



London Borough of Barnet

Review of Capita Contracts

Consultation 2019

Draft report of findings



The Strand • Swansea • SA1 1AF
01792 535300 | www.ors.org.uk | info@ors.org.uk



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The ORS Project Team

Project design, management and reporting

Kelly Lock

Alys Thomas

Kester Holmes

Focus Group Facilitator

Kelly Lock

Fieldwork management

Robyn Griffiths

Amy Bone

Max Davies

Data analysis

Richard Harris

Sheng Yang

Peter Maggs

Joseph DeMarco

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At all stages of the project, ORS' status as an independent organisation consulting the public as objectively as possible was recognised and respected. We are grateful for that trust and hope this report will contribute to decisions on LBB's future service provision.

1. Executive Summary

Summary of main findings

Background to the review and the commission

- 1.1 The London Borough of Barnet (henceforth LBB or the council) has a longstanding approach to service delivery, which is based on commissioning services from whichever organisation can deliver them most effectively. In accordance with this approach, the council currently has two major contracts with the private sector company Capita. The first, the CSG (Customer and Support Group) contract between the council and Capita, is for the delivery of the council's 'back office' functions, including finance, human resources, customer services and information technology. The second, known as the RE (Regional Enterprise) contract, relates to the provision of development and regulatory services. These include planning, regeneration, highways, environmental health and the cemetery/crematorium. These services are delivered through a joint venture company that is jointly owned by Capita and the council, known as Regional Enterprise Limited, or RE. The contracts began in September 2013 and October 2013 respectively and are due to run for ten years, with an option to extend for up to a further five.
- 1.2 In July 2018, a Strategic Outline Case for the review of the contracts was considered by the council's Policy and Resources Committee. This set out three options, which were:
 - Option 1: maintain the status quo in relation to the CSG and RE contracts;
 - Option 2: re-shape the contracts to better align service delivery to the council and Capita's strengths and priorities;
 - Option 3: bring the partnership to an end and either bring services back inhouse or re-procure them from an alternative provider.
- 1.3 The Committee authorised the Chief Executive to develop a Full Business Case for the future of these arrangements - and agreed that the proposed strategic aims underpinning the Full Business Case should be to: deliver high quality services; secure best value for money for Barnet's residents; and strengthen the council's strategic control of services.
- 1.4 A further report (which was considered by the Committee in December 2018) concluded that further detailed analysis would be needed to form the basis of a sound recommendation in relation to the totality of the CSG and RE contracts. The Committee agreed that, subject to the outcome of consultation, Finance and Strategic HR services should be returned to the council as a matter of priority. It also agreed a revised phased approach to completing the review, which tests and considers each service against the proposed strategic aims to determine who is best placed to provide that service in the future. It was primarily this proposed new approach and strategic aims that LBB was seeking views on through a consultation questionnaire and focus groups with members of the public.

The commission and consultation process

- 1.5 The consultation was launched in late December 2018 and ended on 15th February 2019. Opinion Research Services (ORS) - a spin-out company from Swansea University with a UK-wide reputation for social research - was appointed by LBB to: independently report the findings from its open consultation questionnaire; and convene, facilitate and report on two focus groups.

- 1.6 The open consultation questionnaire was available via the council's Engage Barnet website and on paper. The questionnaire included questions about: the appropriateness of the council's strategic aims; the proposed phasing of the review; and service quality. 343 responses were received.
- 1.7 Two two-hour focus groups were held in February 2019: one with prominent 'frequent engagers' (members of the public who have previously commented or submitted questions on relevant Committee reports) and the other with randomly-selected members of the public and one with randomly-selected members of the public. Eleven participants attended the former and ten attended the latter.

The report

- 1.8 This executive summary summarises the consultation outcomes to highlight the overall balance of opinion. We trust that this summary is a sound guide to these outcomes, but readers are urged to consult the full report that follows for more detailed insights and understanding of the assumptions, arguments, conclusions and feelings about the review of Capita contracts and council service provision more generally. In contrast to the more thematic approach in this executive summary, the full report considers the feedback from the two main elements of the consultation in turn because it is important that the full report provides a full evidence-base for those considering the research and its findings. We trust that both this summary and full report will be helpful to all concerned.

Main findings

Outsourcing is acceptable if done for the right reasons with the right services and proper accountability

- 1.9 Most focus group participants had no fundamental objection to outsourcing council services, providing: it is done for the right reasons and to an organisation with a proven track record in service delivery; the organisation doing the outsourcing has the managerial capability to oversee contracts and ensure accountability; and the outsourced services can be appropriately delivered by an outside agency.
- 1.10 It was said that LBB did not outsource so many services to Capita because it felt it was the right thing to do, but because it sought to divest itself of its problems. In the views of many, though, these problems have apparently remained - with the council having relinquished any control it had over managing them.
- 1.11 There were concerns around accountability, particularly among the general public group members, who felt that neither the council nor Capita are willing to take responsibility for service delivery issues - leading to 'buck-passing' and a lack of resolution to problems.
- 1.12 In terms of the appropriateness of outsourced services, while the frequent engagers were of the view that some services (payroll for example) need not be provided-in house, they and the general public group members strongly argued that any provision that is local to Barnet (planning in particular) should have been retained at the outset, and certainly should be returned to council control now.
- 1.13 Ultimately, there was a sense that while outsourcing can be acceptable in the right circumstances, LBB has done so to an unacceptable degree - and to a company with a less than positive reputation among many residents. This has resulted in a local authority that feels more like a business than a public service.

The Capita contracts have ‘failed’ in many ways

- 1.14 Questionnaire respondents’ views of all the services being considered as part of the review were generally very negative, with many strongly criticising both service provision and Capita’s performance to date.
- 1.15 The frequent engagers group described what it saw as the ‘glaring failures’ of the Capita CSG and RE contracts, most notably in relation to: a lack of management, accountability and control (especially financial) on the part of the council; and the provision of important local services by people with no vested interest in (and thus no passion for) the area.
- 1.16 Indeed, there was certainly a great deal of anger evident among the frequent engagers about the original Capita contracts - particularly in terms of the inflexibility around aspects such as gain share and RPI inflators, which has allegedly had significant financial implications for LBB and for the remaining in-house services that are ‘more vulnerable to cuts’ as a result.
- 1.17 The frequent engagers also disagreed with LBB’s statement that the contracts have brought significant financial benefits and have helped deliver efficiencies, service improvements and increased income across a range of services. As below, they particularly challenged the stated level of day-to-day running cost savings; resident satisfaction improvements; better IT provision; and improved revenue collection rates.
- 1.18 As for the particular services provided under the two contracts, the frequent engagers were particularly concerned about planning and planning enforcement. They alleged that: communication is non-existent (access is nigh on impossible and messages are not returned); staff turnover is high; planning applications (with objections) are being passed by default due to delays in dealing with them on Capita’s part; and that mistakes are made with no recourse to rectifying them. Furthermore, both groups suggested that the apparent communication issues outlined above are not limited to planning. In fact, they were described as ‘endemic’ across the Capita-provided services.
- 1.19 The general public group complained extensively about the current condition of the borough’s roads and pavements, suggesting issues in the Highways department.
- 1.20 Overall, as one member of the frequent engagers group stated: *“Capita we do not like. And it’s left a huge legacy of something slapdash, not conscientious...”*

The proposed strategic aims are supported - but are also impossible to disagree with and ‘play into Capita’s hands’

- 1.21 Questionnaire respondents and focus group participants were informed that the council proposes to test and consider each of the services currently provided through the Capita contracts against a set of aims to determine who is best placed to provide them. The proposed aims are to: deliver high quality services; secure best value for money for Barnet’s residents; and strengthen the council’s strategic control of services.
- 1.22 Most questionnaire respondents (63%) agreed overall with the three aims, though many said they would appreciate clarification about exactly what they mean and how the council plans to assess whether they are being achieved.
- 1.23 In the focus groups, the frequent engagers described the aims as ‘ridiculous’ insofar as they are impossible to disagree with - and the general public group agreed that they are somewhat too generic and ‘woolly’. Some questionnaire respondents also commented that the aims were ‘trite’ and difficult to disagree with.

- 1.24 The frequent engagers also suggested that detail of the second aim could be construed as ‘playing into Capita’s hands’ insofar as the aspects to be evaluated are: the one-off costs of implementing change; the impact of any change on future running costs; and whether the cost of making any change is affordable. The general feeling was that any option other than remaining with Capita would be presented as unaffordable and thus untenable.
- 1.25 The general public group felt that, although alluded to in the third, the strategic aims should explicitly include the word ‘accountability’ to ensure the council is being as unambiguous as possible in addressing the crucial need for this.

The proposed phased approach is supported by some, but is too prescriptive and inflexible for others

- 1.26 Questionnaire respondents and focus group participants were told that to determine the future shape of the two contracts, the council proposes to undertake a detailed, service-by-service evaluation to assess whether the anticipated benefits would justify the cost of any change. This would be undertaken via the following phased approach: finance and strategic HR; highways and regeneration; Barnet-based, customised services; and volume transactional services.
- 1.27 Questionnaire respondents were split on the proposed phasing: 43% agreed and 42% disagreed. Various suggestions were made around which services ought to have higher or lower priority, but a large number of respondents felt that there should be no phasing at all (i.e. that the services should all be reviewed together).
- 1.28 In the focus groups, though acknowledging that the council could not bring all or even a significant number of outsourced services back in-house without staggering the process, the frequent engagers were of the view that the proposed phasing is too disjointed to be successful. In essence, they argued that LBB has not given enough consideration to the services that ‘naturally fit together’ in developing its approach (a point echoed by some questionnaire respondents): for example, while it is recommended that finance is returned to council control almost immediately, revenues & benefits - which was considered an inter-dependency of that service - would not be evaluated until Phase 4.
- 1.29 Some general public group members were concerned that many of the ‘public-facing’ services (that is, those used by most people and which ‘affect the public image of the borough’) are to be considered in the final two review phases. They suggested it might be prudent to include at least some of these earlier on to ensure residents feel comfortable that the council is looking to implement positive change, especially in the event of council tax increases.
- 1.30 However, it was recognised that: *“The problem is if they’re setting up departments they need to be managed. The infrastructure needs to be in place before they can change anything”*. (General Public)

Most services should be returned to in-house control

- 1.31 Three quarters of questionnaire respondents (75%) opposed Barnet’s approach of a mixed economy of in-house and outsourced provision. Based on their comments, this tended to be because they wanted all services (or as many as possible) to be provided in-house.
- 1.32 A smaller number were more supportive of the approach, but they tended to attach caveats, for example that: outsourcing should only ever be considered for certain types of services; it should only be used as a ‘last resort’ with an aim to return services in-house when possible; no one organisation should be allowed

to monopolise provision; and that the council should try to partner with other councils or with the voluntary sector where possible.

- 1.33 Overall, both focus groups were also overwhelmingly in favour of bringing most outsourced services back in-house, mainly in order to: strengthen the Council's accountability for service provision; increase the cohesion of interlinked services and reduce 'silo working'; and ensure services are provided by those with a fundamental desire to do what is best for the borough and its people. It should be noted that most of these points were also echoed by questionnaire respondents.
- 1.34 There was, however, recognition that this may not be an easy task given the level of outsourcing undertaken by LBB and that it would likely prove a more costly option than remodelling the Capita contracts - but it was generally argued that these should not be barriers to trying, and that any short-term financial pain would be offset by long-term gains in service improvements.
- 1.35 One prominent frequent engager strongly argued for a more radical approach to future service delivery though, and their proposal for what they described as 'Barnet 2.0' was enthusiastically supported by other group members. In essence, it was suggested that LBB abandon its 'mechanistic' service-by service evaluation in favour of a more holistic examination of council provision in an attempt to remodel an 'ideal' council from scratch - while also making reasonable efficiencies and developing more flexible ways of working.
- 1.36 Partnerships with other local authorities were also suggested for services that need not be provided locally, payroll and human resources (HR) for example.
- 1.37 Regardless of the approach taken to future council service delivery, the need for proper management, control, auditing and **independent** scrutiny was once again emphasised - especially at the general public group.

2. The Consultation Process

Overview of the consultation

Background to the review

- 2.1 The London Borough of Barnet (henceforth LBB or the council) has a longstanding approach to service delivery, which is based on commissioning services from whichever organisation can deliver them most effectively.
- 2.2 In accordance with this approach, the council currently has two major contracts with the private sector company Capita. The first, the CSG (Customer and Support Group) contract between the council and Capita, is for the delivery of the council's 'back office' functions, including finance, human resources, customer services and information technology. The second, known as the RE (Regional Enterprise) contract, relates to the provision of development and regulatory services. These include planning, regeneration, highways, environmental health and cemeteries/crematorium. These services are delivered through a joint venture company that is jointly owned by Capita and the council, known as Regional Enterprise Limited, or RE. The contracts began in September 2013 and October 2013 respectively and are due to run for ten years, with an option to extend for up to a further five.
- 2.3 The council regularly reviews its service delivery arrangements, in line with its commitment to ensuring that they are as effective and efficient as possible – and in July 2018, a Strategic Outline Case for the review of the contracts was considered by the Council's Policy and Resources Committee. This set out three options, which were:
 - Option 1: maintain the status quo in relation to the CSG and RE contracts;
 - Option 2: re-shape the contracts to better align service delivery to the council and Capita's strengths and priorities;
 - Option 3: bring the partnership to an end and either bring services back inhouse or re-procure them from an alternative provider.
- 2.4 Based on the Strategic Outline Case, the Committee agreed that its preferred option was option 2, re-shaping the CSG and RE contracts to bring some services back in-house, to be delivered directly by the council. However, the Committee also agreed that it required the Full Business Case to test and consider both options 2 and 3. The Committee thus authorised the Chief Executive to develop a Full Business Case for the future of these arrangements - and agreed that the proposed strategic aims underpinning the Full Business Case should be to: deliver high quality services; secure best value for money for Barnet's residents; and strengthen the council's strategic control of services.
- 2.5 A further report (which was considered by the Committee in December 2018) concluded that further detailed analysis would be needed to form the basis of a sound recommendation in relation to the totality of the CSG and RE contracts. The Committee agreed that, subject to the outcome of consultation, Finance and Strategic HR services should be returned to the council as a matter of priority. It also agreed a revised phased approach to completing the review, which tests and considers each service against the proposed strategic aims to determine who is best placed to provide that service in the future. It was primarily this proposed new approach and strategic aims that LBB was seeking views on through a consultation questionnaire and focus groups with members of the public.

The commission

- 2.6 The consultation was launched in late December 2018 and ended on 15th February 2019. Opinion Research Services (ORS) - a spin-out company from Swansea University with a UK-wide reputation for social research - was appointed by LBB to independently report the findings from its open consultation questionnaire and convene, facilitate and report two focus groups - one with 'frequent engagers' (members of the public who have previously commented or submitted questions on relevant Committee reports) and the other with randomly-selected members of the public.

Quantitative engagement

Open consultation questionnaire

- 2.7 The consultation was widely promoted via: the council residents' e-newsletter, the council's website, local press, Twitter, Facebook and posters in libraries. 'Super users' (i.e. users of non-universal services) were also invited to take part through the Communities Together Network, school circular and the council's service user newsletters/circulars.
- 2.8 The open consultation questionnaire was available for anyone to complete via the council's Engage Barnet website, with paper versions available upon request. An Easy Read version was prepared but was not requested. The questionnaire included questions about: the appropriateness of the council's strategic aims; the proposed phasing of the review; and service quality. 343 responses were received.
- 2.9 It should be noted that open questionnaires are important forms of engagement in being inclusive and giving people an opportunity to express their views; but they are not random sample surveys of a given population - so they cannot normally be expected to be representative of the general balance of opinion. For example, the young are usually under-represented while the elderly are over-represented; and the more motivated groups or areas are also typically over-represented compared with others.

Deliberative engagement

Focus groups

- 2.10 Two two-hour focus groups were held in February 2019: one with prominent local 'frequent engagers' and one with randomly-selected members of the public. 11 participants attended the former and ten attended the latter.
- 2.11 The local frequent engagers were initially invited by LBB and confirmed by ORS, whereas the randomly-selected members of the public were recruited by random-digit telephone dialling from ORS' Social Research Call Centre. Having been initially contacted by phone, all participants were then written to - to confirm the invitation and the arrangements; and those who agreed to come then received telephone or written reminders shortly before each meeting. Such recruitment by telephone is an effective way of ensuring that the participants are independent and broadly representative of the wider community.
- 2.12 In recruitment, care was taken to ensure that no potential participants were disqualified or disadvantaged by disabilities or any other factors, and the venues at which the focus groups met were readily accessible - and people's special needs were taken into account in the recruitment and venues. The random telephone recruitment process was monitored to ensure social diversity in terms of a wide range of criteria - including, for example: gender; age; ethnicity; social grade; and disability/limiting long-term illness (LLTI).

- 2.13 Overall, participants represented a broad cross-section of residents. As standard good practice, people were recompensed for their time and efforts in travelling and taking part.
- 2.14 Although, like all other forms of qualitative engagement, deliberative focus groups cannot be certified as statistically representative samples of public opinion, the meetings reported here gave diverse members of the public the opportunity to participate actively. Because the meetings were inclusive, the outcomes are broadly indicative of how informed opinion would incline on the basis of similar discussions.

Deliberative events: the agenda

- 2.15 Both focus groups lasted for around two hours and began with an ORS presentation to provide the contextual background information outlined above. Participants were encouraged to ask questions throughout and the meetings were thorough and truly deliberative in listening to and responding openly to a wide range of evidence and issues around: the principle of outsourcing; the Capita contracts; the proposed strategic aims and phasing of the Review; and future service delivery options.

The report

- 2.16 This report reviews the sentiments and judgements of respondents and participants on LBB's Review of Capita Contracts consultation. Verbatim quotations are used, in indented italics, not because we agree or disagree with them - but for their vividness in capturing recurrent points of view. ORS does not endorse any opinions, but seeks only to portray them accurately and clearly. The report is an interpretative summary of the issues raised by participants.

3. Open Consultation Questionnaire

Introduction

- 3.1 A consultation document outlining the issues under consideration was produced by LBB, and a corresponding consultation questionnaire was available for completion online (on the council's Engage Barnet website) and on paper. The questionnaire included questions about: the appropriateness of the council's strategic aims; the proposed phasing of the review; and service quality. Additional sections allowed respondents to make any further comments or alternative suggestions, and captured information about respondent demographics. Both the consultation document and the questionnaire are attached as appendices to this report.
- 3.2 The consultation document and open questionnaire were available throughout the entire engagement period, from late December 2018 until 15th February 2019. In total, 343 responses were received.

Interpretation of the data and response profile

- 3.3 Graphics are used extensively in this report to make it as user friendly as possible. The pie charts and other graphics show the proportions (percentages) of respondents making relevant responses. Where possible, the colours of the charts have been standardised with a 'traffic light' system in which:
- Green shades represent positive responses
 - Beige shades represent neither positive nor negative responses
 - Red shades represent negative responses
- The bolder shades are used to highlight responses at the 'extremes', for example, very satisfied or very dissatisfied.
- 3.4 Where percentages do not sum to 100, this may be due to computer rounding, the exclusion of "don't know" categories, or multiple answers.
- 3.5 It should be noted that open questionnaires are important forms of engagement in being inclusive and giving people an opportunity to express their views; but they are not random sample surveys of a given population - so they cannot normally be expected to be representative of the general population (and, as such, results should be treated as indicative rather than as statistically reliable estimates of the population's views).
- 3.6 For example, the table below summarising the response profile to the questionnaire shows that very few responses were received from the very youngest and oldest residents, whereas nearly 3 in 4 respondents (73%) were aged between 45 and 74.

Table 1: Open questionnaire responses by demographics and area

Characteristic	Unweighted Count	Unweighted Valid %
BY AGE		
18 to 24	1	1%
25 to 34	15	8%
35 to 44	31	16%
45 to 54	49	25%
55 to 64	54	27%
65 to 74	42	21%
75 or over	6	3%
Total valid responses	198	100%
<i>Not known</i>	145	-
BY GENDER		
Male	76	40%
Female	114	60%
Total valid responses	190	100%
<i>Not known</i>	153	-
BY ETHNIC GROUP		
White British	113	64%
Not White British	63	36%
Total valid responses	176	100%
<i>Not known</i>	167	-
BY WHETHER RESPONDENT HAS A DISABILITY		
Yes	22	12%
No	161	88%
Total valid responses	183	100%
<i>Not known</i>	160	-
BY RELIGION/BELIEF		
Baha'i	1	1%
Buddhist	1	1%
Christian	50	36%
Hindu	6	4%
Humanist	2	1%
Jain	2	1%
Jewish	17	12%
Muslim	1	1%
No religion	59	42%
Other religion/belief	1	1%
Total valid responses	140	100%
<i>Not known</i>	203	-
BY WHETHER RESPONDENT IS PREGNANT		
Yes		
No		
Total valid responses		
<i>Not known</i>		
BY WHETHER RESPONDENT IS ON MATERNITY LEAVE		
Yes		
No		
Total valid responses		
<i>Not known</i>		

BY WHETHER RESPONDENT'S GENDER IS DIFFERENT TO THAT DESCRIBED AT BIRTH			
	Yes – different		
	No – the same		
	Total valid responses		
	<i>Not known</i>		
BY SEXUAL ORIENTATION			
	Bisexual	3	2%
	Gay	3	2%
	Heterosexual	135	92%
	Lesbian	3	2%
	Other	3	2%
	Total valid responses		
	<i>Not known</i>	196	
BY WARD			
	Brunswick Park	8	3%
	Burnt Oak	3	1%
	Childs Hill	7	3%
	Colindale	7	3%
	Coppetts	12	5%
	East Barnet	15	6%
	East Finchley	13	5%
	Edgware	6	2%
	Finchley Church End	11	5%
	Garden Suburb	8	3%
	Golders Green	4	2%
	Hale	5	2%
	Hendon	7	3%
	High Barnet	41	17%
	Mill Hill	11	5%
	Oakleigh	8	3%
	Totteridge	12	5%
	Underhill	26	11%
	West Finchley ward	8	3%
	West Hendon ward	4	2%
	Woodhouse ward	20	8%
	Other/Outside Barnet	5	2%
	Total valid responses	241	100%
	<i>Not known</i>	102	-
BY RESPONDENT TYPE			
	A Barnet resident	224	90%
	A person working within the London Borough of Barnet area	11	4%
	Representing a voluntary/community organisation	4	2%
	Other	9	4%
	Total valid responses	248	100%
	<i>Not known</i>	95	

3.7 Four responses were received on behalf of community organisations: **Barnet Residents Association**, the **Barnet Society**, an unnamed **social housing residents' association**, and one other unnamed organisation. Due to the low number of organisational responses, results from all stakeholder types have been reported together.

3.8 Nonetheless it should be remembered that responses from organisations may be submitted on behalf of a number of individuals, and in this context LBB may wish to pay particular attention to the views submitted by organisations. To this end, where particular quotations used in this report have been made by an organisation this has been indicated in brackets.

Main Findings

- There is general support for the proposed strategic aims, but respondents still have various questions and concerns
- There is a mix of views in relation to the proposed phasing, and many do not want the review to be phased at all
- Many oppose the proposed delivery model, preferring a fully 'in-house' approach
- Current perceptions of the services under review are generally negative.

General support for the proposed strategic aims, but not without questions and concerns

To what extent do you agree or disagree with each of the three aims that have been identified as the basis on which the future delivery arrangements for each service should be assessed?

If you disagree with any of our aims, or that they should be the basis on which future delivery arrangements should be assessed, please state why.

If you feel we should have any additional aims, or there are other factors that should be considered, please state what these should be and why.

3.9 Overall, just over three fifths (63%) agreed that the three aims should be the basis on which future delivery arrangements are assessed; a tenth (11%) disagreed. There was highest agreement with ‘delivering high quality services’ (65%), although majorities also agreed with ‘securing best value for money’ and ‘strengthening the council’s strategic control’.

3.10 Levels of disagreement were very consistent (15% or 16%) across all three of the aims.

Figure 1: Overall, to what extent do you agree or disagree that these aims should be the basis on which the future delivery arrangements for each service should be assessed? Base: All Respondents (327)

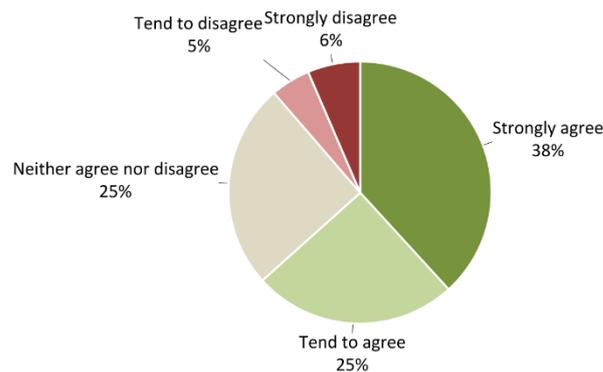
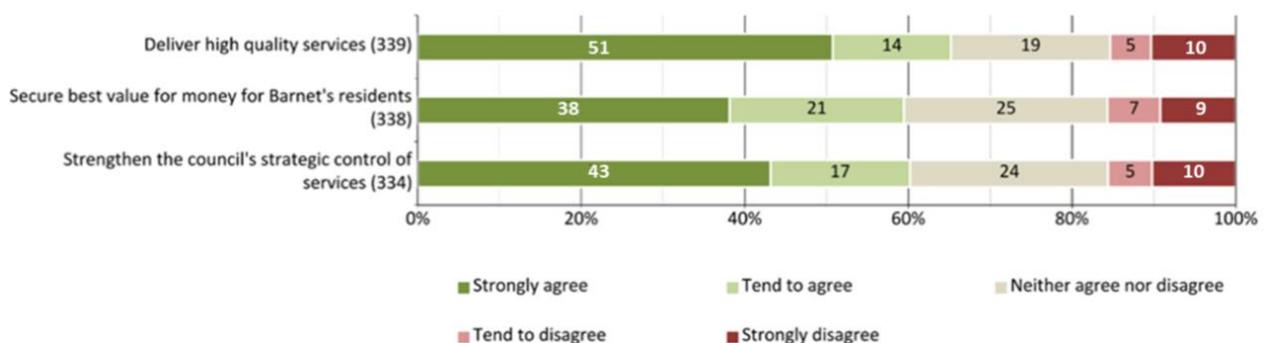


Figure 2: To what extent do you agree or disagree with each of the three aims that have been identified as the basis on which the future delivery arrangements for each service should be assessed? Base: All Respondents (number of respondents shown in brackets)



3.11 Some respondents commented that the aims were ‘trite’ and difficult to disagree with:

These are 'motherhood and apple pie' aims. The aims need to be smart and not wet and woolly. These are stupid and unhelpful questions. Who is going to say they want poor quality services, poor value for money or something that weakens strategic control?

- 3.12 Others wished to better understand the meaning behind the aims, with particular queries around how the council defines 'value for money' (i.e. whether it just means 'cheapest' or also takes quality into account).

*I suspect that by value for money you actually mean 'saving money', but I don't know
Best value must take into account the user experience and not just the price
I would like to know what is the criteria for 'high quality services'. As a resident of Barnet I haven't yet had any that I would deem to be of 'high quality'*

- 3.13 A number of respondents felt that the key issues are less around what the aims are, and more around whether and how they are to be achieved or delivered. To that end, they wished to understand how progress towards the aims would be assessed.

*The aims are not an issue. The issue is Capita's inability to deliver them.
You have not given information about how you would assess costs or performance or over what period of time.
The council has provided no data on which to base an informed judgement, such as KPIs or costs. Timescales are vague.*

- 3.14 It was asked what other, additional aims or factors the council might want to consider. Some of the main suggestions are listed below:

Taking the views of residents on board	Oversight and monitoring
Maximising customer satisfaction	Strong accountability and financial controls
Sustainability	Transparency and openness
Involving service users	Flexible provision (e.g. enabling LBB to adapt its services as necessary)
Locally based services	Providing permanent employment for local people
Tailoring services to the needs of the locality	Responsiveness
Adapting to changes in the borough	Efficiency and cost effectiveness
Delivering services on time and within budget	Safeguarding the vulnerable and promoting social mobility
Promoting health and wellbeing	Strengthening the council's management capabilities (Organisation)
'User friendliness' (relating to "how things are handled as well as the tangible result") (Organisation)	

Respondents' views are mixed when it comes to the phasing of the review

To what extent do you agree or disagree with the proposed order of services that are being prioritised in each phase?

Overall, to what extent do you agree or disagree with the proposed phasing of the review?

If you disagree with the order of any of the proposed phases, please state which services you think should be given higher or lower priority and why.

3.15 Respondents were more-or-less evenly split in terms of their overall view on the proposed phasing of the Review: 43% agreed and 42% disagreed (with nearly a third of all respondents (31%) disagreeing strongly). Levels of agreement for the proposed order of services being prioritised in each phase are summarised in Figure 4.

Figure 3: Overall, to what extent do you agree or disagree with the proposed phasing of the review? Base: All Respondents (265)

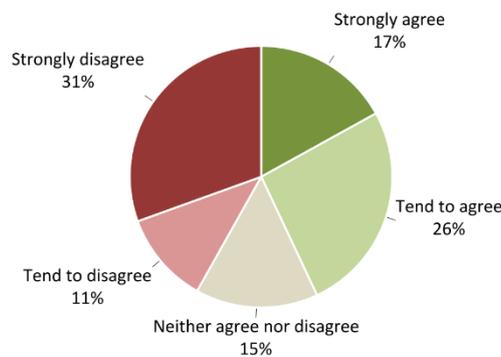
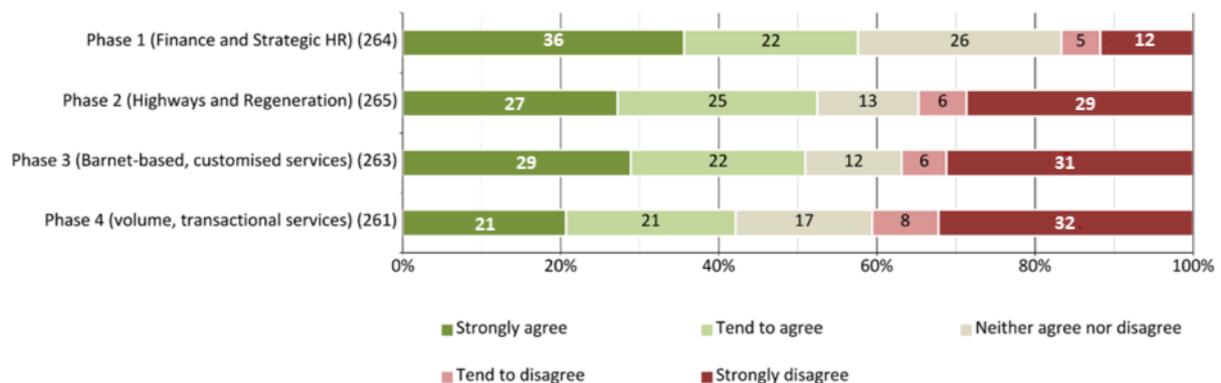


Figure 4: To what extent do you agree or disagree with the proposed order of services that are being prioritised in each phase? Base: All Respondents (number of respondents shown in brackets)



3.16 Some respondents commented in some detail about the services that should be prioritised in each phase, though there was no overwhelming consensus on what the most appropriate order would be. For example, while many respondents felt highways needed to be reviewed as a particularly high priority, many others felt that the services in Phase 3 (Barnet-based, customised services) should be prioritised more highly than Phase 2 (highways and regeneration).

3.17 Planning was described by one respondent as a 'mess' and there were numerous comments in support of it being reviewed in as early a phase as possible. A few others prioritised customer services as being

particularly key (i.e. as the first point of contact with the council), whereas others highlighted pensions administration and payroll as being among the services most requiring urgent review.

- 3.18 It was also suggested that IT services needed to be in the first phase, as ‘*without decent IT all services suffer*’.
- 3.19 Many respondents questioned whether there ought to be phases at all, stating a preference for all services being reviewed and returned in-house at once. Reasons included:

The phasing is likely to cause delays, negatively impact on service delivery and prove more inefficient

In-sourcing in a piecemeal fashion at a slow pace will not only cost more but impede service delivery. [Having] further, drawn out periods of uncertainty does not help efficient and effective service delivery and hinders recruitment and staff retention

Services are interrelated and so would benefit from a more joined-up approach

Finance will come back [in Phase 1] but all the IT necessary to run Finance will still be controlled by Capita remotely. Also, you will control the Finance function in Phase 1 but the key source of revenue in Revenues and Benefits will not come back till Phase 4

The [phasing] decisions should be based on how related the services are and not, as appears, on how profitable or not they are to the outsourcing firm (the most lucrative having all been loaded into the 4th phase)

I do not agree that development management function should be separated from the planning policy and strategic planning functions. They should all be considered together as one function

Phasing the review serves Capita’s interests ahead of those of Barnet residents

[It] is simply a means of dragging out the contract in Capita's interests, whether that wastes public money or not. I believe the council is tied to Capita and has no choice but to protect Capita by keeping this dreadful contract alive

Work should be put in hand to bring services in house promptly, not dilly dally - which seems to be the agenda here, so that one ‘runs down the clock’ and hey presto - the 10-year period is up

- 3.20 It was also said that: the services were all outsourced together, so ought to be reviewed together; and that other councils (Southampton, Birmingham and Sheffield for example) are currently bringing their outsourced services back in-house over a shorter timeframe.

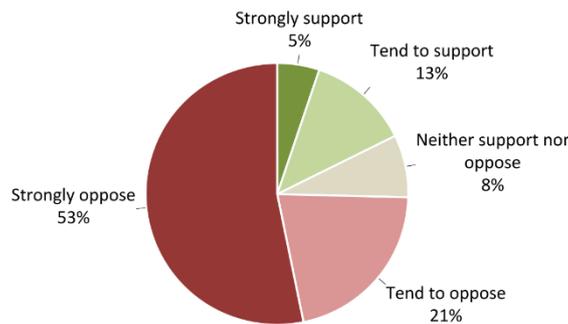
Concerns about the proposed delivery model: many prefer fully ‘in-house’

To what extent do you support or oppose this approach, i.e. a mixed economy of in-house and outsourced provision, where the most appropriate provider for a particular service is determined on its merits?

Do you have any views or preferences on how services should be provided?

- 3.21 Three quarters (75%) of the 248 respondents who answered this question, opposed the approach for a mixed economy of in-house and outsourced provision, where the most appropriate provider for a particular service is decided on its merits. Moreover, just over half of all respondents were strongly opposed (53%).
- 3.22 Just under a fifth (18%) of those who answered supported the approach, with only one-in-twenty expressing strong support.

Figure 5: To what extent do you support or oppose this approach, i.e. a mixed economy of in-house and outsourced provision, where the most appropriate provider for a particular service is determined on its merits? Base: All Respondents (248)



- 3.23 Respondents were asked to describe their preferences for the way services should be delivered. Comments commonly focused on factors such as control, quality, accountability and sustainability, with many respondents stating a clear preference for all services being brought back in-house. Some verbatim examples of respondents’ preferences are provided below.

A joined-up service, where employees and councillors work together with the public in a transparent way, would be my preference

Services should be under direct control to ensure quality and long-term sustainability

In-house preferred, with long-term employees, staff development programme, service standards and monitoring, and rewards for staff for excellence

Barnet Council must take responsibility for control of its finances, overall strategy, planning and delivery of services

They should be in house, strictly and rigorously controlled by independent assessors, not the council

- 3.24 Many gave specific reasons for favouring a largely or fully in-house approach, which are summarised overleaf.

It gives the council greater control over services and improves monitoring and compliance;

It is more accountable and democratic, as decisions are made by elected councillors and staff employed directly by the council;

There would be greater transparency (for example because information is less likely to be withheld from the public on the grounds of being 'commercially sensitive');

Quality would improve, as external providers are motivated by profit/satisfying shareholders, and therefore are less likely to reinvest in local services;

Those who live and work locally will be more 'invested' in the local area and therefore more likely to care about the quality of services (as opposed to those '*for whom Barnet is simply an area on a map*');

Keeping services unified under one leadership will help to prevent 'silo working';

There would be more flexibility to meet unexpected or additional demands without incurring significantly higher costs (e.g. due to unforeseen contract variations).

- 3.25 There was some acceptance of outsourcing, but usually with some caveats or qualifications. For example, a few supported a mixed approach depending on the type of service, and elsewhere it was suggested that outsourcing could work as a 'last resort'. Another respondent felt outsourcing was acceptable, but that no one organisation should be allowed to monopolise provision to the extent they felt Capita does currently.

Functions that evolve and change or have a regulatory or policy focus (such as environmental health, children's services, education and planning) are less suitable for outsourcing than focused fixed obligations (such as parking catering or refuse collection).

There may be some very specialist services which you outsource where they require very technical skills. For most of the other services there is more control and flexibility if the services are in-house.

Vendors should be selected but not on a mass basis as with Capita now. This does not encourage any competition as they are sole provider.

- 3.26 There was some view that it would be preferable to partner with another council or with the voluntary sector rather than a private company (usually again with some caveats – for example that the council would need to ensure proper monitoring and accountability).

The only partnership I might not object to, would be one with (an)other council(s), i.e. a consortium.

Where services are commissioned, priority should be given to the voluntary and community sector...with clear, viable management and monitoring specifications.

- 3.27 However at least one respondent was concerned that any increased use of volunteers might give the council a reason to dispense with its trained staff (which they felt had happened with the library service in recent years, with a negative impact).
- 3.28 A couple of respondents stated that they agreed with the proposed ‘mixed economy’ approach in principle but could not fully support it because they were concerned about the council’s ability to deliver it appropriately (that is, they felt the council has a very poor track record in commissioning services).
- 3.29 At least one respondent described not being ‘ideologically wedded’ to any particular approach, but simply stated that they want services delivered efficiently.

Respondents’ perceptions of the services under review are largely negative

If you, your family or your business have had direct experience of using any of the following services, please rate the quality of that service(s) overall

If you rated any of the services as poor or very poor, please state which service and why.

- 3.30 To support the council’s assessment of service delivery options, the questionnaire asked respondents to assess the quality of the services under review, where they had used them. While highways and customer services were widely used, most of the services were only rated by a minority of respondents – and this should be borne in mind when considering the charts below.
- 3.31 The vast majority of views provided were negative, with most services rated as ‘very poor’ by more than half of respondents. In terms of internal support services, the most negative views were seen in relation to strategic planning and procurement. The most negatively viewed public-facing services were social care direct and highways.

Figure 6: If you, your family or your business have had direct experience of using any of the following services, please rate the quality of that service(s) overall – council internal support services. Base: All Respondents (number of respondents shown in brackets)

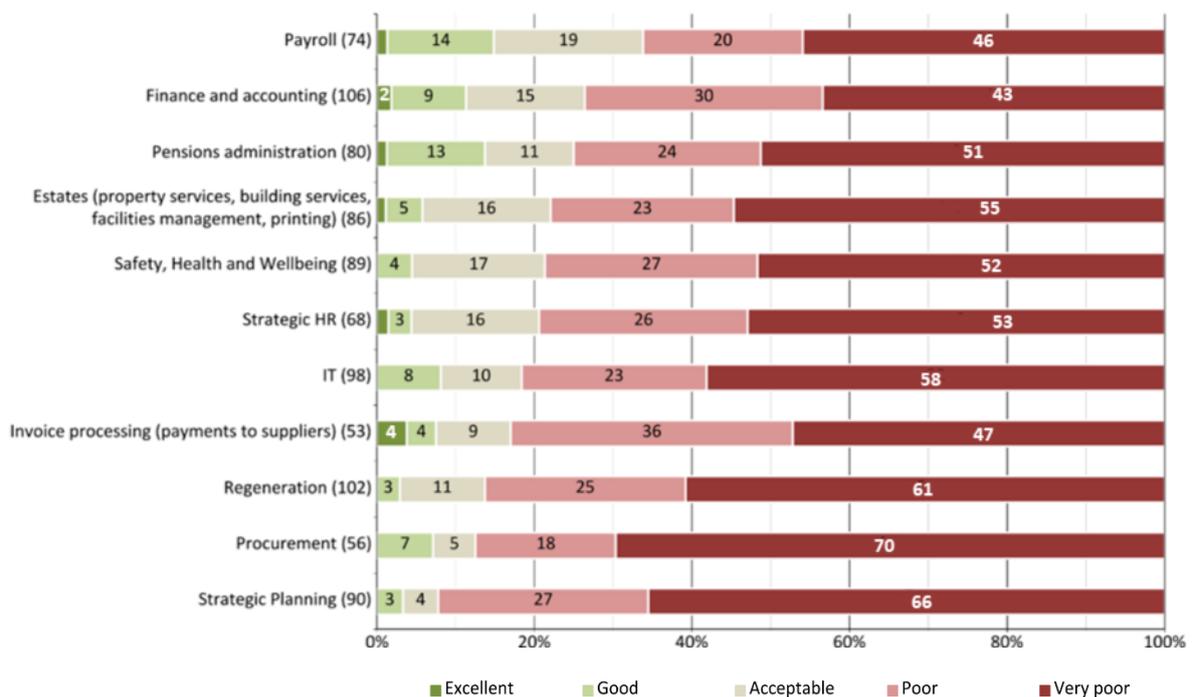
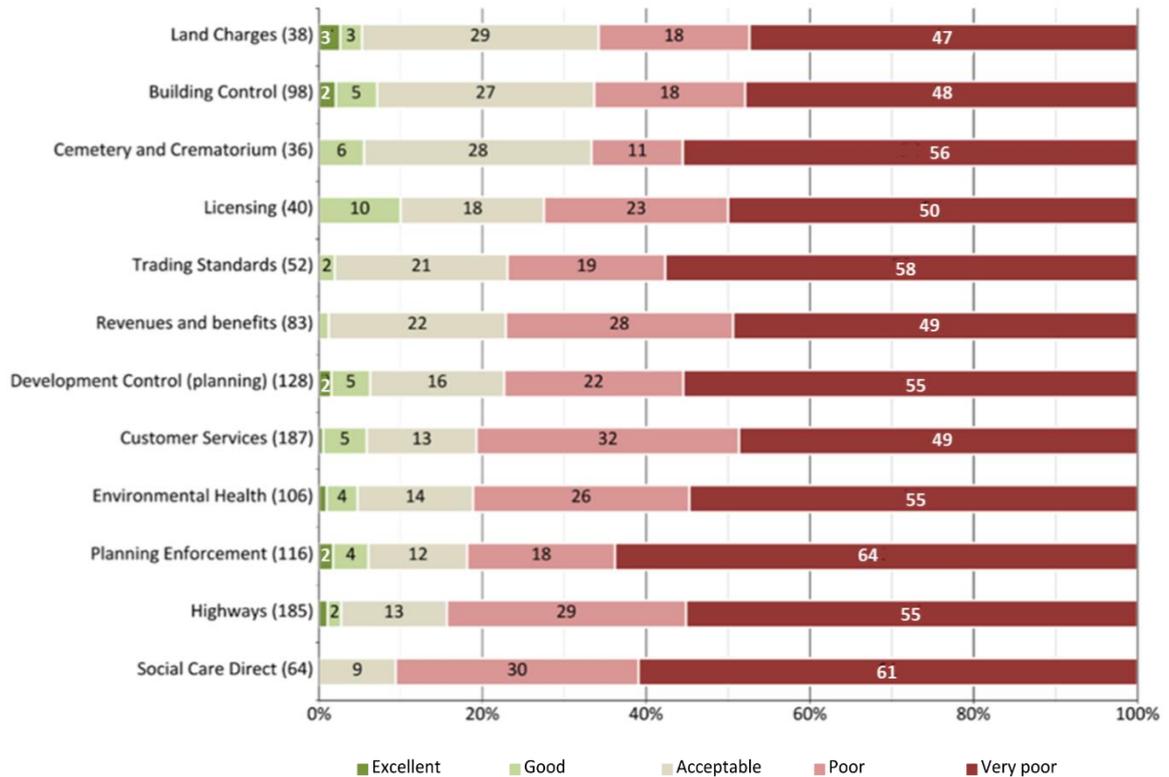


Figure 7: If you, your family or your business have had direct experience of using any of the following services, please rate the quality of that service(s) overall – public facing services. Base: All Respondents (number shown in brackets)



3.32 Respondents were also invited to explain any negative ratings they had given to particular services, and a large number of them made comments that were extremely critical of Capita's performance. Some of the frequently mentioned services, and the main criticisms made of them, are listed below:

Customer services (and communicating with the council more generally): difficulties getting through to the relevant person by phone; staff who lack training and local knowledge; emails not being responded to; and issues with the Council website

Planning and building/development control: problems getting in contact with relevant staff; residents' concerns and objections being ignored; permissions being granted inappropriately (with one organisation claiming 'conflicts of interest' may be at work); and repeated failures to take enforcement action when breaches occur

Highways: reports of poor maintenance and damage (such as potholes and broken pavement slabs) are either ignored, or the repairs are sub-standard and the problems reoccur; badly organised roadworks; and problems with gritting

Environmental health: major issues with rubbish collection; rat infestations; litter, food and human waste left on streets/parks; air and noise pollution.

Administrative services e.g. payroll, pensions, finance etc.: errors made regularly (and often repeatedly) – such as the wrong salaries or pensions being paid, paperwork being sent out to the wrong address; the iTrent system being 'not fit for purpose'

- 3.33 Other criticisms were around: the recent fraud case involving RE; the changes to Barnet's library service; and Ofsted's inspections of children's services. For example:

Where do I begin? You'll probably ignore all of this, but the recent Capita fraud case in Barnet with no checks and balances should ring alarm bells. I was also distressed to read that children's services were deemed to be failing, the library services are appalling...

- 3.34 In this context it is worth noting that some of the comments expressed criticism of services that are not provided by Capita (such as waste collection, children's services and libraries).

Other comments

- 3.35 Although fairly small in number (especially relative to the very large number of comments criticising the current contracts) there were some supportive comments about outsourcing and Capita, for example:

The private sector has been proven to be far better and more efficient at delivering services. More things should be privatised and what already has been should be kept as such

I am now able to, as a manager, manage personal performance, give staff performance stats and help them improve [through] coaching and support that I couldn't [provide] before, as Barnet had no place for actual people skills. You were busy doing too many things to focus on empowering staff. Fighting fires was not the best way and I have more resources with Capita

- 3.36 Others felt that it was difficult to make a judgement on Capita's performance due to a lack of information.

We believe that those [services] provided by Capita/RE have often fallen short of an acceptable minimum standard [but] are not familiar with their contractual KPIs, so note that the faults may not always lie with Capita/RE. It would have been helpful to have had [this] information (Organisation)

- 3.37 Elsewhere there was some scepticism about the consultation itself, most notably in terms of how it had been publicised and whether the council is really concerned with listening to residents' views. There were also a few comments querying the scope of the review.

I don't believe this is a genuine act of consultation: it has not been widely or properly advertised, and the first time I tried to complete the questionnaire I found it blocked by a security warning: the Capita run website was deemed a risk! Says it all, really.

I was expecting to see questions on other outsourcing apart from Capita, e.g. Cambridge Education who have been involved with Barnet for a while.

- 3.38 Whatever their preferences, some respondents expressed a view that the key priority is to achieve effective services, regardless of which organisation ultimately provides them:

Our enthusiasm for better town centres and neighbourhoods across the borough needs to be matched by committed and effective services - whichever combination of organisations provides them (Organisation)

4. Focus Groups

Introduction

- 4.1 This chapter reports the views from the two deliberative focus groups with prominent local ‘frequent engagers’ and randomly-recruited members of the public.
- 4.2 The focus groups were independently facilitated by ORS. Each meeting began with a presentation that outlined the context and background to the Review, which was followed by a series of discussions around:
- The council’s current approach to service provision (i.e. a mixed economy of inhouse and outsourced provision) and what determines whether a service is suitable for outsourcing or not;
 - The council’s strategic aims against which it proposes to test/consider each service to determine who is best placed to provide it (i.e. delivering high quality services; securing best value for money for Barnet’s residents; and strengthening the council’s strategic control of services; and
 - The proposed phasing of the Review;
- 4.3 Participants were encouraged to ask questions throughout - and the meetings were thorough and truly deliberative in listening to and responding openly to a wide range of evidence and issues.

Main Findings

- Outsourcing is acceptable if done for the right reasons with the right services
- The Capita contracts have failed in many aspects
- The proposed strategic aims are impossible to disagree with - but ‘play into Capita’s hands’
- The proposed phased approach may be too prescriptive and inflexible
- Most services should be returned to in-house control – and the Council should be ‘brave’ in remodelling its provision
- Partnerships with other local authorities could be considered for some services

Outsourcing is acceptable if done for the right reasons with the right services and proper accountability

- 4.4 Most of the frequent engagers and members of the general public had no fundamental objection to outsourcing council services, providing: it is done for the right reasons and to an organisation with a proven track record in service delivery; the organisation doing the outsourcing has the managerial capability to oversee contracts and ensure accountability; and the outsourced services can be appropriately delivered by an outside agency.

“Outsourcing works really well if there’s a specific solution that an organisation isn’t doing or don’t have the capability to do; someone else has something proven that works; and the organisation that’s outsourcing is set up to manage it. If you have that it can work and it can yield massive savings and improvements. So I’m not against outsourcing ...” (Frequent Engagers)

“I’m a freelancer myself and I know about the savings businesses can make by having someone like me on their team instead of having someone on payroll” (General Public)

“As I work for a local authority, I’m very aware that there isn’t the money any more and they have to take some very hard decisions about services...” (General Public)

- 4.5 In relation to the first point, it was said that LBB did not outsource so many services to Capita because it felt it was the right thing to do, but because it sought to divest itself of its problems. Many felt that these problems, though, have remained - with the council having relinquished any control it had over managing them.

“Ideologically I don’t have an issue with outsourcing, but you have to do it for the right reasons, and you have to do it in a measured way. And for me, this has been done for all the wrong reasons; it’s been done because of ideology and not because it solves a problem. I think they thought they would outsource their problems to someone else. The problem is that we still have problems, we just don’t have control over them now. We’ve outsourced our flexibility and control” (Frequent Engagers)

“The golden rule is you don’t outsource a problem” (Frequent Engagers)

- 4.6 There were concerns around accountability among the general public group members, who felt that neither the council nor Capita are willing to take responsibility for service delivery issues - leading to ‘buck-passing’ and a lack of resolution to problems.

“There are a lot of things that are planned by Capita and carried out by Barnet, but neither will take responsibility. And a lot of that is going on in areas like planning, revenues & benefits etc.” (General Public)

“I think there is an issue with outsourcing around responsibility and where the buck stops...when the council were doing things you could complain to them and they could do something about it whereas now it’s like ‘we can’t do much about that because we’re not in control about it anymore” (General Public)

- 4.7 In terms of the appropriateness of outsourced services, while the frequent engagers were of the view that some services (payroll for example) need not be provided-in house, they and the general public group members strongly argued that any provision that is local to Barnet (planning in particular) should have been retained at the outset, and certainly should be returned to council control now.

“Payroll is one where you could think ‘why would you do it in house?’ It doesn’t make any sense” (Frequent Engagers)

“I have a background in business, and we did a lot of back-office, IT, customer service, call centre, Revenue & Benefits outsourcing and we did it because we were genuinely experts in it. All the other aspects on the RE contract were things Capita had never done before and they were all things that need to be local. You can’t maintain a cemetery from Coventry. You can’t do planning if your officers don’t know the area and the differences between area...and all of those aspects of the second contract should never have been outsourced because there needs to be pride in the people doing it; they need to love Barnet” (Frequent Engagers)

“With planning, it needs to be local. Why should someone in Birmingham decide whether or not there should be a building on Somerset Road. It’s sterilised decision-making from 500 miles away” (General Public)

- 4.8 Ultimately, these was a sense that while outsourcing can be acceptable in the right circumstances, LBB has done so to an unacceptable degree - and to a company with a less than positive reputation among many residents. This, it was said, has resulted in a local authority that feels more like a business than a public service.

“Small pockets of what you do can be outsourced. Just not the huge amounts being done here. And it has to be managed properly” (General Public)

“Capita has a terrible reputation for the things it does...and it’s not just locally. You see them on the news and they seem to be stuffing up everywhere. It doesn’t fill us with confidence” (General Public)

“It’s become a business; there’s no compassion anymore. It’s turning a public service into a business transaction” (General Public)

The Capita contracts have ‘failed’ in many ways

- 4.9 The frequent engagers group described what it saw as the ‘glaring failures’ of the Capita CSE and RE contracts, most notably in relation to: a lack of management, accountability and control (especially financial) on the part of the council; and the provision of important local services by people with no vested interest in (and thus no passion for) the area. Some of the many typical comments were:

“If anyone goes through the CSG contract it’s horrifying; there are a number of glaring failures. There’s the £2 million fraud and the lack of financial controls which still seems to be going on...the report of the last Audit Committee said Capita didn’t have the controls it should have done and that it’s not being monitored properly by Barnet” (Frequent Engagers)

“There is very poor commercial management of the Capita contracts from Barnet. The levels of audit are laughable...” (Frequent Engagers)

“Every public sector outsourcing contract that has been in trouble has been in trouble because the organisation could not manage properly the outsourcing company...” (Frequent Engagers)

“A group of Barnet residents went down to the Capita AGM last year...and we were quite shocked to hear them say that the problems Barnet is facing with the Capita Contracts are due to the fact that Barnet Council is not capable of administering a large contract like the ones we have here. It’s not Capita’s job to do anything other than make money for their shareholders, and if Barnet hasn’t done a good job in administering them, that is a problem for the council” (Frequent Engagers)

“It is clear that there are big problems with the way the council is operating at the moment, and it sounds like most of those problems are because it’s outsourced so much to Capita. And when you ask ‘why is this a problem?’ then firstly, a company like Capita’s officers aren’t truly motivated to operate for the benefit of the residents. And secondly, Barnet Council doesn’t seem to have the systems in place to manage those contracts and keep in control of what Capita is doing” (Frequent Engagers)

- 4.10 Indeed, there was certainly a great deal of anger evident among the frequent engagers about the original Capita contracts - particularly in terms of the inflexibility around aspects such as gain share and RPI inflators, which has allegedly had significant financial implications for LBB and for the remaining in-house services that are ‘more vulnerable to cuts’ as a result.

“It’s not there anymore, but they have taken millions in gain share. The council had to consult lawyers because they knew they were being ripped off, but the contract was written in such a way that they couldn’t do anything about it. Everyone now recognised that this was a disaster” (Frequent Engagers)

“The reason why they’ve had to make such severe cuts to Streetscene is that the CSG and RE contracts have no flexibility on costs and they have inbuilt RPI inflators. So every year they have RPI increases at a time when budgets are being cut and the in-house services are much more vulnerable to cuts because Capita have them tied up. They are milking us dry and as a result, things like bins are having to be cut” (Frequent Engagers)

“It seems like no-one read the contract properly...and they were first-timers at outsourcing so they didn’t understand the implications” (Frequent Engagers)

- 4.11 The frequent engagers also disagreed with LBB’s statement that the contracts have brought significant financial benefits and have helped deliver efficiencies, service improvements and increased income across a range of services. As below, they particularly challenged the stated: level of day-to-day running cost savings; resident satisfaction improvements; better IT provision; and improved revenue collection rates.

“CSG has not saved 25% and we have evidence of this. There have not been increases in resident satisfaction; the latest performance figures that came out yesterday show failings in a number of areas. We’ve had a number of problems with IT so that’s not better. The improved revenue collection rates is a mis-statement because if you look at what the rates were before outsourcing, they are slightly lower than they were then...” (Frequent Engagers)

"We're part of the Barnet Alliance so we have a lot of contact with people and people are emailing us from time to time...I haven't yet come across a satisfied resident. So to say that resident satisfaction is going up..." (Frequent Engagers)

"There is a view that we're a small group of frequent engagers who aren't representative of the community, but I'd say we are. And a lot of us have heard other people in our communities saying things about services..." (Frequent Engagers)

- 4.12 As for the particular services provided under the two contracts, the frequent engagers were particularly concerned about planning and planning enforcement. They alleged that: communication is non-existent (access is nigh on impossible and messages are not returned); staff turnover is high; planning applications (with objections) are being passed by default due to delays in dealing with them on Capita's part; and that mistakes are made with no recourse to rectifying them.

"Improvements in planning and planning enforcement...at a recent review pretty much everyone talked about problems with these" (Frequent Engagers)

"There's a revolving door of planners; you can never speak to the same one and they only seem to last about a month...and people who are trying to get planning through just cannot speak to anyone in the planning department on any sort of basis. You can't get access...and they never get back to you about anything" (Frequent Engagers)

"A planning application with objections was passed by default because Capita sat on it for a year, and the law states that if you don't process it in due time you get planning by default. I've never heard of that happening in Barnet before...and for something quite big with several public objections, it's absolutely shocking" (Frequent Engagers)

"Despite our local objections, certain plans have been given approval and I have written to the Head of Planning...and they admitted that they had made mistakes and that some shouldn't have been given. So I've written back and asked 'well, can you undo them?' and I've been told there's no mechanism for that" (Frequent Engagers)

- 4.13 Furthermore, both groups suggested that the apparent communication issues outlined above are not limited to planning. In fact, they were described as 'endemic' across Council-provided services.

"That is endemic across the whole council. If you send anything to anyone, you never get a response. If they were running it as a commercial enterprise...absolutely disgraceful" (Frequent Engagers)

"In most cases when you call the council you don't manage to get through and you get cut off" (Frequent Engagers)

"The telephone system; you have to go through about 12 different modes before you get to your place and when you get there you get cut off" (General Public)

"Finding the right person to speak to is impossible..." (General Public)

- 4.14 The general public group complained extensively about the current condition of the borough's roads and pavements, suggesting issues in the Highways department.

“Talking about Highways, the state of the roads is dreadful, and the pavements are in really bad condition too. They seem to do the pavements in the more visible areas...” (General Public)

“There are holes all the way down the road I live on, and they seem to just fix it in strips where the holes are. They did it a couple of months ago and it’s already cracking” (General Public)

“The pavements are awful. I use a mobility scooter and I find it very difficult to visit some areas because they’re so dodgy. I also know a few people who are visually impaired and I don’t know how they manage with their long canes. It must be a complete nightmare” (General Public)

4.15 Overall, as one member of the frequent engagers group stated:

“Capita we do not like. And it’s left a huge legacy of something slapdash, not conscientious...” (Frequent Engagers)

The proposed strategic aims are impossible to disagree with - but ‘play into Capita’s hands’

4.16 Participants were informed that the council proposes to test and consider each of the services currently provided through the Capita contracts against the following set of aims to determine who is best placed to provide them.



4.17 The frequent engagers described the aims as ‘ridiculous’ insofar as they are impossible to disagree with - and the general public group agreed that they are somewhat too generic and ‘woolly’.

“Who wants poor quality services? Who wants poor value for money? Who wants less control? They are ridiculous; you can’t do anything other than agree with them” (Frequent Engagers)

“I’m sure if you went to every single council in England and Wales, they’d have similar statements. It’s a bit airy fairy really isn’t it?” (General Public)

4.18 The frequent engagers also suggested that detail of the second aim could be construed as ‘playing into Capita’s hands’ insofar as the aspects to be evaluated are: the one-off costs of implementing change; the impact of any change on future running costs; and whether the cost of making any change is affordable. The general feeling was that any option other than remaining with Capita would be presented as unaffordable and thus untenable.

“This is playing into Capita’s hands; saying ‘this is how it’s done in Capita, that’s how you’re going to have to do it back in Barnet, it’s probably going to cost more money so we should probably stay with Capita” (Frequent Engagers)

- 4.19 The general public group felt that, although alluded to in the third, the strategic aims should explicitly include the word ‘accountability’ to ensure the council is being as unambiguous as possible in addressing the crucial need for this.

“The word accountability needs to be there. It needs to be direct, clear and in a language people understand” (General Public)

“As soon as that fraud thing hit, or as soon as the roads aren’t being done or as soon things aren’t being achieved...the council should be able to backtrack and get out of the contract. So something about how the contracts are set up and how accountable the delivery service is to the council to deliver” (General Public)

The proposed phased approach may be too prescriptive and inflexible

- 4.20 Participants were told that to determine the future shape of the two contracts, the Council proposes to undertake a detailed, service-by-service evaluation to assess whether the anticipated benefits would justify the cost of any change. This would be undertaken via a phased approach as follows.



- 4.21 Though acknowledging that the council could not bring all or even a significant number of outsourced services back in-house without staggering the process, the frequent engagers were of the view that the proposed phasing is too disjointed to be successful. In essence, they argued that LBB has not given enough consideration to the services that ‘naturally fit together’ in developing its approach: for example, while it is recommended that finance is returned to council control almost immediately, revenues & benefits - which was considered an inter-dependency of that service - would not be evaluated until Phase 4.

“You talk about bringing finance back in-house...revenues & benefits, which is critical if you want to have control of your finances, is in phase four. The concern is that they have set this up in such a way that it will fail because it’s so disjointed... Under this phasing, it’s only a very small part of finance coming back, so they are still going to have to deal with Capita who input the data somewhere else, the Revs & Bens people who collect the revenue somewhere else...all of whom have different objectives. The really big concern is that they haven’t looked at which services naturally fit together” (Frequent Engagers)

- 4.22 Some general public group members were concerned that many of the ‘public-facing’ services (that is, those used by most people and which ‘affect the public image of the borough’) are to be considered in the final two review phases. They suggested it might be prudent to include at least some of these earlier

on to ensure residents feel comfortable that the council is looking to implement positive change, especially in the event of council tax increases.

"I think the order is wrong. I definitely think some of the more people-based services should be at the beginning...that would be more effective. Start with the things that affect the most people first, and the things that affect the public image of the borough. Make the bigger changes that people want first then you can justify any enhancement in council tax rates because people will be able to see the difference" (General Public)

4.23 However, it was recognised that:

"The problem is if they're setting up departments they need to be managed. The infrastructure needs to be in place before they can change anything" (General Public)

The council should develop a business case for all three options

4.24 Chapter 2 of this report outlines that a Strategic Outline Case for the review of the Capita contracts had set out three options (maintain the status quo in relation to the CSG and RE contracts; re-shape the contracts to better align service delivery to the council and Capita's strengths and priorities; and bring the partnership to an end and either bring services back inhouse or re-procure them from an alternative provider) - and that LBB's Policy & Resource Committee had authorised the Chief Executive to develop a Full Business Case to test and consider all three options.

4.25 The frequent engagers were concerned that this has not yet been done, accusing council officers of disregarding the wishes of a cross-party group of elected representatives.

"Why hasn't the council done what it was asked to by a Committee of cross-party councillors and not put forward business cases for all three options? When did it become possible for public servants to run the council and tell elected members what to do?" (Frequent Engagers)

"They over-ruled the decision of the Policy and Resources Committee. How can a council employee, no matter how senior they are, overrule the agreed decision of a committee?" (Frequent Engagers)

"The councillors should be driving policy and the officers should be picking that up" (Frequent Engagers)

Most services should be returned to in-house control – and the council should be brave in remodelling its provision

4.26 Overall, both groups were overwhelmingly in favour of bringing most outsourced services back in-house, mainly in order to: strengthen the council's accountability for service provision; increase the cohesion of interlinked services; and ensure services are provided by those with a fundamental desire to do what is best for the borough and its people.

“I’m not ideologically wedded to bringing anything back in-house unless it offers better value for money and quality services, but what we have at the moment is a total lack of accountability” (Frequent Engagers)

“At the very least it will be bringing everything back under one entity rather than spread all over the place because it feels disorganised” (General Public)

“Planning leads to development control, building control, licensing, land charges, environmental health, trading standards...so which part of that do you separate because everything is interlinked? The core of what the council is doing should be in-house because you have the efficiency of interacting with different departments whereas if you have subsets outsourced and some in-house it’s not going to work, and it isn’t now” (General Public)

“Services need to be provided by people who are passionate about Barnet and who are passionate about providing services for the people of Barnet...” (Frequent Engagers)

“People employed in-house may have more of a heritage and identity” (General Public)

“Within the council you have loyalty, you have a pride in working for it...” (General Public)

- 4.27 There was, however, recognition that this may not be an easy task given the level of outsourcing undertaken by LBB and that it would likely prove a more costly option than remodelling the Capita contracts - but it was generally argued that these should not be a barriers to trying, and that any short-term financial pain would be offset by long-term gains in service improvements.

“There are two solutions: firstly, Barnet employs a whole raft of employees and increases it’s managerial capacity which would negate all the savings (if there are any) of outsourcing; or secondly, you get rid of the contract and bring it all back in house...if indeed the toothpaste can get back in the tube again from what’s been broken by outsourcing... How do you operationally go back to providing everything in-house? You can argue that you want it, but how do you do it? Without resources, it might not even be possible” (Frequent Engagers)

“It might be difficult but that’s no reason not to do it” (Frequent Engagers)

“Council tax will probably go up initially to bring the services back in-house but going forward the services rendered to the community will far outweigh the actual payment initially...and the savings will come afterwards. It’s a long-term gain because what you get will be far better than what you’re getting now” (General Public)

- 4.28 One prominent frequent engager strongly argued for a more radical approach to future service delivery though, and their proposal for what they described as ‘Barnet 2.0’ was enthusiastically supported by other group members. In essence, it was suggested that LBB abandon its ‘mechanistic’ service-by service evaluation in favour of a more holistic examination of council provision in an attempt to remodel an ‘ideal’ council from scratch - while also making reasonable efficiencies and developing more flexible ways of working.

“They have fallen into the trap of looking at individual specific services and said ‘we will bring that individual specific service back in house and the cost of doing that will be x’. But this is an opportunity to remodel the council as ‘Barnet 2.0’ and look at how you would structure a council if you were staring with a blank sheet of paper. So saying ‘we don’t want to have Strategic HR structured this way’ or ‘if we look at things this way maybe we can take out 20% of the people’. There’s an opportunity to look at having a flexible workforce for example...a core team of people that can move between departments at certain times of year according to peak demand. There are certain services that could come together and share resources. Maybe there are certain services we shouldn’t be providing at all. This is a very mechanistic way of looking at it...we need to be looking at what model we want to create”

- 4.29 Regardless of the approach taken to future council service delivery, the need for proper management, control, auditing and **independent** scrutiny was once again emphasised - especially at the general public group.

“There needs to be an independent department of scrutiny that overlooks what the council or Capita is doing” (General Public)

“Bringing services back in-house would be a good move but you need the checks and balances throughout...” (General Public)

“Whether services are being delivered in-house or are outsourced, we have to have the compliance and auditing in place” (General Public)

Partnerships with other local authorities could be considered for some services

- 4.30 Partnerships with other local authorities were also suggested for services that need not be provided locally, payroll and human resources (HR) for example.

“Maybe payroll isn’t something we should be doing, but maybe with Enfield we could have a joint payroll department...shared services with other local authorities and other public organisations might not be a bad thing” (Frequent Engagers)

“You might find that you could outsource to other councils who are experts in certain things” (Frequent Engagers)

“Some of the inner London boroughs have been getting together...so you have three boroughs sharing a HR department for example. It would be useful for Barnet to look at that sort of thing to see if other authorities are finding it successful” (General Public)

The council should involve local ‘experts’ in its work

- 4.31 Finally, it should be noted that the local frequent engagers were strongly in favour of LBB co-opting local ‘experts’ onto council committees to both advise on issues and add a layer of scrutiny and accountability to local democratic processes.

“Any one of the people around this table would make a massive contribution to the governance of the council if they were to be adopted as co-opted members...asking questions and scrutinising and holding them to account” (Frequent Engagers)

“Many of us have suggested that the council co-opts local, knowledgeable people onto committees...there are acknowledged experts who should be invited to share that expertise and knowledge with councillors” (Frequent Engagers)

5. Conclusions

Main views expressed:

- Outsourcing is acceptable if done for the right reasons with the right services
- The Capita contracts have failed in many aspects
- The proposed strategic aims are supported - but are also impossible to disagree with and 'play into Capita's hands'
- The proposed phased approach is supported by some, but is too prescriptive and inflexible for others
- Most services should be returned to in-house control - and the council should be 'brave' in remodelling its provision

- 5.1 Though there was some support for the principle of outsourcing, there was a great deal of concern among both questionnaire respondents and focus group participants around: the level of outsourcing undertaken by LBB; Capita's performance in service delivery; and the council's management and scrutiny of the outsourced contracts.
- 5.2 In light of these concerns, there was an overall preference for most services (and especially those that are local to Barnet) to be insourced; that is, brought back under council control. This, it was felt, would: strengthen the council's management of and accountability for service provision; increase the cohesion of interlinked services and reduce 'silo working'; and ensure services are provided by those with a fundamental desire to do what is best for the borough and its people. The strength of feeling around this issue means it is something LBB must closely consider.
- 5.3 The council may also wish to consider the local frequent engagers' proposal for a more radical approach to future service delivery: 'Barnet 2.0', whereby LBB abandons its service-by service evaluation in favour of a more holistic examination of council provision in an attempt to remodel an 'ideal' council from scratch. Furthermore, partnerships with other local authorities were supported for services that need not be provided locally, and may again be worthy of consideration.
- 5.4 If the council does proceed with the Contracts Review in the way it suggests, there is support for the strategic aims it proposes to use in doing so. However, it should be noted that there was frequent criticism of the aims as somewhat 'trite', 'generic' and 'woolly' - and the frequent engagers were concerned that the value for money aim in particular 'plays into Capita's hands' as, in their view, any option other than remaining with Capita will be presented as unaffordable and thus untenable. It would thus seem that work is needed to convince many people that the Review is not a *fait accompli*.
- 5.5 Finally, while the proposed phasing of the Review garnered some support among questionnaire respondents, many others considered it too inflexible, prescriptive and disjointed - especially in terms of not considering inter-dependent services together. The council may thus wish to revisit its plans to account for this. Moreover, some focus group participants were concerned that many of the 'public-facing' services (that is, those used by most people and which 'affect the public image of the borough') are to be considered in the final two review phases, and so it might be prudent to examine at least some of these earlier on to reassure residents that progress is being achieved.