

# Decisions of the Business Management Overview and Scrutiny Committee

24 October 2012

Members Present:-

Councillor Hugh Rayner (Chairman)  
Councillor Brian Salinger (Vice-Chairman)

Councillor Maureen Braun	Councillor Rowan Turner
Councillor Jack Cohen	Councillor Barry Rawlings
Councillor Alison Moore	Councillor Geoffrey Johnson (In place of Kath McGuirk)

Also in attendance

Councillor Daniel Thomas - Deputy Leader / Cabinet Member  
for Resources and Performance  
Councillor Andrew Harper – Cabinet Member for Education, Children and Families

Apologies for Absence

Councillor Brian Gordon	Councillor Andrew Strongolou
Councillor Kath McGuirk	

## 1. MINUTES

### RESOLVED -

The minutes of the meeting of the 31<sup>st</sup> July 2012 be agreed as a correct record.

## 2. ABSENCE OF MEMBERS

An apology for absence was received from Councillor Kath McGuirk who was substituted by Councillor Geoff Johnson. Apologies for absence were also received from Councillor Andrew Strongolou.

## 3. DECLARATION OF MEMBERS' INTERESTS

None.

## 4. PUBLIC QUESTION TIME (IF ANY)

None.

## **5. MEMBERS' ITEMS**

None.

The Chairman announced a variation to the order of business for the meeting. Agenda item 8 (Stop The One Barnet Programme Petition) would be taken before agenda item 6 (Call-ins).

## **6. STOP THE ONE BARNET PROGRAMME PETITION**

In accordance with the Constitution's Petition Scheme as set out in the Public Participation Rules, the Committee considered a petition which had received in excess of 2,000 signatures. The petition was requesting that the One Barnet Programme be stopped and that a referendum be held.

The Lead Petitioner, Ms Janet Maddison, addressed the Committee and highlighted the concerns that she and local residents had with the One Barnet Programme. She requested that the Committee take into account the following:

- That a number of local authorities had recently abandoned plans to outsource services to the private sector
- Some authorities that were involved in outsourcing arrangements were taking steps to bring services back in house; and
- Residents were concerned that local democratic accountability would be reduced when services were outsourced to private sector providers.

She requested that the Committee make representations to the Cabinet to stop the One Barnet Programme and hold a referendum on the issue.

The Chairman clarified that the Committee had no power to call a referendum, only to make recommendations to the Cabinet Members via the officer that had been called to give account. A Member highlighted the full Council had already considered a request for a referendum at Council on 11<sup>th</sup> September 2012 and had voted against it.

Andrew Travers, the Deputy Chief Executive, was in attendance to respond to the issues raised. Mr Travers outlined that the One Barnet Programme had commenced in 2008 and that there had been a number of decisions made in relation to individual projects since then. He emphasised that this was a period of significant challenge for public services. Whilst local authority budgets were being reduced between 30-50%, residents expectations of public services were increasing. He added that as part of the One Barnet Programme, multiple options for service delivery had been considered with each option progressed on a case by case basis. Detailed options appraisals had been considered which took into account financial and non-financial benefits. He added that change of this scale was challenging and that risks required careful management. The Committee were informed that a variety of approaches service delivery had been taken, including in-house transformation, shared services, local authority trading companies and outsourcing.

The Committee questioned whether 10 year contracts would be sufficiently flexible to respond to changing circumstances and external influences. Mr Travers advised Members that contractors were considered to be partners that would assist the council in

managing changing circumstances. He added that there were clear commercial terms in the contract which included contract variations to deal with changing circumstances.

Members noted that aims of private sector companies were different from those of the council and questioned how these differences would be reconciled. The Committee were advised that detailed contract specifications and pay/performance mechanisms would ensure that contractors delivered against terms.

The Committee questioned whether officers considered that adequate consultation had taken place with residents on the One Barnet Programme. Mr Travers reported that consultation had taken place in respect of the Council's overall plans and in respect of specific service changes.

Referring to One Barnet projects that had recently gone live, Mr Travers reported the following:

- Officers were satisfied with the implementation of the Legal Services Shared Service project with the London Borough of Harrow; and
- That there had been some issues with the Parking Services contract which were being addressed with the contractor.

The Committee highlighted the issues that the Council had faced with the Catalyst/Freemantle contract. In response, Mr Travers advised the Committee that these issues would be avoided through the robust competitive procurement procedures being followed and utilisation of expert advice.

Referring to the possible joint venture for delivery of the Development and Regulatory Services contract, the Committee were informed that it would be a Member decision as to which option to proceed with at the conclusion of the competitive dialogue process.

The Committee commented that the One Public Sector approach which had underpinned the original Future Shape vision as articulated in 2008 had not come through in implementation of the One Barnet Programme.

Responding to a question from the Committee, Mr Travers reported that for large outsourcing contracts, provisions around contract variations and performance monitoring were standard. Members highlighted that private sector companies often recovered against their initial low costs through contract variations. Mr Travers emphasised that the council were going through a robust procurement process which would result in a rigorous and robust contract. He added that effective contract management would be required to protect the council's position throughout the contract lifetime.

The Committee highlighted the impact on the borough of outsourcing 70% of council staff through outsourcing arrangements. Members questioned whether the council had taken on board the lessons learnt by other authorities who had experienced difficulties with outsourcing arrangements or abandoned outsourcing plans. Mr Travers informed the Committee that local authorities routinely contracted with the private sector, adding that the council had learnt from others experiences and that officers had visited other authorities to inform the procurement process.

The Committee questioned the feasibility of the council delivering the thin-client model which would result in the New Support and Customer Services Organisation managing contractual relationships on behalf of the council.

Members highlighted the risk of the council losing the public sector ethos by outsourcing a significant proportion of services. Whilst the council might have pay/performance mechanisms to address underperformance, issues with service delivery could have a significant impact on local residents. Mr Travers emphasised that service failure was possible in all types of service delivery models, adding that performance issues would be addressed through effective contract management.

Responding to a question on the cost and savings of the One Barnet Programme, Mr Travers reported that annual savings of £5.7 million had been achieved and these were incorporated in to the base budget. Estimated savings over the lifetime of the One Barnet Programme were £111 million.

At the invitation of the Chairman, Lead Petitioner responded to the issues raised and the responses received. Ms Maddison raised concerns regarding the management of the Parking Service and Implementation Partner contracts and the council's ability to manage large multi-million pound outsourcing contracts.

Councillor Alison Moore moved a motion to request that the Committee support making a reference to Cabinet (via the officer called to give account) that a referendum take place on the One Barnet Programme, as outlined in the petition text detailed at paragraph 9.2 of the committee report. The motion was duly seconded. Upon being put to the vote, the motion was lost.

#### **RESOLVED:**

- 1. That the Committee requests the Deputy Chief Executive notes the petition, the concerns of the petitioners and the reservations of the Committee (as outlined in the preamble above) and refers these representations to the responsible Cabinet Member(s) for response.**
- 2. That the Committee requests that the responsible Cabinet Member(s) consider the concerns of the petitioners and the reservations of the Committee and provide a formal response at next meeting of the Committee on 20 November 2012.**
- 3. That the Deputy Chief Executive provides the Committee with a details of all local authorities that had been visited by Barnet during the One Barnet Programme.**

#### **7. ANY MATTERS REFERRED BY MEMBERS OF THE COMMITTEE RELATING TO KEY DECISIONS MADE BY:**

- (A) Delegated Powers Report 1709 (Community Right to Challenge) 27 September 2012**

The Committee considered the following decision of the Cabinet Member for Customer Access and Partnerships taken under delegated powers on 27 September 2012 and asked questions of the Deputy Leader of the Council / Cabinet Member for Resources and Performance in respect of the following.

<b>DPR Reference No.</b>	<b>Subject:</b>
<b>1709</b>	<b>Report of the Cabinet Member for Customer Access &amp; Partnerships – Community Right to Challenge</b>

The Deputy Leader of the Council / Cabinet Member for Resources and Performance undertook to discuss with the Cabinet Member for Customer Access and Partnerships establishing a cross-party group to consider how the Council should manage Expressions of Interest received under the Community Right to Challenge.

The Committee decided not to refer the above matter back to the Cabinet for reconsideration.

**(B) Cabinet Resources Committee on 18<sup>th</sup> October 2012**

The Committee considered the following decision of the Cabinet Resources Committee meeting held on 18<sup>th</sup> October 2012 and asked questions of the Deputy Leader of the Council / Cabinet Member for Resources and Performance in respect of the following:

<b>Decision Item No:</b>	<b>Subject:</b>
<b>14</b>	<b>Report of the Deputy Leader of the Council / Cabinet Member for Resources and Performance – Infrastructure Managed Service Contract</b>

The Committee decided not to refer the above matter back to the Cabinet for reconsideration.

**(C) Cabinet Resources Committee on 18<sup>th</sup> October 2012**

The Committee considered the following decision of the Cabinet Resources Committee meeting held on 18<sup>th</sup> October 2012 and asked questions of the Cabinet Member for Education, Children and Families in respect of the following:

<b>Decision Item No:</b>	<b>Subject:</b>
<b>5</b>	<b>Report of the Cabinet Member for Education, Children and Families – Early Intervention and Prevention Strategic Outline Case</b>

The Committee decided not to refer the above matter back to the Cabinet Resources Committee for reconsideration.

**8. COUNCILLOR CALLS FOR ACTION**

None.

**9. TASK AND FINISH GROUPS - RECOMMENDATION TRACKING**

The Overview and Scrutiny Manager provided an update on the three currently convened Task and Finish Groups on Road Safety, Review of the Effectiveness of Task and Finish

Groups, and Children's Centres. The Committee noted that the final report of the Effectiveness of Task and Finish Groups review was expected to be presented to the 20 November 2012 meeting.

The Committee highlighted the inflexibility of the current task and finish group arrangements and the inability to respond to timely issues of public concern or interest.

The Committee then considered the Task and Finish Group / Scrutiny Panels – Recommendation Report which provided an update on the implementation of recommendations made by Overview & Scrutiny Task and Finish Groups and Panels. The Committee noted the following information in respect of the updates:

### **Secondary School Places Overview and Scrutiny Panel**

Councillor John Marshall who had been the Chairman of the Panel had requested that the following representation be made to the Committee:

“The announcement of the creation of the Archer Academy should help parents in the East Finchley and Garden Suburb wards, as should the increase in the popularity of Whitefields School. The creation of St Marys as an all through school is a also a positive development. The provision of further places at oversubscribed will also be helpful.”

### **Early Intervention and Prevention (Children's Services) Task and Finish Group**

The Deputy Director of Children's Services, Jay Mercer, highlighted the importance of the work of the Task and Finish Group in developing and delivering the early intervention approach. He informed the Committee that the Children's Service were currently working with Strategic Finance on modelling the financial benefits of the approach.

The Committee noted that the updates on the Task and Finish Group as set out in the report. The Overview and Scrutiny Manager undertook to obtain the outstanding update on Recommendation Three and to circulate this to the Committee.

### **Domestic Violence Task and Finish Group**

The Committee noted that the updates on the Task and Finish Group as set out in the report. Councillor Salinger commented that the response relating to the NHS in response to Recommendation 8 was disappointing.

### **Contract Monitoring and Community Benefit Task and Finish Group**

Councillor Brian Schama who had been the Chairman of the Group had requested that the following representation be made to the Committee:

” Recommendation 4 still requires a lot of work particularly in the area of Value for Money Assessments, and the creation of local jobs and supplier opportunities as part of supply chain management.”

### **RESOLVED:-**

- 1. That the updates as set out in the Task and Finish Groups / Scrutiny Panel – Recommendation Tracking report be noted.**
- 2. The Committee requests that a detailed update report on the Housing Allocations Overview and Scrutiny Panel and the implementation of the**

**Housing Allocations Policy be reported to the next meeting of the Committee on 20 November 2012.**

**10. ADVANCED NOTICE OF EXECUTIVE DECISIONS**

The Committee noted the new format of Advanced Notification of Executive Decisions and commented that the lack of a forward look constrained the Committee in undertaking effective pre-decision scrutiny of Executive decisions.

**RESOLVED that:-**

**That the Committee note the Advance Notice of Executive Decisions.**

**11. BUSINESS MANAGEMENT OVERVIEW AND SCRUTINY COMMITTEE WORK PROGRAMME**

**RESOLVED that:**

- 1. the Committee note the Forward Work Programme**
- 2. the following items be added to the agenda for the 20 November 2012 meeting:**
  - Cabinet Members response to petition for debate (as referred to at decision item 7 above); and**
  - An update report on Housing Allocations Overview and Scrutiny Panel and the implementation of the Housing Allocations Policy**

**12. ANY OTHER ITEMS THE CHAIRMAN DECIDES ARE URGENT**

None.

The meeting finished at 9.50 pm