 and into 2023/24.

3.5 The number of households in temporary accommodation increased in Q3 2022/23 (2111), from 2076 in Q2 2022/23, and remained below the year-to-date target of 2350. This is due to a combination of previously reported factors; stable demand from the private rental sector (PRS), effective prevention, support through BOOST (employment, benefit advice, skills and wellbeing project run by The Barnet Group) and effective affordable housing supply. However, with a cost-of-living crisis being faced by many households and the lack of affordable housing supply to facilitate placements into the PRS, it is expected that there will be significantly increased demand for the remainder of the year.

<sup>1</sup> These indicators are reported on a cumulative basis – i.e. year to date

- 3.6 63 households were placed directly into the private rented sector by Barnet Homes in Q3 2022/23, bringing the year-to-date total to 254 against the target of 457. This continued to represent a challenging year for Barnet Homes with mainly external factors contributing. Procuring private rented properties has become increasingly challenging with demand across the market far outstripping supply, and landlords therefore have a greater pool of potential tenants to choose from. Landlord incentive rates were reviewed to ensure they remained competitive with other London Local Authorities, but this remains a dynamic area with boroughs increasing rates consistently.
- 3.7 Rough sleeper numbers have decreased to 8 from 14 in Q2 2022/23 and remained below the year-to-date target of 20. Numbers of rough sleepers across London remained high with approximately 700 accommodated during the last Severe Weather Emergency Protocol initiated in December 2022.

## Risks

- 3.8 There was one high-level (scoring 15+) joint risk related to Homelessness in Q3 2022/23, 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 detrimental impacts to affected residents wellbeing, and an increased demand for expensive temporary accommodation resulting in increased budget pressures in the General Fund.	16	Whilst overall numbers in temporary accommodation remained relatively stable at historically low levels in Q3 2022/23, the significant reductions in available supply of Private Rental Sector (PRS) properties available to rent coupled with PRS rental inflation is creating challenges in finding suitable affordable accommodation for those who need it and is preventing prevention related KPIs from being met. Increased demand for homelessness services linked to the cost of living/inflationary pressures on household finances, and slowing of acquisition activities due to market challenges and interest rate increases continue to keep the risk rating high.

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

Indicator <sup>2</sup>	Polarity	Unit	Annual Target	Year to Date Target	Year to Date 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	85	87	77	Improved
Supply a range of housing available for care leavers, in particular for those ready to move into independent living	Bigger is Better	Number	62	45	33	58	Worsened
Affordable housing delivered on council owned land (TBG schemes)	Bigger is Better	Number	45	45	56	56	Same

3.9 There are three KPIs for Quality Housing. Two achieved the Q3 2022/23 target and one did not.

3.10 Q3 2022/23 saw the completion of a further 26 properties for use as affordable accommodation, through a combination of 11 Housing Rent Account acquisitions and 15 purchases by Opendoor Homes. This, added to the 61 completions from previous quarters brought the total to 87 units, exceeding the year-to-date target of 85 units.

3.11 12 care leavers were housed in Q3 2022/23 bringing the year-to-date total to 33, which is below the target of 45. This has been impacted by the reduced supply of one-bedroom properties this year (85, compared to 121 in the same period last year). Of the 85, only 35 have been suitable to offer care leavers (two of which were under offer at the end of Q3 2022/23 but not occupied, and therefore were not included in the result). The remaining 50 properties have been either adapted with level access showers or offered to highest need housing applicants in Band 1. A project group was set up to explore options for increasing the supply to care leavers, and this is expected to yield results in Q4 2022/23. With wider demand pressures and limited supply this indicator may remain below target in Q4 2022/23.

3.12 The completion of Summers Lane and Hermitage Lane schemes in Q3 2022/23 added a further 29 new homes for affordable rent and six shared ownership completions, bringing the total of affordable housing delivered on council owned land to 56. There are no further completions due this financial year and the target has been met.

3.13 Overall, the acquisitions and development programmes are subject to increasingly adverse market conditions, particularly build cost inflation and increasing interest rates. This is particularly relevant to the Opendoor Homes acquisitions programme which is at risk of needing to pause as a result of higher interest rates on future loan drawdowns.

<sup>2</sup> These indicators are reported on a cumulative basis – i.e. year-to-date

## Safe and Secure homes

Indicator <sup>3</sup>	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	96	Improved

3.14 There are two KPIs for Safe and Secure Homes. Both achieved the Q3 2022/23 target.

3.15 Performance in relation to the completion of fire risk assessments at council housing blocks within the specified target timescale has remained strong in Q3 2022/23, in line with historical performance. Similarly, the completion of high priority actions resulting from fire risk assessments within target timescales has continued to remain above the 92.5% target. Close monitoring of risk assessments and resultant actions have continued to ensure lead-in timescales for ordering relevant building components has been actioned as early as possible.

3.16 More generally, during Q3 2022/23 good progress has been made with the delivery of the fire safety investment programme to high priority homes. The recently approved programme to low and medium rise blocks will commence in Q4 2022/23.

## Risks

3.17 There was one high-level (scoring 15+) joint risk related to Safe and Secure Homes in Q2, 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 harm to residents, staff and public, legal challenges and financial costs.	15	Good progress on delivery of the £52m fire safety programme continued during Q3 2022/23 and is on track for completion by the end of the year. Risk mitigation works at Large Panel System (LPS) blocks Stanhope and Holmsdale in N11 are complete but awaiting electrical substation works to be finalised before final project completion. Lead and ward member briefings in respect of redevelopment proposals for LPS blocks were completed in Q3, with recommendations for resident consultation presented to the Housing and Growth Committee in November 2022. Report on mould and damp submitted to Housing and Growth Committee in January 2023, and action plan for resolving issues agreed.

## 4. REASONS FOR RECOMMENDATIONS

<sup>3</sup> These indicators are reported on a quarterly basis



4.1 This report provides an overview of Quarter 3 (Q3) 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**

7.1 None.

## **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 3 (Q3) 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 As referenced in 1.2, budget information was presented at Policy & Resources Committee on 22 February 2023:

<https://barnet.moderngov.co.uk/documents/g11162/Public%20reports%20pack%2022nd-Feb-2023%2019.00%20Policy%20and%20Resources%20Committee.pdf?T=10>

18.2 As referenced in 3.1, the Barnet Homes 2022-23 Delivery Plan can be found at:

[https://barnet.moderngov.co.uk/documents/s72881/20220613HAG\\_Barnet%20Homes%202022-23%20Delivery%20Plan.pdf](https://barnet.moderngov.co.uk/documents/s72881/20220613HAG_Barnet%20Homes%202022-23%20Delivery%20Plan.pdf)