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Meeting	Budget and Performance Overview and Scrutiny Committee
Date	11 June 2013
Subject	<b>Development and Regulatory Services: the recommendation for Preferred Bidder and Reserve Bidder as the councils Strategic Partner to form a Joint Venture to deliver the Development and Regulatory Services (DRS)</b>
Report of Summary	Scrutiny Office Annex 1 provides the Budget and Performance Overview and Scrutiny Committee with the Cabinet report outlining the Full Business Case for DRS, the Equalities Impact Assessments and List of Principal Legislation affecting the DRS services

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Officer Contributors	Andrew Charwood, Overview and Scrutiny Manager Pam Wharfe, Director for Place John Hooton, Deputy Chief Operating Officer Martin Cowie, DRS Service Lead Jason Walton, DRS Commercial Lead Charlotte Graham, DRS Project Manager Nick Faint, DRS Project Lead
Status (public or exempt)	Public (with separate exempt report)
Wards Affected	All
Key Decision	N/A
Reason for urgency / exemption from call-in	N/A
Function of	Committee

Enclosures

Annex 1: Report to the Cabinet on 24 June 2013,  
Development and Regulatory Services: the  
recommendation for Preferred Bidder and Reserve  
Bidder as the councils Strategic Partner to form a  
Joint Venture to deliver the Development and  
Regulatory Services (DRS)

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## 1. RECOMMENDATIONS

- 1.1. That the Budget and Performance Overview & Scrutiny Committee make comments and recommendations to the Cabinet on the council's recommended selection of the Preferred Bidder and Reserve Bidder as the council's Strategic Partner to form a Joint Venture to deliver the Development and Regulatory Services (DRS) as set out in Annex 1 to this report.

## 2. RELEVANT PREVIOUS DECISIONS

- 2.1. One Barnet Overview and Scrutiny Panel, 10 February 2010, Decision Item 8 (Commissioning Development and Regulatory Services) – The Panel considered proposals for commissioning planning and regulatory services and made a number of comments and recommendations to the One Barnet Programme Board
- 2.2. One Barnet Overview and Scrutiny Panel, 21 September 2010, Decision Item 7 (Development and Public Health Services) – The Panel considered an Options Appraisal document which set out the methodology, rationale, approach, findings, recommendations and conclusions of the consultants on options for development and public health services. The Panel noted the report and made a number of comments.
- 2.3. One Barnet Overview and Scrutiny Panel, 10 November 2010, Decision Item 6 (Highlight Report) – The Panel received an update on the DRS procurement process.
- 2.4. One Barnet Overview and Scrutiny Panel, 23 March 2011, Decision Item 7 (Development and Regulatory Services Business Case) – The Panel scrutinised the report to Cabinet Resources Committee (28 March 2011) relating to the Business Case for Development and Regulatory Services and

RESOLVED that –

the Cabinet Resources Committee be requested to take into account the following comments/recommendations made by the One Barnet Overview and Scrutiny Panel in relation to the Development and Regulatory Services Business Case:

- (i) the Committee be requested to provide assurance the any contracts entered into as part of the One Barnet programme would be both robust and flexible to enable the authority to:
  - incorporate legislative changes, including additional responsibilities for local authorities as part of the Public Health agenda; and
  - minimise the risk of costly contract disputes arising during the term of the contract;
- (ii) the Committee be requested to prioritise commissioning work on Elected Member Governance in relation to One Barnet programme and involve the One Barnet Overview and Scrutiny Panel in this work;

- (iii) the Committee provide assurance that flexibility will be retained regarding the basket of services included in the bundle;
  - (iv) ensure that the income projections contained within the Development and Regulatory Services Business Case are based on marginal savings, as referred to in the preamble above;
  - (v) ensure that the allocation of baseline line and support service costs across the One Barnet Programme is undertaken with sufficient diligence to ensure costs are not over / under stated or double counted;
  - (vi) the Committee note the concern of the Panel that the 10 year financial projections contained within the Development and Regulatory Services Business Case cannot be verified; and
  - (vii) the Committee note that, in order to ensure best value is derived, contracts awarded for services that form part of the Development and Regulatory Services bundle will have to allow for variations to service requirements through contract variation procedures as on-going service transformation will be taking place prior to contracts being entered into.
- 2.5. Budget and Performance Overview and Scrutiny Committee, 6 December 2011, Decision Item 10 (Development and Regulatory Services: Business Case Update and Shortlist for Dialogue 2) – The Committee considered a report which provided an update on the DRS project and noted the content.
- 2.6. Special Budget and Performance Overview and Scrutiny Committee, 19 September 2012, Decision Item 8 (Members' Item – Development and Regulatory Services) – The Committee considered a Members' Item which requested clarification in relation to the Development and Regulatory Services (DRS) project and the possibility of utilising a Joint Venture Company as the delivery vehicle of the DRS contract.

The Committee received representations from the Leader and Deputy Leader. The Committee questioned whether a decision regarding utilising a Joint Venture Company for the DRS contract had already been taken as the Business Case had identified a Strategic Partnership as the preferred option. The Leader of the council clarified that he had not seen any documentation relating to the outcome of the DRS procurement process as officers were currently concluding the competitive dialogue process. He emphasised that no decision had been taken and all options would be considered on their own merit.

Members questioned whether the risks relating a joint venture had been captured in the One Barnet Risk Register and requested that this information be provided to the Committee.

Councillor Moore proposed that the Committee receive evidence from external experts on joint ventures and strategic partnerships at the special meeting taking place on 29 November 2012 to assist Members in scrutinising the DRS preferred option at the conclusion of the competitive dialogue process. The Chairmen advised Members that he would determine the resources that the Committee required to undertake its role effectively.

RESOLVED that:–

1. the Cabinet Resources Committee note the comments of the Committee, as set out above, in relation to the Development and Regulatory Services Project.
2. the Assistant Director Commercial Services provide the One Barnet Risk Register to members of the Committee.

### **3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS**

- 3.1. The Overview and Scrutiny Committees must ensure that the work of Scrutiny is reflective of the council's priorities.
- 3.2. The three priority outcomes set out in the 2013 – 2016 Corporate Plan are;
  - Promote responsible growth, development and success across the borough;
  - Support families and individuals that need it – promoting independence, learning and well-being; and
  - Improve the satisfaction of residents and businesses with the London Borough of Barnet as a place to live, work and study.
- 3.3. The One Barnet programme has three overarching aims:
  - A new relationship with citizens;
  - A one public sector approach; and
  - A relentless drive for efficiency
- 3.4. The manner in which Development and Regulatory Services supports these aims is described in Section 2 of the Full Business Case (included in Annex 1).

### **4. RISK MANAGEMENT ISSUES**

- 4.1. To enable the council's Overview and Scrutiny function to provide a constructive challenge to the executive, it is essential that the Committee have the opportunity to provide a robust, proportionate and timely challenge to the corporate change work streams as the committee progress through the council's decision-making framework. This can make a positive contribution to effective risk management.
- 4.2. Risk management considerations related to the Development and Regulatory Services Project are set out in the attached report in Annex 1.

## **5. EQUALITIES AND DIVERSITY ISSUES**

- 5.1. In addition to the Terms of Reference of the Committee, and in so far as relating to matters within its remit, the role of the Panel is to perform the Overview and Scrutiny role in relation to:
- The council's leadership role in relation to diversity and inclusiveness; and
  - The fulfilment of the council's duties as employer including recruitment and retention, personnel, pensions and payroll services, staff development, equalities and health and safety.
- 5.2. Equalities and diversity considerations as they relate to the Development and Regulatory Services project are set out in the attached report in Annex 1.

## **6. USE OF RESOURCES IMPLICATIONS (FINANCE, PROCUREMENT, PERFORMANCE & VALUE FOR MONEY, STAFFING, IT, PROPERTY, SUSTAINABILITY)**

- 6.1. As set out in the attached report in Annex 1.

## **7. LEGAL ISSUES**

- 7.1. Under Section 21 of the Local Government Act 2000, the council's executive arrangements are required to include provision for appointment of an Overview and Scrutiny Committee with specified powers, including the power to make reports or recommendations to the authority or the executive with respect to the discharge of any functions which are the responsibility of the executive.
- 7.2. Section 122 of the Local Government and Public Involvement in Health Act 2007 places a duty on the executive to respond to overview and scrutiny committees where the committee makes a report of recommendations to the executive.
- 7.3. Legal issues as they relate to the Development and Regulatory Services project are set out in Section 7 of the attached report in Annex 1.

## **8. CONSTITUTIONAL POWERS**

- 8.1. The scope of the Overview and Scrutiny Committees is contained within Part 2, Article 6 of the c's Constitution.
- 8.2. The Terms of Reference of the Overview and Scrutiny Committees is set out in the Overview and Scrutiny Procedure Rules (Part 4 of the Constitution). The Budget and Performance Overview and Scrutiny Committee has within its terms of reference the following responsibilities;

- To perform the overview and scrutiny role in relation to the One Barnet programme, particularly performance and financial issues;
- To receive and consider options appraisals, business cases and closure reports for the One Barnet projects;
- To monitor the implementation of One Barnet projects throughout the programme lifecycle; and
- To engage with partner organisations, other relevant public sector bodies, private sector organisations, trade unions, local residents or any other appropriate witnesses when fulfilling the overview and scrutiny role in relation to the One Barnet programme

## **9. BACKGROUND INFORMATION**

- 9.1. On 24 June 2013, Cabinet will consider the recommendation to nominate a preferred bidder for Development and Regulatory Services. In line with the responsibilities of the Committee outlined in Section 8.2 of this report, the Budget and Performance Overview and Scrutiny Committee is requested to consider the Full Business Case supporting this recommendation.
- 9.2. On the basis of that consideration, the Committee is requested to make comments, representations and recommendations to the Cabinet on the Development and Regulatory Services Final Business Case and Preferred Bidder as set out in Annex 1. These representations will be reported to and considered by the Cabinet at the 24 June 2013 meeting.

## **10. LIST OF BACKGROUND PAPERS**

- 10.1. None

<b>Cleared by Finance (Officer's initials)</b>	<b>JH</b>
<b>Cleared by Legal (Officer's initials)</b>	<b>Trowers &amp; Hamlin</b>