



## **“The Edinburgh Experience”**

### **An Alternative to One Barnet Billion Pound Gamble**



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Barnet UNISON has consistently taken the line that as well as providing a scrutiny role it also needs to address alternatives. It is clear from the recent staffing departures of Adult Social Care, Housing, Parking and more recently Legal services that the Council is **radically** changing. The proposed outsourcing projects for Development & Regulatory Services (DRS) and New Support Customer Services Organisation (NSCSO) are further evidence that the Council is ceasing to provide services to its residents and relying on others to do so for them.

UNISON has **never** opposed that the Council looking at what it is doing and how services can improve. Over the past few years we submitted a number of reports encouraging greater collaborative working both from within the Council and utilising the expertise of our residents and other organisations.

Once the Council decided to embark on the policy of outsourcing it was critical they included a '**Public Sector Comparator**' (a new improved **in-house** service). UNISON believes the case for a Public Sector Comparator is a strong one. It is arguably a legal necessity to comply with the duty of **best value** but in any case is essential if elected members are to properly balance the high risk involved in wholesale outsourcing at a time of unprecedented budgetary uncertainty.

With the high risk profile of the DRS and NSCSO One Barnet contracts any elected members voting to go ahead with outsourcing must be able to demonstrate to the residents of Barnet that the risks they are taking are justified by the financial benefits of entering into these arrangements. By failing to adopt this Alternative model approach elected members have no evidence to demonstrate the case for outsourcing and that the risks identified are warranted.

There are a number of examples where Councils have followed this approach to good effect. Most recently Edinburgh City Council considered the potential for using private contractors to deliver a wide range of its services.

### **Edinburgh Council & the Outsourcing model**

Edinburgh Council implemented **Alternative Business Models Review** which looked at the benefits of outsourcing a number of Council Services. However the Council decided that they wanted to make sure they were able to make a fully informed decision and therefore ensured they organised funding of an **internal improvement plan** for In-house services (Public Sector Comparator).

It embarked on separate procurement processes for 3 groups of services utilising the **Competitive Dialogue** process in an attempt to obtain the best

offers available from the market. At the same time **in-house teams** were asked to work on **service improvement plans** or Public Sector Comparators, so that when it came to the award of contract, the Council could be sure that the services it was purchasing would **genuinely optimise** its use of scarce resources.

### **What happened next?**

In January 2012 Edinburgh Council considered two options: Outsourcing or In-house.

The Council chose the In-house option.

### **“What happened after the decision was made?”**

The Council has begun to implement the In-House/public sector comparator which proved to deliver better value for money than the outsourcing option.

### **“In Barnet we are too far down the Competitive dialogue process to change direction”**

Wrong, Edinburgh Council were further down the road than Barnet Council, in fact they had already identified the winning bidder.

Barnet UNISON is seeking a meeting with the Leader and Cabinet to discuss a less risky **Alternative** model which will be able to deliver within the Medium Term Financial Plan.

## **Edinburgh Council Amendment**

Below is a copy of the “Edinburgh Council Amendment” passed at Full Council meeting on 19 January 2012 thereby ruling out the privatisation option.

1) To note that the **Alternative Business Models Review Programme** would be concluded by a decision of Council and that this was commonly known by, and made clear to, all Parties involved in the process.

2) Having taken into account inter-alia the following ...

(i) The **statutory duty to deliver Best Value**, namely the duty to ensure the continuous improvement of services. Specifically to note the duty to strike an appropriate balance between **quality and cost** while having due regard for efficiency, effectiveness, economy, equality, human rights and sustainability including social and economic sustainability as well as environmental protection.

(ii) The statutory duty to have due regard for Scottish Government guidance

and protocols including Best Value Guidance, Section 52 Guidance, the National Standards on Community Engagement and the “Public Private Partnerships in Scotland – protocol and guidance concerning employment issues”.

(iii) The now acknowledged **workforce reduction** under this element of the ABM programme with public sector jobs being lost to the City of Edinburgh and the resulting **adverse** economic consequences for the city.

(iv) The **risk** to local services, and local accountability, being **too great** and the estimated level of savings being **unlikely** to outweigh the dis-benefits of this element of the ABM programme.

(v) The information that was made available in the “data room” coupled with detailed analysis of some of the said information.... all lead Council to agree that the **procurement process be terminated without award of a contract.**

3) To further note that an **internal improvement plan** had been developed which had the potential to deliver **significant** improvements and **savings** to **in-house** service delivery and to agree:

(i) To develop the vision of the **Integrated Facilities Management internal improvement plan** and instruct the Chief Executive Officer to take appropriate steps to secure implementation of internal improvement.

(ii) That regular reports on the progress of the **internal improvement plan** be made to the Finance and Resources Committee and/or Council and that Committee should bring any matters of concern regarding its progress to the attention of the Council in order that it could determine any course of action it deemed necessary.

4) Therefore to **reject recommendations** 9.1(i) to 9.1(iii) in the report by the Chief Executive and to proceed as stated above.

- moved by Councillor Henderson (on behalf of the Labour Group), seconded by Councillor Elliott-Cannon (on behalf of the SNP Group).

UNISON Office, Building 4, North London Business Park,  
Oakleigh Road South, London, N11 1NP.  
Telephone: 020 8359 2088.Fax: 020 8368 5985.  
Email: [contactus@barnetunison.org.uk](mailto:contactus@barnetunison.org.uk)  
[www.barnetunison.me.uk](http://www.barnetunison.me.uk)