

# Costs and Consequences of a **One Barnet Commissioning Council**

Barnet Alliance for Public Services

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**Dexter Whitfield**

Director, European Services Strategy Unit,  
Adjunct Associate Professor,  
Australian Workplace Innovation and Social Research Centre,  
University of Adelaide

# What is Commissioning

- **Separate client and contractor functions**
- Options appraisals, business cases and procurement across the Council.
- **Create contractor markets and drive competition between public, private and voluntary sectors.**
- Use of public money to support markets.
- **Manage increased risks in tendering & contracting.**
- Commercialise in-house services.
- **Transfer staff between public, private and voluntary sector companies as contracts are won or lost.**

# Commissioning stages

- ***Analysis:*** assess needs, establish priorities and service requirements.
- ***Planning:*** review services, appraise options, prepare business cases and prepare specification.
- ***Procurement:*** manage tendering process when required.
- ***Managing:*** manage and monitor contracts with regular scrutiny review.

# Barnet's Commissioning record

- No service reviews or in-house bids
- **'High level' Options Appraisals**
- Business cases omitted key evidence
- **Value for money unproven**
- Procurement – contractor interests
- **Risks ignored or understated**
- Superficial Equalities Impact Assessments
- **No assessment of economic and social impacts**
- High cost of management consultants
- **Minimal concern for staff, jobs and local economy**
- Poor Contract management

# Contract performance

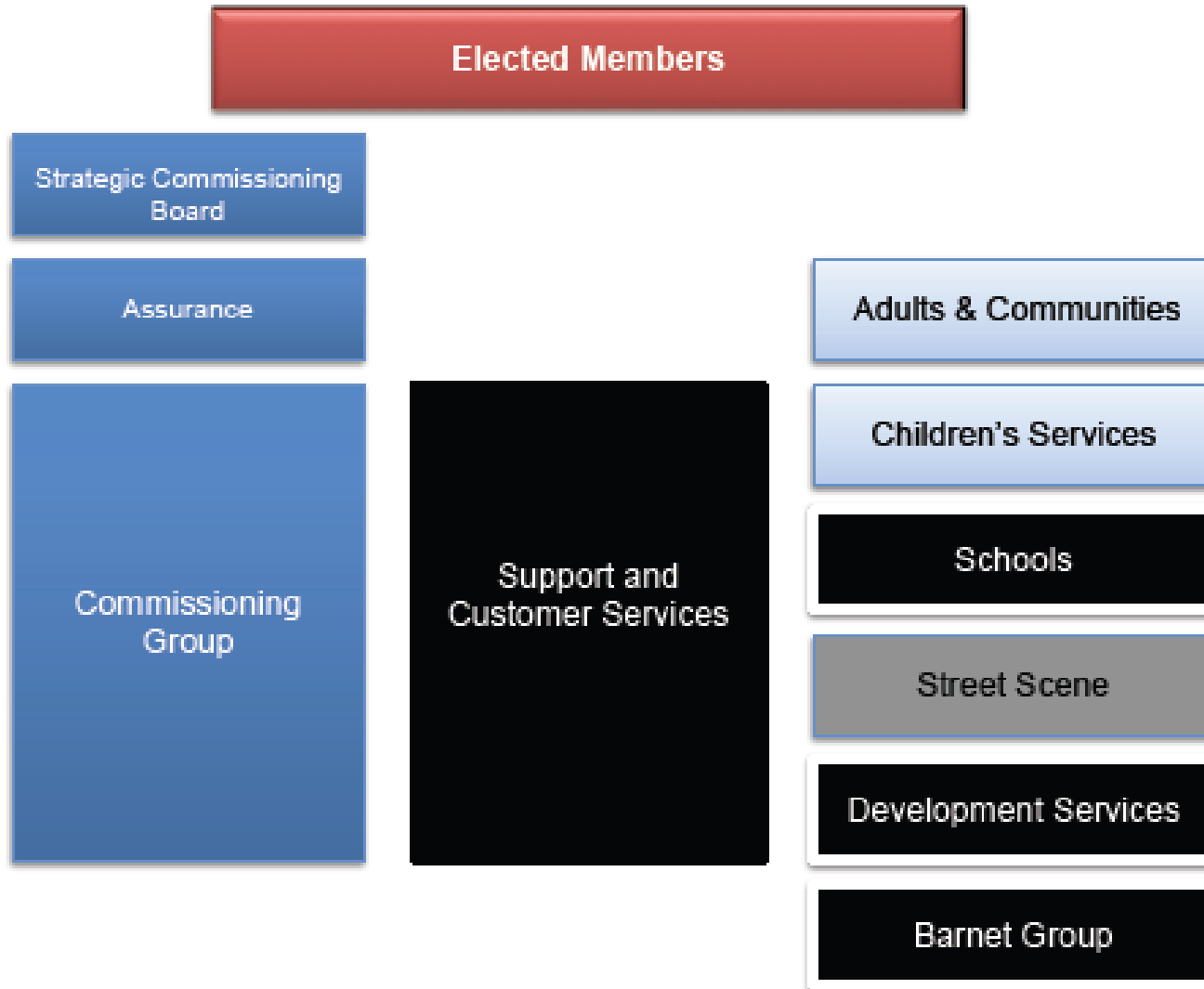
Large multi-service long-term contracts

Nationally:

- **4 contracts terminated**
- **4 major reductions in scope, services returned in-house**
- **3 with significant problems**

= 11 of 44 contracts – **25% failure rate**

# Barnet Council's new structure



# Consequences for service users

- **Market forces determine quality of services.**
- Contracts result in loss of flexibility and responsiveness.
- **Getting answers will be more tortuous.**
- Blame game as contractors shift responsibility for delays and failures.
- **Residents treated as individual ‘customers**
- Community involvement restricted as procurement extended.
- **Increased use of ‘commercial confidentiality’.**
- Spending on procurement, contract management and profits instead of frontline service delivery.

# Consequences for Council staff

- **Most staff transferred to private or voluntary sector contractors.**
- Redundancies at transfer.
- **Contractors set staffing levels and terms and conditions.**
- Reduced and fragmented implementation of equalities.
- **Fragmentation of trade union organisation and representation.**



# The consequences for Councillors

- More power to officers.
- **Difficult to determine value for money.**
- **Loss of flexibility to respond to Barnet's changing community needs and economic conditions.**
- **More difficult to ensure implementation of Council's corporate policies by private contractors.**
- Backbench Members limited knowledge of contractor performance.

Read *Costs and Consequences of a One Barnet Commissioning Council*

<http://www.european-services-strategy.org.uk/news/2012/commissioning-council-plan-exposed/>

# There is an alternative

- Do not award contracts and retain in-house provision.
- **Bi-annual service reviews with improvement plans.**
- Engage residents, community organisations, staff and trade unions in design and planning of services.
- **Treat citizens as service users, not customers.**
- Full assessment of policy impacts.
- **Value quality of inputs and processes in service delivery.**
- Rigorous monitoring, reporting and reviewing.
- **Flatter management structures and team working.**
- Arms length companies could be returned in-house.
- **Role of consultants minimised.**