



UNISON

'Ten Point Plan'

Proposal

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Introduction

Senior officers of the Council have consistently portrayed that the severity of the financial crisis means there is no alternative but to pull back from direct service delivery on the assumption that a private partner will be better able to reduce costs and maintain services. These officers have argued **firstly** that the financial position in Barnet is as bad as it is portrayed to be; **secondly** that contracting out will reduce costs to the extent required to make ends meet and; **thirdly** that contracting out is the best (or indeed the only) way that savings can be achieved.

Firstly, it is the case that central government funding for local government has been substantially cut. All authorities have been forced to reduce expenditure. However, it is apparent from Barnet budget figures that the authority **is not** in a worse situation than other London Boroughs and that reductions **already** achieved will allow it to meet its Medium Term Financial Plan. The recently released news that the Council is now contemplating a freeze in Council tax, confirms that there are no overwhelming financial pressures forcing Barnet to take undue risks with services. A freeze in Council tax would amount to a real term voluntary cut of approximately £4m from the base budget.

Whilst the financial position of Barnet cannot be genuinely portrayed as a crisis, it is nonetheless reasonable and prudent for the Council to plan on the basis that future spending reductions are likely. Putting aside the question of whether a voluntary reduction in base budget via a council tax freeze is therefore either reasonable or prudent, the Council would clearly be sensible to pursue policies that are likely to lead to greater efficiency. Unfortunately, there is no evidence to suggest that outsourcing core business activity is a sure route to cost reduction. In any event, in so far as NSCSO and DRS are concerned, Barnet has consciously determined not to bother with the preparation of a so called, in-house comparator, so will be **unable** to demonstrate that the outsource options are in fact more cost effective than improved in-house service delivery.

This suggests that the outsourcing programme is driven by ideology rather than **financial pragmatism** and that the Council is deliberately choosing not to seek out and implement the most cost effective solution to service provision. The **interim** Chief Executive of Barnet recently told a Council committee that the use of an in-house comparator in procurement is **not** considered, '**best practice**'. This flies in the face of the **Treasury's view** of what constitutes best practice – the so called 'Green Book' is clear that any decision to outsource should be **demonstrably** better value for money than continuing direct provision. Moreover, a failure to fully consider all options would constitute a breach of the legal duty of best value as set out in the 1999 Local Government Act.

This takes us to the **third premise**, i.e. that outsourcing is the best or indeed only, way to achieve savings. In fact, and in contrast to the almost total absence of any evidence to support the notion that wholesale outsourcing results in savings, there are a large number of examples of how Councils have reduced the cost of in-house provision through a combination of improved efficiency, innovation and increased income generation.

For example:

Derbyshire Dales Council where savings of £200,000 have been identified through changing the way that grounds maintenance and street cleansing are provided.

Doncaster Council where long term potential savings of 33.7% have been identified across 10 service areas. Immediate savings of £1.87m (5.2% of the services' allocated budgets) were found to be available from immediate changes to work systems and business process.

Flintshire Council where savings of £550,000 are projected to flow from improvements to education catering services

A **Scottish Council** where savings of £11m per annum has been identified from changes to the delivery of facilities management services.

Many more examples of efficiency as well as examples of income generation can be found on the APSE web-site www.apse.org.uk

10-point Plan

The Barnet 10-point Plan is a **viable alternative** to the Council's current outsourcing plan to award large long-term strategic partnership contracts for Development and Regulatory Services and New Support and Customer Services Organisation in late 2012 and early 2013.

This *plan is **innovative, practicable and can be rapidly implemented at little cost**. It will produce **significant financial savings** and **make better use of Council resources** to improve service delivery.

*** = The Council has not given UNISON access to the information provided to the Bidders in forming their proposals.**

1. Consolidate proposals and reduce risks

The Council should decide not to award the DRS and NSO/CSO contracts following a rigorous reassessment of the strategic, financial and operational risks, value for money and control of key regulatory services. There **is no legal requirement** to award a contract at the end of a procurement process and there are sound reasons for not doing so. They include:

- Strategic risks have been reassessed and are significantly higher than earlier predicted. It is vital that the Council avoids these risks, which justifies the retention of services in-house.
- Key parts of regulatory services must be delivered by the public sector and should be retained as one integrated service.
- The Council has major concerns over the sustainability of savings, particularly since additional evidence has become available on the significant shortfalls in achieving savings targets by strategic partnerships in other local authorities.
- Transformation in the last two years has reconfigured services more extensively than originally envisaged. There are now relatively small differences in the scope of innovation between the transformation proposals in the bids and what could be achieved in-house.
- A reassessment of the viability of income generation and new job creation forecasts in the bids and their deliverability given the scale of further cuts in public spending.
- A reassessment of value for money.

The bidders will be disappointed, but there may be scope to engage them on specific projects, on an 'as-and-when basis', as the Council's transformation process proceeds.

2. Service Transition Team

A new team will be formed to draw together, evaluate and deliver the viable proposals developed over the last two years for DRS and NSO/CSO to ensure they are implemented. Its prime objective will be *deliverability*, to achieve sustainable and effective transformation that will maximise the quality, functionality and financial viability of Council services. The viable proposals produced from the lean systems

analysis and service reorganisation carried out in parallel with the procurement process must be consolidated to secure the operational and financial benefits.

The team will also have responsibility for extending reconfigured service delivery systems, new ways of working and the application of new information and communications technology across other council services. It will lead to more effective and efficient service delivery and produce significant savings.

3. An innovative approach to continue transformation

A Council-wide service transformation good practice will be established to include the regular review of all services and functions, lean system analysis, align working practices, management systems and rigorous contract management. Bi-annual service reviews will produce Service Improvement Plans followed by regular assessment by Oversight and Scrutiny. If a service is unable to meet performance standards on a continuing basis, a full options appraisal would identify the full cost and consequences of alternatives.

4. Renewed integration of services

Improved integration of the design and delivery of services will be the core objective of any further changes in the organisation of the Council. The elimination of unnecessary duplication will release further savings. Team working, flatter management structures, an organisational learning culture, supported by a training programme to build capability and know how, will be the start of a new public service management that will radically improve the effectiveness, efficiency and viability of Council's services. Public sector collaboration and coordination in Barnet will be built from frontline service delivery level, supported by elected members and senior management.

5. New deal to engage residents and staff in service transformation

Residents, community organisations, staff and trade unions will be engaged in the design, planning and implementation of service improvement. Residents will be treated as service users, and their views, evidence and experience will be valued. The Council will re-commit to public service principles and values. New protocols will provide for wider disclosure of information to enable residents and community organisations to actively engage in the transformation process.

6. Corporate procurement strategy and improved contract management

A new Corporate Procurement Strategy will provide a comprehensive strategic planning framework for the service review, options appraisal, business case and procurement processes (Barnet UNISON, 2009). Rigorous monitoring, reporting and reviewing has a key role in improving service delivery, holding service providers to account, assessing employment policies and learning from users and staff about the effectiveness of working methods and processes. Significant savings will be obtained by reducing failures and poor performance.

The strategy will improve the Council's capability to select suppliers on a 'best in class' basis. It will establish a risk management framework, evaluation criteria and a new

approach to information disclosure that will facilitate community engagement and protect the public interest and genuine commercial interests.

7. Increase in-house capability

The Council will increase in-house capability for project management and participative transformation by recognising the skills and experience of staff, recruit to fill any gaps and radically reduce the use of external consultants. When external advice is required, consultants will be contractually committed to transfer knowledge and skills to Council staff. This policy alone could produce annual savings of £3m-£4m.

8. Renewed democratic accountability

New measures to improve democratic governance, accountability, participation and transparency will be a key part of the new approach and provide a platform for real collaboration between public services in Barnet. New governance arrangements will create new opportunities for resident engagement in the design and planning of service delivery. Overview and Scrutiny Committee will have more resources and a broader remit to assess and review proposed policies and projects and to evaluate their implementation.

9. Full assessment of the impact of policies

Policies and projects will be subject to a comprehensive assessment of the economic, social, environmental and equality impacts to ensure that they obtain the maximum benefits for Barnet residents and the local economy (HM Treasury, 2012).

The quality of inputs, processes, outputs and outcomes will be an integral part of the policy-making process with a new evaluation template to ensure corporate policies and priorities are implemented.

10. A new relationship with staff

A Fair Employment Policy will value the creativity and skills of Council staff and establish a new working relationship with them and trade unions. It will include proposals and protocols for a training and redeployment plan, education and learning, family friendly policies, staff and trade union involvement in all stages of the transformation process and implementation of the **London Living wage**.

References

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