

Introduction

One Barnet has adopted a new approach to contract monitoring which they refer to as the Thin Client. This is short briefing in an attempt help explain what is being proposed to monitor any Council service which is to be outsourced.

What are the Council and client responsibilities?

Barnet Council, like all local authorities, has statutory duties in relation to service delivery, financial management and other responsibilities irrespective of whether the service is provided in-house or is outsourced to the private or voluntary sectors.

Barnet Council's 'thin client' plans

The established practice of contract monitoring is to have a strong a fully funded monitoring team in place before outsourcing. The Council have made a decision to adopt the 'thin client' model for the contract monitoring of the One Barnet outsourced services. This will mean that the Council is increasingly reliant on **self-monitoring by private contractors**. In other words contractors **monitor** their own performance and either pass on this information to the Council or the Council has access to the contractors information system. The Council relies on spot-checks by its monitoring officers to determine the extent to which the contractor has met performance standards and targets and the financial deductions for **poor performance** that determine the monthly contract payment. Of course it is essential that the contractor monitors its own performance, but this should not be the prime source of monitoring information.

The 'thin client' also relies heavily on Key Performance Indicators (KPI), which are broad indicators to show the overall performance of the service. However, they report on general performance and **must** be supported by detailed performance information obtained by **monitoring frontline service delivery**

and taking account of the views of residents and service users.

Self-monitoring also means the Council becomes **over-reliant** on the contractor to supply it with information and intelligence about how services are performing and the needs of residents. The 'thin client' often leads client officers to **rely** on the contractor to consult with residents on performance and service delivery.

Who should monitor the One Barnet outsourced services and how?

If One Barnet is to deliver the savings for the Council it is important the Council resources the contract monitoring teams. It is important that those monitoring contracts have the right skills & expertise to be able to ensure the council is getting what it is paying for with taxpayer's money.

It is therefore critical that in the event the service provider is not delivering quality services the council is able to effectively challenge and ensure improvement. More importantly it is essential the Council is not seen to be making virements to the contractor because of fear the contractor will walk away from the contract as was the case with the Street Lighting PFI, Environment, Planning and Regeneration Performance Overview, Q1, 2011/12.

Past & current contract monitoring history?

Whenever UNISON has raised concerns around the robustness of contract monitoring the standard response has been 'past history'. Yet evidence suggests lessons have not been learnt.

For example, the original contract of "**circa £2,000,000 for Award of Implementation Partner Contract dated 27 July 2010 for three years has already been exceeded to £3,245,454.67.**"

Consequences of under-resourcing the client/contract monitoring function

The big One Barnet contracts are worth in excess of **£1billion** pounds of taxpayer's money. UNISON has consistently warned that the Council is **under resourcing** the contract monitoring side which will ultimately putting the Councils financial future at high risk.

- Poor or inadequate planning and design of services that will ultimately increase resident dissatisfaction of Barnet Council services.
- Inadequate monitoring of a contractor's performance potentially resulting in failure to identify the actual level of performance and ability to impose financial deductions for poor performance.
- A loss of information about the problems and issues in frontline service delivery.
- Inability to fully respond to resident's complaints and understand the reasons why they have made them.
- Constraints on the scope and detail in assessing community needs and well-being
- Limit management's ability to research and obtain up-to-date information and intelligence about technological change, trends and developments in service sectors and markets.
- Failure of the contract to meet financial savings because of the above shortcomings.
- Inadequate information and analysis presented to elected members and scrutiny.
- Wider use of costly management consultants and advisers
- Failure to obtain value for money.

“Are councillors satisfied that effective contract monitoring will be achieved by replacing properly resourced council monitoring with self monitoring by the contractor?”

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