
Meeting Business Management Overview & Scrutiny Committee

Date 20 November 2012

Subject **Stop The One Barnet Programme Petition – Cabinet Member Response**

Report of Scrutiny Office

Summary

On 24 October 2012, the Committee considered a petition which had received 2,973 signatures which called for the One Barnet programme to be stopped and for a referendum to be held on this issue. In accordance with the provisions of the Constitution, the Committee called an officer to give account with regards to the issues raised in the petition.

Committee Members made a number of comments and requested that the officer called to give account refer these to the responsible Cabinet Member.

The responsible officer has referred the representation of the Committee to the responsible Cabinet Member who has been requested to attend this meeting to respond to the issues identified.

Officer Contributors Andrew Charlwood, Overview & Scrutiny Manager

Status (public or exempt) Public

Wards Affected All

Function of Business Management Overview and Scrutiny Committee

Enclosures None

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1. RECOMMENDATIONS

- 1.1 That the responsible Cabinet Member be requested to provide a formal Executive response to the issues raised by the petitioners and the Committee in relation to the Stop The One Barnet Programme petition considered at the meeting on 24 October 2012.**
- 1.2 That the Committee considers the response provided by the responsible Cabinet Member.**
- 1.3 That the Committee then makes appropriate comments and/or recommendations to the Cabinet Members.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Cabinet, 6 May 2008 (Decision item 5) approved the establishment of the Future Shape of the Organisation¹.
- 2.2 Cabinet, 3 December 2008 (Decision item 5) approved the programme structure for the next phase of the Future Shape programme and that a detailed assessment of the overall model for public service commissioning, design and delivery should be undertaken.
- 2.3 Cabinet, 6 July 2009 (Decision item 5) approved that three principles would be adopted as the strategic basis for making future decisions:
 - a new relationship with citizens;
 - a one public sector approach; and
 - a relentless drive for efficiency

It also approved a phased approach to delivering the Future Shape Programme and immediate consolidation of activity in the areas explored by the property, support and transact groups.
- 2.4 Cabinet, 21 October 2009 (Decision item 8) approved plans to implement the Future Shape programme – now known as the One Barnet programme.
- 2.5 Special Committee (Constitution Review), 13 October 2010 considered the requirement of the Local Democracy, Economic Development and Construction Act 2009 for the Council to have a Petition Scheme
- 2.6 Council, 2 November 2010 considered the report of the Special Committee (Constitution Review) from 13 October 2010 and agreed details of a local petition scheme. *(Note: the local petition scheme remains in place although the Localism Act 2011 has removed the statutory requirement for the Council to have a petition scheme).*
- 2.7 Business Management Overview and Scrutiny Committee, 24 October 2012 considered a petition which had received 2,973 signatures titled Stop The One Barnet Programme and called the responsible officer to give account.

¹ The Future Shape programme has been renamed One Barnet Programme. The relevant previous decisions shown refer to meetings held before this change.

Details of the concerns raised by the petitioners and the reservations of the Committee, as set out in the minutes of the meeting, are set out in Section 9 below.

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

3.1 The Overview and Scrutiny Committees, Panels and Task and Finish Groups must ensure that the work of Scrutiny is reflective of the Council's priorities.

3.2 The three priority outcomes set out in the 2012-13 Corporate Plan are: –

- Better services with less money
- Sharing opportunities, sharing responsibilities
- A successful London suburb

4. RISK MANAGEMENT ISSUES

4.1 Failure to deal with petitions received from members of the public in a timely way and in accordance with the provisions of the Council's Constitution carries a reputational risk for the authority.

5. EQUALITIES AND DIVERSITY ISSUES

5.1 Pursuant to the Equality Act 2010 ("the Act"), the council has a legislative duty to have 'due regard' to eliminating unlawful discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advancing equality of opportunity between those with a protected characteristic and those without; and promoting good relations between those with protected characteristics and those without. The 'protected characteristics' are age, race, disability, gender reassignment, pregnancy, and maternity, religion or belief and sexual orientation. The 'protected characteristics' also include marriage and civil partnership, with regard to eliminating discrimination.

5.2 In addition to the Terms of Reference of the Committee, and in so far as relating to matters within its remit, the role of the Committee is responsible for performing the Overview and Scrutiny role in relation to:

- The Council's leadership role in relation to diversity and inclusiveness; and
- The fulfilment of the Council's duties as employer including recruitment and retention, personnel, pensions and payroll services, staff development, equalities and health and safety.

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

6.1 None in the context of this report.

7. LEGAL ISSUES

7.1 Petitions

- 7.1.1 The Local Democracy, Economic Development and Construction Act 2009 introduced a requirement for the Council to have a petition scheme and to provide an e-petition system. The Localism Act 2011 has revoked the requirement for local authorities to have a petition scheme and e-petition system.
- 7.1.2 Following implementation of the Localism Act 2011, the issue of the council's petition scheme will be considered at the next meeting of the Constitution, Ethics and Probity Committee and Members will take a decision on a local approach to petitions. In the interim, the currently adopted provisions within the Constitution will be applied to the management of petitions submitted to the Council.

7.2 Duty to Respond

- 7.2.1 Section 122 of the Local Government and Public Involvement in Health Act 2007 places a duty on the executive to respond to overview and scrutiny committees where the committee makes a report or recommendations to the executive.

8. CONSTITUTIONAL POWERS

- 8.1 The scope of the Overview & Scrutiny Committees is contained within Part 2, Article 6 of the Council's Constitution.
- 8.2 The Terms of Reference of the Overview & Scrutiny Committees are set out in the Overview and Scrutiny Procedure Rules (Part 4 of the Constitution).
- 8.3 Council Constitution, Section 4, Public Participation Procedure Rules – paragraph 5.8 provides that “Petitions of over 2,000 signatures will be considered at the Business Management Overview & Scrutiny Committee, where an officer will be called to give account...”

9. BACKGROUND INFORMATION

- 9.1 As outlined in Section 2.7 above, the Committee received a petition at their 24 October 2012 meeting which had received 2,973 signatures and was titled ‘Stop the One Barnet Programme’. The petition contained the following text:

“Hands off our Barnet! Stop the One Barnet Programme petition

We, residents of Barnet, are alarmed at the council's plan known as the ONE BARNET PROGRAMME, to hand over our public services to private for-profit companies. We call for an immediate stop to these measures until the issue is put to the electorate in the form of a simple YES or NO referendum on the ONE BARNET PROGRAMME”

- 9.2 In accordance with the Council's Petition Scheme (as set out in the Public Participation Rules) any petition which receives in excess of 2,000 signatures

triggers a debate at the next available meeting of the Business Management Overview and Scrutiny Committee where an officer is called to give account. At the 24 October 2012 meeting, the Deputy Chief Executive came to give account to the Committee on the issues raised in the petition. He also responded to questions and comments made by Committee Members. An extract from the minutes of the Committee meeting is set out below:

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 11th 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 details of all local authorities that had been visited by Barnet during the One Barnet Programme."**

9.3 The Deputy Chief Executive has referred the representation of the Committee (as detailed at Section 9.2 above) to the responsible Cabinet Member (the Cabinet Member for Customer Access and Partnerships) who has been requested to attend the Committee to provide a formal Executive response to the issues raised by the petitioners and Committee Members.

10. LIST OF BACKGROUND PAPERS

10.1 None.

Cleared by Finance (Officer's initials)	MC/JH
Cleared by Legal (Officer's initials)	SS