



# Blackburn with Darwen Council

Capita in Local Authorities			
Local Authority	Performance Issues	Cost Issues	Contract Status
Blackburn with Darwen Property & Highways		£	Brought back in-house

November 2018 Briefing Number 3

## What happened in Blackburn with Darwen Borough Council?

This Briefing looks at the services outsourced and the services brought back in-house. Below is a series of comments and extracts from a number of Council Committee meetings. Please note that the use of ***emphasis/underlining*** is made by Barnet UNISON.

*“Council and Capita entered into a 15 year public private partnership (PPP) on 1st July 2001 which covered a wide range of Council services with around 500 Council staff transferring to Capita under TUPE (transfer of undertakings protection of employment regulations).”*

The initial services transferred in **2001** included:

- revenues, benefits and customer services
- adults and children's social services finance and administration
- debtors, creditors and some departmental management accounting
- HR, administration, payroll and occupational health services
- all IT services
- architectural and technical services
- highways and transport services
- most property management and maintenance services
- print and design.

**Please note** the transfer of the above services **back in-house** over the following period:

- **customer services,** social services finance and administration, and management accounting transferring back to the Council **in 2006**

- **strategic HR** transferring to the Council in **2007**
- **IT services** transferring back to the Council **in 2008**
- **HR, payroll and commissioning of occupational health services** transferring to the Council **in 2012**

On **15 January 2015** the Council agreed to give notice to Capita that they intended to **terminate the contract** on **30<sup>th</sup> June 2016**.

On **11 June 2015** the Council agreed to explore the possible early transition of services to be brought **back in-house**.

In **2016** the services brought back to the Council included:

- Car Parking
- Building Consultancy & Statutory Compliance
- Energy Bureau
- Emergency Call Out
- Highways Development Control
- Revenues and Benefits

On **11 October 2018** the Council met again and:

*“This report updates on discussions between the Council and Capita to reset and simplify the current place-based partnership which commenced in 2016, with core **highways and property services returning in-house** to be delivered by the Council. This would leave a residual contract for call-off services in place with Capita for the remainder of the initial five year term.”*

*“Whilst Capita have been working on growth and infrastructure schemes to support the Council’s priorities, **the business case** approach for additional services **has not generated** the opportunities envisaged and **no business cases** have been developed by Capita and approved by the Council to take forward to implementation. The **only** additional service was the agreed shared management arrangements which were in place from*

February 2017 and which **ended completely** in July 2018.”

*“In addition, earlier this year, following the appointment of a new Capita Chief Executive and the **publication of the company’s 2017 end of year results**, Capita set out a new strategic direction for the organisation. **Capita’s focus in future** will be delivering technology-enabled services, at scale, where the company believes it can add the most value to service delivery. The **environment** in which local government is operating has also changed since this contract was let. Whilst both parties envisaged the need to adapt to changing circumstances, the **rapidly changing** external environment has **accentuated** the need for the council to **increase** the level of **direct control** it exercises.”*

*“...the Council will achieve **budget savings as a result of the transfer back** and will have **reduced contract management** overheads..”*

**Comment:**

Blackburn was one of the first Strategic Partnerships with Capita. This briefing is simply to show that even in a contract which claimed some successes, the Council still felt the need to bring back services back in-house. Barnet UNISON was expecting a Full Business case looking at all options on 11 December 2018 and was disappointed to hear this will not be happening.

Barnet UNISON fully understands that for the Council take back control of their budget there needs to be a transition plan for each of the services outsourced. It can be **done** and is being **done** by **other Councils** and they are managing to deliver savings.